

Our Ref: F2004/08420 – D02865511

9 February 2017

Megan Fu  
Department of Planning and Environment: Planning Services  
Level 29, 320 Pitt Street  
GPO Box 39  
Sydney NSW 2001

Dear Madam,

**Subject: UNSW Biological Science project SSD7865 Stage 2**

I refer to the above application and provide the following comments on the proposed stage 2 development of the UNSW Biological science project SSD 7865 (Stage 2):

➤ **Proposed internal fitout of Biological sciences building**

There are no objections to the internal fitout of the biological sciences building

➤ **Section 94 Contributions**

The applicant identifies that payment of a Section 94A developer contribution has been imposed on the Stage 1 biological sciences project in negotiation with the Department of Planning and Environment (DPE) for a) public domain improvements and b) installation of traffic signals. A S75W modification is currently the subject of assessment by DPE to delete the requirement for installation of traffic signals. Council has provided comment under separate cover indicating that it does not support the deletion and that the developer contributions for traffic signals be redirected to developer contributions for public domain works.

**Staff numbers as a measure of developer contributions:**

Council does not support the approach to levy developer contribution based on the net increase in staff and/or student numbers. This is not considered an accurate reflection of the impact of the ongoing redevelopment on the campus especially given there has been a significant increase in campus population of approximately 15,000 in the last 10 years, which is well beyond the net increases with each of the individual developments. A review of the levies imposed on the previous SSD determinations set out in the table below demonstrates inconsistencies in levying contributions for the more recent state significant developments at the UNSW.

## UNSW SSD applications and contributions

Development (with additional staff)	Number	Date	CIV	Additional staff/ students	S94 applied	Avg contribution/ additional staff member
Tyree Energy Technologies Building	MP09_163	2009	\$91m	100 additional staff	\$80,000 contribution \$360,000 footpath works on Anzac Parade TOTAL \$440,000	\$4400
Wallace Wurth Medical Sciences Building	MP09_007	2010	\$112.3m	386 additional staff (RCC) 300 (DPE)	\$217,000 contribution \$306,000 footpath upgrade TOTAL \$523,000	\$1355
Materials Science Building	SSD 5373	2013	\$125m	144 additional staff	\$480,000 contribution for public domain works on Barker Street	\$3333
Biological Sciences building – Stage 1	SSD 6674	2015	\$129.5m	170 (ref. Cl. 6.6 of the EIS)	Condition A8 imposed requiring payment of 261k (\$1535) and 150k traffic signals (\$882) = Average \$2417	
<b>Average contribution required per additional staff member</b>					<b>\$2876</b>	
Stage 2	SSD 7865	2016	\$80m	170 (ref. Cl 1.0 of the EIS)	Additional staff identified in Stage 1	

The underlying purpose of Council's Section 94A Plan is to obtain funding from development activities that increase the demand for council-provided public facilities or services, and applies across a wide range of development types, including residential, commercial, accommodation, educational and retail development. It is not a nexus-based Plan, and is not aimed at developers. Council has consistently considered that development by the University falls under the provisions of Council's Section 94A Contributions Plan. While noting that the University holds a prominent role in Randwick City, and that the large number of staff and students provide flow-on economic benefits to surrounding businesses and town centres, the University also places heavy demands on and also benefits from the public services and facilities provided by the Council. This issue has previously been raised with the Department of Planning and Environment on several occasions.

The proposal includes no car parking provision, noting that on-street parking is available in surrounding local streets. While Council objects to the consideration of on-street parking in calculations of parking supply for the University, this is an example of the significant and increasing reliance of the University on public assets and services provided by the Council.

The Section 94A Plan also allows for alternative methods of payment or provision of a public benefit, such as works-in-kind in lieu of a contribution to be negotiated via a Voluntary Planning Agreement process. Council notes that the University has not suggested such a process to date for any developments on campus, but this remains an option should the University seek public domain improvements or other suitable works directly in the vicinity of the campus.

The subject land owned by the University is not subject to payment of rates. Contributions under Council's Section 94A plan are considered reasonable and appropriate to reflect the impact of and use by the University of Council-provided facilities and services. Council requests that any consent issued for the development should include a requirement that a condition be imposed that is consistent with the S94A contributions plan.

The Applicants argument that Council has not sought a contribution for determinations relating to the Hospital Campus, which in their view is considered to be "unreasonable and inequitable". As previously advised under separate cover, the Randwick City Council Section 94A (s94A) Development Contributions Plan 2015 ('the Plan') provides an exemption for public hospitals from the s94A levy as per Section 13.2.1 of the Plan. Despite UNSW being recognised as a charity registered with the Australian Taxation Office (ATO), the proposed works do not meet the 'charitable purposes' exemption criteria identified in the Plan, as the proposal is not "of a small scale", and will result in "an increase in the demand for public works or infrastructure as a result of the development" (refer to Section 13.2.2 of the Plan). Council considers that the position adopted by the University to seek an exemption to a standardised development levy, that applies to all development in the LGA (bar minor exemptions) to be similarly unreasonable and inequitable to the other residents and businesses of Randwick City, and sees no reason why the Department should not require the University to pay the required contribution, being 1.0 per cent of the proposed the Capital Investment Value (CIV) project cost of \$80,000,000, i.e. \$800,000.

The Applicant also states that "nearly \$4 million in development contributions has been paid by UNSW since 2007, whereas the Randwick Hospitals have paid nothing" and "The University considers that there is no valid justification for UNSW to continue to pay contributions towards the provision of services and infrastructure within its primary area of influence". The Applicant cites Item 3.5 of the Works Schedule in the Plan to argue that the University has overpaid nearly \$3 million in development contributions. Similarly as has been previously and consistently stated, Council's s94A Plan is not nexus based, and therefore there is no requirement for monies raised through the imposition of a development contribution to be allocated to works within a given development's "primary area of influence". The argument put forward by the Applicant ignores the purpose and rationale for Council levying a development contribution, and misrepresents the purpose of identifying specific works such as Item 3.5 in the Works Schedule of the Plan, which is made clear in the preamble to the Schedule itself (refer to page 14 of Council's s94A Plan). As such Council does not believe that the statement made by the Applicant is correct or valid, and should not be a matter of consideration for the Department when determining whether or not to apply a 1 per cent levy on the capital investment value of the proposed works.

If you have any further queries or wish to further discuss any of the issues raised above, please contact, Louis Coorey in Council's City Planning Department, on 9399 6524.

Regards

A handwritten signature in black ink, appearing to be 'Kerry Kyriacou', written above a dotted line.

Kerry Kyriacou  
Manager – Development Assessment