

Hay Shire Council Policy



Title of Policy	Hay Shire Council Local Infrastructure Contributions Plan 2025		
This applies to	The whole of the LGA		
Author	Jack Terblanche	Date Approved:	26 August 2025
Position of Author	Executive Manager: Planning and Compliance	Authorised by:	Council
Legislation, Australian Standards, Code of Practice.	Local Infrastructure Contributions Plan Under Section 7.12 of the Environmental Planning and Assessment Act 1979		
Related Policies/Procedures	Hay Local Environmental Plan 2011		
Attachments	A: Extract from River Master Plan B: Extract from Lachlan Street Master Plan		
Aim	To fund the public amenities and public services (local infrastructure)		
Version	Details	Date	
Version 1	Initial Issue	26 August 2025	
To be reviewed	2030		
Superseded Policies			
The Policy			

PART A: INTRODUCTION

1. Name of this Plan

This plan is titled the **Hay Shire Council Section 7.12 Local Infrastructure Contributions Plan 2025**.

2. Purpose of this Plan

The primary purpose of the local infrastructure contributions plan is:

- to authorise the imposition of a condition on certain development consents and complying development certificates requiring the payment of a levy pursuant to section 7.12 of the Environmental Planning and Assessment Act 1979 (EP&A Act); and
- to assist Hay Shire Council (“Council”) in providing the appropriate public facilities that are required to maintain and enhance amenity and service delivery within the Hay Shire local government area; and
- to publicly identify the purposes for which the levies are required; and
- to ensure Council’s management of levies complies with relevant legislation, guidelines and practice notes.

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The expected types of development in the area would include renewable energy developments, industrial development, and some commercial development. These development can lead to an increase in the demand for residences and business, with increased pressure on public facilities. As such there will be funds needed for flood protection of all the town, increased recreational facilities, and upgrades of the main street.

3. Land to Which this Plan Applies

This plan applies to all land within the boundaries of the **Hay Shire Local Government Area**, as identified in the **Local Environmental Plan (LEP)**.

4. Commencement Date

This plan comes into effect on **26 August 2025**

5. Application of this Plan

This plan applies to:

- Development applications (DAs) and complying development certificates (CDCs) lodged with the Council or an accredited certifier;
- Any type of development specified in this plan, excluding exempt development.

Council may also levy contributions towards the provision of water and sewerage infrastructure, which are not part of this local infrastructure contributions plan. Such contributions will be charged in accordance with the requirements of Section 64 of the Local Government Act 1993 and the Water Management Act 2000

It is foreseen that this plan will be referenced and applied in Regional and State Significant Development.

6. Legislative Framework

This plan is prepared under Section 7.12 of the **Environmental Planning and Assessment Act 1979** and the **Environmental Planning and Assessment Regulation 2021**.

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PART B: OPERATION OF THE PLAN

7. How Contributions Are Calculated

A fixed levy is imposed on all applicable development based on the estimated cost of development. The contribution rates are as follows:

Estimated Cost of Development (\$AUD)	Contribution Rate (%)
\$0 to \$200,000	Nil
\$200,001 to \$500,000	0.50%
Over \$500,000	1.00%

The levy will be calculated as follows:

Levy payable = L x \$C

Where:

L is 0.005 where the cost of development is between \$200,001 and \$500,000;
or 0.01 where the cost of development is more than \$500,000

and

\$C is the cost of carrying out the proposed development (calculated in accordance with Section 2.2 below).

8. How will the cost of carrying out the proposed development be calculated?

A development application or an application for complying development certificate must submit an estimated cost of development that has been calculated in accordance with clause 208 of the EP&A Regulation. That clause provides as follows:

“208 Determination of proposed cost of development—the Act, s 7.12(5)(a)

(1) The proposed cost of carrying out development must be determined by the consent authority by adding up all the costs and expenses that have been or will be incurred by the applicant in carrying out the development.

(2) The costs of carrying out development include the costs of, and costs incidental to, the following—

(a) if the development involves the erection of a building or the carrying out of engineering or construction work—

(i) erecting the building or carrying out the work, and

(ii) demolition, excavation and site preparation, decontamination or remediation,

(b) if the development involves a change of use of land—doing anything necessary to enable the use of the land to be changed,

(c) if the development involves the subdivision of land—preparing, executing and registering—

(i) the plan of subdivision, and

(ii) the related covenants, easements or other rights.

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(3) In determining the proposed cost, a consent authority may consider an estimate of the proposed cost that is prepared by a person, or a person of a class, approved by the consent authority to provide the estimate

(4) The following costs and expenses must not be included in an estimate or determination of the proposed cost—

(a) the cost of the land on which the development will be carried out,

(b) the costs of repairs to a building or works on the land that will be kept in connection with the development,

(c) the costs associated with marketing or financing the development, including interest on loans,

(d) the costs associated with legal work carried out, or to be carried out, in connection with the development,

(e) project management costs associated with the development,

(f) the cost of building insurance for the development,

(g) the costs of fittings and furnishings, including refitting or refurbishing, associated with the development, except if the development involves an enlargement, expansion or intensification of a current use of land,

(h) the costs of commercial stock inventory,

(i) the taxes, levies or charges, excluding GST, paid or payable in connection with the development by or under a law,

(j) the costs of enabling access by people with disability to the development,

(k) the costs of energy and water efficiency measures associated with the development,

(l) the costs of development that is provided as affordable housing,

(m) the costs of development that is the adaptive reuse of a heritage item.

(5) The proposed cost may be adjusted before payment of a development levy, as specified in a contributions plan, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan between the day on which the proposed cost was determined by the consent authority and the day by which the development levy must be paid.

Example—

A contributions plan may adopt the Consumer Price Index.

(6) To avoid doubt, this section does not affect the determination of the fee payable for a development application

The genuine estimate of the cost of works must be supplied at the time an application is lodged. Development applications are to be estimated in accordance with the following:

- for development up to \$100,000, the estimated cost be estimated by the applicant or a suitably qualified person, with the methodology used to calculate that cost submitted with the DA.
- for development between \$100,000 and \$3 million, a suitably qualified person should prepare the cost estimate and submit it, along with the methodology, with the DA.
- for development more than \$3 million, a detailed cost report prepared by a registered quantity surveyor.

A suitably qualified person is a builder who is licensed to undertake the proposed works, a registered architect, a qualified and accredited building designer, a registered quantity surveyor or a person who is licensed and has the relevant qualifications and proven experience in costing of development works at least to a similar scale and type as is proposed.

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Without limitation to the above, Council may review the valuation of works and may seek the services of an independent person to verify the costs. In these cases, all costs associated with obtaining such advice will be at the expense of the applicant.

9. Indexation

This Plan authorises the proposed cost of development to be indexed between the granting of consent and the date of payment in accordance with quarterly movements in the Australian Bureau of Statistics Producer Price Index (Building Construction, NSW)¹. This is to account for increases in construction costs over time.

The cost of development, as required by conditions of consent, will be indexed at the time of payment in accordance with the below formula:

$$\text{indexed cost of development} = \text{cost of development at consent} \times \frac{\text{current index figure}}{\text{base index figure}}$$

- **Current index figure** is the last published *Producer Price Index (Building Construction, NSW)* figure as at the first day of the quarter in which the payment is made.
- **Base index figure** is the last published *Producer Price Index (Building Construction, NSW)* figure as at the first day of the quarter in which the consent was issued.

If the adjusted contributions amount at payment is less than the contributions amount in the condition of consent, then the contributions will not be amended.

10. Can deferred or periodic payments be made?

Council does not allow deferred or periodic payment of levies authorised by the development contributions plan.

11. Refunds of levies

Council's policy is that there are generally no refunds of section 7.12 levy payments made under the local infrastructure contributions plan.

Should someone seek a refund of levies, a formal request must be made in writing to Council outlining the reasons for the requested refund.

12. Timing for the Calculation and Making of Payments

Any S7.12 levy must be calculated and paid to Council:

- a) Complying development – before any construction commences.

¹ The series ID for this index is: A2333670K

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b) Development consent – one week prior to the issue of a CC.

As specified above, receipt of payment must be included with copies of the documents provided to Council in accordance with clause 142(2), 151(2) or 160(2) of the EP&A Regulation (whichever is applicable, depending on the certificate which is being issued).

13. Alternatives to monetary levies

Section 7.12 levies can only be made as monetary contributions. A section 7.12 condition cannot require the dedication of land.

Council may accept an offer, in connection with a development application, by an applicant to enter into a planning agreement to provide works-in-kind, dedication of land or other material public benefit but is not required to do so. A planning agreement must be entered into before the grant of a development consent that imposes section 7.12 levies in accordance with this Plan.

14. Savings and transitional provisions

A development application which has been submitted prior to the adoption of the development contributions plan but not yet determined shall be determined in accordance with the provisions of the plan which applied at the date of making the application.

15. Accountability and access to information

Council is required to comply with a range of financial accountability and public access to information requirements in relation to community infrastructure contributions. These are addressed in Divisions 4 of Part 9 of the EP&A Regulation and include:

- maintenance of, and public access to, a levies register;
- maintenance of, and public access to, accounting records for contributions receipts and expenditure;
- annual financial reporting of levies; and
- public access to contributions plans and supporting documents.

These records are available for inspection free of charge at the Council's administration office.

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16. Exemptions and Variations

The following development is exempted from a levy under this local infrastructure contributions plan:

- development where the proposed cost of carrying out the development is \$200,000 or less; or
- development for the purposes of a single dwelling house; or
- development for the purposes of creating disabled access; or
- affordable housing as defined by the EP&A Act; or seniors housing as defined by State Environmental Planning Policy (Housing) 2021 (other than self-contained dwellings forming part of seniors housing development); or
- housing development by a social housing provider for seniors or people with a disability (in line with Ministerial Direction "Revocation of Direction in force under section 94E and Direction under section 94E"; or
- works undertaken for charitable purposes or by a registered charity; or
- places of public worship, public hospitals and emergency services; or
- recreational facilities, community, cultural or educational facilities provided by or on behalf of the Council or another public authority; or
- development for the sole purpose of adaptive reuse of an item identified in Council's Heritage Schedule in the LEP; or
- development exempted from Local Infrastructure Contributions by way of a Direction made by the Minister for Planning under section 7.17 of the EP&A Act; or
- development, apart from subdivision, where a condition of section 7.11 of the EP&A Act has been imposed under a previous development consent relating to the subdivision of the land on which the development is proposed to be carried out; or
- Class 10b buildings except for renewable energy developments.

(Note: Farm buildings as specified in Subdivision 16 Farm buildings (other than stock holding yards, grain silos and grain bunkers) (clauses 2.31 and 2.32) in the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 are Exempt Development and will not require Development Contributions).

Council may consider exemptions or variations for the following:

- Development by non-profit organizations that provide a community benefit;
- Affordable housing projects;
- Minor additions or alterations to existing dwellings valued at less than \$200,000.
- Development where a Voluntary Planning Agreement is being negotiated.

Requests for exemptions or variations must be made in writing to the Council at the time of lodging the DA or CDC application.

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PART C: PUBLIC INFRASTRUCTURE PROJECTS

17. Purpose of Contributions

Clause 7.12 (3) and (4) states the following:

(3) Money required to be paid by a condition imposed under this section is to be applied towards the provision, extension or augmentation of public amenities or public services (or towards recouping the cost of their provision, extension or augmentation). The application of the money is subject to any relevant provisions of the contributions plan.

(4) A condition imposed under this section is not invalid by reason only that there is no connection between the development the subject of the development consent and the object of expenditure of any money required to be paid by the condition.

Funds collected under this plan will be used to provide, upgrade, or maintain public infrastructure to meet the needs of the growing population. This includes, but is not limited to:

- Flood mitigation works
- Main Street upgrade
- Works on the river frontage.

These projects are referenced in the following Council Plans:

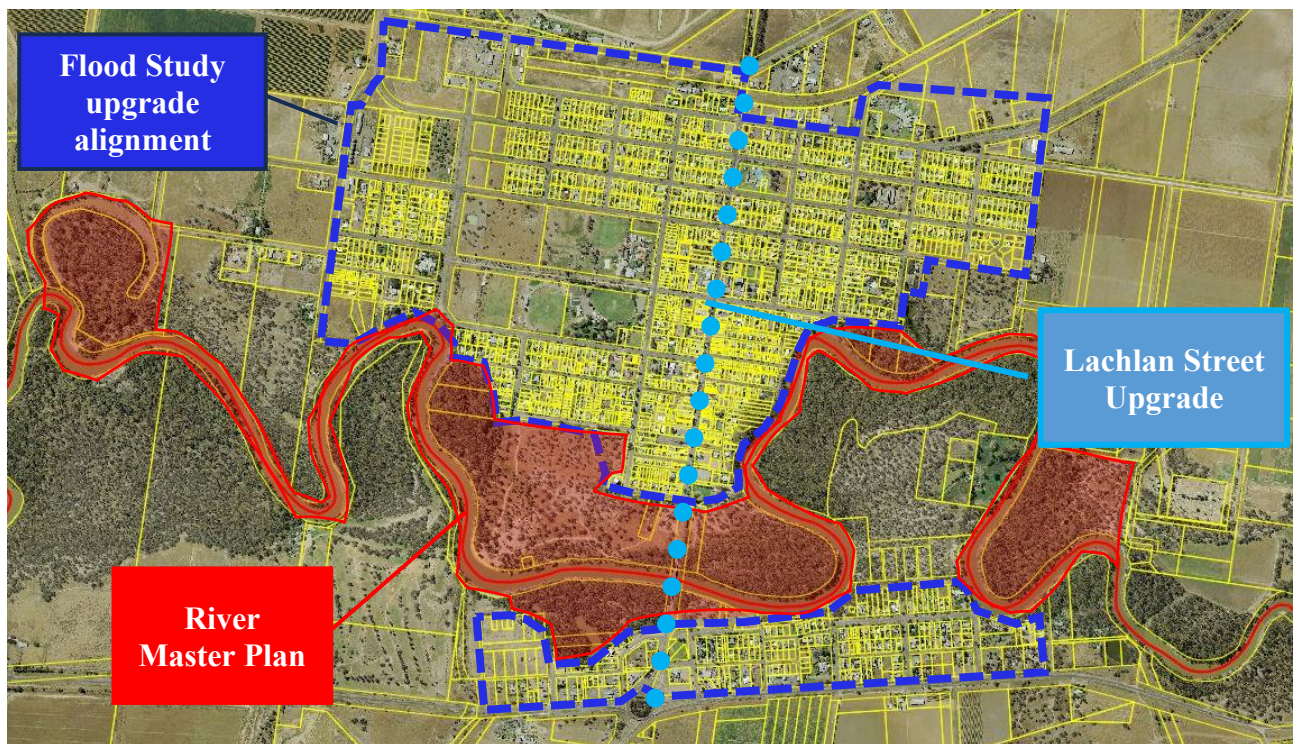
- Murrumbidgee River Master Plan
- Lachlan Street Master Plan
- Hay and Maude Flood Risk Management Study and Plan

18. Schedule of Works

The following projects are identified as priorities for funding:

Project Name	Description	Estimated Cost	Priority	Staging
Murrumbidgee River Master Plan	Actions include development of river reserves, footpaths on the river frontage, and the development of visitor facilities on the riverfront (See Appendix A).	\$3,000,000	Low	Long Term
Lachlan Street Master Plan	Streetscape improvements including extensive street tree works, pavement repair, sidewalk enhancement, street furniture, and public art (See Appendix B).	\$4,000,000	Medium	Long Term
Hay and Maude Flood Risk Management Study and Plan	Actions to protect Hay and Maude against inundation, including sheet piling, earthworks, levee upgrades and improved drainage.	\$25,000,000	High	Long Term

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Map of Schedule of Works

19. Review of the Plan

This plan will be reviewed every **5 years**, or as required, to ensure its effectiveness in addressing the infrastructure needs of the community.

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