Developer Contributions
Section 94

What are Development Contributions?
Development Contributions are payments made by developers to enable Council to construct or provide public amenities and services required for new residents and businesses. Section 94 of the Environmental Planning and Assessment Act 1979 is the principal legislation that allows councils to levy contributions.

Section 94 contributions are made by a condition of development consent or complying development, and can be satisfied by dedication of land; a monetary contribution; a material public benefit or a combination of some or all of the above.

Who pays Development Contributions?
Generally only developers who subdivide land or construct multiple dwellings on a lot, such as apartment buildings, pay development contributions. People who are constructing a single dwelling house on an existing lot do not pay development contributions.

Where Does Council’s Section 94 Plan Apply?
Council’s Section 94 Development Contributions Plan only applies to the Blue Gum Hills area (Minmi, Maryland and Fletcher). The remainder of the Newcastle City Council area is levied under Council’s Section 94A Plan.

How are Development Contributions calculated?
Contribution rates are based on the estimated increase in lots/population and estimated cost of land purchases and/or building works at time of preparation of the contributions plan.

Why are updates to Development Contribution Plans required?
Development Contribution plans are generally prepared to cater for projected population changes over a ten year period.

The schedule of proposed works in each plan indicates when the provision of public amenities and services are likely to occur.

Further development often occurs past the ten year timeframe, so new work programs, development contribution plans and rates payable must also be reviewed and updated on an ongoing basis. Despite best efforts to estimate population growth in an area, a number of variables may alter final population and lot levels. Revised projections may be a result of:
• Environmental and cultural heritage constraints, for example land typography and habitat corridors;
• Amendments to planning and environmental legislation and policies, eg the Rural Fires Act 1997 and Threatened Species Act 2003;
• Economic factors such as the strong market demand for lower or higher density development than predicted.

Contribution rates also need to be amended to take into account construction costs increasing at a greater rate than the Consumer Price Index.

What can Development Contributions fund?
The ability to levy a contribution relies on there being a clear link between the development being levied and the need for the public amenity or service. A range of public amenities and services including open space and recreation facilities, community facilities, transport facilities and management of developer contributions can be funded by collected development contributions.

What works have been funded from Section 94 Contributions?
The following list highlights some of the projects that have been funded from Council’s Section 94 Contributions:
• Parkland Improvement Works: Gregson Park, Centennial Park, Pacific Park, National Park, Alexandra Park, Enterprise Park
• Playground Improvement Works: Foreshore Park, O’Connell Park, King Edward Park, Gibbs Brothers Oval
• Sportsland Improvement Works: Kentish Oval, Empire Park, Adamstown Outer Ground, Adamstown Oval, Myamblah Crescent Oval
• Newcastle Baths Outdoor Showers
• Honeysuckle Foreshore Open Space
• Glendore Childcare Centre
• Bathers Way Pathway
• Merewether Beach Seating
• Beresfield Golf Course
• Wallsend Library