

Frequently Asked Questions (FAQs)

The purpose of this document is to inform ratepayers and developers about Council's deferral arrangement to the timing of local infrastructure contribution payment under Section 7.11 or 7.12 of the *Environmental Planning and Assessment Act 1979* (EP&A Act). These arrangements have been made following Council's resolution on 1st May 2024.

1.1 What changes have been made to the timing of contributions payment?

On 1st May 2024, Council resolved to defer the timing of local infrastructure contributions payment that is usually required to be paid prior to the issue of a Construction Certificate. The changes will allow for the timing of a local infrastructure contribution payment to be deferred to prior to the issue of the first Occupation Certificate for any part of the development for a 2 year deferral period from 1st July 2024 to 30th June 2026.

The temporary deferral arrangement will apply to all development applications within the Council's local government area, provided that the first Construction Certificate for an application is lodged within the 2 year deferral period. The deferral of local infrastructure contributions must be made through the completion of an application form and confirmation of acceptance by Council.

1.2 What type of developments are subject to this resolution?

The Council resolution to defer local infrastructure contribution payment are obliged to developments requiring a Construction Certificate. The resolution does not apply to:

- a) Complying Development,
- b) Developments involving subdivision of land only (not including development consent involving construction of dwelling/s with subdivision of land), and
- c) Deferred Commencement, unless satisfied with the prescribed period.

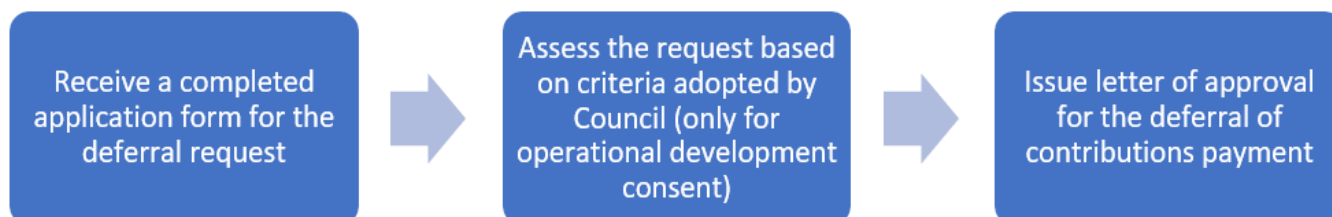
1.3 Why are the changes being made?

The changes are a temporary arrangement in nature and in response the new national housing target to ensure Council continues to support productivity, investment and community wellbeing across the local government area.

1.4 How do I make application?

An application form must be completed and submitted to Council in person, or via email for approval. An application form can be obtained from Council's Planning Systems team on 02 8757 9000 or email council@cumberland.nsw.gov.au.

As stipulated by Council's process within the diagram below, once an application has been assessed and approved, a letter of approval will be issued to the applicant and must be provided to the accredited certifier for proof of deferral.



1.5 How long will the changes to the timing of contributions payment last?

The Council resolution commences on the 1st July 2024 and will cease on the 30th June 2026, provided that a Construction Certificate is lodged within this 2 year deferral period.

The payment deferral arrangements cease to apply if the first Construction Certificate for an eligible development application has not been issued for the development by 30th June 2026. From 1st July 2026, contributions must be paid before the issue of the first Construction Certificate, as required under the Cumberland Local Infrastructure Contribution Plan 2020.

1.6 Does the resolution affect existing deferral arrangement?

The resolution does not prevent the entry into any deferred payment arrangement as set out in the Cumberland Local Infrastructure Contributions Plan 2020. However, it does prevent Council from requiring the developer to enter into a deferred payment arrangement, including the provision of a bank guarantee to secure payment at the Occupation Certificate stage.

1.7 Are contributions subject to the resolution indexed?

Contribution payments subject to Council's resolution will be adjusted in accordance with the section titled Review of Contribution Rates and are generally indexed on a quarterly basis by the Consumer Price Index (CPI) and contributions will be updated to the current CPI at the time of payment. It is advisable that contact with Council is established to obtain an updated payable contributions amount, prior to lodgment of an Occupation Certificate.

1.8 What happens when a development is subject to multiple Occupation Certificates or an interim Occupation Certificate is issued?

The payment of contributions or levies for developments subject to the resolution must be made prior to the issuing of the first Occupation Certificate or interim Occupation Certificate (if applicable) for the development.

1.9 What needs to be done to ensure that payment of contributions is made before the issuing of an Occupation Certificate?

It is advisable that contact with Council is established to obtain an updated payable contributions amount, prior to the lodgment of an Occupation Certificate.

Under Section 6.10 of the EP&A Act, an Occupation Certificate must not be issued for any part of a development unless any preconditions to the issue of the certificate specified in a development consent have been complied with. This means that an accredited certifier will be in breach of the EP&A Act if they issue an Occupation Certificate when a contribution or levy that was required to be paid has not been paid. Accredited certifiers must not issue an Occupation Certificate without having documented evidence that outstanding Local Infrastructure Contributions have been paid.

Accredited certifiers must not issue a Construction Certificate without having written approval issued by Council to defer contributions payment prior to the issue of the Occupation Certificate.

1.10 How long will the proof of payment last?

The proof of the payment for the deferral lasts during the period prior to the issuing of an Occupation Certificate.

1.11 Can I still pay contributions at the Construction Certificate stage?

Applicants are still able to pay local infrastructure contributions prior to the issue of the first Construction Certificate should they wish to not take up the deferral arrangement. Should this be undertaken, the arrangements under the Cumberland Local Infrastructure Contributions Plan 2020 will apply.

Contributions payment made to development applications prior to 1st July 2024 will not be eligible of Council's temporary deferral arrangement, consistent with the provisions of the Cumberland Local Infrastructure Contributions Plan 2020.