

# Housing and Productivity Contributions: Worked Examples

The Housing and Productivity Contributions: Worked Examples document provides practical insights for applicants and practitioners navigating the NSW planning portal to calculate their contribution amount.

## **Snapshot**

The below table provides a summary of various scenarios where Housing and Productivity Contributions (HPC) are applicable. These incorporate residential, commercial and industrial development – or a combination of these.

HPC calculations involving residential development can include a 'credit' for an existing potential dwelling lot. Residential development calculations can also involve excluded lots. Both existing and excluded lots are required to be manually input in the NSW Planning Portal under 'Existing and excluded lots for residential subdivision'. Further details on credits are outlined in this document below the snapshot table.

Further information, such as definitions of existing potential dwelling lots, excluded lots, and types of development can be found in the <u>Housing and Productivity Contributions</u>
Ministerial Order 2024.



Application Type	HPC	HPC Unit of Charge
	cations for Residential Construction	
Low-density residential	Not Applicable	N/A
development	Not Applicable	IN/A
Medium-density and high-density	Applicable	New Dwelling
residential development		-
	cations for Residential Subdivision	
Strata subdivision	Not Applicable	N/A
Residential subdivision (other than strata subdivision)	Applicable	New Dwelling Lot
	s for Residential Construction and	Subdivision
Residential subdivision (other than strata subdivision) AND Construction of low-density residential development	Applicable only to non-strata residential subdivision.	New Dwelling Lot
Construction of medium/high- density residential development AND Strata subdivision	Applicable only to construction.	New Dwelling
Construction of medium/high- density residential development AND Residential subdivision (other than strata subdivision)	Applicable to construction. Additionally, applicable to any new non-strata lots that are vacant or contain low-density residential development.	New Dwelling Additionally, any vacant lot or low- density dwelling, charged on number of non-strata lots.
Applications	for a Change of Use to Residential	Development
Change of use of existing building to residential development	Applicable	New Dwelling Number of dwellings that will result from a change of use of any existing building.
	Commercial Development	
Commercial Development	Applicable	Square metre of new GFA
Applications	for a Change of Use to Commercial	Development
Change of use of existing building to commercial development	Applicable	GFA Gross floor area of the building that will be changed to use as a commercial building.
	Industrial Development	
Industrial Development	Applicable	Square metre of new GFA
Applications	s for a change of use to Industrial D	Development
Change of use of existing building to industrial development		GFA Gross floor area of the building that will be changed to use as a commercial building.

Table 1: Snapshot Summary of HPC Scenarios



### **Credits**

#### Existing Potential Dwelling Lots and Excluded Lots

For the calculation of HPC units of charge for residential development some types of lots are defined as *existing potential dwelling lots* and *excluded lots*. These function as 'credits' when calculating HPC charge units.

An existing potential dwelling lot is a lot:

- that exists when the application for the HPC development is made, and
- on which residential accommodation is permitted with development consent when the consent is granted.

Existing dwellings being retained are not included in the number of new dwellings. If an existing building is converted, extended, or altered, the number of new dwellings is the total number of dwellings that will result minus the number of any existing dwellings. Existing dwellings being demolished do not act as a credit for the new development.

The most common types of lots that are considered an excluded lot are lots that:

- also have medium or high-density development (as defined by the Order) on the proposed lot, either already existing or to be constructed on that lot under the same consent;
- also have non-residential development on the proposed lot, either already existing or to be constructed on that lot under the same consent; and
- are for a public purpose (e.g. road or drainage reserves).

Further details regarding types of excluded lots can be found in the <u>Housing and</u> Productivity Contributions Ministerial Order 2024.

It should be noted that dwellings by themselves are not credited, it is the lot that is credited. For example, if you retain a dwelling, you do not pay HPC on the dwelling, but you do not receive a credit for a lot as well (no double discounting). Lots where medium or high-density dwellings are to be constructed are excluded lots, so they are not charged as new dwelling lots (no double charging). Existing lot credits apply first to subdivision, then any remaining credits are applied to construction.

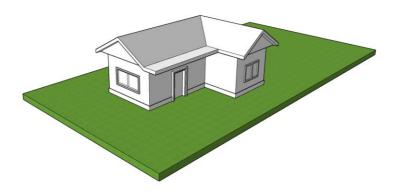
### **Community Title Subdivision**

Community Title subdivision is considered the same as other non-strata subdivision such as Torrens Title subdivision under the HPC. It should be noted that Torrens Title should be selected when selecting inputs for Community Title in the NSW Planning Portal.



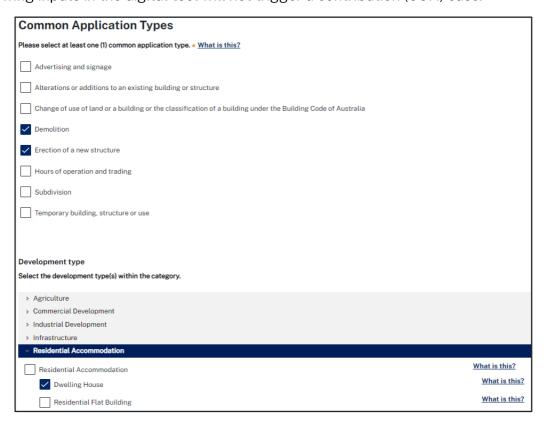
### Construction of low-density residential development

This includes applications for new low-density dwelling houses that do not involve subdivision, new low-density dwelling houses involving strata subdivision, knockdown-rebuild of low-density dwelling houses, construction of secondary dwellings, and construction of exempt development.



No HPC required for the construction of low-density residential development.

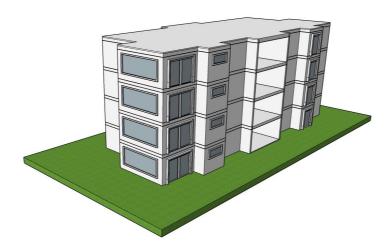
In this example, the application is for a knockdown-rebuild of a dwelling house. The following inputs in the digital tool will not trigger a contribution (CON) case.





## Construction of medium-density or high-density residential development.

This includes applications for the construction of dual occupancies, residential flat buildings, shop top housing, etc. Applicable definitions of medium-density and high-density residential development can be found in the <a href="Housing and Productivity">Housing and Productivity</a> Contributions Ministerial Order 2024.



The HPC is applicable for all new medium-density and high-density residential development, charged on the number of new dwellings constructed.

In this example, the application is for the construction of a residential flat building consisting of eight new dwellings.

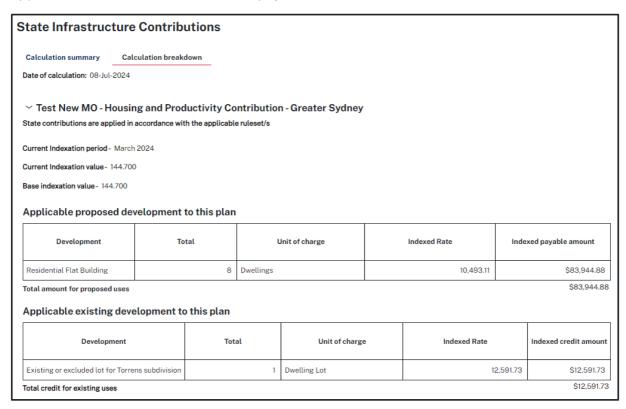
The private certifier or consent authority will see the below screen, which has populated information based on the applicant's inputs during their application. In this example, the development type is for the *Erection of a New Structure* of a *Residential Flat Building*.



Proposed What is this?						
Development	Sub types What is this?	Total	Unit of charge			
Residential Flat Building		8	Dwellings			
Existing What is this?						
Development	Sub types What is this?	Total	Unit of charge			
Existing or excluded lot for residential development		1	Dwelling Lot			

It is important to add existing development to include the existing or excluded lot for residential development, as this will give credit for the original lot.

When the contribution (CON) case is finalised, the private certifier or consent authority will see the following calculation breakdown. Any further indexation or discount is applied to the amount at the time of payment.

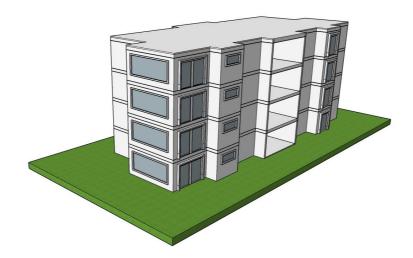


The total contribution payable in this example will be the total of the Proposed Development minus the total of the Existing Development.



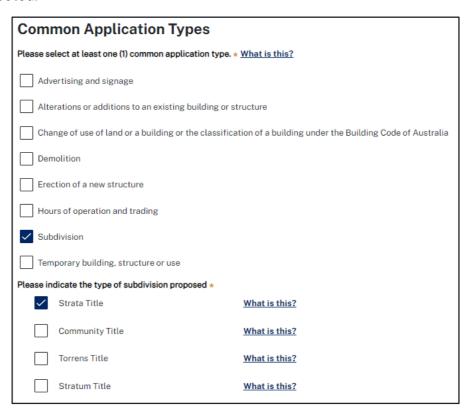
### Strata subdivision of residential development.

This includes applications for low-density, medium-density and high-density residential development.

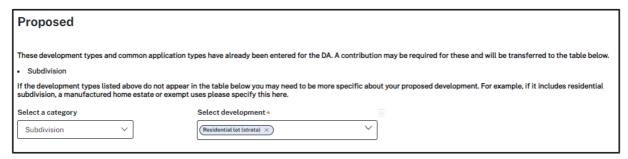


No HPC required for strata subdivision.

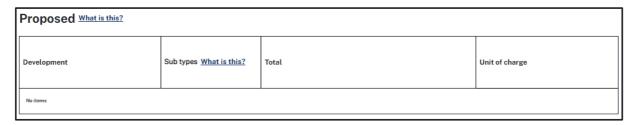
In this example, the application is for strata subdivision of an existing (already constructed) residential flat building. The following inputs within the digital tool will trigger a contribution (CON) case based on the common application type of 'Subdivision' being selected.







Once the contribution (CON) case has been triggered, the user is prompted to identify the specific type of subdivision. Once strata subdivision is identified, the contribution case will calculate no contribution charge:

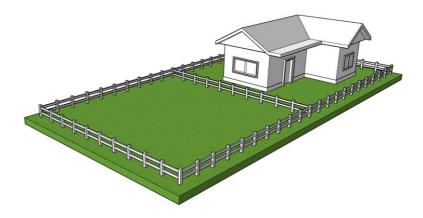


The assessment can continue to be determined as usual.



#### Residential subdivision (other than strata subdivision).

The creation of new non-strata residential lots, such as a Torrens Title subdivision, including lots with existing dwellings or vacant residential lots.



The HPC is applicable to all residential lots created as a result of subdivision (other than strata subdivision). A credit is given to any existing potential dwelling lots and excluded lots.

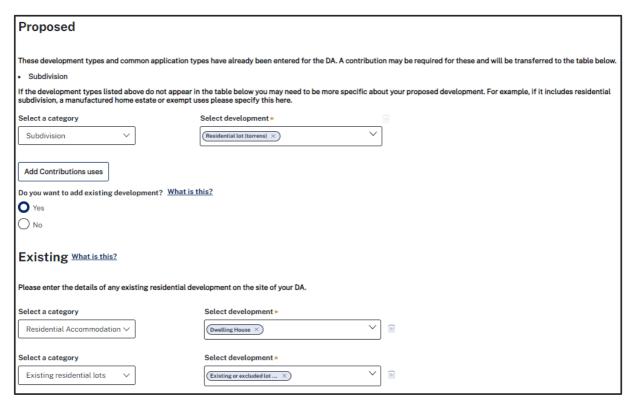
<u>Note:</u> It should be noted that Torrens Title should be selected when selecting inputs for Community Title in the NSW Planning Portal.

In this example, the application is for a one-into-two lots Torrens subdivision. The existing lot contains one dwelling house.

A contribution (CON) case has been triggered based on the applicant's inputs. The applicant and assessing officer will be asked to input the specific type of *Subdivision* and the proposed number of lots that will be created.

It is also important to add in the existing development to correctly calculate the HPC. For any existing potential dwelling lots that are vacant, these are captured by selecting *Existing residential lot*.





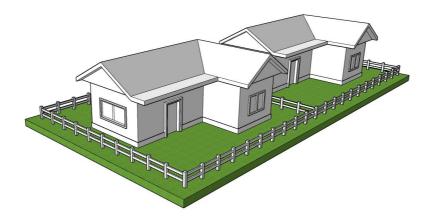
When the contribution (CON) case has been finalised, the following calculation breakdown is provided. The *Calculation Summary* tab will show the final HPC amount to be added to the Notice of Determination.





## Residential subdivision (other than strata subdivision) and construction of low-density residential development.

This includes the creation of new non-strata residential lots, such as a Torrens Title subdivision, and construction of low-density residential development.



The HPC is applicable to all residential lots created as a result of subdivision (other than strata subdivision). A credit is given to any existing potential dwelling lots or excluded lots.

No contributions are charged on the construction of low-density residential development.

In this example, the application is for a one-into-two lot Torrens subdivision <u>and</u> construction of a dwelling house (low-density residential development) on the new lot.



Proposed					
These development types and common	application types have already ber	en entered for the DA. A contribution may be required for these as	nd will be transferred to the table below.		
Dwelling House     Erection of a new structure     Subdivision					
If the development types listed above d subdivision, a manufactured home esta		u may need to be more specific about your proposed development his here.	t. For example, if it includes residential		
Select a category	Select developmen	ı <b>t</b> ∗			
Subdivision	Residential lot (torrens)	1) ×) ×			
Add Contributions uses					
If the proposed uses you have selected development.	are charged a contribution under a	an online contributions plan, they will populate the table below. Yo	ou must correctly describe your		
Complete Selection What is this?					
Proposed number of u	nits for calculating	contributions What is this?	Т		
Development	Sub types What is this?	Total	Unit of charge		
Residential lot (torrens)		2	Lots		
Do you want to add existing developme	ent? What is this?				
O Yes					
○ No					
Existing What is this?					
Development	Sub types What is this?	Total	Unit of charge		
Existing or excluded lot for Torrens subdivision 1 Dwelling Lot					
Cancel			Save Submit		

The below contribution has calculated the creation of two new residential lots, applied a credit for one existing potential dwelling lot, and has not charged the construction of the dwelling house (low-density residential development).



#### **State Infrastructure Contributions**

Calculation summary

Calculation breakdown

Date of calculation: 08-Jul-2024

 $\,\,^{\checkmark}$  Test New MO - Housing and Productivity Contribution - Greater Sydney

State contributions are applied in accordance with the applicable ruleset/s

Current Indexation period - March 2024 Current Indexation value - 144.700 Base indexation value - 144.700

#### Applicable proposed development to this plan

Development	Total	Unit of charge	Indexed Rate	Indexed payable amount
Residential lot (torrens)	2	Dwelling Lot	12,591.73	\$25,183.46

Total amount for proposed uses

\$25,183.46

#### Applicable existing development to this plan

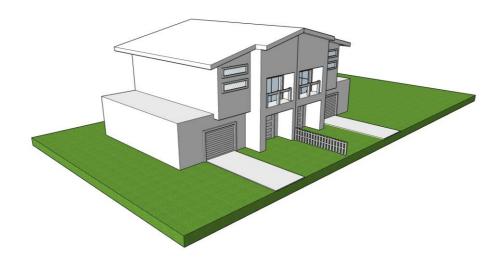
Development	Total	Unit of charge	Indexed Rate	Indexed credit amount
Existing or excluded lot for Torrens subdivision	1	Dwelling Lot	12,591.73	\$12,591.73

Total credit for existing uses \$12,591.73



## Residential subdivision (other than strata) and construction of medium-density or high-density residential development.

This includes non-strata subdivision, such as Torrens subdivision, to create new residential lots <u>and</u> construction of dual occupancies, residential flat buildings, shop top housing, etc. within the same application. Applicable definitions of medium-density and high-density residential development can be found in the <u>Housing and Productivity</u> Contributions Ministerial Order 2024.

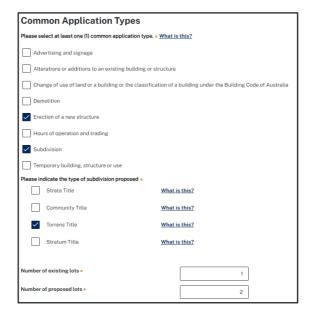


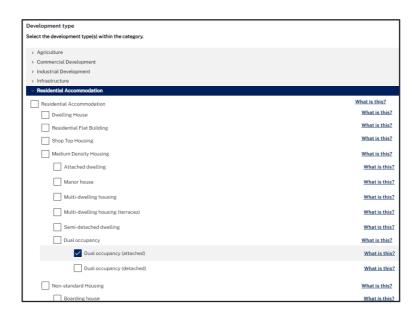
The HPC is applicable on the construction of any medium or high-density residential development, calculated on the number of new dwellings created.

The HPC is also applicable to any subdivision (other than strata subdivision) that creates additional lots which are vacant or include low-density residential development, calculated on the number of lots.

In this example, the application is for the construction of a dual occupancy (attached) and a one-into-two lot Torrens subdivision.







A contribution (CON) case will be triggered based on the above applicant inputs. The digital tool recognises an associated charge for Torrens subdivision, and an associated charge for construction of medium-density residential development (the dual occupancy).



Proposed What is this?							
Development	Unit of charge						
Dual occupancy		2	Dwellings				
Residential lot (torrens)		2	Dwelling Lot				
Existing What is this?	Existing What is this?						
Development S	Sub types What is this?	Total ↑	Unit of charge				
Existing or excluded lot for residential development		1	Dwelling Lot				
Existing or excluded lot for Torrens subdivision		2	Dwelling Lot				

To avoid a double calculation of the HPC on the construction and Torrens subdivision, the private certifier or consent authority will need to ensure that Existing Development has been included for the existing lot and the excluded lots.

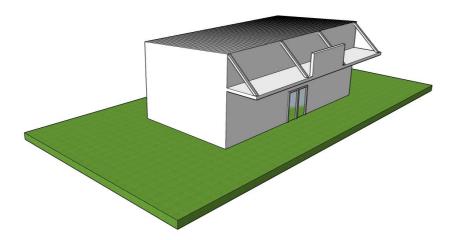
State Infrastructure	Contribution	ons							
Calculation summary Cal	culation breakdown								
Date of calculation: 25-Sep-2024	Date of calculation: 25-Sep-2024								
→ Test New MO - Housing and Productivity Contribution - Greater Sydney  State contributions are applied in accordance with the applicable ruleset/s									
Current Indexation period - March	n 2024								
Current Indexation value - 144.70	0								
Base indexation value - 144.700									
Applicable proposed de	Applicable proposed development to this plan								
Development	Total		Unit	of charge		Indexed Rate	Inde	xed payable amount	
Dual occupancy		2	Dwellings			10,493.11		\$20,986.22	
Residential lot (torrens)		2	Dwelling Lot			12,591.73		\$25,183.46	
Total amount for proposed uses								\$46,169.68	
Applicable existing development to this plan									
Development	Development Total Unit of charge Indexed Rate Indexed credit amount								
Existing or excluded lot for resid	lential development		1	Dwelling Lot		1	0,493.11	\$10,493.11	
Existing or excluded lot for Torre	ens subdivision		2	Dwelling Lot		1:	2,591.73	\$25,183.46	
Total credit for existing uses	L							\$35,676,57	

The total contribution payable in this example will be the total of the Proposed Development minus the total of the Existing Development.



### Construction of new commercial or industrial building.

This includes commercial development such as entertainment facilities, function centres, medical centres, veterinary hospitals, and wholesale supplies, as well as industrial development such as industry, storage premises and warehouse or distribution centres. Further information, such as how commercial and industrial gross floor area (GFA) is calculated and applicable definitions of commercial and industrial development, can be found in the Housing and Productivity Contributions Ministerial Order 2024.

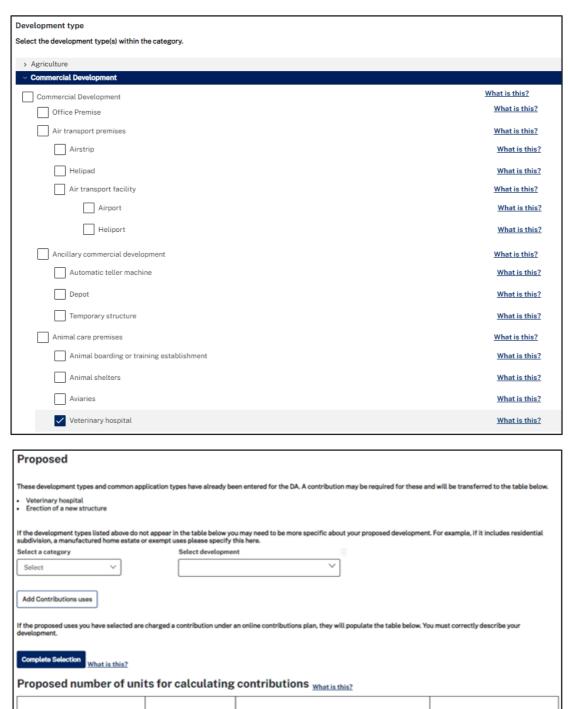


The HPC is applicable on the sum of the new GFA, charged at a rate per square metre.

In this example, the application is for the construction of a veterinary hospital (a type of commercial development) with a GFA of 200 square metres.

#### Housing and Productivity Contributions: Worked Examples





When the contribution (CON) case has been finalised, the below calculation breakdown reflects the rate multiplied by the square metres of new GFA.

Sub types What is this?

Veterinary hospital

Unit of charge

SQM of GFA



#### **State Infrastructure Contributions**

Calculation summary Calculation breakdown

Date of calculation: 05-Mar-2024

→ Draft\_GS\_Ruleset\_abc123

State contributions are applied in accordance with the applicable ruleset/s

Current Indexation period - Sept 2023

Current Indexation value - 140.400

Base indexation value - 140.400

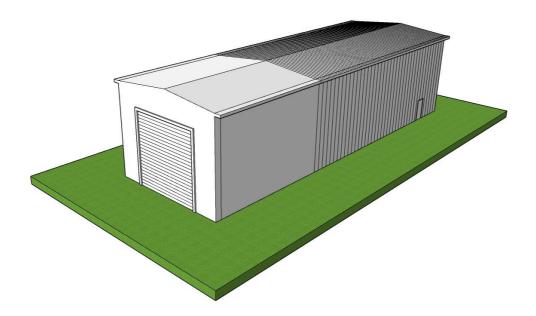
#### Applicable proposed development to this plan

Development	Total	Unit of charge	Indexed Rate	Indexed payable amount		
Veterinary hospital	200	SQM of GFA	30	\$6,000.00		
Total amount for proposed uses	S6,000,00 S6,000,00					



## Alteration and addition of an existing commercial or industrial building.

This includes industrial development such as industry, storage premises and warehouse or distribution centres, as well as commercial development such as entertainment facilities, function centres, medical centres, veterinary hospitals, and wholesale supplies. Further information, such as how industrial and commercial gross floor area (GFA) is calculated and applicable definitions of industrial and commercial development, can be found in the Housing and Productivity Contributions Ministerial Order 2024.



The HPC is applicable on the sum of the new GFA, charged at a rate per square metre.

In this example, the application is for an addition of 100 square metres of GFA to an existing warehouse (a type of industrial development) of 200 square metres.



Common Application Types					
Please select at least one (1) common application type. * What is this?					
Advertising and signage					
Alterations or additions to an existing building or structure					
Change of use of land or a building or the classification of a building under the Building Code of Australia					
Demolition					
Erection of a new structure					
Hours of operation and trading					
Subdivision					
Temporary building, structure or use					

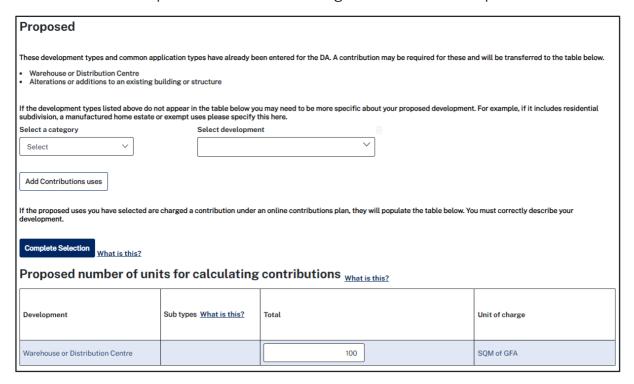
## Housing and Productivity Contributions: Worked Examples



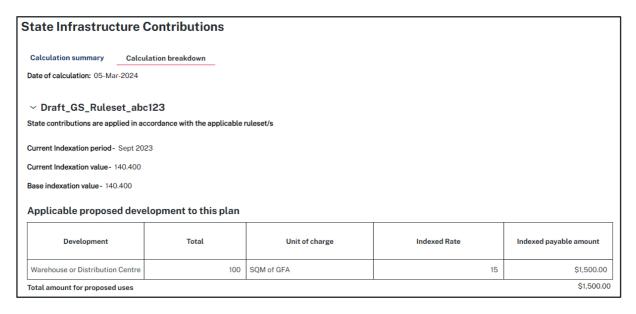
Development type	
Select the development type(s) within the category.	
> Agriculture	
> Commercial Development  V Industrial Development	
	What is this?
Industrial Development  Extractive Industries (non-mining)	What is this?
General industry	What is this?
Petroleum production	What is this?
Heavy Industrial Storage Establishment	What is this?
Hazardous storage establishment	What is this?
Liquid fuel depot	What is this?
Offensive storage establishment	What is this?
Heavy industry	What is this?
Hazardous Industry	What is this?
Potentially hazardous industry	What is this?
Offensive Industry	What is this?
Potentially offensive industry	What is this?
Light industry	What is this?
Artisan food and drink industry	What is this?
Creative industry	What is this?
Home industry	What is this?
High technology industry	What is this?
Data centre	What is this?
Rural industry	What is this?
Agricultural produce industry	What is this?
Composting facilities and works	What is this?
Farm building	What is this?
Livestock processing industry	What is this?
Sawmill or log processing works	What is this?
Stock and sale yard	
	What is this?
Agritourism	What is this?
Farm experience premise	What is this?
Farm gate premise	What is this?
Farm gate premise - Cellar door	What is this?
✓ Warehouse or Distribution Centre	What is this?



In the proposed development table, the amount entered reflects the *Alteration or Addition* of the 100 square metres to the existing warehouse of 200 square metres.



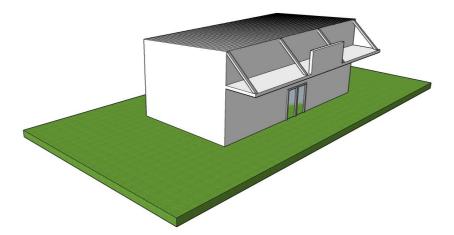
It is important when calculating the *Alterations and Additions* to select "no" to the question "Do you want to add existing development?", as this will result in an incorrect calculation.





## Demolition of an existing commercial or industrial building and construction of a new commercial or industrial building.

This includes commercial development such as entertainment facilities, function centres, medical centres, veterinary hospitals, and wholesale supplies, as well as industrial development such as industry, storage premises and warehouse or distribution centres, Further information, such as how industrial and commercial gross floor area (GFA) is calculated and applicable definitions of industrial and commercial development, can be found in the Housing and Productivity Contributions Ministerial Order 2024..



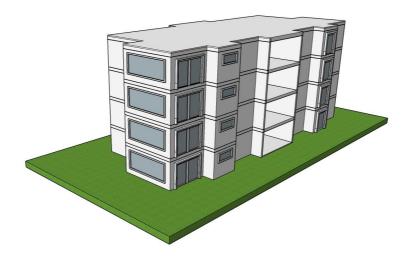
The HPC is applicable on the sum of the GFA of the new building, a credit for the GFA of the demolished building does not apply, charged at a rate per square metre.

In this example, the application is for the demolition of an existing medical centre (a type of commercial development) with a GFA of 100 square metres and the construction of a new veterinary hospital (also a type of commercial development) of 200 square metres. In this case the HPC is calculated on the new building GFA of 200 square metres.



## Change of use of an existing commercial/industrial building to a residential building.

This includes commercial development such as co-living housing and tourist and visitor accommodation such as serviced apartments. Further information regarding types of commercial development can be found in the <a href="Housing and Productivity Contributions">Housing and Productivity Contributions</a> Ministerial Order 2024...



The HPC is applicable on the number of new dwellings that will result from the change of use of the existing building.

In this example, the application is for the change of use of eight serviced apartments (a type of commercial use) to eight residential apartments. In this case the HPC is calculated on the number of dwellings that will result from the change of use of the existing building, minus one existing potential dwelling lot (original dwelling lot).