



# DEVELOPMENT CONTRIBUTIONS ASSESSMENT POLICY - Draft Amendment July 2016

---

<b>Responsible Officer</b>	Group Manager, Environmental Services
<b>Contact Officer</b>	Development Contributions Coordinator
<b>Authorisation</b>	Council
<b>Effective Date</b>	24/3/2003
<b>Modifications</b>	31/05/04, 06/03/06, 18/12/06, 06/08/07, 20/04/2011, 16/7/2014 , 19/11/2014, 18/03/2015, 20/05/2015,
<b>Superseded Documents</b>	Refer to above Council resolutions. Contributions Payment System Policy
<b>Review</b>	Draft amended provisions proposed for public exhibition Council meeting 20/07/2016
<b>File Number</b>	D2012/294801
<b>Associated Documents</b>	D2012/25589

## 1. INTRODUCTION

This Policy nominates a relationship between the contributions levied for a single density dwelling lot (one lot with one dwelling entitlement or one Equivalent Tenement (ET)) and the contributions levied upon another development types for Section 94 Contributions under Council's Development Contributions Plans and Water and Sewer Developer Charges under Council's Development Servicing Plans

This Policy also outlines the process by which development contributions required as condition of development consent will be indexed prior to payment of the contributions and how contributions will be recalculated.

## 2. POLICY OBJECTIVE

To provide simple and standard criteria to assess contributions for developments (Section 64 and Section 94 Contributions).

To provide a standard procedure for the recalculation of contributions following the issue of development consent. To allow for the deferral of the payment of development contributions in relation to residential and rural residential subdivision, building works and other development.

## 3. POLICY SCOPE

This Policy applies to all development consents that require the payment of development contributions.

## 4. DEFINITIONS

**Bed & Breakfast Establishment** - means a building used as a single dwelling and for providing holiday accommodation. Such holiday accommodation is to be limited to four bedrooms and is not to include self-contained accommodation.

**Bedroom** - means any enclosed habitable room that is capable of being used for sleeping purposes, including any study or similar utility room. Note: Council may use discretion to determine whether a particular room is to be regarded as bedroom for the purposes of this definition by having regard to the nature of the design and/or layout of the room and its situation in the building.

**Commercial, Industrial or Other Development** - means any use listed in Schedule 2.

**Development** - means:

- the erection of a building on that land
- the carrying out of a work in, on, over or under that land
- the use of that land or of a building or work on that land
- the subdivision of that land.

**Residential Development** - means any use listed in Schedule 1 whether or not the use is intended for temporary, short term, long term, permanent, or tourist accommodation.

**Student Accommodation** - means residential accommodation for students where:

- the development is for a minimum of 20 beds;
- the maximum floor area for each unit is 15m<sup>2</sup> excluding bathroom facilities;
- arrangements satisfactory to Council are in place to ensure that:
  - i) The development is occupied by persons attending or enrolled at a local educational establishment (It is acknowledged that student accommodation would be sometimes used in association with other campus activities such as summer schools, conferences and training);
  - ii) If the nature of the occupancy changes to another form of housing, the developer to pay the appropriate contribution rate at that time; and
  - iii) Each room is to be single occupancy.

## 5. LEGAL & POLICY FRAMEWORK

This policy clarifies the method of calculation and indexation of contributions to be applied in accordance with Council's Development Contributions Plans prepared in accordance with the Environmental Planning and Assessment Act 1979 and Development Servicing Plans prepared in accordance with the Water Management Act 2000.

## 6. POLICY STATEMENT

### 6.1 Contribution Rates

Schedule 1 lists the percentage-based relationships for the various residential uses covered by this policy. Schedule 2 lists the criteria for assessment of load on water and sewer headworks for non-residential development.

### 6.2 Short Term or Emergency Accommodation

Development involving short term or emergency accommodation primarily for stays of less than two (2) weeks are exempt from the payment of contributions, provided that the community organisation carrying out the development has received endorsement for the project as a deductible gift recipient by the Australian Taxation Office under the category of a "public benevolent institute".

Exempt development under this clause is not included in the calculation of demand under Council's Development Contributions Plans. Any shortfall in contributions resulting from exempt development is to be met by the relevant Contributions Plan.

### 6.3 Development by non-profit organisations

Development by non-profit organisations on Council owned or controlled land is exempt from the payment of development contributions, provided that the Council determines that the development is for an essential community service.

Exempt development under this clause is not included in the calculation of demand under Council's Development Contributions Plans or Development Servicing Plans. Any shortfall in contributions resulting from exempt development is to be met by the relevant Contributions Plan or Development Servicing Plan.

### 6.4 Contribution Offsets for Ecologically Sustainable Development

#### 6.4.1 Introduction

Port Macquarie-Hastings Council recognises the importance of Ecologically Sustainable Development (ESD) in providing for a high quality life for future generations of residents. In order to encourage a level of ESD that exceeds current legislative requirements and to provide examples highly efficient ESD subdivisions Council will provide development contribution offsets where the development can comply with the criteria in this clause.

#### 6.4.2 Definition of Ecologically Sustainable Development

For the purpose of this clause, Ecologically Sustainable Development (ESD) means residential subdivisions for permanent occupants of at least 50 residents where the development can demonstrate reduced water and energy consumption as provided by table 1.

Table 1: Reduced Energy and Water Consumption Criteria

Item	Criteria
Water Consumption	80% reduction on historical consumption rates calculated in accordance with BASIX
Energy Consumption	60% reduction on historical consumption rates calculated in accordance with BASIX

#### 6.4.3 Contribution Offsets

Where a development complies with the provisions in table 1, a contribution offset will be provided where Council is satisfied that the development will have a reduced demand on Council provided facilities by complying with the criteria in table 2 and the provisions of clause 6.5.4.

Table 2: Contribution Offsets

Contribution	Criteria	Offset
S94 Roads	Independent monitoring of traffic generation to demonstrate that a reduction in traffic generation equal to or greater than the percentage of the local road contribution compared to the total road contribution has been achieved 2 years after the final dwelling in the development is occupied.	No local contribution requirement.
S94 Open Space	Provision of onsite active and passive communal recreational facilities having a minimum area of 100m <sup>2</sup> per ET.	
S94 Community Facilities	The development must demonstrate an ongoing commitment to the social well being of residents through the provision of communal meeting places.	
Water Supply	Installation of a full independent water supply system to the satisfaction of Council.	Full contribution offset.
Sewerage Services	Installation of a full independent sewerage system to the satisfaction of Council.	Full contribution offset.

#### 6.4.4 Additional Criteria for Contribution Offsets

To qualify for a contribution offset a development must:

- Provide ongoing monitoring of the development (by consultants acceptable to Council), for a minimum of 2 years after the final dwelling in the development is occupied, to establish that the development has achieved the criteria in tables 2 and 3.
- Provide an unconditional Bank Guarantee to Council for the extent of the S94 Contribution offsets. The Bank guarantee will be returned 2 years after the final dwelling in the development is occupied provided Council is satisfied that the development has achieved the criteria in tables 2 and 3.
- Pay full Developer Charges for Water Supply and Sewerage Services, at the rates applicable at the time, should the development connect to Council operated facilities of these services in the future.
- Pay full S94 Developer Charges, at the rates applicable at the time, should the development be re-subdivided or be subject to a change in the title structure of the development.
- Be subject to a form of title whereby all infrastructure for the development including roads becomes the responsibility of the owners within the development e.g. Community Schemes Legislation.

#### 6.4.5 Calculation of Contribution Offsets

- a) Where there is no local community facilities contribution Council will allow an offset at the lowest community facilities contribution of other areas.
- b) Where a development is carried out in stages a prorata reduction in contributions will be given however the development must still meet the criteria in tables 2 & 3 and the provisions of clause 7.4 for the particular stage.

## **6.5 Secondary Dwellings (“Granny Flats”)**

No Section 94, water and sewer contributions apply to development for the purposes of a secondary dwelling (“granny flat”) with a floor area up to and including 60m<sup>2</sup> (within external walls) on the same lot of land (not being an individual lot in a strata plan or community title scheme) as the principal dwelling.

## **6.6 Indexation and Recalculation of Contributions**

- Council will generate a Notice of Payment – Developer Charges (NOP) for all developer charges. The charges will be fixed for 90 days from the date of issue.
- An application for a NOP can be made at any time. The NOP will be provided at no charge with the development consent and subsequently for a fee of \$25.00.
- The applicant is able to pay some or all of the charges within the 90 day period. The existing requirement for payment for buildings before issue of a construction certificate and for subdivisions before issue of the subdivision certificate will continue.
- The charge will be determined at the date the development consent is prepared or at the date of an application for a NOP.
- Council will not accept payment of a contribution unless the payment matches a time valid NOP as issued by Council.
- All NOP’s whether generated by a development consent or a separate application will be checked by Council’s Development Contribution staff.

## **6.7 Deferral of Payment of Development Contributions**

Council will allow deferral of the payment of development contributions in relation to residential and rural residential subdivision, building works and other development not involving subdivision for a period of up to two years subject to the following provisions.

1. **Residential and Rural Residential Subdivision.** Prior to the release of the subdivision certificate contributions must be secured to Council’s satisfaction and subject to:
  - a. The deferral period being for a maximum of 2 years from the release of the subdivision certificate.
  - b. Contributions being paid prior to the sale of the lot and outstanding contributions being secured to Council’s satisfaction by either:
    - Bank Guarantee,
    - Charge on Land,
    - Caveat on each individual lot, or
    - Voluntary Planning Agreement.
  - c. Where security is by way of a bank guarantee or charge, a 2 year interest amount calculated at the average rate of Council’s investments performance over the past 12 months plus 1% is to be added to the amount secured.
  - d. Contributions to be calculated at the rate applicable at the time of payment.
  - e. Submission of an application made in writing for consideration of deferral of development contributions.
  - f. The incorporation of a relevant condition of development consent relating to the deferral of payment of contributions (This may require lodgement of a s.96 application for existing development consents).
  - g. All costs associated with lodgement of a bank guarantee or preparation/registration of a Deed of Agreement in the form of a caveat to be borne by the landowner/applicant.

2. **Building development or other development not involving subdivision.** Deferral of payment of development contributions must be secured to Council's satisfaction and subject to:
- a. The deferral period being for a maximum of 2 years from the release of the construction or complying development certificate for building works or from the date of occupation/use commencing where no building works are proposed.
  - b. An application made in writing to defer the payment of contributions.
  - c. Contributions being secured by an irrevocable, non-time limited Bank Guarantee for the amount of the contributions plus a 2 year interest amount calculated at the average rate of Council's investments performance over the past 12 months plus 1%.
  - d. Contributions to be calculated at the current rate applicable at the time of payment, including contributions paid by instalment during the approved deferral period.
  - e. The incorporation of a relevant condition of development consent relating to the deferral of payment of contributions (This may require lodgement of a s.96 application for existing development consents).
  - f. All costs associated with lodgement of a bank guarantee or preparation/registration of a Deed of Agreement in the form of a caveat to be borne by the landowner/applicant.

#### **6.8 Student Accommodation (Draft Provisions)**

- a. Payment of contributions can be deferred for a maximum period of 5 years from the issue of a Construction Certificate or until the sale of the land, whichever is the sooner.
- b. Payment of contributions being secured by way of a deed of deferral and a registered charge on the land or a bank guarantee.
- c. The amount of the charge or bank guarantee is to be calculated based on the amount of the outstanding contributions together with an interest component.

#### **6.9 Non Residential Development (Draft Provisions)**

- 1. Payment of development contributions/headworks charges by instalment without security*
- a. All Non Residential Development being in all land use zones (not being for residential accommodation or tourist and visitor accommodation).
  - b. It only applying to developments where the total contributions payable do not exceed \$50,000.
  - c. The total contributions permitted to be paid by instalment without security being limited to \$50,000.
  - d. The maximum amount of s94/s94A development contributions that can be paid by instalment without security being limited to \$5,000.
  - e. Payment of an interest charge based on the Council's investment portfolio performance plus 1% to be added to the contribution instalments.
  - f. The contributions and interest to be paid in 24 equal monthly instalments by a direct debit arrangement.

- g. Any default in the payment of the contribution instalments will result in the full amount of the contributions becoming due and payable.
- h. The interest charge on default payments being in accordance with the interest rate on overdue rates & charges as per the rate determined by the Division of Local Government.

*II. Exemption from Water and Sewerage headwork charges - Not exceeding \$2,000*

Council will allow an exemption from the payment of water and sewerage headworks charges for development involving a change of use or extension of an existing premises, where the combined total of the water and sewerage headworks charges do not exceed \$2,000, in all land use zones, including home businesses in residential zones (not being development for residential accommodation or tourist and visitor accommodation). The \$2,000 exemption amount will be indexed annually in line with the Consumer Price Index (Sydney All Groups).

## **7. IMPLEMENTATION**

### **7.1 Roles and Responsibilities**

Assessment of contribution rates will be carried by the Development Assessment Planner assessing the Development Application and will be checked by Development Contributions Staff prior to issue of the development consent.

Recalculation and new Notices of Payment - Developer Charges will be prepared by Development Contributions Staff.

### **7.2 Determination of Applications for Exemption**

The Director of Corporate and Business Services has delegated authority to determine applications for exemption under this Policy.

### **7.3 Support and Advice**

Council's Development Contributions staff will provide support and advice on the implementation of the policy.

### **7.4 Communication**

A communication strategy will be determined at the time of any review and will depend on the extent of any changes proposed

## **8. REVIEW**

The Group Manager, Environmental Services will review this Policy on an as needs basis and as part of Council's routine Policy review process.

## Schedule 1

Description	S94	Water	Sewer
<b>A house</b> - single density (one lot with one dwelling entitlement) detached dwelling in Rural RU1 or RU2 zones (eg Managers Residence or Rural Worker's Dwelling), <b>Lots &gt; 450 &amp; &lt; 2000m<sup>2</sup></b>	100	100	100
<b>A house</b> - single density (one lot with one dwelling entitlement) detached dwelling in Rural RU1 or RU2 zones (eg Managers Residence or Rural Worker's Dwelling), <b>Lots &gt; 2000m<sup>2</sup></b>	100	120	100
<b>Flats, Units, Town Houses, Villas, Dual Occupancies, Integrated Housing</b> designed for lots less than 450m <sup>2</sup> etc. and permanent self-contained Caravan Park accommodation			
<input type="checkbox"/> one (1) bedroom	50	40	50
<input type="checkbox"/> two (2) bedroom	67	60	75
<input type="checkbox"/> three (3) bedroom	90	80	100
<input type="checkbox"/> four (4) or more bedrooms	100	80	100
<b>High density (3 or more storeys)</b>			
<input type="checkbox"/> one (1) bedroom	50	33	50
<input type="checkbox"/> two (2) bedroom	67	50	75
<input type="checkbox"/> three (3) bedroom	90	67	100
<input type="checkbox"/> four (4) or more bedrooms	100	67	100
<b>Secondary Dwelling ("Granny Flat")</b> – with a floor area up to and including 60m <sup>2</sup> (within external walls). Refer to Clause 6.6.	Nil	Nil	Nil
<b>Boarding Houses, Guest Houses, Hostels, B&amp;Bs etc</b>			
<input type="checkbox"/> not self-contained, shared facilities for cooking, laundry and bathrooms per bedroom not dormitory or bunk rooms	25	25	25
<input type="checkbox"/> partially self contained, shared facilities for cooking & laundry but own ensuite per bedroom not dormitory or bunk rooms	35	35	35
<input type="checkbox"/> not self-contained, shared facilities for cooking, laundry and bathrooms per bed, dormitory or bunk rooms	12.5	12.5	12.5
<input type="checkbox"/> partially self contained, shared facilities for cooking & laundry but own ensuite per bed, dormitory or bunk rooms	17.5	17.5	17.5
<input type="checkbox"/> B&Bs (up to and including four (4) bedrooms) are currently contributions exempt for a trial period	Nil	Nil	Nil
<b>Student Accommodation</b> - Per unit . Trial provisions November 2014 to July 2016.	17.5	17.5	17.5
<b>Motel unit</b>			
<input type="checkbox"/> partially self contained (shared facilities for cooking & laundry but own ensuite)	25	30	45
<input type="checkbox"/> self contained (ensuite and kitchen) Equates to a 1 bedroom unit. For motel suites in excess of 1 bedroom, apply the percentages for high density units	50	40	50
<b>Aged unit</b> where the development is approved under SEPP (Housing for Seniors or People with a Disability (2004)) or the Applicant demonstrates to Council's satisfaction that the development will be occupied by older persons as defined in the SEPP and the maximum occupancy for any unit is 2 persons			
<input type="checkbox"/> self contained (ensuite & kitchen) 1 bedroom	40	33	50
<input type="checkbox"/> self contained 2 bedroom	55	50	75
<input type="checkbox"/> self contained 3 or more bedrooms	75	67	100
<b>Nursing Home/Hostels</b>			
<input type="checkbox"/> High Dependency/Residential Care Facility (per bed)	Nil	50	75
<input type="checkbox"/> Low Dependency/Hostel (per bed)	35	30	45
<b>Caravan Parks and or Camping Sites</b>			
<input type="checkbox"/> transient, not permanent (not self-contained)	25	25	25
<input type="checkbox"/> transient, not permanent (partially self-contained)	35	35	35
<input type="checkbox"/> permanent (not self-contained)	25	25	25
<input type="checkbox"/> permanent (partially self-contained, ensuite)	35	35	35
<input type="checkbox"/> permanent (self-contained, ensuite & kitchen)	see flats, units, townhouses etc		



## Schedule 2

<b>COMMERCIAL</b>	<b>Unit</b>	<b>Water ET</b>	<b>Sewer ET</b>
Shops - Dry Trade	m <sup>2</sup>	0.0025	0.0025
Shops - Florists, Garden Supplies, Supermarkets	m <sup>2</sup>	0.0038	0.0038
Shops - Food & Assoc Hairdressers	m <sup>2</sup>	0.0050	0.0050
Restaurants, Cafes, Coffee Shops Etc	m <sup>2</sup>	0.0050	0.0050
Drive In Restaurants, Liquor Stores Etc	m <sup>2</sup>	0.0038	0.0025
Offices, Banks, Professional Rooms Etc	m <sup>2</sup>	0.0020	0.0020
Professional Consulting Rooms (Dentists, Doctors Etc)	m <sup>2</sup>	0.0038	0.0038
Car Sales - Showrooms Etc	m <sup>2</sup>	0.0025	0.0025
- Open Display Area	m <sup>2</sup>	0.0003	Nil
Service Stations - Workshop Etc	m <sup>2</sup>	0.0025	0.0025
- Driveway Etc	m <sup>2</sup>	0.0003	Nil
Car Wash	m <sup>2</sup>	0.0375	0.0375
Tyre Sales And Service	m <sup>2</sup>	0.0025	0.0025
Multi-Purpose Recreational Complex	m <sup>2</sup>	0.0010	0.0010
Squash Courts	m <sup>2</sup>	0.0010	0.0010
Ten Pin Bowling Alley (Service Area)	m <sup>2</sup>	0.0100	0.0100
Marinas, Boating Facility			
Showroom	m <sup>2</sup>	0.003	0.003
Display & Storage	m <sup>2</sup>	0.001	Nil
Ramps, Slips, Jetties	m <sup>2</sup>	0.019	Nil
Brothel	Room	0.425	0.425
Draft Provisions - Storage Premises - capped at 1 ET for water and 0.2 ET for sewer for premises not exceeding a floor area of 3,000m <sup>2</sup> . Storage Premises over 3000m <sup>2</sup> assessed on case by case	m <sup>2</sup>	0.00125	0.0025
<b>INDUSTRIAL</b>	<b>Unit</b>	<b>Water ET</b>	<b>Sewer ET</b>
Low Service Loading - Warehouses, Timber Mills, Hardware Supplies, Furniture Manufacture, Transport Terminals, Joinery, Plumbers Supply, Fuel Depots, Dry Food Processing, Manufacturing And Packaging	m <sup>2</sup>	0.00125	0.00025
Medium Service Loading - Steel Fabrication, Panel Beaters, Motor Workshops, Frozen Foods, Oyster Processing	m <sup>2</sup>	0.00250	0.00050
Heavy Service Loading - Ready Mixed Concrete Plant, Concrete Products, Commercial Nursery, Market Garden	m <sup>2</sup> Site	0.00250	0.00025
Very Heavy Service Loading - Laundries, Dry Cleaners, Cordial Factory, Slaughter Yards, Wet Food Processing Etc	m <sup>2</sup>	0.00375	0.00250
<b>OTHER</b>	<b>Unit</b>	<b>Water ET</b>	<b>Sewer ET</b>
Licensed Clubs			
- Social (RSL Etc)		As For Hotels	
- Bowling - Clubhouse		As For Hotels	
- Bowling - Greens	Green	2.5000	Nil
- Golf - Clubhouse		As For Hotels	
- Golf - Course	Hole	0.5000	Nil
Churches		No Charge	
Church Halls, Theatres Etc	m <sup>2</sup>	0.0003	0.0005
Schools, Educational Establishments, Child Care	Pupil	0.0425	0.0425
Funeral Parlour		No Charge	
Hospitals	Bed	0.8500	0.8500
Hotels - Service Area (Including Bar, Lounge, Beer Garden, Toilets Etc)	m <sup>2</sup>	0.0100	0.0100