



**Lake Macquarie Section 94
Contributions Plan No.6,
2007 – Hillsborough Road**

Adopted on 12 November 2007

Effective on 16 November 2007

CERTIFICATION

**This Contributions Plan, the Lake Macquarie Section 94 Contributions Plan No 6, 2007
- Hillsborough Road 2007 was adopted by Council on 12 November 2007
and came into effect on 16 November 2007.**

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EXECUTIVE SUMMARY

- This Section 94 Contributions Plan is called the Lake Macquarie Section 94 Contributions Plan No.6, 2007 - Hillsborough Road
- This Plan:
 - has been prepared to enable Council to require Section 94 contributions towards roadworks, traffic management facilities, and administration to meet the needs of new development within the Hillsborough Road Precinct (as defined by Figure 1).
 - satisfies the requirements of the *Environmental Planning and Assessment Act 1979* and *Environmental Planning and Assessment Regulation 2000*, and
 - applies to land adjoining Hillsborough Road between Macquarie Road and Crockett Street Warners Bay as shown in Figure 1.
 - examines the development potential within the subject area which is anticipated to take 15 years to achieve. The timeframe of this plan is indicative, and the projections of development are best estimates only. The proposed road works are detailed in the attached schedules.
 - been prepared taking into consideration the principles of nexus, apportionment and reasonableness.
- Enquiries concerning this plan should be directed to the Community Planning Department.

CONTRIBUTIONS RATES SUMMARY

Table 1

Contributions Levies

Public Amenity or Public Service	Net New Development Contribution per m² of gross floor area	BB Retail Contribution per m² of gross floor area
Capital Works	\$110 / m ²	\$103.5126 / m ²
Land Acquisition	\$30 / m ²	\$29.8034 / m ²
Management	\$10 / m ²	\$10 / m ²
Total	\$150 / m ²	\$143.3160 / m ²

PROPOSED SCHEDULE OF CAPITAL WORKS

Table 2

Proposed Schedule of Capital Works

Item	Traffic Works	Total
1	Traffic Signals ¹	\$2,021,058
2	Service Road – West Intersection	\$430,000
3	Service Road - Midway Exit	\$150,000
4	Service Road – Capital Works	\$400,000
6	Study Costs	\$14,073
7	Forward Funding Costs	\$401,210
	Total	\$3,416,341

¹ - excludes right turn-out function.

PROPOSED SCHEDULE OF LAND ACQUISITIONS

Table 2

Proposed Schedule of Land Acquisitions

Item	Traffic Works	Total
1	Service Road – Land Acquisitions	\$830,000
2	Forward Funding Costs	\$110,444
	Total	\$940,444

1. INTRODUCTION & OVERVIEW

1.0 Introduction

The development or redevelopment of an area for residential, commercial or industrial purposes creates a need for public amenities and public services. The public amenities and public services will vary according to the type and scale of development.

Section 94 (s94) of the *Environmental Planning and Assessment Act 1979* (EP&A Act), enables Council to require (as a condition of consent) a contribution towards the provision of public services and facilities, where it can be shown that the proposed development will, or is likely to, create or increase the demand for such public services and facilities.

1.1 What is Section 94?

Section 94 allows councils to collect contributions for the provision of future public amenities and public services, and/or to recoup costs incurred for public amenities and public services which have been provided in anticipation or facilitation of development. It considers the public amenities and public services at full development, and collects contributions from new development for the relevant apportionment. Council can request a contribution to be a dedication of land free of cost, monetary contribution, material public benefit, or a combination of some or all of the aforementioned.

The basic principles of section 94 are:

- a contribution may be required for the provision of new or additional public amenities and public services or to recoup funds already expended in anticipation of development
- the contribution must be reasonable'
- contributions are to be used only for the purpose for which they were collected
- financial contributions are to be spent and land dedications are to be made available within a 'reasonable' time
- there must be a demonstrated connection (nexus) between
 - the proposed development and the demand for the new or additional facility
 - the cost of the public amenity or public service and the amount of contribution
 - the location of the development and the location of the public amenity or public service
 - the timing of payment of the contribution and the provision of the public amenity or public service.

1.2 What is the purpose of this Plan?

The primary purpose of this plan is to authorise the levying of contributions that will assist Council to provide public amenities and public services to meet the needs of existing and new development in the Hillsborough Road Precinct. The plan enables Council to require a contribution from development towards the provision of public amenities and public services that will, or are likely to be, required as a consequence of development in the Hillsborough Road Precinct. The contribution may involve the dedication of land free of cost, or the payment of a monetary contribution, or both.

Other purposes of this plan are to:

- Enable Council to recoup funds that it has spent in the provision of amenities and services in anticipation of development.
- Provide a comprehensive strategy for providing traffic facilities and administration.
- Provide a comprehensive strategy for the assessment, collection, expenditure, accounting and review of development contributions, and to ensure that these contributions are reasonable.
- Ensure that the existing community is not burdened by the provision of public services and amenities which are needed (either partly or fully) as a result of new or re-development.
- Ensure an equitable sharing of costs of the services and amenities between those developments that benefit from these facilities.
- Ensure that Council is accountable in the assessment and administration of the plan.
- Provide an adequate level of traffic facilities in the Hillsborough Road Precinct.
- Ensure that contributions are reasonable, and that amenities and services in this plan are provided in a timely and cost effective manner.

1.3 Land to which this plan applies

This plan applies to the Hillsborough Road Precinct as shown in Figure 1.



Figure 1

1.4 Definitions

In this plan:

The Act refers to the *Environmental Planning and Assessment Act 1979*.

Building Price Index means the Building Price Index as published by the NSW Department of Commerce.

CPI means The Consumer Price Index (Sydney – All Groups) as published by the Australian Bureau of Statistics.

Development Consent has the same meaning as in the Act.

Gross floor area means the sum of the areas of each floor of a building, where the area of each floor is taken to be the area within the outer face of the external enclosing walls (as measured at a height of 1,400 millimetres above each floor level) excluding:

- (a) columns, fin walls, sun control devices and any elements, projections or works outside the general lines of the outer face of the external wall, and
- (b) lift towers, cooling towers, machinery and plant rooms, ancillary storage space and vertical air conditioning ducts, and
- (c) car parking needed to meet any requirements of the Council and any internal access to such parking, and
- (d) space for the loading and unloading of goods.

Net increase in gross floor area is calculated by the following formula:

Net Increase in Gross Floor Area = Total Proposed Gross Floor Area - the Total Existing Gross Floor Area.

2. ADMINISTRATION

2.0 What is the name of this plan?

This Plan is referred to as the Lake Macquarie Section 94 Contributions Plan No.6, 2007 Hillsborough Road.

This plan has been prepared in accordance with the:

- *Environmental Planning and Assessment Act 1979*, as amended,
- *Environmental Planning and Assessment Regulation 2000*, and
- The Department of Planning's Development Contributions Practice Notes, 2005.

2.1 When does this plan take effect?

This contributions plan takes effect on 16 November 2007. Development applications determined on or after this date will be subject to the provisions of this plan.

This Plan repeals and replaces The Lake Macquarie Section 94 Contributions Plan No.6 – Hillsborough Road (2004) which was effective from 28 February 2004 until 15 November 2007.

2.2 To what types of development does this plan apply?

This Plan applies to all non-residential development within the Hillsborough Road Precinct. This Plan will be applied to applications for development, which will or are likely to require the provision of, or increase the demand for, public amenities and public services, which are specified in this Plan.

Contributions will be calculated on the basis of the additional net increase in gross floor area.

Where a Material Public Benefit (MPB) or Works In Kind (WIK) agreement is negotiated between a developer and the Council, the Plan Administration and Management Contribution levy will still apply. This amount will cover plan review costs, as well as, Council's costs associated with negotiating and supervising the WIK or MPB.

3. OPERATION OF THE PLAN

3.0 How does this plan operate?

This Plan operates in conjunction with the Lake Macquarie Section 94 Contributions Plan No.1 – Citywide for residential development. Development within the Hillsborough Road Precinct will also be subject to the provisions of both contributions plans.

In determining a development application to which this Plan applies, Council may impose a condition of consent requiring the payment of a monetary contribution or the dedication of land free of charge in accordance with the provisions of this Plan, or in lieu thereof, accept the provision of a material public benefit or a works in kind.

Similarly, when in receipt of a notice of complying development certificate that relates to land to which this Plan applies, Council or an Accredited Certifier shall apply the provisions of this Plan when considering the application.

3.1 Types of Contributions

Where Council is satisfied that a development, the subject of a development application or of an application for a complying development certificate, will or is likely to require the provision of or increase the demand for public amenities and public services within the area, Council may grant consent to that application subject to a condition requiring:

- a. The dedication of land free of cost to Council, and/or
- b. The payment of a monetary contributions, and/or
- c. a material public benefit.

Provided the contributions and/or dedication and/or material public benefit is reasonable.

3.1.1 Monetary contribution

This Plan identifies the cash contribution required for the provision of public services and public amenities, calculated on the net additional gross floor area. The contribution amount payable will be included as a condition of consent on any development approval and complying development certificate issued. Details of how and when the amount will be adjusted until payment is received by Council, will be included in the consent as detailed in this Plan. The amount of the contribution shall be the rate applicable at the time of payment.

3.1.2 Dedication of Land

Council may accept the dedication of land in lieu of, or as an offset against, making a cash contribution. The land that will be dedicated must be identified for acquisition in this Plan. All costs of dedication are to be borne by the applicant, including but not limited to survey, legal and administration costs. Appropriate arrangements are to be made to ensure that land will come into Council ownership before whichever of the following occurs first:

- the release of the subdivision certificate, or
- the first construction certificate.

3.1.3 Works in Kind / Material Public Benefit

A works in kind is the undertaking of works or the provision of a facility that is scheduled within the contributions plan, in part or full satisfaction of a condition requiring the payment of a monetary contribution or the dedication of land that would normally apply. WIK are generally offered and assessed as part of the development application process. Applicants seeking Council's acceptance of a WIK arrangement should initially discuss such a proposal with Council officers to determine Council's requirements.

Council may accept the construction of works listed in the work schedule in full or partial settlement of a monetary contribution.

A material public benefit (MPB) may be offered by the developer in part or full satisfaction of a condition requiring the payment of a monetary contribution or the dedication of land. A MPB may include the provision of work that is not scheduled within the contributions plan. Council may accept the provision of a MPB that is not nominated in the works schedule, if it can be justified why it is of equivalent or greater benefit to the community compared to what has been identified under the Plan.

Applicants seeking Council's acceptance of a WIK or MPB arrangement should obtain a copy of Council's relevant policy, which sets out the matters for consideration and conditions applying to approvals. Any proposals should also be discussed with Council officers to determine details of Council's requirements. The applicant will need to initiate action by applying to Council in writing, including comprehensive details and plans of the work proposed to be undertaken. The acceptance of WIK or MPB will be at Council's absolute discretion.

Where the value of the WIK, MPB or land dedication is greater than the amount of the required contribution, Council may consider the additional proportion to be a 'credit' and use it to settle contributions arising from future development in the same area. Where the value of the WIK, MPB or land dedication is less than the value of the required contribution, the applicant will be required to settle the balance of the contribution by way of a monetary contribution and/or land dedication.

3.2 Timing of Payments

Payment of contributions, land dedications, and completion of works shall be as follows:

- For development applications involving subdivision only, payment is required prior to the release of the Subdivision Certificate.
- For development applications involving building work only, payment is required prior to the release of the first Construction Certificate.
- For development applications involving both subdivision and building work, payment is required prior to the release of the Subdivision Certificate or the first Construction Certificate, whichever occurs first.
- For development applications where no Construction Certificate or Subdivision Certificate is required, payment is required prior to the release of the development consent or prior to issue of the first Certificate of Occupancy.

Where an application is dealt with by an Accredited Certifier, other than the Council, the development consent shall not operate unless and until the amount required by the consent has been paid in full to Council.

The amount of any monetary contribution to be paid will be the contribution payable at the time of consent, and depending upon the time of payment, will be subject to adjustment by the appropriate indexation method as detailed in Section 4.4.

3.3 The Form of Monetary Payments

Monetary contributions should be made by way of Bank Cheque in favour of Lake Macquarie City Council in accordance with Council's policy.

3.4 Indexation and Adjustment of Contributions at the Time of Payment

Contributions required as a condition of development will initially be calculated at the time of development consent and will be adjusted at the time of payment in accordance with the appropriate indexation method.

Capital Works Contributions

Capital works contributions will be indexed in accordance with the Building Price Index as published by the New South Wales Department of Commerce, using the following formula:

$$\text{Capital Works Contribution at time of payment} = C \times \frac{\text{BPI 1}}{\text{BPI 2}}$$

Where:

- C = Contribution calculated at the time of development consent
- BPI 1 = The Building Price Index last published by the NSW Department of Commerce at the time of payment.
- BPI 2 = The Building Price Index published by the NSW Department of Commerce at the time of consent.

Land Acquisitions and Section 94 Management Contributions

Land acquisitions and Section 94 Management contributions will be indexed in accordance with the Consumer Price Index as published by the New South Wales Department of Commerce, using the following formula:

$$\text{Administration and Management Contribution at time of payment} = C \times \frac{\text{CPI 1}}{\text{CPI 2}}$$

Where:

- C = Contribution calculated at the time of development consent
- CPI 1 = The Consumer Price Index (Sydney – All Groups) last published by the Australian Bureau of Statistics at the time of payment.
- CPI 2 = The Consumer Price Index (Sydney – All Groups) last published by the Australian Bureau of Statistics at the time of consent.

3.5 Deferred or Periodic Payments

Land acquisitions have commenced in 2007 and all capital works are proposed to commence in 2008. Given this, Council will be seeking to recoup expenditure incurred, and deferred or periodic payments will not be accepted by Council.

3.6 Complying Development

This Plan authorises and requires, in accordance with Section 94EC of the EP&A Act 1979, that accredited certifiers must impose a condition requiring monetary contributions in accordance with this Plan on any consent issued for non-residential complying development, where the accredited certifier is satisfied that the development, will or is likely to require the provision of or increase the demand for public amenities and public services within the area. The amount of the contribution is to be determined in accordance with the formulas contained in this Plan and the current contributions levies as published by Council.

The conditions imposed must be consistent with Council's current standard Section 94 consent conditions, including, but not limited to, indexation provisions, timing and form of payment. Council will assist accredited certifiers by providing copies of Council's standard Section 94 consent conditions. The accredited certifier must also ensure that there is no conflict between the development, the subject of the development application, and the location of proposed public amenities and public services in this Plan. It is the responsibility of the accredited certifier to keep up to date with:

- any amendments or changes to Plan,
- the current Council conditions or consent, and
- indexed contributions as published by Council.

It is also the responsibility of the accredited certifier to accurately calculate the contribution and to apply the Section 94 contribution correctly.

3.7 Issue of Construction Certificates by Accredited Certifiers

In accordance with Section 94EC of the EP&A Act 1979, and Clause 146 of the EP&A Regulation, a certifying authority must not issue a construction certificate for building work or subdivision works under a development consent unless it has verified that each condition requiring payment of contributions to Council has been satisfied.

In particular the certifier must ensure that the applicant provides a receipt(s) confirming that the contributions have been fully paid to Council and copies of such receipts must be included with copies of the certified plans provided to Council in accordance with Clause 142(2) of the EP&A Act Regulation. Failure to follow this procedure may render such certificate invalid.

The only exception to this requirement is where works in kind, material public benefit, or dedication of land has been agreed to in writing by the Council. In such cases the Council will issue a letter confirming that an alternative payment method has been agreed with the applicant.

3.8 Goods and Services Tax

At the time this Plan came into effect Goods and Services Tax was not applicable to neither monetary nor non-monetary contributions.

3.9 Review of the Plan

This Plan may be reviewed in full or in respect of particular parts when considered appropriate by Council.

As part of this review process, Council may seek to examine the following aspects of the Plan:

- Projected versus actual yield of development.
- Location, rate, type and density of development.

- The relationship between contribution levels and current land acquisition rates and construction costs.
- The actual cost incurred by Council in providing services and amenities.
- Current planning and engineering practice, development trends, policy and funding issues.
- Public amenities and services required.
- The works schedules in relation to the actual income derived from development, in conjunction with Council's Capital Works Program and budget estimates for the following year.
- The manner and time in which the contributions have been spent.
- Current management and strategic plans.
- Changes in legislation and legal precedent, which effect the management, content and/or implementation of the Plan.

In the event that this process identifies development trends which significantly depart from the assumptions upon which the Plan is based, Council may review the Plan in accordance with the requirements of the *Environmental Planning & Assessment Act 1979*, and the *Environmental Planning & Assessment Regulation 2000*.

3.10 Funding and Timing of Works

The contributions made to Council under the Plan partially fund the public amenities and public services identified in this Plan. The contribution rates have been determined on the basis of apportionment between the existing and projected new development. The Sources of Funds table later in this Plan details the extent of Council funding required to complete the public amenities and public services identified in this Plan (Table 8).

3.11 Carried forward funds

Contribution fees paid to Council which were levied in accordance with the Lake Macquarie Section 94 Contributions Plan – Hillsborough Road No.6, 2004 (repealed), will be applied to intersection upgrades on the northern service Road of Hillsborough Road.

4. DEVELOPMENT PROJECTIONS

4.0 Development Projections

The Hillsborough Road Precinct is already an important destination for bulky goods retail and entertainment purposes. There is some opportunity for new development or re-development within the Hillsborough Road Precinct. The development projections are based on the projections in the Lake Macquarie Section 94 Contributions Plan – Hillsborough Road No.6, 2004 (repealed) with amendment to properties 240 and 260 Hillsborough Road, Warners Bay.

The new development projections for the Hillsborough Road Precinct are detailed in Table 5.

Table 5 – Existing Development and New Development Projections

Property Address			Existing	Net New Development	BB Retail
			Gross Floor Area		
Number	Lot	Deposit Plan			
342	50	828390	420m ²	290 m ²	
326	51	828390	1,788 m ²	710 m ²	
320	52	828390	960 m ²		
314	531	843556	720 m ²		
316	532	843556	1,900 m ²		
318	533	843556	1,630 m ²		
298	Part lot 40	19682	750 m ²	670 m ²	
298	141	573193	2,170 m ²	430 m ²	
290	Part lot 42	19682	1,260 m ²	1,800 m ²	
270	1	796907	1,320 m ²	1,860 m ²	
240	4	612897			12,622 m ²
260	241	841489			
Total			13,378 m ²	5,760m ²	12,622 m ²

5. ROADWORKS AND TRAFFIC MANAGEMENT FACILITIES

5.0 Nexus

5.0.1 Causal

A traffic study was commissioned by Lake Macquarie City Council in 2001 to investigate the traffic issues in the Hillsborough Road Precinct. This study identified that Hillsborough Road is currently operating at its maximum capacity. Any further vehicular traffic without appropriate measures introduced will reduce its operational characteristics.

The precinct already experiences traffic congestion, particularly traffic entering Hillsborough Road from the service roads at peak times, and this will be exacerbated by additional traffic generated by new development.

The intersection works proposed in this Plan enable traffic to:

- enter the development sites from Hillsborough Road, and
- enter Hillsborough Road from the development sites.

Intersections are proposed at the west, east, and mid block of Hillsborough Road (between Crockett and King Streets, Warners Bay). No other access points or driveways will be available along Hillsborough Road.

A service road on the south side of Hillsborough Road is required to allow traffic, generated from businesses on this side, to access the appropriate intersection.

The proposed plan aims to provide a safe and efficient solution while at the same time accommodating the design and geometrical constraints.

5.0.2 Spatial

Figure 2 (over page) identifies the location of road and intersection works.

5.0.3 Temporal

Development of 240 and 260 Hillsborough Road is anticipated in 2008 and has necessitated the need for the traffic signals to be installed concurrently with the development. At the same time, traffic from this development will need to travel along the service road to turn left onto Hillsborough Road. Land acquisitions have commenced in 2007 and all capital works are proposed to commence in 2008.

5.1 Apportionment

The apportionment between existing and new development is based on total gross floor area.

Following from Table 5, south side development is broken down into the following categories:

- A. Existing development which has a total gross floor area of 13,378m²,
- B. BB Retail site (240 & 260 Hillsborough Road) development which has a total gross floor area of 12,622m², and
- C. Net new development which has a projected gross floor area of 5,760m².

The apportionment to each development category for each facility is detailed below.

Traffic Signals

The proposed traffic signals are aimed to cater for traffic entering the south service road from Hillsborough Road, as well as, traffic exiting the service road onto Hillsborough Road. The traffic signals are designed to have the following vehicular movements:

1. Right turn-in from Hillsborough Road onto the south service road,
2. Left turn-in from Hillsborough Road onto the south service road, and
3. Right turn-out from the south service road onto Hillsborough Road.

All vehicular traffic on the south side will perform movements 2 and 3 (above). Vehicular movements to turn right-out from the south service road onto Hillsborough road will only be possible at the traffic signals. Only vehicular traffic from the BB Retail site will perform vehicular movement 1.

The costs of the signals have been separated into a cost for the following vehicular movements:

- Vehicular movements 2 and 3 have a total cost of \$2,021,058, and
- Vehicular movement 1 has a total cost of \$178,942.

South Service Road Capital and Land Acquisitions

The proposed south service road will allow vehicles to enter and exit through the proposed intersections. All vehicular traffic on the south side will utilise the south service road.

South Service Road Exit (West)

The proposed west exit will cater for vehicles turning left from the south service Road onto Hillsborough Road. The service road will be a two-way along the entire length and land acquisitions will be required, as well as, road pavement works.

The majority of vehicular movements on the south side will travel to this exit. It is acknowledged, that some vehicular traffic from the BB Retail site may not utilise this exit, but such traffic movements are likely to be insignificant, and quantification is difficult to determine as some vehicles will exit at the traffic signals and some at the west intersection.

Forward Funding Costs

By nature of the timing of development, and the functionality of the intersections, the works are anticipated to commence in 2008. Facilities are anticipated to be provided in advance of development, and loan funds are required to fund a portion of the works. The loan costs have been apportioned to all development on the south side.

Study Costs

A traffic study was commissioned by Lake Macquarie City Council in 2001 to investigate the traffic issues in the Hillsborough Road Precinct. Clause 25I of the *Environmental Planning and Assessment Regulation 2000* permits Council to index actual costs for works provided in anticipation of development. The cost from the initial 2004 contributions plan has been indexed in accordance with this provision.

The indexed study costs have been apportioned to all development on the south side.

Apportionment Formulas

The apportionment percentages for each development category are calculated below. These apportionment percentages apply to the following works:

- Traffic Signals (excluding Right turn-in function),
- South Service Road Capital Works and Land,
- South Service Road (West) Exit, and
- Forward Funding costs.

$$\begin{aligned}
 \text{Existing Development} &= \frac{\text{Total Gross Floor Area of the Existing Development}}{\text{Total Gross Floor Area of Existing Development + BB Retail Development + Net New Development}} \\
 &= \frac{13,378 \text{ m}^2}{13,378 \text{ m}^2 + 12,622 \text{ m}^2 + 5,760 \text{ m}^2} \\
 &= 42\%
 \end{aligned}$$

$$\begin{aligned}
 \text{BB Retail Development} &= \frac{\text{Total Gross Floor Area of the BB Retail Development}}{\text{Total Gross Floor Area of Existing Development + BB Retail Development + Net New Development}} \\
 &= \frac{12,622 \text{ m}^2}{13,378 \text{ m}^2 + 12,622 \text{ m}^2 + 5,760 \text{ m}^2} \\
 &= 40\%
 \end{aligned}$$

$$\begin{aligned}
 \text{Net New Development} &= \frac{\text{Total Gross Floor Area of the Net New Development}}{\text{Total Gross Floor Area of Existing Development + BB Retail Development + Net New Development}} \\
 &= \frac{5,760 \text{ m}^2}{13,378 \text{ m}^2 + 12,622 \text{ m}^2 + 5,760 \text{ m}^2} \\
 &= 18\%
 \end{aligned}$$

Midway Entry (at Glades)

The proposed midway entry / exit (at Glades) is aimed to cater for traffic entering the south service road from Hillsborough Road. The intersection is designed to have the following vehicular movements:

1. Right turn-in from Hillsborough Road onto the south service road, and
2. Left turn-in from Hillsborough Road onto the south service road.

Vehicular traffic from the existing and net new development will utilise this intersection only. The apportionment percentages for each development category are calculated below.

$$\begin{aligned} \text{Existing Development} &= \frac{\text{Total Gross Floor Area of the Existing Development}}{\text{Total Gross Floor Area of Existing Development} + \text{Net New Development}} \end{aligned}$$

$$= \frac{13,378 \text{ m}^2}{13,378 \text{ m}^2 + 5,760 \text{ m}^2}$$

$$= 70\%$$

$$\begin{aligned} \text{Net New Development} &= \frac{\text{Total Gross Floor Area of the Net New Development}}{\text{Total Gross Floor Area of Existing Development} + \text{Net New Development}} \end{aligned}$$

$$= \frac{5,760 \text{ m}^2}{13,378 \text{ m}^2 + 5,760 \text{ m}^2}$$

$$= 30\%$$

5.2 Schedule of Works and Calculation of Contributions

Table 6 details the proposed schedule of capital works, apportionment and total costs. Table 7 details the proposed schedule of land acquisitions.

Table 6 – Proposed Schedule of Capital Works, Apportionment and Total Costs

Item	Traffic Works	Apportionment as a Percentage (%)			Total Cost			
		Existing Development	New Development		Existing Development	New Development		Total
		Existing Development	BB Retail	Net New Development	Existing Development	BB Retail	Net New Development	
1	Traffic Signals ¹	42%	40%	18%	\$848,845	\$808,423	\$363,790	\$2,021,058
2	Service Road – West Intersection	42%	40%	18%	\$180,600	\$172,000	\$77,400	\$430,000
3	Service Road - Midway Exit	70%		30%	\$104,854	\$0	\$45,146	\$150,000
4	Service Road – Capital Works	42%	40%	18%	\$168,000	\$160,000	\$72,000	\$400,000
6	Study Costs	42%	40%	18%	\$5,911	\$5,629	\$2,533	\$14,073
7	Forward Funding Costs	42%	40%	18%	\$168,508	\$160,484	\$72,218	\$401,210
	Total				\$1,476,718	\$1,306,536	\$633,087	\$3,416,341

¹ - excludes right turn-out function.

Table 7 – Proposed Schedule of Land Acquisitions

		Apportionment as a Percentage (%)			Total Cost			
		Existing Development	New Development		Existing Development	New Development		Total
Item	Traffic Works	Existing Development	BB Retail	Net New Development	Existing Development	BB Retail	Net New Development	
1	Service Road – Land Acquisitions	42%	40%	18%	\$348,600	\$332,000	\$149,400	\$830,000
2	Forward Funding Costs	42%	40%	18%	\$46,386	\$44,178	\$19,880	\$110,444
	Total				\$394,986	\$376,178	\$169,280	\$940,444

5.3 Calculation of Contributions

The calculation formulae used for determining the capital and land contributions for the net new development is detailed below.

$$\text{BB Retail Capital Works Contribution per m}^2 \text{ of gross floor area} = \frac{\text{Total capital costs apportioned to BB Retail}}{\text{Total gross floor area of BB Retail}} = \frac{\$1,306,536}{12,622 \text{ m}^2} = \$103.5126 / \text{m}^2$$

$$\text{BB Retail Development land Acquisition Contribution per m}^2 \text{ of gross floor area} = \frac{\text{Total land acquisition costs apportioned to BB Retail}}{\text{Total gross floor area of BB Retail}} = \frac{\$376,178}{12,622 \text{ m}^2} = \$29.8034 / \text{m}^2$$

$$\begin{array}{rclclcl}
 \text{Net New Development Capital Works} & = & \text{Total capital costs apportioned to Net New} & = & \$633,087 & = & \$110 / \text{m}^2 \\
 \text{Contribution per m}^2 \text{ of gross floor area} & & \text{development} & & & & \\
 & & \hline & & \text{Total gross floor area of Net New} & & \hline & & \text{Development} & & 5,760 \text{ m}^2
 \end{array}$$

$$\begin{array}{rclclcl}
 \text{Net New Development land Acquisition} & = & \text{Total land acquisition costs apportioned to} & = & \$169,280 & = & \$30 / \text{m}^2 \\
 \text{Contribution per m}^2 \text{ of gross floor area} & & \text{net New development} & & & & \\
 & & \hline & & \text{Total gross floor area of Net New} & & \hline & & \text{Development} & & 5,760 \text{ m}^2
 \end{array}$$

5.4 Sources of Funds

The contributions made to Council under this Plan partially fund the public amenities and public services identified in this Plan. Table 8 details the sources of funds for the entire schedule of works.

Table 8 - Sources of Funds

Source of Contributions	Amount (\$)
Developer	\$2,485,081
Council	\$1,871,704
Total	\$4,356,785

6. MANAGEMENT COSTS

6.0 Introduction

There are costs incurred in the management of developer contributions across the Lake Macquarie Local Government Area (LGA).

Costs associated with the ongoing management of the contributions plan will be levied on all applications occasioning a development contribution. These costs will appear as a separate element in the rates schedule and the method of calculation is described below.

6.1 Nexus

The employment of specific officers to manage the Section 94 developer contributions systems within councils, and for such positions to be funded through Section 94 contributions, is an orthodox approach utilised by many councils in New South Wales.

Lake Macquarie City Council employs a team of officers, whose roles includes:

- Ensuring legislative requirements are met, and
- Formulating and supervising initial planning studies necessary to establish the requirements of the incoming development, and the provision of necessary facilities, and
- Developing, maintaining and reviewing contribution plans, policies and procedures to produce the desired outcomes for the provision of facilities in terms of standard, appropriateness, timing and cost, and
- Overseeing the financial management of Section 94 contributions plans, including contribution rates and expenditure priorities for facilities and services to be provided by Section 94, and
- Monitoring and reviewing contributions plans to ensure that contribution levies reflect current land and construction costs, the level of provision reflects current planning and engineering practice and likely development trends, and that work schedules are amended if development levels and income received differ from current expectations, and
- Regular and efficient reviews of Section 94 contributions rates for inflation, and
- Negotiation and consideration of works in kind, material public benefit and land dedication proposals, and
- Reacting to legal precedent, and

- Ensuring that detailed studies, estimates and surveys are prepared by Council in advance of the execution of works, and
- Incorporation of scheduled items in Council's capital works program and annual budgetary process, and
- Preparation of annual statements.

Council considers that the costs involved with managing the Section 94 contributions system are an integral and essential component of the efficient and effective provision of public services and facilities within the Lake Macquarie Local Government Area. Council therefore considers it reasonable that expenses directly related to the management of Section be funded from developer contributions.

6.2 What Will be Required

This Plan aims to provide funds to ensure the efficient management of the Section 94 developer contributions system within Council, including the implementation and ongoing review of the contributions plans. The cost of managing the Section 94 contributions system is based on the salary and on-costs of those Council officers managing the Section 94 developer contributions system.

6.3 Apportionment

Table 9 details the current operational Section 94 Contributions Plans within the Lake Macquarie Local Government Area. This Plan estimates the amount of time allocated to each Section 94 contributions plan (see Table 9 over page), including this Plan. These are estimates only and may be subject to change. The percentages relate to a development timeframe of 15 years.

Table 9 Apportionment of Section 94 Management Costs

Operational Section 94 Contributions Plan	Estimated Percentage of Management Time to be Allocated to Each Section 94 Contributions Plan
Lake Macquarie Section 94 Contributions Plan Citywide No.1, 2004 (amended)	40%
Lake Macquarie Section 94 Contributions Plan No.2 Northlakes (2004)	20%
Lake Macquarie Section 94 Contributions Plan No.4 Commercial centres (1998)	15%
Lake Macquarie Section 94 Contributions Plan No.5 North Wallarah Peninsula (2004)	20%
Draft Lake Macquarie Section 94 Contributions Plan No.6 – 2007 Hillsborough Road	5%

6.4 Calculation of Contributions

The total estimated management cost over a 15 year period is \$3,612,135.

The calculation formulae used for determining the Section 94 Management contribution for the net new development is detailed below.

$$\begin{aligned} \text{BB Retail and Net New} &= & \text{Total Section 94} & \times & \text{Management Apportionment} \\ \text{Development Section 94} &= & \text{Management costs over} & & \text{(from Table 9)} \\ \text{Management} & & \text{a 15 year period} & & \\ \text{Contribution per m}^2 \text{ of} & & & & \\ \text{gross floor area} & & & & \\ & & \text{Total gross floor area of BB Retail and Net New} & & \\ & & \text{Development} & & \\ & & \text{-----} & & \\ & = & (\$3,612,135 & \times & 5\%) & \\ & & \text{-----} & & \\ & & (12,622 \text{ m}^2 + 5,760 \text{ m}^2) & & \\ & = & \$10 / \text{m}^2 & & \end{aligned}$$