

Bellingen Shire Council

Section 94 Contribution Plan:
Project Administration

August 2007

Plan Version

Version	Adopted	Commenced	Notes
V.1	07.08.07	07.09.07	

Certification

This Contribution Plan, The Bellingen Shire Section 94 Contribution Plan: Project Administration was Adopted by Bellingen Shire Council on 07.08.07 and Commenced on 07.09.07

General Manager
Bellingen Shire Council

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INTRODUCTION

Section 94 Contributions – Summary

Section 94 (s.94) of the *Environmental Planning and Assessment Act (1979)* is a legislative mechanism permitting a Council to recover costs associated with the provision of infrastructure, facilities and/or services required within the local community owing to intensified demand due to development that results in increased population.

Increased population within an area intensifies demand on public infrastructure provided by Councils. Public infrastructure includes local roads and stormwater drainage, recreation and community facilities such as parks, community centres and libraries, and Council supported community service providers such as Surf Life Saving Associations and Emergency Services.

Section 94 guarantees that the provision of additional facilities to be provided is not borne disproportionately by Council and the existing community, by permitting Council to levy a contribution towards the part or full cost of facility provision on any development creating an intensification of demand.

The levy is incorporated within a **Section 94 Contribution Plan**, which authorises the collection of a levy for specified purposes, authorised within the Plan. The levy is calculated according to the demand generated, by either the number of new building lots being created in a subdivision, or the expected occupancy of the new lots. A contribution may be imposed on any form of development that creates additional demand including, residential, commercial, industrial and tourist development.

Additionally, the levy is calculated to provide protection to the development guaranteeing the costs of providing new facilities or infrastructure are equitably shared according to the development level.

There are significant legislative requirements and legal precedents governing plan preparation, management, monitoring and implementation. The contribution plans themselves require constant maintenance, including the detailed monitoring of development, financial management including calculation of contributions rates and expenditure priorities, indexation, reacting to legal precedent and formal review.

Council considers that costs involved with administering the developer contributions system are an integral and essential component of the efficient and effective provision of public services and amenities within the Bellingen Local Government Area (LGA). Council therefore considers it reasonable that the expenses directly related to the administration of the Section 94 Contribution Plans be recovered from developer contributions.

The calculation of contributions is determined from the cost of administration as a percentage of the total annual developer contributions received under the provisions of all contributions plans and development servicing plans in operation within the Bellingen LGA as explained in **Part B** of this plan. Council considers that the recovery of this oncost to manage developer contributions to be reasonable.

PART A

A.1 Name of this Contribution Plan

This Contribution Plan is known as;

Bellingen Shire Council
Section 94 Contribution Plan: Project Administration

A.2 Purpose of this Contribution Plan

This Plan is prepared in accordance with the *Environmental Planning and Assessment Act 1979 (EP&A Act)* and *Environmental Planning and Assessment Regulation 2000*.

This Legislation permits Council to place conditions on consents that can require persons, corporations or other organisations undertaking a specific development to make a monetary or in kind contribution, towards the provision of public infrastructure and community facilities that are identified as being required to meet the need of the community as a result of that development.

This Contribution Plan has the following aims and objectives:

- To determine an equitable and fair contribution rate for the Administration of Section 94 Contribution Plans
- To recover the fair and reasonable direct costs incurred by Council in the development, assessment, administration, monitoring and review of the s.94 program
- To ensure the existing community is not financially disadvantaged by the need to provide additional services for the administration of the s.94 program in the Council area
- To formulate a comprehensive and definitive strategy for the assessment, collection, accounting, expenditure, reporting and review of developer contributions
- To develop a mechanism to deliver the community a service or facility to an acceptable and appropriate level within a reasonable timeframe
- To meet and satisfy the requirements of the *EP&A Act* and *Regulation*

A.3 Land to Which this Contribution Plan Applies

This Contribution Plan applies to all land within the Local Government Area of:

- **Bellingen Shire Council**

A.4 Development to Which this Contribution Plan Applies

This Plan applies to all development occurring within the areas identified in (A.3) Land to which this Contribution Plan Applies, and which requires a Development Application to be submitted to the Council, and which is subject to payment of Developer Contributions in accordance with any current Contributions Plan approved by Bellingen Shire Council.

A.5 Relationship to Other Plans

This Contribution Plan is prepared in relationship to:

- Bellingen LEP 2003

This Contribution Plan relates to all Section 94 Contribution Plans currently adopted and in operation in the Bellingen LGA.

These documents are indexed in Appendix 1

A.6 Performance and Review of this Contribution Plan

This Contribution Plan is based on specific assumptions concerning predicted levels of development and each member Council's administrative costs. The performance of this Plan, in meeting the objectives of:

- providing effective support for the administration of the Section 94 program
- meeting the needs of new development
- ensuring the income from contributions are providing effective and efficient administration of the S94 program,

will require a regular process of review, which should be undertaken within five (5) years of commencement of the contribution plan.

A.7 Date of Commencement of this Contribution Plan

This Contribution plan was adopted by Council on **7th August 2007**.

This Plan is effective from **7th September 2007**

This Plan applies to all Development Applications determined on and after this date.

A.8 Duration of this Contribution Plan

The duration of this Contribution Plan is ten (10) years from the date of commencement.

The Plan may be reviewed at any time within the 10 year period.

Services to be provided are described in Part D.1 Works Schedule.

PART B

B.1 Operation of the Contribution Plan

In the determination of a Development Application, a condition may be imposed by Council requiring a monetary contribution according to the provisions of this Contributions Plan.

The Plan applies to all development that will create a potential increase in demand for public amenities, infrastructure and services identified in member Councils Section 94 Contribution Plans.

B.2 The Contribution Formulae

The contribution rate is calculated by determining the cost of administering Section 94 plan preparation and accounting for each member Council as a percentage of the total annual income from all development contributions.

$$\text{Contribution Rate (CR\%)} = \frac{\text{Tca} \times \text{t\%}}{\text{Tpi}}$$

Where: Tca = total cost of administration

Tpi = estimated total annual income derived from S94 contributions

t% = estimated apportioned time/resource on S94

Ca = administration levy

Worked Example:

Tca - Total cost of administration for S94 over 2 years = \$ 77,330

Annual recovery of costs over 10 year plan = \$ 7,730

Tpi – Estimated annual s.94 income = \$113,000

t% = 100%
= 1

CR% = $\frac{\$7,730 \times 1}{\$113,000}$
= 0.06
= 6%

Average weighted contribution = \$5,000.00

Ca = \$5,000.00 x .06

= \$300.00

Total S94 Contribution including administration levy = \$5,000 + \$300
= \$5,300.00

B.3 When Contributions are Payable

- Where the Contribution relates to Development Applications involving Subdivision the Contribution is payable prior to the release of the Subdivision Certificate.
- Where the Contribution relates to Development Applications involving Building Approvals, the contribution is payable prior to release of the Building Construction Certificate.
- Where the Contribution relates to Development Applications where no building approval is required, the Contribution is payable prior to occupation or use.

B.4 Exemptions and Deferrals

There are no exemptions from this Contribution Plan.

Council will consider in certain circumstances the deferred payment of Contributions subject to the following conditions:

- i. Lodgement of a Bank Guarantee or Deed of Agreement for the amount of contribution payable;
- ii. The maximum period of Deferral is twelve (12) months,
- iii. Interest is charged on all deferred payments and is to be calculated and included into the Bank Guarantee, and this will represent the amount payable at the completion of the period,
- iv. In the event that the outstanding contribution including interest has not been paid at the completion of the deferral period, Council will call in the Bank Guarantee or Deed without further reference to the applicant

PART C

C.1 Nexus

The ongoing development and maintenance of Council's Section 94 Contribution Plans requires the direction of significant resources towards the program to ensure the continued relevance, accuracy and compliance in meeting the Legislative requirements of the Act and the needs and expectations of the community.

The ongoing provision of infrastructure and facilities under the S94 program is dependent on the sound administration and performance monitoring of Council's Section 94 Contribution Plans.

The legislative and administrative functions required to support and maintain the section 94 program include:

- Preparation, administration and review of planning and design studies
- Development of Contribution Plans and attendant policy documentation
- Review of Contribution Plans
- Financial management and accounting of collection, scheduling and expenditure of contributions
- Development of Project and Works Schedules
- Administration of Works in Kind Agreements
- Community consultation
- Reporting and performance monitoring
- Annual Reporting

Bellingen Shire Council has employed a Section 94 Project Coordinator whose sole role is to undertake these functional tasks and to ensure they are executed effectively.

This position is accountable to the joint Bellingen/Nambucca/Kempsey Section 94 Management Group.

The cost of managing the Section 94 Program for Council is apportioned as being 100% of the Coordinator's salary and costs, being a total of \$38,666/pa.

C.2 Causal Nexus

Causal nexus requires the demonstration that the need of a facility or service being subject of the Levy is a direct result of the subject development.

The development of a Contribution Plan places an obligation on Council to provide resources that can effectively manage, administer and monitor the performance of the plan.

Council further has an obligation to review, update and amend the Contribution Plans to guarantee and maintain the operational relevance of the program, and when necessary identify and prepare new Contribution Plans to meet the future needs of the community.

It is clearly demonstrated that the costs associated with the administration and management of the contribution plan program is directly related to the demands of development, and that this Contribution Plan is required to continue effective administration and management of the s.94 program.

C.3 Future Growth

The Bellingen Shire has an uneven and relatively low rate of growth in residential, commercial and tourist related development, all of which is primarily centred on, or within proximity of, the urban areas of Urunga on the coast, the valley town of Bellingen and the plateau centre of Dorrigo.

Council has identified target areas where future growth is to occur and will be subject to increased demand for public infrastructure, facilities and services. Given the current trends in new housing starts the areas of highest growth will continue to occur in close proximity to the coast and established town centres.

This Contribution Plan will levy residential and commercial development.

PART D

D.1 Work Schedule and Contribution Rate

Work Schedule

Item	Description	Cost over Life of Plan	%s.94	Date
1	Section 94 Project Coordinator	\$ 77,330 over 10 years	100	2007 –2017

Contribution Rate

Item	Description	Rate %	Calculation
1	All Development	6%	Calculated on subtotal of payable contributions

APPENDIX A

Contribution Plans

- S94CP Urunga Town Centre Car Parking 1992-93
- S94CP South Urunga Residential Release (Amended) 1993
- S94CP Bushfire Services. *April 2001*
- S94CP Bellingen Bridge Replacement *May 1993*
- S94CP Roads. *Jan 1994*
- S94CP Bellingen Town Centre Car Parking. 1993
- S94CP Community Services and Amenities 1993

APPENDIX B

B.1 Map of Contribution Catchment