

## AMENDED REPORT

### 7 [OGM] Section 64 and Section 94 Developer Contribution Comparison

#### ORIGIN:

Corporate Development

#### SUMMARY OF REPORT:

Council at its Meeting of 17 December 2003 resolved that Council be provided further information namely:

1. What are the additions and increases to these contributions over the last four years?
2. What has been the effect of developer contributions to the Council budget?
  - Does it mean that ratepayers are contributing less - around 40% of the budget - while developers are contributing more?
3. How does Council compare with the performance of other comparable Councils in NSW in the matter of developer contributions and ratepayers share of the budget?

#### RECOMMENDATION:

That this report be received and noted.

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3. How does Council compare with the performance of other comparable Councils in NSW in the matter of developer contributions and ratepayers share of the budget?

### Request 1

In respect of this request, information on Section 64 and 94 contributions is provided for a development in Banora Point and Black Rocks at Pottsville for the years 1999 and 2003.

The 2003 contributions relates to the figures that were contained in the Council report, which was considered on 17 December 2003.

### Banora Point – DCP 3 area – per Lot

|                           | 1999            | 2003            |    |
|---------------------------|-----------------|-----------------|----|
| <b>Section 64</b>         |                 |                 |    |
| Water                     | \$3,420         | \$4,000         |    |
| Sewer                     | \$2,820         | \$3,275         |    |
| <b>Section 94</b>         |                 |                 |    |
| CP1 Open Space            | \$2,407         | \$3,646         | *# |
| CP3 Community Facilities  | \$512           |                 |    |
| CP4 Roads                 | \$1,684         | \$1,684         |    |
| CP6 Street Trees          | \$43            | \$43            |    |
| CP11 Libraries            | \$300           | \$688           |    |
| CP12 Bus Shelters         | \$23            | \$23            |    |
| CP13 Cemeteries           | \$85            | \$126           |    |
| CP16 Surf Lifesaving      | \$80            | \$215           |    |
| CP18 Office Accommodation | \$345           | \$345           |    |
| CP22 Cycleways            |                 | \$160           |    |
| CP26 Shirewide Open Space |                 | \$1,398         |    |
| <b>TOTAL</b>              | <b>\$11,719</b> | <b>\$15,603</b> |    |

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The amount per lot is dependant upon the number of lots in a development – for this Year 2003 scenario, the amount per lot paid was \$1,207 - thus making the total contribution paid per lot for the development being \$15,603 + \$1,207 = \$16,810

\* Assumes no dedication or embellishment of structured or passive open space

# Includes \$ 512 originally levied under CP3 Community Facilities

### Comment

Over the four year period, the amount per lot in a Banora Point development has increased by \$3,884, without the inclusion of new contribution plans for cycleways and shirewide open space, the increase would have been \$2,326, between 1999 and 2003.

### Black Rocks - per Lot

|                           | 1999            | 2003            |
|---------------------------|-----------------|-----------------|
| <b>Section 64</b>         |                 |                 |
| Water                     | \$5,220         | \$5,800         |
| Sewer                     | \$2,820         | \$3,275         |
| <br><b>Section 94</b>     |                 |                 |
| CP4 Roads                 | \$2,394         | \$2,394         |
| CP5 Structured Open Space | \$519           | \$780           |
| CP5 Casual Comm. Space    | \$235           | \$167           |
| CP6 Street Trees          | \$42            | \$42            |
| CP11 Libraries            | \$300           | \$688           |
| CP12 Bus Shelters         | \$23            | \$23            |
| CP13 Cemeteries           | \$85            | \$126           |
| CP15 Community Facilities | \$584           |                 |
| CP16 Surf Lifesaving      | \$80            | \$215           |
| CP18 Office Accommodation | \$344           | \$344           |
| CP22 Cycleways            |                 | \$160           |
| CP26 Shirewide Open Space |                 | \$1,398         |
| <b>TOTAL</b>              | <b>\$12,646</b> | <b>\$15,412</b> |

### Comment

Over the four year period, the amount per lot in a Black Rocks development has increased by \$2,766, without the inclusion of new contribution plans for cycleways and shirewide open space, the increase would have been \$1,208, between 1999 and 2003.

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### Request 2

This request required information on Council's Budget, however following consultation with Councillor Brinsmead, information pertaining to requests 2 and 3 will now be based on Council's Financial Statements. Budget information only provides an estimate for the current year, as projects that are planned to be implemented, might not proceed, accordingly the financial statements produce information on what actually did occur.

Information summarised in the table below is a comparison of rates and charges and developer contributions to total Council revenue for the years 1999/2000 to 2002/2003. The amount of developer contributions includes both cash and non-cash contributions. Non-cash items refers to infrastructure assets that were required to be undertaken by a developer as part of the development consent and were handed over to Council. In 2002/2003 the RTA handed over to Council the Tweed Valley Way with a value of \$61,726,000 and due to the impact that it has on Council's total revenue, for comparison purposes in this report, it has been deleted from the total of Council revenue. The information is sourced from the yearly comparative information released by the Department and Local Government and Council's Financial Statements.

|                           | <b>1999/2000</b> | <b>2000/2001</b> | <b>2001/2002</b> | <b>2002/2003</b> |
|---------------------------|------------------|------------------|------------------|------------------|
| Rates/Charges             | 43%              | 43%              | 39%              | 39%              |
| Development Contributions | 22%              | 24%              | 29%              | 22%              |

### Comment

The percentage of rates and charges to total council revenue has reduced by 4% over the four-year period, however the amount of developer contributions has fluctuated. Developer contributions have remained steady for the years 1999/2000, 2000/2001 and 2002/2003 around 22-24%, whilst there was an increase in 2001/2002, which reflected an increase in contributions provided to Council in comparison to the total revenue.

The contributions provided by developers in any year, include developments that have been approved and proceeded in the current year, but also developments approved in previous years, but have now proceeded.

### Request 3

Information has been sourced from Hastings Shire and Coffs Harbour City Councils pertaining to level of developer contributions received each year and ratepayers share of the budget.

The two Council's have provided information pertaining to cash and non-cash contributions provided by developers for the relevant years and this information has been compared with their total revenue for each year.

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|               | 1999/2000 | 2000/2001 | 2001/2002 | 2002/2003 |
|---------------|-----------|-----------|-----------|-----------|
| Tweed         | 22%       | 24%       | 29%       | 22%       |
| Hastings      | 19%       | 27%       | 25%       | 24%       |
| Coffs Harbour | 12%       | 8%        | 7%        | 14%       |

### Comment

It should be noted that not all three Council's have the same level of Section 64 contribution fees or the same number or level of Section 94 contribution fees. Accordingly, no accurate comparison or performance can be made, the figures indicate the percentage of total developer contribution and total Council revenue.

It is important to note that the basis for levying Section 64 and Section 94 contribution fees is to allocate the cost of providing new infrastructure that is the result of development and that the increased cost of such development is not met by existing ratepayers and residents.

### LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

Nil.

### POLICY IMPLICATIONS:

Nil.

### UNDER SEPARATE COVER:

Nil.

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