

TITLE: [EO-CM] Amendment to Section 94 Plan No. 4 - Tweed Road Contribution Plan

ORIGIN:

Planning and Infrastructure

SUMMARY OF REPORT:

At its meeting of 15 November 2011, Council resolved to exhibit draft *Section 94 Plan No. 4 – Tweed Road Contribution Plan (TRCP) Version 6*.

Version 6 contains the following amendments:

- Adopt standard document format, resulting in significant reorganisation of plan sections;
- Update works program (Schedule 5) based on contemporary planning strategies and development patterns;
- Update cost of works program items based on current unit rates;
- Apply contingencies to conceptual works estimates in accordance with RTA Project Estimating Manual (Schedule 8)
- Delete Local Area Contribution 1 (Terranora Area E) and Local Area Contribution 2 (Kings Forest);
- Update plan to reflect adoption of Tweed Community Strategic Plan, Local Growth Management Strategies, and progress with draft Tweed LEP 2010 and draft Tweed Heads Masterplan;
- Amend Eligible Business Enterprise clause;

Changes to contribution rates are summarised as follows:

Sector	Locality	Total Trip End Contribution inc Admin		Household Contribution (6.5 trip ends) inc Admin	
		Version 5.2	Draft Version 6	Version 5.2	Draft Version 6
		Indexed Rate	Base Rate	Indexed Rate	Base Rate
1	Tweed Heads	\$656	\$815	\$4,264	\$5,299
2	Tweed Heads South	\$936	\$1,318	\$6,084	\$8,567
3	Cobaki	\$999	\$1,377	\$6,494	\$8,952
4	Bilambil Heights	\$1,829	\$2,836	\$11,889	\$18,432
5	Terranora	\$1,527	\$1,988	\$9,926	\$12,924
	LAC1: 'Area E'	\$2,081	Deleted	\$13,527	Deleted
6	Kingscliff	\$861	\$1,137	\$5,597	\$7,387
7	Duranbah/Cabarita	\$955	\$1,145	\$6,208	\$7,440
	LAC2: Kings Forest Development	\$1,351	Deleted	\$8,782	Deleted
	LAC4: Casuarina	\$1,114	\$1,313	\$7,241	\$8,531
8	Pottsville	\$1,125	\$1,284	\$7,313	\$8,345
	LAC3: Koala	\$1,216	\$1,352	\$7,904	\$8,791

Sector	Locality	Total Trip End Contribution inc Admin		Household Contribution (6.5 trip ends) inc Admin	
		Version 5.2	Draft Version 6	Version 5.2	Draft Version 6
		Indexed Rate	Base Rate	Indexed Rate	Base Rate
	Beach/Seabreeze				
9	Murwillumbah	\$1,166	\$1,317	\$7,579	\$8,562
10	Rural - Inner East	\$1,601	\$1,807	\$10,407	\$11,745
11	Burringbar	\$1,124	\$1,252	\$7,306	\$8,139
12a	Rural - Inner North	\$2,358	\$2,928	\$15,327	\$19,035
12b	Rural - Inner West	\$2,062	\$2,239	\$13,403	\$14,556
13	Rural - Outer	\$2,366	\$2,534	\$15,379	\$16,470

The Draft Plan was exhibited for 28 days from 23 November 2011 to 15 December 2011 in accordance with Regulation 28 of the Environmental Planning and Assessment Regulations 2000 via Council's Tweed Link and website exhibition page and one (1) submission was received.

The plan is submitted for Council approval as exhibited.

RECOMMENDATION:

That Council:

- 1. Approves Draft S94 Plan No 4 – Tweed Road Contribution Plan Version 6 as exhibited to repeal and replace the existing version in accordance with Clause 31 of the Environmental Planning & Assessment Regulations 2000;**
- 2. Gives Public Notice in the Tweed Link of Council's decision specifying that the amended Version 6 of the Plan (CP4) comes into effect on the date of the notice.**

REPORT:

1. Background

S94 Plan No.4 – Tweed Road Contribution Plan (TRCP) has been in existence since December 1990 for the purpose of enabling Council to levy Section 94 developer contributions for the provision of additional road capacity to service increased traffic loading as a result of urban growth and/or development demands. It also permits Council to recoup past expenditures on the road network made in anticipation of development throughout the entire Tweed Shire.

The TRCP provides an administrative framework under which the Tweed Road Development Strategy, the Lower Tweed and Pacific Highway Traffic Masterplan and other specific strategies may be implemented and coordinated.

The last major review of the TRCP works program was undertaken in 2007, (Version 5.0). In the years since, Council and developers have undertaken considerable work in advancing major road projects including Cobaki Parkway, Kennedy Drive, Kirkwood Road, Scenic Drive Diversion and McAllisters Road Extension. Costs for construction and land acquisition have also increased considerably in this time period, as has recognition of project constraints such as geotechnical works and environmental offset requirements. Council has also finalised a number of strategic planning strategies which need to be incorporated into road network considerations.

As such, Council officers recognise the need to update the works program, and the associated contribution rates, and have produced the subject amendments accordingly. Revised rates have been calculated by Council's consultants, who have utilised the same traffic demand model as has been used in previous versions of the TRCP.

2. Amendments

Draft Version 6 proposes the following amendments to the TRCP:

- Adopt standard document format, resulting in significant reorganisation of plan sections;
- Update works program (Schedule 5) based on contemporary planning strategies and development patterns;
- Update cost of works program items based on current unit rates;
- Apply contingencies to conceptual works estimates in accordance with RTA Project Estimating Manual (Schedule 8)
- Delete Local Area Contribution 1 (Terranora Area E) and Local Area Contribution 2 (Kings Forest);
- Update plan to reflect adoption of Tweed Community Strategic Plan, Local Growth Management Strategies, and progress with draft Tweed LEP 2010 and draft Tweed Heads Masterplan;
- Adjustment factor deleted for Sectors 4 and 8 (Schedule 6);
- Amend Eligible Business Enterprise clause;

Details of these amendments were contained in the exhibition report to the 15 November 2011 Council meeting.

3. Exhibition and Submissions

Council at its meeting held 15 November 2011 resolved to exhibit Draft S94 Plan No 4 - Tweed Road Contribution Plan Version 6. The Draft Plan was exhibited for 28 days from 23 November 2011 to 16 December 2011 in accordance with Regulation 28 of the Environmental Planning and Assessment Regulations 2000 via Council's Tweed Link and website exhibition page.

One (1) submission was received during the exhibition period. The issues raised in this submission are summarised and discussed as follows:

Issue	Discussion	Action
1. Cost estimates contained in Schedule 5 are generally excessive, with unreasonably high contingency amounts, particularly in the case of the Cobaki sector.	<p>Cost estimates have been prepared using the best available information on each project, and experience of costs for similar projects. Most contemporary TRCP works projects undertaken by Council have significantly exceeded the cost estimates contained in the works schedule (recent examples being Kirkwood Road extension and Kennedy Drive 4-laning), demonstrating the need to include a greater contingency component to account for unforeseen costs and additions. Council has adopted the contingency approach adopted by the relevant State Authority (Roads and Maritime Services, previously Roads and Traffic Authority) and applied it generally to Schedule 5, taking into account the degree of certainty behind various key assumptions of project scope, risks, constructability, timing, information available, and length of the project.</p> <p>With regard to Cobaki sector works, contingencies of varying levels have been applied. Where projects are known to be well advanced in terms of design and investigation lower contingencies are applied (such as the northern section of Cobaki Parkway at 15% contingency) than those portions of the works that are still in concept phase and/or are known to have significant potential constraints (such as the southern section of Cobaki Parkway, with soft</p>	No action

Issue	Discussion	Action
2a. Schedule 5 does not identify cost estimates for land acquisition.	soil geotechnical issues, at 70% contingency). Land acquisition costs are included in project calculations. Schedule 5 as exhibited provides a summary of cost estimates, due to the size of the parent spreadsheet. However this additional information can be made available in the adopted version on Council's website.	Provide expanded Schedule 5 spreadsheet on Council website.
2b. Section 94C of the EP&A Act 1979 allows for cross border infrastructure to be provided, as occurred for the Boyd St overpass. Schedule 5 should therefore also include works integral to the operation of the road network, being: <ul style="list-style-type: none"> • The intersection of Boyd St and Gold Coast Highway; • Boyd St extension from Inland Drive to the overpass; • Four lane upgrade of Boyd Street. 	<p>The Boyd Street overpass was a unique case in that it was originally intended to be located wholly within New South Wales in preliminary designs for the "Western Bypass" (now Tugun Bypass), and as such, it was included in the TRCP as a works program item. However during the design and approvals process for the highway, the location of the overpass was moved (by others) to straddle the state border. The s94C amendments to the Act allowed Council to provide funding for the overpass from developer contributions already collected under the TRCP for this item of road infrastructure, despite part of the works now being located in Queensland.</p> <p>Other works as proposed by the objector are located wholly within Queensland and have not to date been included in the TRCP as works items. The intersection of Boyd St and Gold Coast Highway and the 4 laning of Boyd Street are included in deeds of agreement between the developer and the relevant road authority (being Queensland Transport and Main Roads and Gold Coast City Council respectively), to which Tweed Shire Council is not a party.</p>	No action

Based on the above, the plan as exhibited is now recommended for Council approval.

LEGAL/RESOURCE/FINANCIAL IMPLICATIONS:

The proposed amendments are intended to ensure that TRCP contributions reflect the expected costs of road infrastructure projects, to minimise the requirement for Council to rely on other funding sources to complete those projects that are required by new developments.

Version 6 establishes new base rates from which the plan can be regularly indexed, to keep pace with changes in construction costs.

The Planning Minister's s94E Direction of 3 March 2011 imposes a \$20,000 cap per dwelling/allotment on s94 developer contributions, and a \$30,000 cap per dwelling/allotment on s94 developer contributions for greenfield development. It is noted that several sectors have sizable TRCP contributions in Version 6, which pushes them close to the cap (e.g. Bilambil Heights, which is subject to the greenfield cap of \$30,000 has a TRCP contribution of \$18,432 per lot, and Rural Inner – North which is subject to the \$20,000 cap has a TRCP contribution of \$19,035). The s94E Direction limits Council's ability to impose a condition of consent that requires total s94 contributions exceeding the applicable cap. The TRCP rates leave little room under the cap for other s94 plan contributions, meaning that the ability to collect the full amount of contributions will need to be limited by the imposition of consent conditions for development approvals within some sectors.

POLICY IMPLICATIONS:

This amendment updates the Tweed Roads Contribution Policy to take into account current conditions.

UNDER SEPARATE COVER/FURTHER INFORMATION:

To view any "non confidential" attachments listed below, access the meetings link on Council's website www.tweed.nsw.gov.au (from 8.00pm Wednesday the week before the meeting) or visit Council's offices at Tweed Heads or Murwillumbah (from 8.00am Thursday the week before the meeting) or Council's libraries (from 10.00am Thursday the week of the meeting).

1. Draft Section 94 Plan No 4 – Tweed Road Contribution Plan Version 6 Attachment 1 (ECM 44958776).
 2. Draft Section 94 Plan No 4 - Tweed Road Contribution Plan Schedule 5 Version 6 Attachment 2 (ECM 44531344).
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