

Section 7.11
Development
Contributions Plan –
Dubbo South-East
Stormwater Drainage
Headworks
Contributions

TABLE OF CONTENTS

Table Of Contents	2
1. Introduction and Executive Summary.....	4
1.1 Purpose of the Plan.....	4
1.2 Part Repeal of Section 94 Contributions Plan – Urban Stormwater Drainage Headworks Contributions Plan 4	
1.3 Scale of future development.....	4
1.4 Timescales identified in the Plan.....	5
1.5 Administration levy.....	5
1.6 Structure of contributions.....	6
1.7 Summary of Infrastructure Items.....	7
1.8 Summary of contribution rates.....	8
2. Administration and plan operations	9
2.1 Name of the Plan	9
2.2 Land to which Plan applies	9
2.3 Structure of the Plan.....	10
2.4 What is the objectives of this Development Contributions Plan	10
2.5 Commencement of the Plan	10
2.6 Operation period of the Plan	10
2.7 Relationship with other Land Use plans, reports and policies	10
2.8 Development to which this Plan applies	11
2.9 Development Exempt from the Plan	11
2.10 Payment of Contributions	11
2.11 Methods of Payment	11
2.12 Construction Certificates and the obligation of accredited certifiers	12
2.13 Complying development and the obligation of accredited certifiers	12
2.14 Material public benefit and works-in-kind	13
2.15 Deferred payments.....	14
2.16 Planning Agreements	14
2.17 Indexation	15
2.18 Review of the Plan.....	15
2.19 Pooling of contributions	15
2.20 Accounting standards and contributions register.....	15
2.21 Treatment of funds received prior to the commencement of this Plan	15
2.22 Calculation of Contributions	16
2.22.1 Calculation of Plan Administration Levy	16
2.22.2 Calculation of South-East Stormwater Contribution.....	16
3 Contribution Strategy	18
3.4 Demographic Trends.....	18
3.4.1 Population statistics	18

3.4.2	Population trends for the South-east residential growth area	18
3.5	What is the relationship between expected demand and the delivery of infrastructure?.....	22
3.5.1	what is nexus.....	22
3.5.2	Causal Nexus	22
3.5.3	Spatial Nexus	22
3.5.4	Temporal Nexus.....	22
3.5.5	Apportionment	23
APPENDIX 1 Works Summary (Cost Estimate Schedules).....		24
APPENDIX 2 Rates and Calculations Sheets		25
APPENDIX 3 'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme'		27

Table of Figures

Figure 1: South-East Stormwater Drainage Catchment	9
Figure 2: Population Projection Subject Area (Source: REMPLAN, 2019)	18
Figure 3: Age Population Pyramid (Source: REMPLAN, 2019)	19
Figure 4: Family Composition (source: REMPLAN, 2019)	19
Figure 5: Development Locality Areas	21

Table of Tables

Table 1: Plan Administration Levy per square metre5
Table 2: Plan administration levy per square metre6
Table 3: Itemised Estimated Cost of Construction of Infrastructure6
Table 4: Summary of Contribution Rates8

1. INTRODUCTION AND EXECUTIVE SUMMARY

1.1 Purpose of the Plan

The Dubbo stormwater drainage network enables stormwater to be conveyed and disposed of in an effective manner which will not adversely effect existing developments or the environment whilst allowing for the anticipated growth and development of Dubbo.

In 2016, the Estimated Resident Population (ERP) of the former Dubbo City Local Government Area (LGA) was 43,231. Council's 2019 population projections for the former Dubbo City LGA in 2040 is expected to be 53,741 people, overall growth, of 10,510 people over 24 years.

This Plan is for the South-East Stormwater Drainage Catchment (Keswick Catchment). The Keswick South-East stormwater catchment has seen a significant level of growth and development over the years and this is expected to continue, with further residential development planned in the area.

The cost of the infrastructure required to manage additional stormwater presents a burden on existing ratepayers. In accordance with statutory requirements, Dubbo Regional Council intend to levy appropriate contributions from developers in the subject area for the provision of stormwater infrastructure.

This Plan has been prepared in accordance with the provisions of Section 7.13 of the Environmental Planning and Assessment Act, 1979 (the Act) and Part 4 of the Environmental Planning and Assessment Regulation, 2000 (the Regulation).

In January 2018, the Environmental Planning and Assessment Act 1979 (the Act) was reviewed, resulting in the change of numerous section numbers within. As a result, Section 94 Development Contributions Plans were re-numbered in the Act to Section 7.11 Development Contribution Plans. This Plan utilises the new numbering system of the Environmental Planning and Assessment Act, 1979.

1.2 Part Repeal of Section 94 Contributions Plan – Urban Stormwater Drainage Headworks Contributions Plan

Council engaged the services of industry consultants Cardno Pty Ltd to undertake a report of the following:

- Details of trunk stormwater infrastructure delivered in the catchment;
- Infrastructure left to be delivered and the costs of delivering the infrastructure (as at today's prices); and
- To consider whether amendment to the previous Section 94 Contributions Plan for stormwater was required.

Council received this review which concluded that due to the unique history of the catchment and its previous developments a review of the Section 94 Contributions Plan for Stormwater could provide for a fairer Plan for the Keswick Catchment 3.1.

1.3 Scale of future development

This Plan provides funding for stormwater infrastructure within the South-East Stormwater Drainage Catchment. The Plan allows for the intended future development of land within the locality.

1.4 Timescales identified in the Plan

This Plan will commence operation from 4 September 2019 with the intention to implement a new plan ten (10) years after commencement of this Plan.

The plan contains overall expenditure on the following:

- Drafting of Section 7.11 Contributions Plan and Ongoing Plan Administration \$200,000; and
- Total Infrastructure Works \$8,900,000.

It is acknowledged that during the life of this Plan the total contribution may not be able to be levied due to the demand for development to be undertaken within the identified South-East Stormwater Drainage Catchment.

All contributions collected from this Plan will be utilised by Council to deliver the projects in the works summary included in **Appendix 1** of this Plan.

The Plan is intended to be reviewed by Council every two (2) years to ensure that the infrastructure items identified within the Plan are delivered within a reasonable timeline consistent with the development levels within the South-East Stormwater Drainage Catchment.

If at the end of year ten (10) of this Plan, works have not been undertaken, consideration will be given to Council to rolling these works into the next iteration of the Plan.

1.5 Administration levy

The preparation and ongoing administration of the Contributions Plan requires the provision of additional Council resources to ensure the Plan achieves its intended purpose. The administration levy will be calculated by Council as a single levy and will include drafting of the plan and ongoing plan administration.

To ensure the administration cost associated with preparation of this Plan and ongoing administration of this Plan do no impact the viability of development in Dubbo, the actual administration levy included in this plan will be a flat rate across the subject land. This ensures that all contributions levied for administration regardless of land location will be equitable.

Locality	Per Square Metre
Keswick	\$ 0.09
Southlakes	\$ 0.09
Hennessey Shopping	\$ 0.09
Magnolia	\$ 0.09
Schools East	\$ 0.09
Blueridge	\$ 0.09
Schools West	\$ 0.09
Starjest	\$ 0.09

Table 1: Plan Administration Levy per square metre

1.6 Structure of contributions

Stormwater Infrastructure Contributions under the provision of this plan are based on the analysis and findings of the Cardno Report *'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme'*. The contributions proposed to be levied in the Plan consist of two main components:

Component A: Administration and drafting of the Plan; and

Component B: South-East Drainage Contribution per square metre.

Component A consists of the drafting of the plan fee and the ongoing plan administration fees. These fees are proposed to cover part of Council's cost for the preparation of the plan, associated studies and the ongoing cost of implementing this Plan. The fees structure of these fees are seen in Table 2 Plan Administration Levy per square metre.

	Lots	Total Value	Per Square Metre
Keswick	1300	\$ 68,457.08	\$ 0.09
Southlakes	2080	\$ 109,531.33	\$ 0.09
Southlakes Shopping Centre	1	\$ 52.66	\$ 0.09
Magnolia	112	\$ 5,897.84	\$ 0.09
Schools East	1	\$ 52.66	\$ 0.09
Blueridge	252	\$ 13,270.14	\$ 0.09
Schools West	1	\$ 52.66	\$ 0.09
Starjest	51	\$ 2,685.62	\$ 0.09
TOTAL	3798	\$ 200,000.00	

Table 2: Plan administration levy per square metre

Component B includes the provision of the infrastructure items required to be funded by this plan and identified in Table 3 below. Based on the Report by Cardno *'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme'*, the provision of these items will complete the stormwater drainage infrastructure requirements for the South-East Stormwater Drainage Catchment.

Item	Estimated Cost of Construction
Channels	\$2,300,000
Basin 1	\$450,000
Basin 2	\$1,500,000
Parkway	\$1,300,000
Hennessy	\$2,600,000
Boundary	\$400,000
Sheraton Corner	\$50,000
Sheraton Offset	\$300,000
Total	\$8,900,000

Table 3: Itemised Estimated Cost of Construction of Infrastructure

A contribution for any development undertaken within the South-East Stormwater Drainage Catchment as contained in this plan will be the sum of the following:

Total Contribution = Plan Administration Levy + South-East Stormwater Contribution (per m²)

The South-East Stormwater Contributions will be calculated as eight separate areas each incurring its own contribution rate related specifically to the actual infrastructure items utilised. This is known as the apportionment rate which acknowledges that due to the natural topography of the land each separate area will utilise different infrastructure items and will create different amounts of additional stormwater discharge.

Locality Apportionment Rate per lot = Estate Lot Yield / Value of works

The South-East Stormwater Contribution formula utilised the Locality Apportionment Rate per lot figure to distribute the rate into per square metre.

South-East Stormwater Contribution (per m²) = Locality Apportionment Rate per lot X Average lot size

The formula utilises two key elements, as follows:

- The apportionment rate for each locality
- The average lot size for each locality

1.7 Summary of Infrastructure Items

The infrastructure items to be provided as a result of this plan are the following:

- Channels;
- Basin 1;
- Basin 2;
- Parkway;
- Hennessy;
- Boundary;
- Sheraton Corner ; and
- Sheraton Offset.

These items are identified and costed within the Cardno Report '*Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme*' and reiterated within this Plan.

1.8 Summary of contribution rates

The table provided below provide a summary of the per lot and per square metres apportionment rates for each area within the Plan.

	Lots	Value of Works	Per Lot	Per square Metre
Keswick	1300	\$ 5,351,267.00	\$ 4,116.36	\$ 5.88
Southlakes	2080	\$ 2,680,163.00	\$ 1,288.54	\$ 2.15
Southlakes Shopping Centre	1	\$ 42,355.00	\$ 42,355.00	\$ 2.15
Magnolia	112	\$ 76,692.00	\$ 684.75	\$ 2.28
Schools East	1	\$ 2,764.00	\$ 2,764.00	\$ 0.69
Blueridge	252	\$ 619,024.00	\$ 2,456.44	\$ 0.61
Schools West	1	\$ 2,456.00	\$ 2,456.00	\$ 0.61
Starjest	51	\$ 125,279.00	\$ 2,456.45	\$ 1.23
TOTAL	3798	\$ 8,900,000.00		

Table 4: Summary of Contribution Rates

For development undertaken outside of the South-East Stormwater Drainage Catchment as identified within this plan and specifically within Figure 1, the current Section 94 Contributions Plan – Urban Stormwater Drainage Headworks Contribution will remain in effect.

2. ADMINISTRATION AND PLAN OPERATIONS

2.1 Name of the Plan

This Plan will be known as the Section 7.11 Contributions Plan for Dubbo South-East Stormwater Drainage Headworks 2019 (the Plan).

2.2 Land to which Plan applies

The Plan applies only to the land identified in Figure 1 which also comprises the undeveloped portion of the South-East Stormwater Drainage Catchment and associated lands.

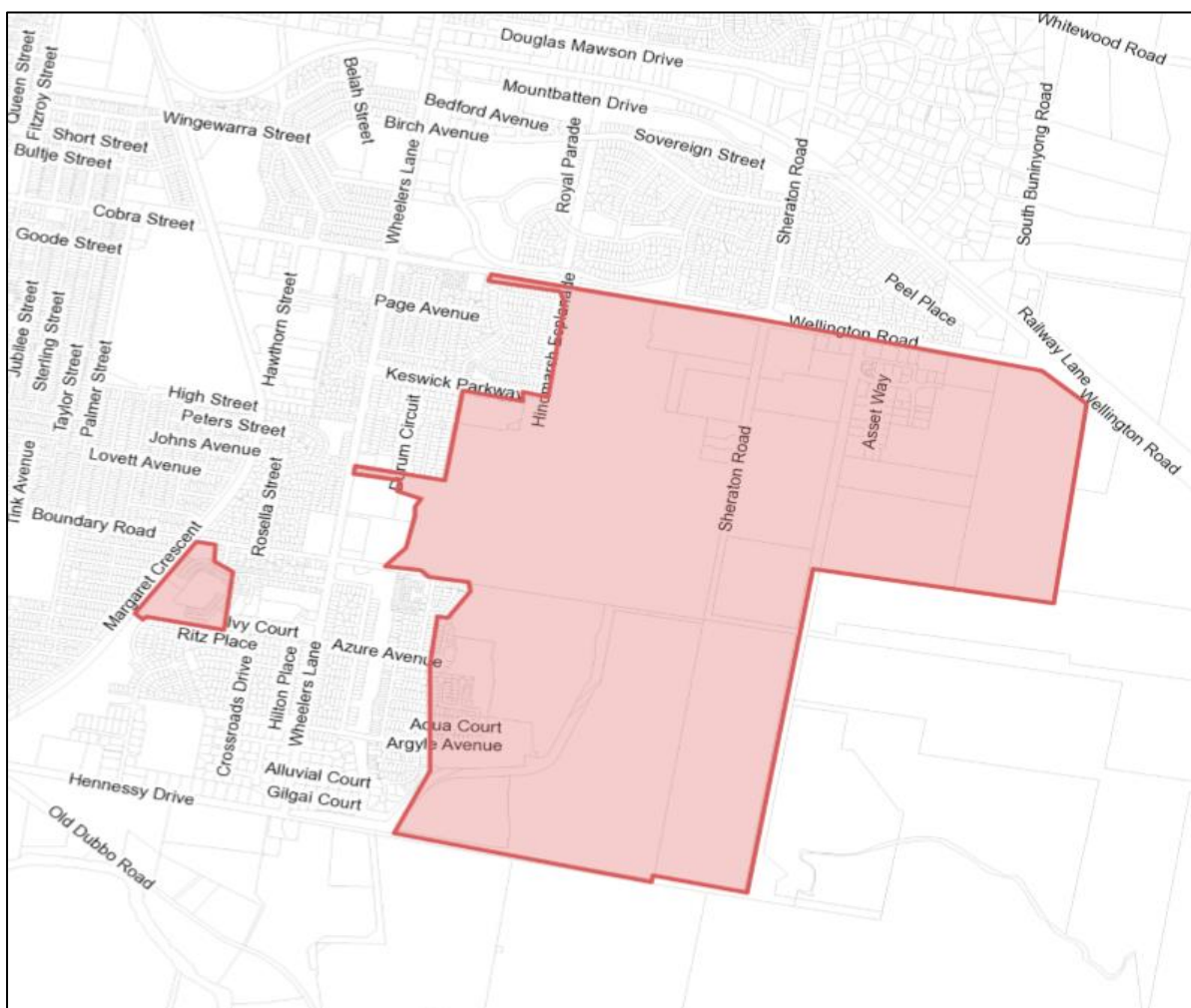


Figure 1: South-East Stormwater Drainage Catchment

2.3 Structure of the Plan

The Plan is structured in three (3) Parts as provided below:

Part 1 – Provides an introduction into the purpose of the Plan and summary of the Section 7.11 contribution plan for Dubbo South-East Stormwater Drainage Headworks 2019;

Part 2 – The objectives of the Plan and includes the administrative and operational functions/consideration of the plan; and

Part 3 – Explains the stormwater contributions calculations, outlines the forecast future development, the basis for increased demand for infrastructure items, the nexus and apportionment consideration of the Plan.

2.4 What is the objectives of this Development Contributions Plan

The objectives of this Development Contributions Plan is to:

- (a) Provide the legal mechanism and framework for Dubbo Regional Council to seek contributions from developers for the provision of Stormwater Drainage Infrastructure in the South-East Stormwater Drainage Catchment as identified within Figure 1;
- (b) Ensure appropriate stormwater infrastructure is provided, as determined by this Plan, to meet the additional stormwater discharge generated by new development;
- (c) Ensure the existing community is not burdened by the cost of provision of new infrastructure as a result of future development;
- (d) Provide an administrative framework under which specific community infrastructure strategies may be implemented and coordinated;
- (e) Provide a comprehensive strategy for the assessment, collection, expenditure accounting and review of development contributions on an equitable basis; and
- (f) Ensure Council is publicly and financially accountable in its assessment and administration of the Plan.

2.5 Commencement of the Plan

This Development Contribution Plan has been prepared pursuant to the provisions of the Section 7.11 of the Environmental Planning and Assessment Act, 1979 and Part 4 of the Environmental Planning and Assessment Regulation, 2000 and takes effect from the date on which public notice was published, in accordance with Clause 31 (4) of the Regulation.

The Plan commences on 4 September 2019.

2.6 Operation period of the Plan

This Plan is intended to operate from 2019-2029 (ten (10) years). If at the end of the ten (10) year period the next iteration of the Plan has not been adopted, this plan will continue operation. During this period, the Plan will be monitored and regularly updated or amended to meet variation in growth projections and development priorities biennially.

2.7 Relationship with other Land Use plans, reports and policies

This Plan has been prepared in accordance with the requirements of the Environmental Planning and Assessment Act, 1979 and the Environmental Planning and Assessment Regulation, 2000.

This Plan repeals Part of the Section 94 Contributions Plan Urban Stormwater Drainage Headworks Contribution 1995. This Plan relates specifically to all land identified within Figure 1 of this Plan.

The Plan should also be read in conjunction with the Dubbo Local Environmental Plan 2011 and the Dubbo Development Control Plan 2012.

2.8 Development to which this Plan applies

This Plan applies to the following development types undertaken on land to which this plan applies:

- Any development undertaken on Land identified within Figure 1, which will contribute to the collective demand for stormwater drainage infrastructure.

2.9 Development Exempt from the Plan

The types of development exempt from the application of this plan include:

- Undertaking development of a dwelling house on an existing allotment of land jointly rated for water and sewer;
- A change of use not including the creation of additional lots or hardstand area;
- Development classified as being Exempt Development in the state Environmental Planning Policy, The Dubbo Local Environmental Plan 2011 or any other Exempt development as determined by the Minister;
- Rural or farming enterprises, not resulting in an increase in demand for Stormwater Drainage Infrastructure; and
- Development within the catchment on land for which contributions under a former Section 94 Contributions Plan - Urban Stormwater Drainage Headworks Plan have been levied and paid contributions in full.

2.10 Payment of Contributions

Contributions levied by this Plan are required to be due and payable in any one (1) of these situations as provided below:

- (a) Where a development consent has been issued and an occupation certificate or subdivision certificate is required, prior to the issue of any occupation certificate or subdivision certificate, whichever occurs first.
- (b) Where a development consent has been issued and an occupation certificate is not required, prior to the commencement of the development.
- (c) Where a development consent has been issued for a subdivision and a subdivision certificate is required, prior to release of the subdivision certificate.
- (d) Where a complying development certificate has been issued, prior to issue of the occupation certificate.

2.11 Methods of Payment

In accordance with the provisions of the Act, Council have an obligation to levy contributions. This obligation requires Council to ensure that one or more of the following methods will be undertaken by the developer (payee):

- Payment of a monetary contribution;
- The dedication of land; or
- Provision of a material public benefit.

The method of payment for a contribution will be specified as a condition of development consent, although Council may consider any of the abovementioned alternative method of payment at its sole discretion and in accordance with the provisions of this Plan.

2.12 Construction Certificates and the obligation of accredited certifiers

In accordance with Section 7.18 of the Environmental Planning and Assessment Act, 1979 and Clause 146 of the Environmental Planning and Assessment Regulation, 2000, a certifying authority must not issue a construction certificate for building work or subdivision work under a development consent unless it has verified that each condition requiring the payment of monetary contributions has been satisfied.

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

The only exceptions to this requirement are where works in kind, material public benefit, dedication of land or deferred payment arrangement has been agreed to by the Council or where the proponent has entered into a planning agreement with Council. In such cases, Council will issue a letter confirming that an alternative payment arrangement has been agreed with the applicant.

2.13 Complying development and the obligation of accredited certifiers

In accordance with Section 7.21 of the Environmental Planning and Assessment Act, this Plan requires that, in relation to an application made to an accredited certifier for a complying development certificate:

- The accredited certifier must, if a complying development certificate is issued, impose a condition requiring a development contribution, if such a contribution is authorised by this Plan;
- The amount of the monetary contribution that the accredited certifier must so impose by way of condition is the amount determined in accordance with this clause; and
- The terms of the condition must be in accordance with this clause.

The terms of the condition as an accredited certifier shall include on a Complying Development Certificate is as follows:

“Contribution required to be payed to Dubbo Regional Council.

The developer must make a monetary contribution to Dubbo Regional Council for the amount of \$[insert amount] for the purposes of the Section 7.11 Contributions Plan South-East Stormwater Drainage Headworks 2019.

The monetary contribution shall be paid to Council prior to occupation of the development.

The relevant contribution shall be indexed in accordance with the indexation requirements included in the Section 7.11 Contributions Plan. Alternatively you can contract Dubbo Regional Council to seek the correct contribution amount required to be payed.”

2.14 Material public benefit and works-in-kind

Council may accept an offer by a developer to provide 'in-kind' contribution (i.e. the developer complete part or all of the works identified in the Plan) or provision of another material public benefit (other than the dedication of land) in lieu of the developer satisfying its obligations under this Plan for the payment of a monetary contribution.

Council is under no obligation to accept works-in-kind or Material Public Benefit (MPB) offers. Under no circumstances will Council consider any proposal from a developer for an 'in-kind' contribution for any works or other items that are not included in the work summary included in Appendix 1 of this Plan.

Council in consideration of any offer, will assess the benefits to the Council, the Dubbo community and give due consideration to relevant matters including the following:

- (a) The extent to which the works/MPB satisfies the purpose for which the contribution was sought;
- (b) The works-in-kind being facilities which are already included in the Plan;
- (c) The extent to which the MPB satisfies a community need or may reduce the demand for levied items;
- (d) The impending need to construct the works for which the contributions are to be offset;
- (e) The provision of the works/MPB will not prejudice the timing, the manner or the orderly provision of public facilities included in the works program or the financial integrity of Council's Plan;
- (f) An assessment of the shortfall or credit monetary contributions as a result of the proposal;
- (g) The availability of supplementary funding to make up the shortfall in contributions;
- (h) Location and other factors that may affect usability;
- (i) Impact of recurrent operational and maintenance costs; and
- (j) The provision of the works/MPB must not result in piecemeal delivery of infrastructure or likely to result in the need to reconstruct the works due to future nearby development (i.e. normally the works will need to relate to a sub-catchment or a defined precinct)

In accepting material public benefits other than a 'works-in-kind', Council must be:

- Satisfied that the offer provides a substantial benefit to the community not envisaged by the Plan; and
- The benefit warrants Council accepting responsibility in fulfilling the intent of the Plan notwithstanding a reduction in expected cash contributions.

A 'work-in-kind' relates to the undertaking of a specific or equivalent work specified in the Plan, and is therefore more capable, in comparison to other material public benefits, to meet the above criteria. However, Council may not accept a material off-set to the cash contribution to be paid for a facility, where the offset is worth more than the cash contribution otherwise payable.

If the cost of a 'work-in-kind' exceeds the cash payment required by a development consent under the facility category that relates to the 'work-in-kind', council may consider the following:

- Provision of the work at the applicant's expense with Council recouping contributions from future development and reimbursing the applicant for costs exceeding the applicant's share, up to the total estimated cost in the Plan; or

- Granting a credit to the applicant on the basis of the equivalent number of persons, beds or workers that the applicant may rely upon to offset contributions otherwise payable under this Plan for other development within the Contributions Catchment.

2.15 Deferred payments

Council may accept the deferment of the payment of a contribution for an applicable development, subject to the following conditions:

- Lodgement of an unconditional bank guarantee to cover the amount of the contributions;
- All money due as part of a deferred contribution is paid to Council within 12 months of the uplift of a subdivision certificate;
- Council will only accept one (1) bank guarantee, all outstanding contributions under bank guarantee must be paid to Council before the guarantee will be released.

The decision to accept a deferred payment through bank guarantee requires approval from the relevant Director and the Chief Executive Officer prior to uplifting of the relevant subdivision certificate and all legal expenses including Council's expenses are to be covered by the developer.

Alternatively, Council can consider permitting the deferred payment of contributions in accordance with the Council Policy for the Deferred Payment of Developer Contributions for Residential Subdivision.

2.16 Planning Agreements

Requests for Planning Agreements will be assessed according to Council's Planning Agreement Policy as is enforce at the time an application is made. At the time of adoption of this Plan, the inforce policy was that adopted by Council at its meeting on 24 September 2018 and titled Planning Agreement Policy 2018.

The Environmental Planning and Assessment Act, 1979 allows for the negotiation of voluntary planning agreements between Council's, developers, and/or other Planning authorities for the provision of public purposes.

Public purposes are defined in the Environmental Planning and Assessment Act, 1979 as (without limitation):

- the provision of (or the recoupment of the cost of providing) public amenities or public services,
- the provision of (or the recoupment of the cost of providing) affordable housing,
- the provision of (or the recoupment of the cost of providing) transport or other infrastructure relating to land,
- the funding of recurrent expenditure relating to the provision of public amenities or public services, affordable housing or transport or other infrastructure,
- the monitoring of the planning impacts of development,
- the conservation or enhancement of the natural environment.

Council may seek to negotiate planning agreements with relevant parties in relation to major development. Such agreements may address the substitution of, or be in addition to, the Section 7.11 Contributions required under this Plan.

Any draft Planning Agreement shall be subject to any provisions of any Ministerial Directions made under the Environmental Planning and Assessment Act, 1979 or Environmental Planning and Assessment Regulation relating to Planning Agreements.

2.17 Indexation

During the life of this plan, contributions will be indexed for the effects of inflation. Clause 25I of the Environmental Planning and Assessment Regulation 2000 requires indexation to occur in accordance with the Consumer Price Index (All Groups Index) for Sydney.

Indexation will occur at 1 July each year and is based on the annual % change for the 12 months to March of that year. Where a negative annual % change in this index occurs, contributions shall be indexed at 0%.

2.18 Review of the Plan

It is intended to monitor the Plan on a regular basis as it contains forecasts of future development including likely future populations and the likely demands and cost of providing community infrastructure for the growing population.

The estimated cost of works for infrastructure items contained within work summaries (Appendix 1) may also need review over time if the indexation of costs do not adequately reflect actual costs at the time.

A review of the Plan may be triggered by any of the following items or otherwise:

- Significant rises in construction or land acquisition costs beyond that covered by the referenced CPI rate;
- Where a material public benefit (MPB) is accepted in lieu of a financial contribution; and
- If in the opinion of Council, the underlying demographic, housing occupancy and development timing assumption underpinning the plan change significantly.

Notwithstanding the above, Council intends to undertake a review of the Plan every three (3) years.

2.19 Pooling of contributions

This Plan expressly authorises monetary contributions paid for different purposes to be pooled and applied (progressively or otherwise) for those purposes.

2.20 Accounting standards and contributions register

Separate accounting records are maintained for all development contributions made to Council in accordance with the regulation.

Council is also required to publish details of development contributions accounts annually and this is undertaken as part of Council's quarterly and annual financial reporting cycle.

2.21 Treatment of funds received prior to the commencement of this Plan

Funds levied and received under the previous plan prior to 4 September 2019 (commencement Date of this Plan) will be used to finalise the works program within the previous plan Section 94 Contributions Plan.

Following the commencement of this Plan, funds levied and received under this plan will be used towards to delivery of works contained within the works summary (Appendix 1) of this plan.

2.22 Calculation of Contributions

The Stormwater Drainage Infrastructure items contained in this Plan are based on the Cardno report *Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme*, which was noted by Council at meeting Date 25 March 2019.

The contributions are calculated with two major components:

Component A: Administration and Drafting of the Plan; and

Component B: South-East Drainage Contribution per square metre.

Each Locality within the subject area incurs its own South-East Drainage Contribution Rate as a result of the apportionment rates which relate to the physical topography of the subject area and the areas which will utilise the infrastructure.

2.22.1 CALCULATION OF PLAN ADMINISTRATION LEVY

The Plan Administration Levy consists of two components being the Plan drafting and ongoing administration of the Plan. The levy is calculated at a total (\$200,000) which will cover councils costs. This amount is divided into each area according to their potential lot yield at a rate of \$52.66 per lot. The total value for each area to pay is then divided by the 600 to allow the figure into a per square meter rate. This provides one (1) rate for all land within the locality. 600 meters squared is considered an appropriate and fair rate for all land throughout the locality.

2.22.2 CALCULATION OF SOUTH-EAST STORMWATER CONTRIBUTION

In order to calculate the south-east stormwater contribution rate at a per square metre rate there is essential information required to input into the formulas, including:

- The work summary;
- The locality area; and
- The value of works for each square metre based on the apportionment rate

Each item within the work program has an associated estimated cost. The cost estimation was based on the following assumptions:

- *“all cut materials stays on site.*
- *A combined site establishment cost has been estimated for basins which are close together (e.g. Basin 1 and Basin 2)*
- *No planting, topsoiling, grassing, nor road restoration has been allowed for in the costing.*
- *The estimate for Hennessy Basin includes cost for the bioretention area.”*

The work summary items and associated cost have been calculated against each area depending on the apportional rate of use for the infrastructure items.

For Example: the natural topography of the site falls away to the south-west with Keswick generally being the highest locality in the area. As such, Keswick has a higher apportional rate as they use infrastructure throughout the full catchment area whereas Southlakes have a direct relationship with the natural catchment drainage point to the south-west and have a lower apportional rate.

The apportioned rates for each item has been calculated and unless a reason arises which substantiates a review of these rates will be used throughout this Plan. The rates and calculation are contained within Appendix 2 in Rates and Calculation Sheet.

Locality Apportionment Rate = Estate Lot Yield / Value of works

The locality apportionment rate is calculated by dividing the lot yield of the area by the value of works required in that area. This gives the per lot locality apportionment rate.

South-East Stormwater Contribution (per m²) = Locality Apportionment rate per Lot X Average lot size

The locality apportionment rate previously calculated is multiplied by the average lot size for the area. The average lot sizes can be seen below.

Estate	Average Lot Size
Keswick	700m ²
Southlakes	600m ²
Southlakes Shopping Centre	19700m ²
Magnolia	300 m ²
Schools East	4000 m ²
Blueridge	4000 m ²
Schools West	4000 m ²
Starjest	2000m ²

The formula utilised two key elements, as follows:

- The apportionment rate for each locality
- The average lot size for each locality

Total Contribution = Plan Administration Levy + South-East Stormwater Contribution (per m²)

The Plan Administration Levy (Plan Drafting and Ongoing Administration) are added to the South-East Stormwater Contribution Rate per square metre. This gives the final value of the contribution to be levied from the developer on a per square metres rate.

3 CONTRIBUTION STRATEGY

3.4 Demographic Trends

3.4.1 POPULATION STATISTICS

The City of Dubbo is located approximately 400 kilometres west of Sydney and has a population of 41,532 person (ABS Census, 2016). Dubbo has been experiencing steady population growth over the last decade. The population grew 9% over a 12 year period. It is expected that this population growth will continue to steadily increase.

The City of Dubbo like other growing Australian cities has a significant residential growth area being the South-East Residential growth area. This plan encompasses this growth area. In 2016 the South-East residential growth area had a population of 1,524 persons (ABS Census, 2016). The subject area relates to the destination zone of ABS known as Dubbo South (DZ1110100001) which encompasses the south-east stormwater drainage catchment.

3.4.2 POPULATION TRENDS FOR THE SOUTH-EAST RESIDENTIAL GROWTH AREA

Population Forecast

Dubbo Regional Council utilises population projection data from REMPLAN providers. The forecast was created using a 'bottom-up' approach with local inputs considered.

The subject area is expected to steadily grow by an additional 4.1% to 5.5% each year until 2040 where it is expected the population of the area will be 9,035.

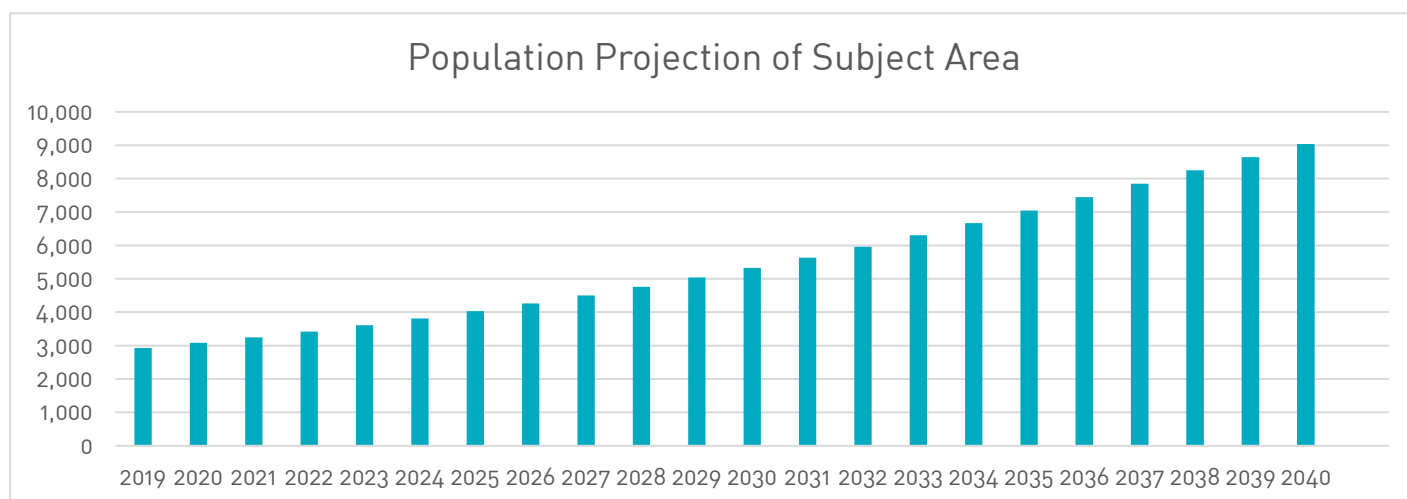


Figure 2: Population Projection Subject Area (Source: REMPLAN, 2019)

Age Composition

The age composition of the subject area is combined with 26.18% of the population under 15 years, 56.23% of the population is working age and 17.54% of the population is retiree age. The population pyramid shows the bulges which align to the under 15 years of age and the working age groups.

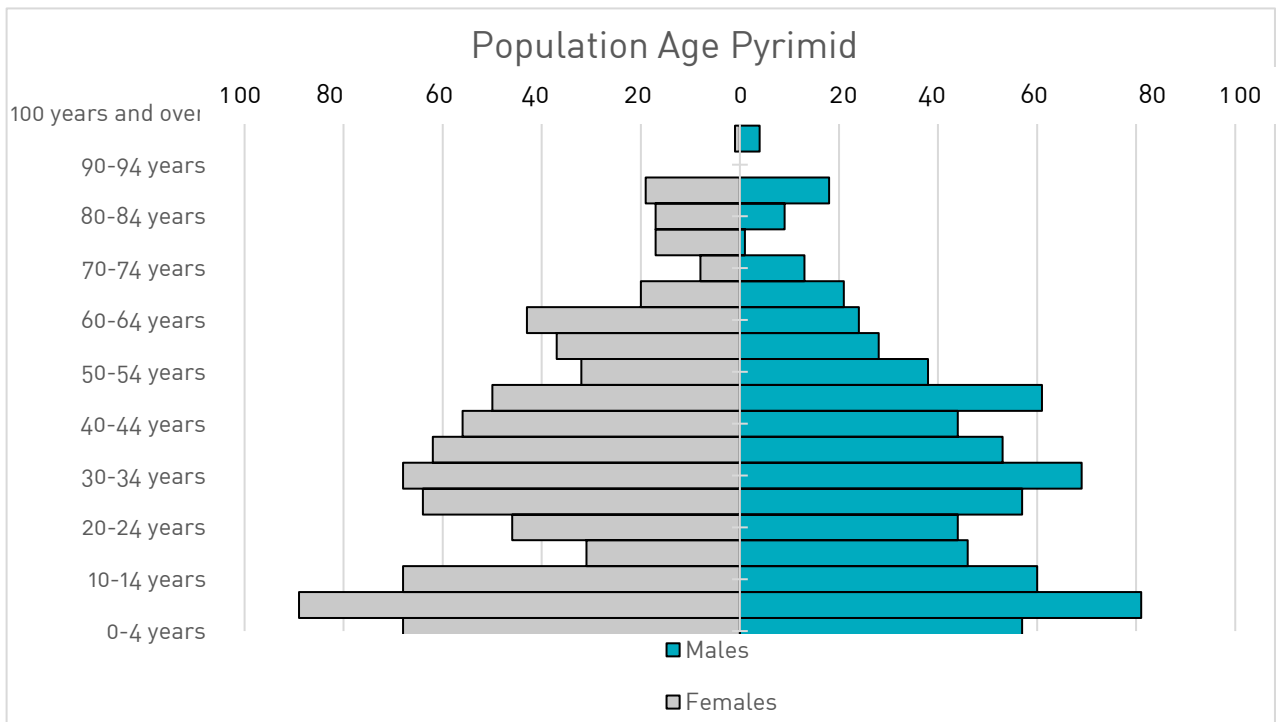


Figure 3: Age Population Pyramid (Source: REMPLAN, 2019)

Family composition and income

The current family composition consists of 59% of families are a couple with children with 33% of families being couples without children. The family composition relates directly to the housing needs within the area. The mean household income for the area is \$91,000-\$103,000 per year. This directly relates to the ability of the family to afford housing.

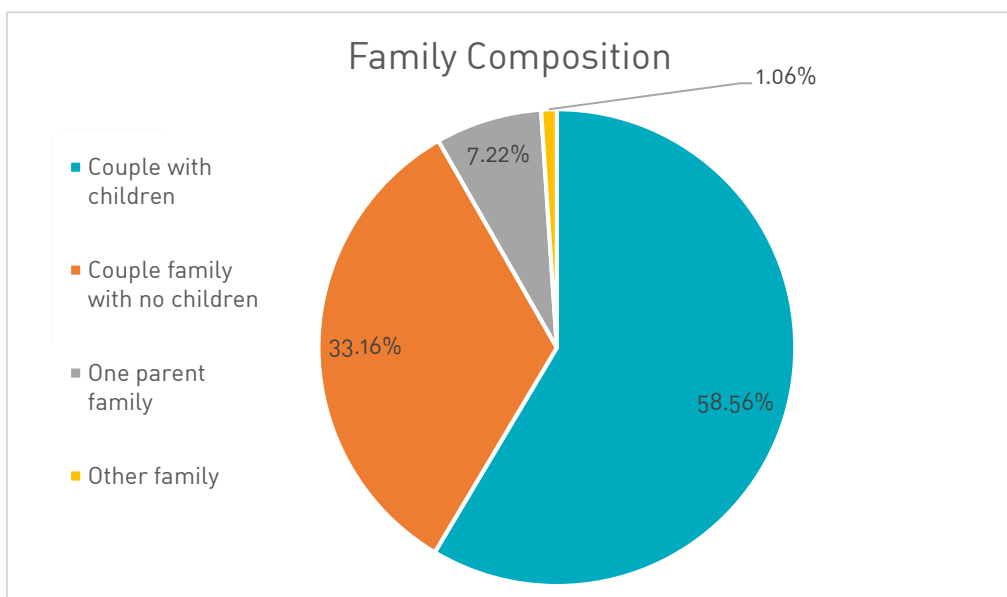


Figure 4: Family Composition (source: REMPLAN, 2019)

Dwelling Type

There are 498 dwellings located in the subject area, with 96% of the dwellings being single detached housing. 71 % of the dwellings in the area have 4 bedrooms, the current average household size in the area is 3.06 persons per dwelling (REMPAN, 2019).

Anticipated Development

There are seven (7) main development localities within the subject area: Keswick, Southlakes, Southlakes Shopping Centre, Magnolia, Schools East, Blueridge, Schools West and Starjest.

A review of recent Development Proposals, Planning Proposals and ongoing collaboration with each developer has identified the anticipated potential lot development for the area.

Table 1: Anticipated Development

Area	Potential Lots	Depicted by
Southlakes	2080	Light Purple
Southlakes Shopping Centre	1	Dark Purple
Keswick	1300	Blue
Magnolia	112	Red
Schools East	1	Yellow
Blueridge	252	Orange
Schools West	1	Purple
Starjest	51	Green
Total	3798	

The map provided below shows the general location of each of these development areas.

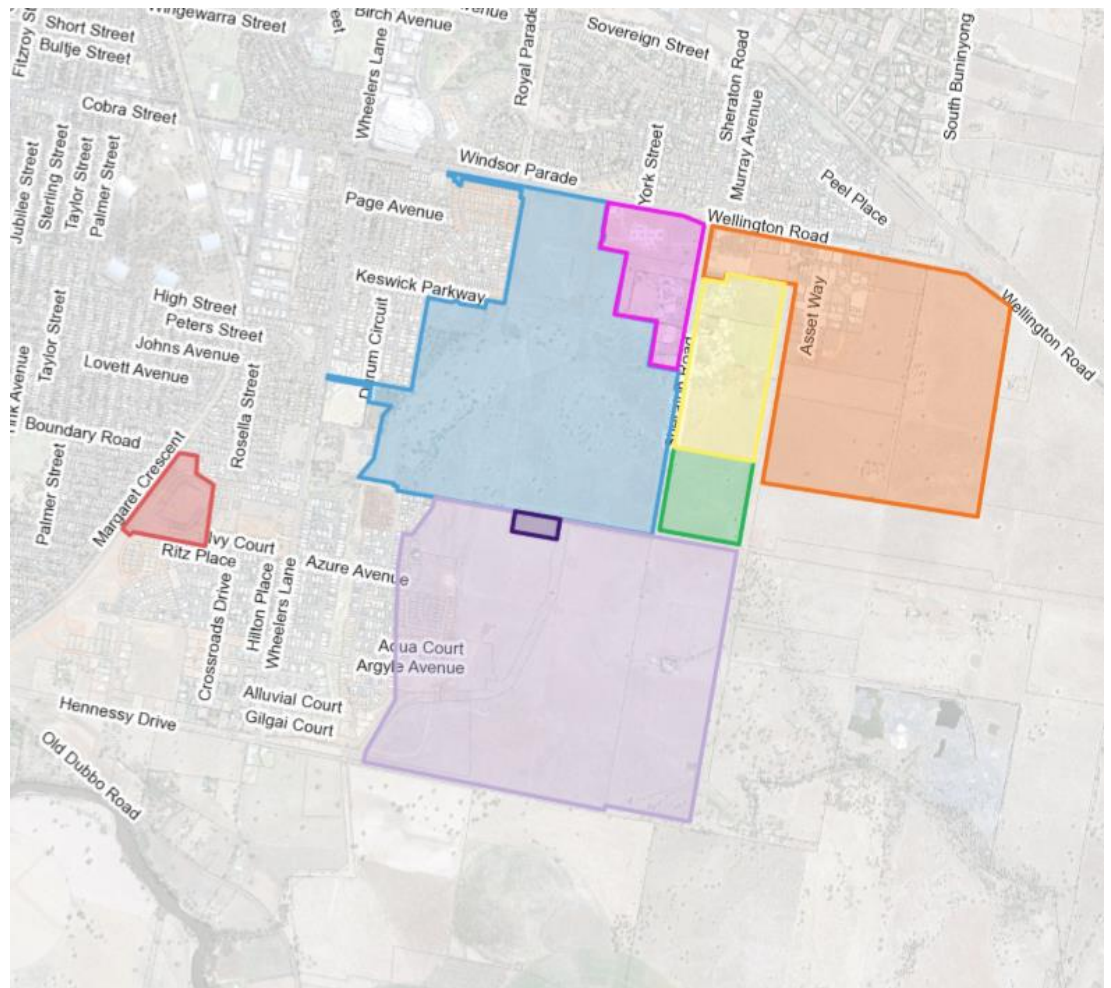


Figure 5: Development Locality Areas

Business

Within the Dubbo South Area there are 307 goods and services tax registered businesses. There are 80 Construction businesses in the area, 44 Health Care and Social Assistance businesses and 32 Rental, Hiring and Real Estate Services. The businesses contained within the area reflect the current development type nature of the area. There is a Local Expenditure of \$6,367.11 million within this area.

Undeveloped Commercial Land

There is a significant portion of land within this area zoned B5 Bulky Goods and B7 Business Development of approximately 91 hectares. As this land is developed for commercial purposes it is expected that the businesses and local expenditure in the area will significant increase.

3.5 What is the relationship between expected demand and the delivery of infrastructure?

3.5.1 WHAT IS NEXUS

Nexus is the relationship between the expected types of development in the area and the need/demand for additional stormwater drainage infrastructure in the catchment.

In accordance with the requirements of Clause 27 (1) (c) of the Environmental Planning and Assessment, Regulation, 2000, nexus is a core component in a Section 7.11 Developer Contributions Plan. Nexus consists of three (3) central components including causal nexus (cause), Spatial nexus (location), and temporal nexus (time). Compliance with the requirements of each component is provided below.

3.5.2 CAUSAL NEXUS

It is expected that the catchment area will be subject to future development growth which in turn is considered to create additional hardstand area resulting in excess stormwater run-off. To capture and disperse of increased stormwater run-off as a result of developments, infrastructure items need to be built to complete the drainage infrastructure for the catchment.

Establishment of the need for the additional infrastructure is derived from the Cardno report 'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme' 2018. The report has been previously considered by Council.

To facilitate development of the infrastructure at the updated costings, a Works Summary is included in the report as Appendix 1. These costing are based on each item to be developed under this plan.

3.5.3 SPATIAL NEXUS

Based on the 'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme', this Plan adopts an overall contribution regime based on the following:

- Planning Administration Levy
- South-East Stormwater Contribution Levy

Both components have been broken down into 7 localities, with each locality utilising its own proportion of the infrastructure. This ensures that each locality is funding items relevant to that area. The localities include and can be seen in Figure 5:

- Keswick – indicated by Blue
- Southlakes – indicated by Light Purple
- Southlakes Shopping Centre – indicated by Dark Purple
- Magnolia – indicated by Red
- Schools East – indicated by Yellow
- Blueridge – indicated by Orange
- Schools West – indicated by Pink
- Starjest – indicated by Green

Figure 5 shows that there are seven identified localities within the catchment that require infrastructure items to complete their stormwater drainage networks. The rate of each locality is further identified within 3.2.5 Apportionment of this Plan.

3.5.4 TEMPORAL NEXUS

The nature of developments both, residential and commercial development, is volatile and can fluctuate in profitability for the developer due to numerous factors. As a result, the

timing of this Plan requires flexibility in the consideration of infrastructure item priorities and the timing of their delivery.

The cost estimates included in the 'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme' are proposed to be reviewed annually to be updated by the Financial Years Consumer Index Prices. A total review of the actual costing of goods contained in this schedule is proposed to occur if the need arises or concerns are raised by Council, community or developers.

This Plan allows Council to pool funds to ensure items identified in the Plan can be delivered in a timely manner and in locations where development pressures require the infrastructure more significantly than the other.

3.5.5 APPORTIONMENT

Apportionment is a tool used to arrive at the correct nexus to ensure that the monetary charge under this Plan reflects the cost of the identified infrastructure items within this Plan.

This Plan adopts an apportionment based on localities within the catchment. This means that each locality will incur its own apportionment percentage of relevant infrastructure items, based on actual use of such items. This apportionment percentage of each item is then calculated into a per square metre rate for levy. It is important to note that under the provisions of the Plan equitable apportionment has been applied in the Plan.

This Plan includes the spending of \$8,900,000 on the total of infrastructure items identified.

APPENDIX 1 Works Summary (Cost Estimate Schedules)

Item	Estimated Cost of Construction
Channels	\$2,300,000
Basin 1	\$450,000
Basin 2	\$1,500,000
Parkway	\$1,300,000
Hennessy	\$2,600,000
Boundary	\$400,000
Sheraton Corner	\$50,000
Sheraton Offset	\$300,000
Total	\$8,900,000

A detailed works summary for each item exists within Appendix 3 *Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme*

APPENDIX 2 Rates and Calculations Sheets

		Keswick		Magnolia		Schools East		Blueridge		Schools West		Starjest		Southlakes		Southlakes Shopping Centre	
Item	Estimated Cost	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$
Basin 1	\$ 450,000.00	100%	\$ 450,000														
Basin 2	\$ 1,500,000.00	100%	\$ 1,500,000														
Parkway	\$ 1,300,000.00	100%	\$ 1,300,000														
Boundary	\$ 400,000.00	99.92%	\$ 399,693			0.08%	\$ 307.46										
Sheraton Corner	\$ 50,000.00					0.33%	\$163.93	83%	\$41,311	0.33%	\$163.93	17%	\$8,360.66				
Sheraton Offset	\$ 300,000.00					0.33%	\$ 983.61	83%	\$247,869	0.33%	\$983.61	17%	\$50,163.93				
Channels	\$ 2,300,000.00	35%	\$ 811,398			0.03%	\$ 624.15	7%	\$157,286	0.03%	\$624.15	1%	\$31,831.75	55%	\$1,278,039	1.56%	\$20,197.03
Hennessy	\$ 2,600,000.00	34%	\$ 890,176	3%	\$76,692	0.03%	\$ 684.75	7%	\$172,557	0.03%	\$ 84.75	1%	\$34,922.31	53%	\$1,402,124	1.56%	\$22,157.97
TOTAL	\$ 8,900,000.00		\$ 5,351,267		\$ 76,692		\$ 2,763.90		\$619,024		\$2,456.44		\$125,278.65		\$2,680,163.41		\$42,355.01

Apportionment Rates Calculation Sheet

	Lots	Total Value	per lot	Catchment Lot size	Per Square Metre
Keswick	1300	\$ 68,457.08	\$ 52.66	600	\$ 0.09
Southlakes	2080	\$ 109,531.33	\$ 52.66	600	\$ 0.09
Southlakes Shopping Centre	1	\$ 52.66	\$ 52.66	600	\$ 0.09
Magnolia	112	\$ 5,897.84	\$ 52.66	600	\$ 0.09
Schools East	1	\$ 52.66	\$ 52.66	600	\$ 0.09
Blueridge	252	\$ 13,270.14	\$ 52.66	600	\$ 0.09
Schools West	1	\$ 52.66	\$ 52.66	600	\$ 0.09
Starjest	51	\$ 2,685.62	\$ 52.66	600	\$ 0.09

Administration Rates and Calculations Sheet

	Lots	Value of Works	Per Lot	Locality Lot Average	Per square metre
Keswick	1300	\$ 5,351,267	\$4,116	700	\$5.88
Southlakes	2080	\$2,680,163	\$1,289	600	\$2.15
Southlakes Shopping Centre	1	\$42,355	\$42,355	19700	\$2.15
Magnolia	112	\$76,692	\$685	300	\$2.28
Schools East	1	\$2,764	\$2,764	4000	\$0.69
Blueridge	252	\$619,024	\$2,456	4000	\$0.61
Schools West	1	\$2,456	\$2,456	4000	\$0.61
Starjest	51	\$125,279	\$2,456	2000	\$1.23

South-East Stormwater Contribution (per m²) Rates Calculation Sheet

APPENDIX 3 'Cost Estimation: Review of Keswick Estate Trunk Drainage Scheme'