



Shoalhaven Contributions Plan 2019

FACT SHEET: Contributions Planning Explained

What is a development contribution?

It is a monetary contribution payable to Council by a developer to help fund infrastructure (roads, parks, community facilities, etc.) that will be required by future users of the new development. It is payable to Council prior to the commencement of construction of the development.

Why does Council levy development contributions?

Development contributions help cover the cost of delivering infrastructure needed to support new communities and homes/residents.

They ensure that developers and businesses are paying their fair share towards the infrastructure needed to support new development.

Contributions supplement Council's other funding mechanisms including:

- General revenue (e.g. rate income)
- Special rate levies
- Grant funding

What development contributions can Council levy?

Council can require a contribution where a development will require the provision of, or increase the demand for, public amenities and services. Contributions must be outlined in a contributions plan.

The types of services and amenities Council levies for are:

- Active Recreation e.g. sports fields
- Car parking
- Community Facilities e.g. libraries, community centres
- Drainage
- Fire Control Centre
- Passive Recreation e.g. landscaping such as paths, seating and playgrounds in parks
- Roads/Traffic management e.g. new roads, roundabouts and intersection works

Water and sewer charges are levied separately and are not included in the Contribution Plan.



What is a contributions plan?

A contributions plan allows Council to levy contributions for community infrastructure as long as it is in accordance with that contributions plan. The contribution plan sets out:

- The community infrastructure required to meet future development demand;
- How future development creates demand for community infrastructure;
- The contribution rates for contribution projects to provide the community infrastructure; and
- How the contributions are to be paid and other administrative matters.

What does Council do with the money collected?

The money collected is held in trust for the projects that the money is collected for. The plan does allow pooling of funds for infrastructure type and planning area, e.g. funds collected for road projects in Planning Area 5 can be pooled to enable a project to be completed prior to all contributions for that project being collected. This allows infrastructure to be constructed before or at the time of development and facilitates the progress of development. For example, the provision of an access road to a new subdivision. As the rest of the contributions for that project are collected, they are then used to fund the next project in the area.

What can contributions be used for?

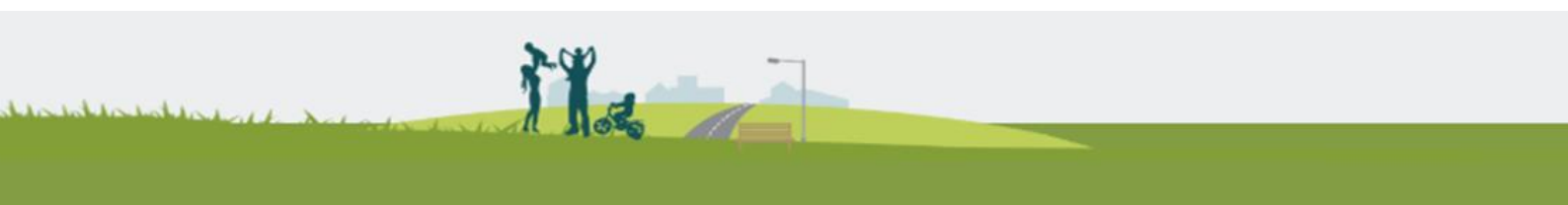
Money collected as a development contribution can only be used for undertaking contributions projects in line with the contributions plan. There needs to be a direct link or 'nexus' between the development and the infrastructure to be funded. Council cannot decide to spend money collected for a particular road, for example, on a new sports ground or another unrelated project. Council's contribution plan allows for some pooling of projects so the money collected for a project must be spent on the project the money was collected for, or where pooling is permitted, for one of the pool of projects outlined in the contributions plan.

When does Council spend the money collected from development contributions?

The timing of the Council spending the money collected on the construction of contribution projects depends on the individual project. Some are triggered by development occurring (development dependent) and some are aligned with Council's budget and works program, particularly where Council is responsible for funding part of the project. Where a project is development dependent, it is triggered by development occurring in the project area which creates the demand for the community infrastructure, and the payment of development contributions which Council can then use to construct the community infrastructure.

What is an equivalent tenement (ET)?

Contributions under the Contributions Plan are levied on either an equivalent tenement (ET), square metre or parking space basis. An equivalent tenement is a standard measure which allows the comparison of the infrastructure demand associated with a given development (e.g. a factory, block of units, secondary dwelling) compared to a typical residential house. This ensures that an appropriate amount of contributions is levied for each development.



What is a contributions project?

A contributions project is an infrastructure project identified in the contributions plan. This enables Council to collect money to undertake the project. The demand for the infrastructure may be solely generated by new development and development contributions are then expected to pay the full amount of the cost of the project. The demand for the infrastructure may also be partly generated by existing development, and in that situation, Council pays a share of the cost of the project. The project identifies the area to which the development applies, how the development generates the demand (Nexus), and provides detail of what the project entails. An example of a current project is given below.

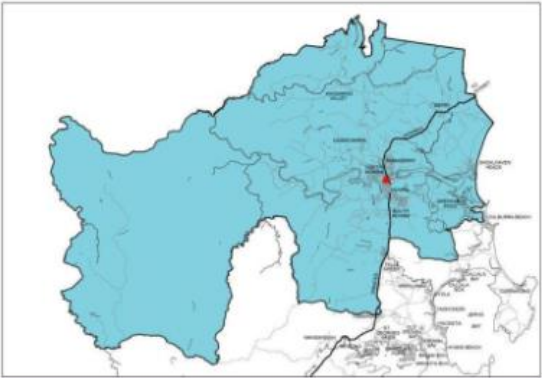
01AREC3007

🏠

→ PROJECTS

→ 01AREC3007

CODE	01AREC3007
PROJECT AREA / PROJECT CATEGORY	Area 1 / Active Recreation
LOCATION	Nowra
DESCRIPTION	Nowra Swimming Pool Expansion (Scenic Drive)
STRATEGY	To provide swimming pool facilities to meet anticipated demand from development.
PROJECT ESTIMATE	\$2,440,000.00 in Sep 2013
INDEXED ESTIMATE	\$2,644,251.09
APPORTIONMENT	The apportionment to future development is 100%.
NEXUS	The population accommodated in Planning Area 1 in both existing and future development up to 2026 will generate the demand for this project. The contribution rate calculation therefore reflects this planning philosophy.
LAND ACQUISITION ESTIMATE	\$0.00
TIMING	Not applicable. Project has been completed.



VIEW LARGER MAP

Contribution Rate

FINANCIAL YEAR	CONTRIBUTION AREA	CONTRIBUTION RATE TYPE	CONTRIBUTION RATE	EXISTING ET / M2 / SP	FUTURE ET / M2 / SP	TOTAL ET / M2 / SP
2017	1	Equivalent Tenement	\$392.73		6733	6733

