

Water and Sewerage Headworks Charges (Section 64 Contributions) - Assistance for Developments

**For more information contact
Shoalhaven Water**

City Administration Centre

Bridge Road (PO Box 42)
Nowra NSW Australia 2541
P: (02) 4429 3214
F: (02) 4429 3170
water@shoalhaven.nsw.gov.au
www.shoalwater.nsw.gov.au

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Related Legislation: Local Government Act 1993, Water Management Act 2000,

Associated Policies/Documents: Shoalhaven Water's Community Service Obligations (CSOs) and the charging policy for water, wastewater, effluent, and trade waste services, including Section 64 contributions, Shoalhaven Water Development Information Guide

Responsible Owner: Manager - Water Asset Planning & Development

Record Number: POL24/65

Contents

1	Policy Purpose	1
2	Objectives	1
2.1	Policy Statement.....	1
3	Definitions.....	1
4	Roles and Responsibilities	1
4.1	PROVISIONS	1
4.2	Exemptions	2
4.3	Implementation	2
5	Related Legislation, Policies or Procedures	3
6	Risk Assessment	3
7	Data and Reporting	4
8	Monitoring and Review	4
9	Ownership and Approval.....	4

1 Policy Purpose

To assist developments (subject to approval under the Environment Planning & Assessment (EPA) Act and State Environmental Planning Policy (Exempt and Complying Development Codes)) within the Shoalhaven Local Government area in relation to granting a concession to the calculated equivalent tenement loading imposed on the water supply.

2 Objectives

2.1 Policy Statement

It should be noted that Section 64 charges/contributions are also known as Headworks/Developer charges/contributions.

3 Definitions

Section 64 – refers to Section 64 of the NSW Local Government Act

Developer Contributions – Also known as Section 64 contributions.

ET – Equivalent Tenement, An Equivalent Tenement (ET) is a unit of measurement used to estimate the demand a development will place on water supply and sewerage systems. It represents the average water consumption or sewage generation of a typical residential dwelling.

Equivalent Tenement – is loading

4 Roles and Responsibilities

4.1 Provisions

Concessional Section 64 Contributions

- a. The system loadings/demands to determine the applicable Section 64 charges are calculated for developments, excluding subdivision of land, based on the provisions contained in Council's Delivery Program and Operational Plan, and
- b. The unit rate for the applicable Section 64 charge is contained in Council's annual fees and charges, and
- c. For Development Application and/or Complying Development Certificate (excluding subdivision of land) considered by Council or by a private certifier:
 - Under the Environment Planning & Assessment Act or State Environmental Planning Policy (Exempt and Complying Development Codes), and
 - In accordance with the current Development Servicing Plans, and
 - Is permissible within the zoning,

the applicable Section 64 charges may be reduced to the water supply Section 64 charge only (at time of payment) as follows:-

Equivalent Tenements (ETs)	Reduction Amount	Financial Year
0.0 - ≤ 2.0	50%	24/25
> 2.0	Nil	24/25

General

- If a property changes ownership, the entitlement to a discount under this policy will remain with the land, and any refund will be issued to the legal owner of the land at the time of payment of the refund.
- For the purpose of approving the refund of Section 64 contributions the CEO/delegate will be the sole arbitrator in determining and assessing the status of a development, and further determining eligibility for the refund.

4.2 Exemptions

This policy does not apply to:

Concessional Section 64 Contributions

- The subdivision of land in any format either Torrens title, strata, neighbourhood title or other forms of land division which creates additional lots of land or legal entities.
- Sewer or wastewater developer charges or Section 64's
- Any development/s that does not have operational consent under the Environmental Planning & Assessment Act, State Environmental Planning Policy (Exempt and Complying Development Codes) or has received an Occupation Certificate and/or licence for the development as the case may be,
- Any development where the development consent articulates how the Headworks charges are to be calculated (that is the charges are not specified in Council's Fees & Charges),
- Any development/s which have paid or have signed an agreement/contract/deed with Council prior to 1st July 2013 to pay its Section 64 contributions.
- Any developments which receive S64 assistance under Council Policy POL14/36 (Community Service Obligations – Water Supply, Wastewater, Effluent, Trade Waste Services and Section 64 Contributions).

4.3 Implementation

Shoalhaven Water has responsibility for implementing this policy.

Concessional Section 64 Contributions

An example of the calculations involved in the implementation of this policy is as follows:-

Eligible commercial business with an original determined load of 6.2 ETs for water supply and 6.20 ETs for sewerage services.

2024/25 water supply ET Charge = \$7,071/ET.

2024/25 sewerage services ET Charge = \$8,964/ET.

Original determined charge = $6.2 \times (\$7,071 + \$8,964)$
= \$99,417

Reduction application: -

Water Supply

First 2 ET = $2.0 \times (\$7,071) \times 0.5 = \$7,071$ (0.50 is applied for 50% reduction)

>2 ETs = $4.2 \times \$7,071 = \$29,698.20$ (nil discount applied)

Reduced Payable Water Total = \$36,769.20

Sewer (Nil Discount)

$6.2 \times \$8,964 = \$55,576.80$

Total Amount payable = $\$55,576.80 + \$36,769.20 = \$92,346.00$

General

- Approved developments of 2 ET's or less are not entitled to any further refund as 50% reduction is already applied at assessment stage.
- Any determined refund will apply to the Section 64 Charge rates that were applicable at the time they were paid.

5 Related Legislation, Policies or Procedures

- Local Government Act 1993: This act allows councils to levy developer contributions for water supply and sewerage services under Section 64.
- Water Management Act 2000: Sections 305 to 307 of this act also govern developer contributions related to water supply and sewerage.
- Shoalhaven Water's Community Service Obligations (CSOs) and the charging policy for water, wastewater, effluent, and trade waste services, including Section 64 contributions.
- Shoalhaven Water Development Information Guide: Provides detailed information on how Section 64 contributions are applied and managed

6 Risk Assessment

Risk Category	Risk	Notes
Reputation	Community backlash that Council is not seen to be supportive of growth and development in the region.	This policy provides a method of assessing the discount on Section 64 contributions that can be received by developers.
	Large organisations attempting to use aggressive negotiation	Having this policy in place allows Council staff to provide consistency in the application of these fees,

Risk Category	Risk	Notes
	tactics to reduce their costs.	leading to more confidence in Council achieving fair value for the community.
Financial	Income generated from these fees is essential to Council's financial sustainability.	The methodology sets out the criteria for the various discounts applied to Section 64 contributions to ensure consistent application by staff.
People	Difficult for staff to calculate the fees.	Overly complex methodology can lead to errors when assessing developments and determining Section 64 Contributions.
Environment	This policy does not impose an environmental risk	N/A
Property and Infrastructure	This policy does not impose a Property and Infrastructure risk	N/A
Governance (probity, transparency, resilience to scrutiny)	Lack of a clear policy would increase the risk to Council.	Policy provides a methodology to apply when calculating the fee applicable to developers.

7 Data and Reporting

The value of these discounts are recorded as cross subsidies in Council's financial statements.

8 Monitoring and Review

Review of this policy will be within 12 months of the election of a new Council.

9 Ownership and Approval

Responsibility	Responsible Owner
Directorate	Shoalhaven Water
Endorsement	CEO

Approval/Adoption	Council
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