

ORD03

SUBJECT: NEW CONTRIBUTION PLAN PORTFOLIO (CONTRIBUTIONS PLAN RESTRUCTURE PROJECT)

FROM: Director Growth & Finance

EDMS #: 23/386450

PURPOSE OF REPORT

The purpose of this report is to seek Council approval to place on public exhibition the restructured portfolio of contribution plans and notify on Council's website the retirement of redundant plans.

This report also seeks Council's approval for the transfer of cash balances from the retired plans to the proposed Section 7.12 Contribution Plan.

BACKGROUND

The Contributions Plan Restructure Project (CP Restructure) reviewed Council's portfolio of contribution plans.

At present, Council has 11 active Contribution Plans, with seven of those plans being redundant because they have delivered all required infrastructure.

The proposed amendment to the Oran Park Contribution Plan is part of the scope of the CP Restructure but is addressed in a separate report to Council.

The Camden Growth Areas Contribution Plan is undergoing a separate review in line with the Planning Proposal for the Leppington Town Centre and is not part of the CP Restructure.

MAIN REPORT

The CP Restructure recommended that Council's new portfolio of contribution plans consist of the following plans:

- Camden Contributions Plan 2011 (amended);
- Heavy Haulage Contributions Plan (amended);
- Camden Section 7.12 Contributions Plan;
- Oran Park Contributions Plan (amended Oran Park Turner Road Contribution Plan); and
- Camden Growth Areas Contributions Plan (to be amended in line with the Leppington Town Centre Planning Proposal once complete).

Camden Contributions Plan 2011 (Amendment 1)

The Camden Contributions Plan 2011 was adopted by Council in April 2012 and covers Spring Farm, Elderslie and land with a rural zoning.

Aside from updates to ensure the plan is consistent with the current development context, infrastructure delivery, legislation and Council policies, a key change proposed for the Camden Contributions Plan 2011 is the retirement of the areas outside of the

Spring Farm and Elderslie precincts. The area removed from the Plan will be covered by the new Section 7.12 plan.

Heavy Haulage Contributions Plan

The Heavy Haulage Contributions Plan is an amendment to Contribution Plan No. 7 Road Maintenance: Extractive Industries which was first adopted by Council in October 1993.

This plan allows Council to levy Section 7.11 contributions from development, within Camden Council's boundary, that relies on increased heavy vehicle movements that increases Council's road maintenance obligations.

Currently, only the Bringelly Quarry is subject to this contribution.

Camden Section 7.12 Contributions Plan

The new Camden Section 7.12 Contributions Plan is proposed to cover the entire Local Government Area (LGA) but only be active over land that is not already covered by a Section 7.11 Plan.

Key aspects of the Section 7.12 Plan are:

- Any type of development (residential and non-residential) over \$100,000 in value will be levied a contribution based on a percentage of the construction cost, making it easier to administer than a Section 7.11 Plan.
- It can charge a contribution for alterations and additions to existing development, as well as where existing development is replaced (i.e., knock down, rebuild). A transition period is proposed to delay imposition of the charge on these types of development for a period of 24 months from the adoption of the Plan. This would exclude any applications currently being prepared or considered from paying this contribution.
- The Plan will include exemptions for works required due to force majeure or building defects.
- The Plan is not restricted to funding items in the Essential Works List, meaning it can fund the construction of community facilities.

The new Section 7.12 Contributions Plan will be seeking to levy 1% of the development costs for developments costing more than \$100,000 and up to \$200,000, and 3% of the development costs for developments costing more than \$200,000. However, the NSW Government currently caps Section 7.12 contribution rates, as outlined in the table below.

Table 1: Current Section 7.12 levy rates

Proposed cost of carrying out the development	Contribution rate	Capped contribution rate
Up to and including \$100,000	Nil	Nil
More than \$100,000 and up to and including \$200,000	1% of that cost	0.5% of that cost
More than \$200,000	3% of that cost	1% of that cost

Therefore, Council can only levy development at the capped contribution rate.

If approved by Council, an application will be lodged seeking an increase to Council's proposed rates. The higher percentage would be in line with the rate proposed by the State Government as part of the recent reforms to developer contributions, which is yet to be considered by Parliament.

The new Section 7.12 Plan is proposed to start with an opening balance made up of funds from the plans proposed for retirement. This is further discussed in the next section and Financial Implications section of this report.

Plans Proposed to be Retired

The following plans are proposed to be retired as they have delivered all the infrastructure identified in their respective works schedules:

- Catherine Field (Part) Precinct;
- CP 3 Upper Narellan Creek Trunk Drainage;
- CP 5 Catherine Field Precinct Trunk Drainage;
- CP 11 Smeaton Grange Roadworks;
- CP 16 Ellis Lane and Grasmere;
- CP 17 Narellan Town Centre; and
- CP 18 Harrington Park.

The balance of the funds from retired plans and infrastructure obligations transferred to the proposed Section 7.12 plan will be \$16,094,162.68 (plus interest), as per the breakdown in **Table 2** below.

Table 2: Total opening balance of Camden S7.12 CP and sources of opening balance

Retired Plans	Balance as of 31 March 2023	Less WKA surplus value	Funds to be transferred
CP 2011 - Volunteer Emergency Services ²	\$ 932,783.78		\$ 932,783.78
Catherine Field (Part) Precinct including Plan Administration ³	\$ 5,435,412.47		\$ 5,435,412.47
CP 3 Upper Narellan Creek Trunk Drainage	\$ 4,641,068.68	\$ 269,428.00	\$ 4,371,640.68
CP 5 Catherine Field Precinct 3 Trunk Drainage	\$ 164,578.38		\$ 164,578.38
CP 11 Smeaton Grange Roadworks	\$ 2,647,846.25		\$ 2,647,846.25
CP 16 Ellis Lane & Grasmere	\$ 1,232,239.19		\$ 1,232,239.19
CP 17 Narellan Town Centre	\$ 1,106,730.74		\$ 1,106,730.74
CP 18 Harrington Park	\$ 61,599.44		\$ 61,599.44
Non-Contributions plans	\$ 141,331.75		\$ 141,331.75
Sum	\$16,363,590.68	\$269,428.00	\$16,094,162.68

FINANCIAL IMPLICATIONS

Retiring the contribution plans listed in **Table 2** will result in approximately \$16 million (plus interest) being available to be transferred to the new Section 7.12 Contributions Plan.

CONCLUSION

If endorsed by Council, the Camden Section 7.12 Contributions Plan, Camden Contributions Plan (amended) and Heavy Haulage Contributions Plan (amended) will be publicly exhibited for 28 days prior to adoption as per Schedule 1 Division 7.1 of the *Environmental Planning and Assessment Act* and clause 216 of the *Environmental Planning and Assessment Regulation 2021* (EP&A Regulation).

The retirement of the identified plans will need to be publicly notified for at least 14 days in line with clause 215(3) of the EP&A Regulation.

RECOMMENDED

That Council:

- i. authorise the public exhibition of the amended Camden Contributions Plan 2011, amended Heavy Haulage Contributions Plan and the new Camden Section 7.12 Contributions Plan for a period of 28 days in accordance with the *Environmental Planning and Assessment Regulation 2021*;
- ii. authorise the public notification of the retirement of contribution plans 3, 5, 11, 16, 17, 18 and Catherine Field (Part) Precinct on Council's website for a period of 14 days in accordance with the *Environmental Planning and Assessment Regulation 2021*;
- iii. following the exhibition period, be provided a further report to consider submissions made during the exhibition period;

- iv. approve the transfer of surplus funds from retired contribution plans to the proposed Camden Section 7.12 Contributions Plan; and
- v. approve an application being prepared and submitted to the Department of Planning and Environment seeking an increase to the levy in the proposed Camden Section 7.12 Contributions Plan from the capped amount of 0.5-1% to 1.5-3%, as outlined in the report.

ATTACHMENTS

- 1. Camden Contributions Plan 2011 Amendment 1
- 2. Heavy Haulage Contributions Plan
- 3. Camden Section 7.12 Contributions Plan

Ordinary Council Resolution

Motion: Moved Councillor C Cagney, Seconded Councillor McLean that Council:

- i. authorise the public exhibition of the amended Camden Contributions Plan 2011, amended Heavy Haulage Contributions Plan and the new Camden Section 7.12 Contributions Plan for a period of 28 days in accordance with the *Environmental Planning and Assessment Regulation 2021*;
- ii. authorise the public notification of the retirement of contribution plans 3, 5, 11, 16, 17, 18 and Catherine Field (Part) Precinct on Council's website for a period of 14 days in accordance with the *Environmental Planning and Assessment Regulation 2021*;
- iii. following the exhibition period, be provided a further report to consider submissions made during the exhibition period;
- iv. approve the transfer of surplus funds from retired contribution plans to the proposed Camden Section 7.12 Contributions Plan; and
- v. approve an application being prepared and submitted to the Department of Planning and Environment seeking an increase to the levy in the proposed Camden Section 7.12 Contributions Plan from the capped amount of 0.5-1% to 1.5-3%, as outlined in the report.

ORD120/23 THE MOTION ON BEING PUT WAS **CARRIED**