# Attachment 1

# Developer servicing charges for granny flats

(151/12)

Business activity priority		Supply the region with potable water
Strategic objective	1	Provide reliability in asset performance

# Purpose

Recommend to Council that it adopt a method for assessing developer charges for granny flats consistent with the practice of Lismore City and Ballina Shire Councils and advise the constituent Councils of its decision.

# Background

A number of issues have arisen in the assessment of developer charges for granny flats by both Rous Water and the constituent Councils acting on behalf of Rous Water. It is appropriate for Council to determine a position on the application of developer charges to granny flats and to advise the constituent Councils of Rous Water's requirements when acting as Rous Water's agent in the assessment and collection of developer charges on behalf of Rous Water.

Granny flat is a colloquial term and is applied to what is correctly termed secondary dwellings.

The issues for consideration of Council are:

1. Rous Water has an agency agreement with each of the constituent Councils for the administration of development consent conditions on behalf of Rous Water. Following the adoption of the current Rous Water Development Servicing Plan in 2009, staff wrote to each of the constituent Councils setting out Rous Water's requirements for the execution of the agent's role by the respective Council. A copy of that letter is appended to this report. Of particular interest in consideration of the assessment of granny flats is the following excerpt from the letter.

# 'Calculation of Equivalent Tenements (ETs)

During discussions with the constituent councils it was found that when assessing the load the proposed development would have on the water supply, the number of ETs the respective Council determined for the local reticulation varied from the number determined for the Buk Water Supply (Rous Water) utilising Rous Water' adopted methodology.

To overcome this it is requested that the constituent Council determine the number of ETs by their adopted methodology and this then be utilised for the calculation of the Bulk Water Supply Charge.'

The constituent Councils have been complying with this request but there are differences between how the constituent Councils and Rous Water determine the ET applicable to granny flats. Rous Water staff have applied developer charges to a granny flat development connected to Rous Water's retail supply.

Rous Water wrote to each of the constituent Councils in early July 2015 and requested advice on how each Council is assessing developer charges for granny flats.

The position of each of the constituent Councils and Rous Water with regard to the application of developer charges to granny flats are:

# Lismore City Council

Lismore has replied by letter dated 15 July 2015, a copy of which is appended to this report. The letter includes a copy of that Council's policy on the matter. Lismore City Council have concluded that secondary dwellings (granny flats) and attached or detached dual occupancy dwellings do not increase the load on the water supply and therefore no development charges are payable. The letter also says that it is understood Ballina and Byron Shire Councils are consistent with this practice. Based on this conclusion and the agency agreement there are no developer charges to be collected on behalf of Rous Water.

# Byron Shire Council

At the time this report was prepared Byron Shire had advised by letter dated 31 July 2015 that they were unable to reply until 18 August 2015 due to the need to research the matter.

# Ballina Shire Council

Ballina Shire Council staff responsible for the determination of Development Charges for that Council met with the Corporate Services Director and Technical Services Director on 31 July 2015 to discuss a number of development charges matters including the treatment of granny flats. It was confirmed that Ballina Council's approach to determining development charges for granny flats is consistent with Lismore City Council. It was further confirmed that Ballina Council staff will review the impact of this policy in 2016.

# Richmond Valley

Richmond Valley Council has written to Rous Water requesting Rous Water to 'reduce' the 'Section 64 Charges' for granny flats which Richmond Valley Council collects on behalf of Rous Water. A copy of Richmond Valley Council's letter is appended to this report. Whilst the request in the letter is for the charges to be reduced, the letter quotes Richmond Valley Council's resolution in which that Council has resolved to seek the deletion of the charges.

Based on this letter, it is concluded that Richmond Valley believes developer charges are applicable and is asking Rous Water to waive them.

2. Recently, a developer of a granny flat in Byron Shire, serviced by Rous Water's retail water reticulation, requested that Rous Water waive the developer charge for a granny flat.

A reply was sent to the developer advising that under Rous Water's Development Servicing Plan, Rous Water may waive developer contributions where the proponent demonstrates that it is not for profit and charitable organisation. This particular secondary dwelling development does not meet this criteria. The developer was further advised that the request would be reported for consideration by Council at its August 2015 meeting.

The reply concluded by advising the developer that the decision of Council would not be retrospective and that if the developer required a Certificate of Compliance from Rous Water before the Council meeting, the charge must be paid.

In light of the above, it is recommended that Council determine which methodology for the determination of developer charges for granny flats it wishes to adopt and advise the constituent Councils of its decision.

In determining developer charges for granny flats, it is appropriate for Council to consider different methodologies for determining the developer charges applicable to granny flats.

The following section of this report addresses that issue.

In assessing the developer contributions payable to Rous Water by developers of a granny flat, Rous Water staff have referenced the Water Directorate publication 'Section 64 Determinations of Equivalent Tenements Guidelines'. Referencing this document is consistent with the methodology stated in the Rous Water Development Servicing Plan – Bulk Supply Service and Rous Water Development Servicing Plan – Retail Water Supply Services which states:

# *2.1.2 Tenement and Demand Projections*

Most types of development will increase the demand on a water supply system. The increase in demand is assessed in terms of equivalent tenements (ET). The calculation of equivalent tenements for each development will be made in accordance with the methods described in the NSW Water Directorate publication Section 64 Determinations of Equivalent Tenements Guidelines (2005).'

The Water Directorate document does not specifically list granny flats in the tables of standard ET figures. Therefore, the assessment for Multi-Residential Lots, Units of 0.4 ET for a one bedroom unit and 0.6 ET for a two bedroom unit have been utilised by Rous Water staff.

These criteria have been used for the assessment of the granny flat discussed above in this report. The subject granny flat is a two bedroom development, so the amount payable is 0.6 x the development charge per equivalent tenement.

In light of the question of whether a developer charge should be applied to granny flats at all or could the charge be reduced, the Water Directorate Guidelines were further referenced.

The first conclusion is that there is no evidence in the guidelines that would justify the conclusion that a granny flat will have zero demand on the water supply system and therefore could be assessed as zero equivalent tenements.

There is some evidence that a granny flat could be assessed differently to this Councils current methodology and have a lower equivalent tenement determination.

As stated above, Rous Water staff have used the standard ET figures for Multi-Residential Lots (Medium Density) units for assessment of the equivalent tenements for granny flats.

It can be argued that the standard ET figures for units overestimate the impact of a granny flat because they include an allowance for outdoor water usage in the unit complex. Whereas, a granny flat is added to a single residential lot which has already accounted for outdoor water usage in its developer charge of one ET.

The Water Directorate Guidelines were reviewed to ascertain if it had standard ET figures for a type of development more representative of granny flats.

For Multi-Residential Lots (High Density – Multi Storey) the Water Directorate Guideline says:

# *5.1.3 Multi-Residential Lots (High Density – Multi-storey)*

For units / flats / apartments, consideration may be given to further reducing water ET figures for multi-storey developments (compared to standard multi-residential) due to the absence of outdoor watering.'

In recognition of the lower water demand of these type of developments, the standard ET figures for Multi-Residential Lots (High Density) are:

- 1. Multi Storey Apartments...... (one bedroom)......0.33ET
- 2. Multi Storey Apartments...... (two bedrooms) ......0.50ET
- 3. Multi Storey Apartments...... (three bedrooms)......0.67ET

These allowances give an indication of the possible demand for water that is generated by a granny flat. The demand for water that is generated by a granny flat may further be reduced by factors such as the maximum area of the site that may be developed as a granny flat (thereby limiting the overall size of the development and the fact that the development does not include allowance for garaging a car).

The Water Directorate Guidelines make mention of the need to factor in local circumstances in the assessment of the applicable ETs for a development.

It is clear from both the work of the constituent Councils and Rous Water staff that there is a degree of uncertainty in the appropriate assessment of ETs for granny flats.

At this point of time, there is insufficient local data available to determine if granny flats increase the demand for water and therefore should incur a development charge. Over time, water meter data will become available for properties with granny flats and it will be possible to analyse their demand for water in comparison to single residential developments.

In the meantime, Council could determine that it wishes to continue to collect developer charges in accordance with the methodology proposed by staff, waive the developer charges for granny flats or adopt the methodology of Lismore City Council and Ballina Shire Council until the analysis is available.

The NSW DPI Water, 'Developer Charges Guidelines for Water Supply, Sewerage and Stormwater' which sets out the methodology Councils must follow in the preparation of Development Servicing Plans, makes provision for Councils to discount and therefore cross subsidise developer charges. It sets specific reporting requirements for cross subsidies. A copy of the relevant section from the soon to be released updated guidelines is reproduced below.

# 'Disclosure of Cross-Subsidies

The calculated developer charges are the maximum value that may be levied by a utility. In adopting a DSP for water supply, sewerage or stormwater, the utility may elect to levy less than the calculated amounts. If a utility elects to levy less than the calculated developer charges, then the resulting cross-subsidy from the existing customers in the typical residential bill must be calculated and disclosed in the relevant DSP, in the utility's Annual Report, annual Operational Plan and in communication materials for consultation with stakeholders. The impact of cross-subsidies for new development on the typical residential bill must also be prominently disclosed and explained on the utility's website.

In addition, Special Schedules No 3 and 5 of the LWU's annual financial statements will need to continue to disclose the total cross-subsidy provided in developer charges each financial year. The disclosures are required in order to make any cross-subsidies transparent and to comply with the 1994 Council of Australian Governments' (COAG) Strategic Framework for Water Reform and the 1996 IPART Pricing Principles for Local Water Authorities.

For DSPs registered in or after 2012/13, only pre 2012/13 assets can be cross subsidised with annual bills. Post 2012/13 assets i.e. assets planned for commissioning in or after 2012/13 should be fully recovered from future development in order to provide efficient pricing signals for the required new capital investment.

The intent of the clause is to allow the overall reduction of developer levies rather than reduction or waiving of charges for specific developments. The Guidelines are silent on the waiving of development charges.

The letter received and appended to this report from Lismore City Council includes a copy of that Council's Contribution Discount Policy which has as its Objective 'To promote additional residential and business growth by providing discounts from the adopted Section 64 and 94 plans ...'

The policy provides for the discounting of developer contributions for sound financial and social reasons. It is understood that the discount would also be applied to Rous Water's developer contributions collected on behalf of this Council's behalf by Lismore City Council. Should that be the case, the discount would be contrary to the agency agreement between Rous Water and Lismore City Council. It is recommended that staff discuss the matter with Lismore City Council staff to ensure that developer contributions collected on behalf of Rous Water are not discounted.

The financial impact on Rous Water of discounting the developer contributions will not be known until sufficient data is collected. Lismore City Council intend to review their policy after two years. Verbal advice from staff is that Ballina Council also intends to review its practice after two years.

It is recommended to Council that it endorse the policies and practices of the constituent Councils with respect to the assessment of developer contributions for granny flats for a period of up to two years. It is further recommended that the financial impact be assessed and be reported to Council following the respective Councils review.

# Governance

# Finance

As Rous Water has not been provided with any analysis or data from constituent Councils, which would enable an estimate or forecast on the value of the proposed granny flat Section 64 fee methodology, it is not possible to assess the impact on Councils immediate or long term financial plans.

Anecdotally, constituent councils advise that they are not being overwhelmed by granny flat applications and our own Rous Water experience is infrequent. The financial impact is unlikely to have a material effect on existing bulk water revenue or planned capital expenditure.

The recommendation and future review is supported.

# Environment

# Legal

The recommended approach will provide Rous Water with an opportunity to collect and analyse data to inform the development of a methodology commensurate with the nature and impact of the type of dwelling concerned and capable of being consistently applied across the region. A necessary part of this process will be to engage with relevant stakeholders and review existing documentation governing the administration of the function performed on behalf of Rous Water by constituent councils.

# Consultation

Consultation has consisted of written and verbal dialogue with each of the constituent Councils and the Rous Water retail customer referenced in this report.

Rous Water staff involved in the determination of development servicing charges have also been consulted.

# Conclusion

Although it is likely to have a small financial impact on Rous Water, it is appropriate to ensure consistency in the collection of Development Charges for granny flats on behalf of Rous Water.

Lismore and Ballina Councils have advised that their assessment of the developer charge for granny flats results in no charges payable where the total development on the respective lot does not exceed five bedrooms, three water closets and two laundries. Rous Water's staff assessment has been inconsistent with this approach, whilst Richmond Valley Council has asked Rous Water to consider deleting charges for granny flats.

The appropriate charge for granny flats is variable depending on the particular circumstances of the development.

It is recommended that Rous Water adopt the methodology employed by Ballina and Byron Shire Councils and advise the constituent Councils of that decision. Once Ballina and Lismore City Council have undertaken a review of the impact of their policy the outcome can be reported to Rous Water for consideration.

During the review of the Lismore City Council policy on this matter, it was apparent that the Council may be waiving some development charges without agreement from Rous Water. It is recommended that the agency agreement with the constituent Councils be reviewed during the development of the new Rous Water Development Servicing Plan to ensure that each Council is collecting Development Charges on behalf of Rous Water in a consistent manner.

# **RECOMMENDATION** that:

- 1. Rous Water adopt the methodology for determining developer charges for granny flats utilised by Lismore City Council and Ballina Shire Council.
- 2. When data is available from the constituent Councils, the impact of this policy be assessed and reported to Council.
- 3. Staff discuss the collection of developer charges with Lismore City Council staff to ensure that charges payable to Rous Water are not discounted without agreement of this Council.
- 4. As part of the development of the revised Rous Water Development Servicing Plans, the agency agreement between Rous Water and the constituent Councils for the collection of developer charges on behalf of Rous Water be reviewed to ensure that it clearly sets out the methodology for the discounting of Rous Water development contributions by the constituent Councils.

V Trave

**Technical Services Director** 

Attachments:

- 1. Letter to constituent Councils (38111).
- 2. Letter from Richmond Valley Council (99949).
- 3. Letter from Lismore City Council (100589).

# **Attachments**

Our Ref: WF/NS: 151 (38111)

18 December 2009.

General Manager Lismore City Council D7761 LISMORE

# Dear Paul

# Administration of Development Consent Conditions on behalf of Rous Water

Over the past year Rous Water has developed a new Development Servicing Plan setting out the charges payable by developers in respect to the load imposed by their development on the regional water supply. A copy of the Plan is enclosed for your Council's information.

During the development of the Plan, Rous Water's Finance Manager and Technical Services Director met with Development Control Engineers, Planners and Finance staff to discuss the implementation of the Plan. In those discussions it was clear that each of the Constituent Councils administered their agency role for Rous Water in a different manner. As a result Rous Water has addressed each of the issues raised during those meetings and has determined a set of standard conditions which Rous Water requests that your Council, as an agent for Rous Water, apply. Those conditions are set out below.

Rous Water has resolved that its Development Servicing Plan for Bulk Water Supply Services commence 1 January 2010 with the charge being progressively introduced as follows:

1 January 2010 \$6,222/et

1 January 2011 \$7,491 + CPI (July 2009 to June 2010)/et

# **Condition of Consent**

For each development that is assessed as creating a demand on the Rous Water Bulk Water Supply, Rous Water is legally empowered to require the developer to carry out certain works and/or pay a contribution to Rous Water. Under the applicable legislation, the Water Management Act 2000, Rous Water would then issue a Certificate of Compliance to the developer to signify compliance with Rous Water's requirements.

In practice, Rous Water has rarely required works to be constructed and has mostly collected developer contributions. It is expected that this situation will occur in the vast majority of Development Consents in the future but it will be necessary to provide a condition of consent to cover the case when only charges are to be collected and one for when charges and works are required. It is requested that all future Development Consents issued by the Constituent Councils contain a standard Condition of Consent selected from either of the following draft conditions:

# Consent condition when only charges are to be paid

xx. Obtain a Certificate of Compliance from Rous Water confirming that all money payable to Rous Water in respect to the load the development imposes on the Regional Bulk Water Supply has been paid (see note yy).

Note yy ....... Council acts as Rous Water's agent in this matter and will issue a Certificate of Compliance on behalf of Rous Water upon payment of the Rous Water Development Servicing Charge to this Council. The charge is calculated as the Rous Water Development Servicing Charge per Equivalent Tenement current at the time of payment multiplied by the assessed number of ET's for the development for water supply purposes.

# <u>OR</u>

# Consent condition when charges and works are to be carried out

ww. Obtain a Certificate of Compliance from Rous Water confirming that all water supply works to be constructed for Rous Water and all Developer Charges payable to Rous Water have been provided to Rous Water (see note zz).

Note zz. Rous Water is the Water Supply provider for the location of the subject development. The applicant must organise the provision of a water service to the development with Rous Water and provide a Certificate of Compliance from Rous Water to this Council.

Rous Water has resolved that from 1 January 2010, the Development Charge payable by developers will be the charge that is current at the time of payment NOT the charge current at the time of consent adjusted by CPI to the time of payment.

Your Council is requested to ensure that this information is conveyed to potential developers.

Rous Water's Developer Charges are not a Fee or Charge of the Constituent Council and accordingly each Council is requested not to publish the charge in the respective Council's list of fees and charges for adoption by the Constituent Council.

# **Discount of Developer Charges**

From time-to-time Rous Water has been requested to discount the charges payable by a developer. Most requests involve 'not for profit' organisations. Rous Water has previously resolved that where a developer requests a discount Rous Water will rely on the Constituent Council to assess the merit of the request and will extend the same discount in terms of number of ET's as the Constituent Council allows in respect of the Constituent Council's Developer Charges for Water Supply.

This has been done on the basis that the Constituent Council is best placed to assess the merit of the request and a consistent approach by the Constituent Council and Rous Water is appropriate.

Rous Water will continue with this approach with respect to 'not for profit' organisations. Other requests for discounts are to be referred to Rous Water for determination.

## Calculation of Equivalent Tenements (ET's)

During discussion with the Constituent Councils it was found that when assessing the load the proposed development would have on the water supply, the number of ET's the respective Council determined for the local reticulation varied from the number determined for the Bulk Water Supply (Rous Water) utilising Rous Water's adopted methodology.

To overcome this it is requested that the Constituent Council determine the number of ET's by their adopted methodology and this then be utilised for the calculation of the Bulk Water Supply Charge.

### Developer Charges payable for consents issued prior to 1 January 2010

It is recognised that Constituent Councils have a number of legacy consents outstanding with differing fee calculations contained within them. It is our intention that these conditions, as written, will remain in force until the expiration of the consent as determined by Constituent Councils.

This includes approvals granted by other consent authorities such as the Land and Environment Court and the Department of Planning.

### Remittance of Developer Charges by Constituent Councils

Rous Water requests Constituent Councils to remit all Section 64 developer charges collected on its behalf on a monthly basis accompanied with a reconciliation of the number of ET's per DA.

### Service fee payable to the Constituent Councils

Rous Water agrees to pay Constituent Councils a service fee in recognition of the agency service provided. It is proposed that the service fee applicable from 1 January 2010 be \$60.00 + GST per DA. Complying tax invoices are required.

As this fee is, in practice, the Constituent Council's fee to Rous Water, the normal regulations for setting fees and charges apply.

Thank you for the support your organisation provides Rous Water in the administration of Rous Water's Development Servicing Plan. Should you wish to discuss any of the matters covered in my letter it is requested that you contact Council's Finance Manager, Guy Bezrouchko or Technical Services Director, Wayne Franklin.

Yours faithfully

Kyme Lavelle General Manager

Enclosure: Development Servicing Plan

Same letter to Ballina, Byron, Richmond Valley Councils.

Council's Reference			Richmond Valley Council
AJ/KB			A Y A
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19 June 2015	D-41.	Result	Leger 17743
Mr Kyme Lavelle General Manager Rous Water		FRCC File FNCW ActionC Received	) ) 111N 2016
PO Box 230 LISMORE NSW 2480		RWL Scannec	1 Ē.

Dear Kyme

#### Submission to have Section 64 charges for "Granny Flats" deleted

Council at its Ordinary Meeting held on 19 May 2015 received the following question in regards to Rous Water headworks charges when developing a "low cost housing/granny flat" project:

"After your response to the question asked at the April meeting regarding the Rous Water Charges, with Council's consent out of this meeting, can you produce a formal submission to Rous Water asking for the deletion of the Section 64 charges for "Granny Flat" development in Richmond Valley Council, for our Rous Water delegates to have included on a Rous Water meeting agenda in the near future. Could you also gain and include comments from other Councils who have had to pay this fee?"

As you are aware, Council has significantly reduced the Section 64 charges applied developments with the aim of encouraging development and facilitating low cost housing opportunities within the Richmond Valley LGA.

Council is seeking your cooperation in reconsidering, with a view to reduce, the Section 64 charges for "Granny Flat" developments which Council currently collects on behalf of Rous Water.

This matter is of importance to the Richmond Valley community and an early response would be greatly appreciated. Should you wish to discuss the matter further please contact me by telephoning 6660 0262 or email <u>angela.jones@richmondvalley.nsw.gov.au</u>

Yours sincerely

aggones

Angela Jones Director Infrastructure and Environment

Richmond Valley Council, Corner Walker Street & Graham Place, (Locked Bag 10) Casino NSW 2470 t: 02 6660 0300 f: 02 6660 1300 e: council@richmondvalley.nsw.gov.au www.richmondvalley.nsw.gov.au f RichmondValleyCouncil ABN 54 145 907 009 & emailed to GA V



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Our Ref:

EF09/1665:CO15/6133

Contact:

Paula Newman

15 July 2015

Mr Wayne Franklin Technical Services Director Rous Water PO Box 230 **LISMORE NSW 2480** 

#### Dear Sir

#### Rous Water bulk developer charge - secondary dwellings

Thank you for your letter dated 9 July 2015 regarding the above. Lismore City Council adopted a Contributions Discount Policy No. 5.2.32 at its Ordinary meeting on 12 August, 2014 to promote additional housing in areas with existing infrastructure. The 'discount' is available where no additional ETs will be generated by the secondary dwelling. The Policy provides as follows (in part):

- 1. All 'Secondary Dwellings' as defined in the Lismore Local Environmental Plan will be exempt from Section 64 and Section 94 charges where the secondary dwelling does not increase the number of overall bedrooms in the site to greater than five, the number of water closets to greater than three and the laundries to greater than two.
- 2. One or two bedroom Attached or Detached Dual Occupancy dwellings with a floor area of 115m<sup>2</sup> or less will be exempt from Section 64 and Section 94 charges, provided the total number of bedrooms on the site does not exceed five, the total number of laundries does not exceed two and the total number of water closets does not exceed three.
- 3. Two or more bedroom Attached or Detached Dual Occupancy dwellings with a floor area of greater than 115m<sup>2</sup> and which do not create a total number of bedrooms in excess of five, a total number of laundries in excess of two and a total number of toilets in excess of three on the site are to be levied 0.3 ETs for their Section 64 and Section 94 charges.
- 4. Applications under this Policy can only be considered in areas where a Council operated sewer is available.

Council has not been levying the Rous Water bulk developer charge to secondary dwellings on the basis that no additional ETs are generated where the criteria above apply. I understand this is consistent with the practice used by Ballina and Byron Shire Councils.

Please contact me on telephone number (02) 6625 0525 if you would like further information or clarification on this matter.

Yours faithfully

Paula Newman

Strategic Planning Coordinator

Enclosure: Lismore City Council Contributions Discount Policy

#### www.lismore.nsw.gov.au

43 Oliver Avenue: Goonellabah NSW 2480 • PO Box 23A, Lismore NSW 2480 • T: 1300 87 83 87 • E: council@lismore.nsw.gov.au • ABN: 60080932837 Lismore City Council acknowledges the people of the Bundialung Nation, traditional custodians of the land on which we work.



# POLICY MANUAL

POLICY NO:	Contributions Discount Policy	
OBJECTIVE:	To promote additional residential and business growth by providing discounts from the adopted Section 64 and 94 plans where:	
	<ul> <li>residential development seeks to provide additional housing choices which capitalise on existing built infrastructure and</li> <li>opportunities are available to encourage reuse of the existing CBD fabric to provide increased flexibility and opportunities for business.</li> </ul>	
LINK TO STRATEGIC PLAN:	The Housing Strategy Action Plan	
PROGRAM:	Development and Compliance	
AUTHORISED:	This Policy is to be reviewed two years after its adoption.	

# **SECTION A - RESIDENTIAL**

# Preamble

While there is a clear understanding that increased residential activity creates an increased demand for services there is a similar recognition that an increase in residential density, in areas with existing developed services, provides significant opportunities and advantages. To take advantage of these opportunities this policy sets out criteria by which Lismore City Council will provide a discount from its adopted Contributions Plans for eligible development proposals.

### Relevant Goals

This Policy anticipates that a proposed dwelling;

- 1. provides Environmental Efficiencies by utilising existing infrastructure, provides efficient travel times and increases density in existing residential areas as opposed to developing new 'green field' site or,
- 2. strengthens existing community connectivity or,
- 3. provides opportunities for Ageing in Place or,
- 4. provides increased affordability or,
- 5. provides housing options for people requiring smaller dwelling opportunities like, elderly residents, single people, and health and university workers.

#### Operable Clauses

- 1. All 'Secondary Dwellings' as defined in the Lismore Local Environmental Plan will be exempt from Section 64 and Section 94 charges where the secondary dwelling does not increase the number of overall bedrooms in the site to greater than five, the number of water closets to greater than three and the laundries to greater than two.
- 2. One or two bedroom Attached or Detached Dual Occupancy dwellings with a floor area of 115m<sup>2</sup> or less will be exempt from Section 64 and Section 94 charges, provided the total number of bedrooms on the site does not exceed five, the total number of laundries does not exceed two and the total number of water closets does not exceed three.
- 3. Two or more bedroom Attached or Detached Dual Occupancy dwellings with a floor area of greater than 115m2 and which do not create a total number of bedrooms in excess of five, a total number of laundries in excess of two and a total number of toilets in excess of three on the site are to be levied 0.3 ETs for their Section 64 and Section 94 charges.
- 4. Applications under this Policy can only be considered in areas where a Council operated sewer is available.
- 5. New dwellings in an area bounded by Orion Street in the north, Dawson Street in the east, Ballina Road on the south and the Wilsons River on the west which are either infill conversions or new housing shall be exempt from Section 64 and Section 94 charges provided the total number of bedrooms does not exceed five, the total number of laundries does not exceed two and the total number of toilets does not exceed three for each apartment created.

### SECTION B - COMMERCIAL

#### Preamble

The changing commercial environment ensures there are changes in business, the manner in which they conduct their activities and the function of the buildings in which their activities are undertaken. For Lismore's CBD to respond to these constant changes there needs to be recognition of the value of the CBD and the facilities that it provides. To support business in changing times, to take advantage of the existing CBD infrastructure and to provide flexibility for business in the CBD this Policy sets out criteria by which Lismore City Council will provide discounts to its Adopted Contribution Plan, in particular circumstances.

#### **Relevant Goals**

It is anticipated that to take advantage of this Policy new business or relocating business must;

- 1. take advantage of and be able to utilise the existing Council operated CBD infrastructure without the need to increase the capacity of this infrastructure and
- 2. add to the vitality of the CBD and
- 3. support the existing business in the CBD.

#### Operable Clauses

- Business establishing in the area of the Central Business District (CBD) as defined in the map accompanying this policy will be exempt from payment of Section 64 and Section 94 charges provided that the business;
- 1. Utilises the fabric of an existing building and does not increase, by more than 10%, the operational and/or public areas of that building.
- 2. Does not require additional Council owned and operated infrastructure for either its reticulated water service or its waste water service.

# SECTION C - INDUSTRIAL AND COMMERCIAL

#### Preamble

There is a clear understanding that with the continuing demand for the development of buildings with a large floor space and a disproportionally smaller water usage the Water Directorate Guidelines do not accurately reflect the volume of water required by the development or the waste that is generated and therefore do not provide an accurate calculation of the S64 charges. Lismore City Council will negotiate with developments of this nature to ensure an equitable calculation of S64 charges is achieved.

#### Operable Clause

New business being established in the Lismore Local Government Area that have a
demonstrably higher floor space to waste water usage can negotiate with Council to
determine an equitable value for their S64 contributions. Such negotiation will be based
on actual and/or projected site usage. Council may choose to adopt an interim charge
for the first year and then review the actual site usage before determining the final S64
charge for the business.

# SECTION D - AFFORDABLE HOUSING

#### Preamble

Council has a Housing Strategy Action Plan that supports 'key worker' or 'affordable' housing. This strategy seeks to support the construction of more affordable housing options and this policy affords Council with an opportunity to provide a financial incentive to undertake this style of residential development.

### Operable Clause

• New housing that is constructed in sewered areas and which is reliant upon the State Government Affordable Housing SEPP shall have its Section 64 and Section 94 charges levied at 75% of the charge that would have been levied had the development not relied upon the Affordable Housing SEPP.

## COMPLIANCE

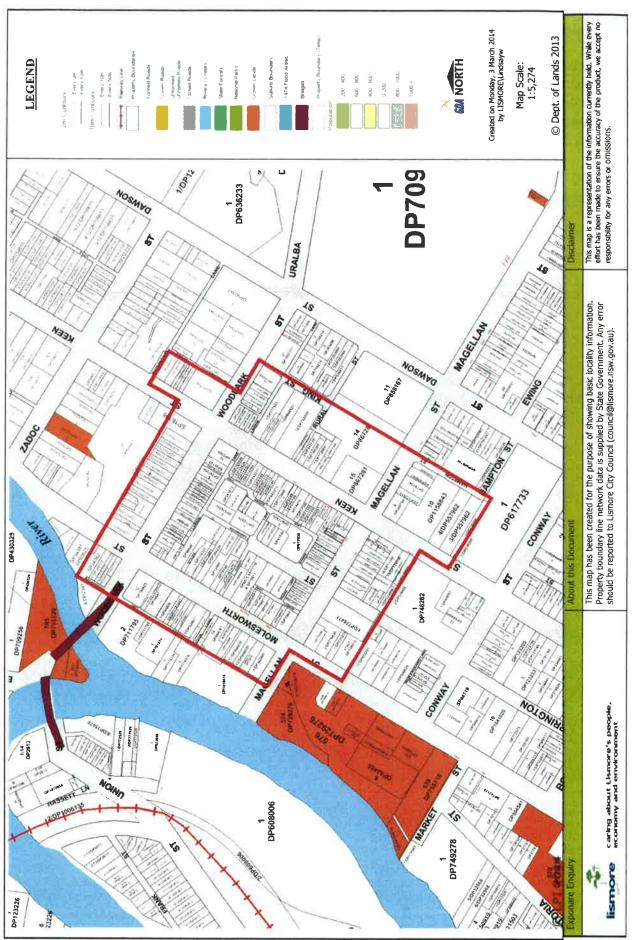
Nothing in this Policy detracts from or removes an applicant's responsibilities to comply with all relevant Acts, Regulations, policies or the like that may apply to any proposed activity or development, and obtaining any necessary approvals. Any concessions may not be available if there is a benefit associated with the undertaking of unlawful works or land uses at any point in time, to be determined at the sole discretion of Council.

## IMPLEMENTATION

This Policy will be available for:

- 1. New Development Applications made after the Policy is adopted by Council.
- 2. Development Applications for which consent was issued before the Policy was adopted by Council, but for which final Lismore City Council S64 and S94 contributions have not been paid as a result of a documented agreement, appropriate security for payment or the like and the person acting upon the consent has otherwise fulfilled their lawful obligations to the satisfaction of the General Manager.

The Policy will not be available to applicants who are seeking consent for existing works. Contributions that have previously been paid to Council will not be refunded.



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