

Policy title:	WATER & WASTEWATER DEVELOPER CONTRIBUTION CHARGES (S64) POLICY
Policy number:	6.1.4
Objective:	Application of user-pay principles for charging of developer contribution charges.
Link to community vision/service:	Water Cycle Management
Program Area:	Assets and Support Services
Policy created: 15/3/94	Council reviewed: 5/9/95, 14/5/02
Last reviewed by staff: 14/5/02	TRIM Ref: ED10/15872 & ED16/33357

Background

Water supply and wastewater developer charges are up-front charges levied to recover part of the infrastructure costs incurred in servicing new developments or additions/changes to existing developments.

This policy is based on the premise that if a development imposes an additional load on the existing water and wastewater infrastructure, then the proponent of the development should purchase the required additional capacity in the infrastructure.

Policy

- Existing unconnected lots
In the case of an existing lot to be connected to Council's systems and which has not previously paid water or wastewater charges, a contribution equivalent to the relevant developer charge will be required.
- Residential Sub-Divisions and additional houses/units
Equivalent Tenement's (ET's) to be charged for residential subdivisions and additional houses/units are as follows:
 1. One subdivision allotment – 1 ET;
 2. Three bedroom flat or home unit – 0.9 ET;
 3. Two bedroom flat or home unit – 0.75 ET;
 4. One bedroom flat or home unit – 0.55 ET;
 5. Non-government aged or disabled unit – 0.45 ET;
 6. Government aged or disabled unit – 0.4 ET.

Note: When a development is assessed, and the assessed ET's for the same falls below or is equal to the current entitlements, no S64 charges will be levied, nor monies refunded on unused entitlements.

A S64 charge will only be levied against a development where the ET evaluation is above the current entitlement.

- Non-residential developments including commercial/industrial developments
Developer contributions for non-residential developments are determined by establishing the

Equivalent Tenement (ET) rating by one of the following methods:

1. Based on historical water consumption figures of similar developments; or
2. The number of water / wastewater fixture units (FU's); or
3. Information supplied by the Developer for water consumption; or
4. If any of the above are not available, then the Department of Public Works and Services (DPWS) Guidelines shall be used.

Note: When a development is assessed and the assessed ET's for the same falls below or is equal to the current entitlements, no S64 charges will be levied, nor monies refunded on unused entitlements.

A S64 charge will only be levied against a development where the ET evaluation is above the current entitlement.

- **Historical water consumption method**
This is applicable to cafes, restaurants, shopping centres, hospitals, etc. where historical water consumption is available.

The ET loading will be determined by assessing the historical water consumption of similar developments. (i.e.: 1 ET = 250 kl/annum.)

- **Fixture unit (FU) method**
The fixture unit method will be used in assessing sporting venues, light industrial and commercial premises.

The fixture units are calculated using the table from section 6.2 of Part 2.2 of the National Plumbing and Drainage Code - AS3500. This number is then divided by the number of fixture units in a standard house, which has been assessed as 19 to determine the ET rating (i.e.: ET's = FU/19).

- **Information supplied by the Developer**
This will normally be applicable for developments that can't be determined by historical water consumption (such as a heavy industrial development) or where the developer proposes to utilise water saving devices that will reduce the consumption of water compared with similar developments.

For the calculation of ET's based on this method, the developer will need to supply to Council a submission outlining the proposed flow rates (instantaneous and daily) together with relevant supporting documentation.

- **Department of Public Works and Services (DPWS) Guidelines**
Where ET loadings cannot be determined as above, Appendix "B" of the Sewer Design Manual of Practice shall be used.

- **Deferred Payment**
In general, developer contributions need to be paid upfront. However, Council may decide to accept deferred or periodic payment of a contribution if the applicant or other person entitled to act upon the relevant consent satisfies Council that:

- a) Compliance with the provisions of this Plan relating to when contributions are payable is unreasonable or unnecessary in the circumstances of the case; and
- b) Non-compliance will not prejudice the timing or manner of the provision of the public amenity or public service for which the contribution was required.

The Council may, if it decides to accept the deferred or periodic payment of a contribution, require the applicant to provide:

- i. A bank guarantee, in favour of the Council, by an Australian bank for the contribution or outstanding balance on the condition that the bank guarantee:
 - Requires the bank to pay the guaranteed amount unconditionally to the Council if the Council so demands in writing not earlier than 6 months from the provision of the guarantee or completion of the development or stage of the development to which the contribution or part relates;
 - Prohibits the bank from having recourse to the applicant or other person entitled to act upon the consent; or, having regard to any appeal, dispute, controversy, issue or other matter relating to the consent or the carrying out of the development in accordance with the consent, before paying the guaranteed amount;
 - Provides that the bank's obligations are discharged when payment is made to Council according to the terms of the bank guarantee, or when the related consent lapses, or if the Council otherwise notifies the bank in writing that the bank guarantee is no longer required.
- ii. Some other means of security for payment, which could include, but is not limited to, a caveat, public positive covenant (under section 88E of the Conveyancing Act 1919) or mortgage to be registered on the title of unencumbered, vacant land. In such circumstances, the contribution value shall be equivalent to not more than 70% of the value of the land as established by a mutually agreed valuation.
- iii. For the payment of all Council related costs incurred in the acceptance of arrangements outlined in (i) and (ii).
If payment is not made within 12 months of a development consent being issued the levies payable are increased at the rate of increase of the CPI.

- Works in Kind
“Works in kind” involves the construction or provision of a water or wastewater facilities that has been identified in a works schedule contained in the Development Services Plan in lieu of full or part payment of a contribution relating to that section of the plan.