



## PLANNING SCHEME POLICY

### PLANNING SCHEME POLICY NO. 1 DEVELOPER CONTRIBUTION POLICY – SEWERAGE FACILITIES

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**SUBJECT: DEVELOPER CONTRIBUTION POLICY – SEWERAGE WORKS**

**SCOPE:** The sewerage areas of Tannum Sands, Boyne Island and Calliope

**RATIONALE:**

Calliope Shire Council believes that significant developments will continue to occur in the Shire.

If the developments are well planned and co-ordinated with the provision of services and facilities, all residents, both existing and new to the Shire, will derive benefit and gain improvements to their amenity of life.

The existing residents gain from the provision of a wider range of facilities that a larger population is able to support. Similarly the new residents benefit from all of the infrastructure that was present prior to the development.

In formulating a policy for developer contribution towards the provision of sewerage facilities, Council has weighed up the relative benefits to these two groups in order to be fair and reasonable to both. The existing residents should not be disadvantaged by the new development, nor should the developer be exploited. However, since the new residents are the ones generating the need for additional services, or consuming existing capacity in the existing systems, then they should contribute towards the new services by way of headworks.

The quantum of these headworks should also be calculated on a formula that reflects the relative consumption of infrastructure capacity that the particular development actually utilises.

Council believes that new development should be responsible for the full cost of providing and/or replacing the capacity of the system consumed. This could also include interest and redemption components of “top up” loans for headworks provision.

The following policy statement clearly sets out the circumstances and the methods of calculation for developer contributions for sewerage facilities so that there should be no misunderstanding of the developer's responsibility.

**POLICY STATEMENT**

In accordance with the provisions of the Integrated Planning Act and the Planning Scheme, where sewerage facilities are required to service a development, headworks are required to be paid to Council.

Accordingly, the following criteria and requirements shall apply to all such developments. Headworks are defined as those works listed in the attached schedules and specified as follows:-

Schedule "A" - Sewerage Headworks in the Tannum Sands and Boyne Island Sewerage Scheme.

Schedule "B" - Sewerage Headworks in the Calliope Sewerage Scheme.

The developer shall contribute to Council the amount of headworks which is appropriate according to the Sewerage Scheme with which the development is associated.

The developers' contribution by way of headworks shall be in the proportion of the total net value of works necessary for future augmentation of the relevant sewerage scheme as listed in Schedules "A" and "B" herein. (ie. Total estimated cost of works less subsidies or any other direct contributions).

The headworks contribution shall be calculated in accordance with the following formulae:-

- [a] When a material change of use application to Residential or Village density development, or to Commercial or Local Industry zonings, the following formula shall apply:-

$$HW = A \times Pa \times Cs \times I$$

Where:-

- HW = Sewerage Headworks contribution  
A = Area in hectares of land subject to material change of use application  
Pa = The increase in equivalent demand ratio in terms of equivalent population density per gross hectare which would result from approval of the application. Refer Table 1.  
Cs = Contribution per an equivalent person. Refer Table 2  
I = Rise and fall factor to adjust for construction cost differentials between the date at which headworks costs were estimated and the date of approval, based on the "Output of the General Construction Industry - Non-building Construction Index" (ABS ref 6427016).

- [b] When the application is for a material change of use to any other zone other than those listed in [a] above, the headworks shall be calculated using the actual demands of the particular development on the associated Sewerage Scheme and the following formula shall apply:-

$$HW = f \times Cs \times I$$

Where:-

- HW = Sewerage Headworks contribution  
F = the increase in annual average flow converted to an equivalent population that is anticipated to arise from the proposed development.  
Cs = Contribution per an equivalent person. Refer Table 2  
I = Rise and fall factor to adjust for construction cost differentials between the date at which headworks costs were estimated and the

date of approval, based on the “Output of the general construction industry - Non-building Construction Index” (ABS ref 6427016).

- [c] When Council’s approval is required under the Planning Scheme for a material change of use, or for reconfiguration of an allotment or endorsement of plans under the Body Corporate and Community Management Act 1997, the headworks shall be calculated using the following formula:-

$$HW = Pp \times Cs \times I$$

Where:-

- HW = Sewerage Headworks contribution  
Pp = The increase in equivalent demand ratio in terms of equivalent population which would result from approval of the application. Refer Table 3  
Cs = Contribution per an equivalent person. Refer Table 2  
I = Rise and fall factor to adjust for construction cost differentials between the date at which headworks costs were estimated and the date of approval, based on the “Output of the General Construction Industry - Non-building Construction Index” (ABS ref 6427016).

Factors listed in Tables 1, 2 and 3 have been determined by Council and shall be used in the appropriate Formula for the calculation of headworks for the relevant Sewerage Scheme.

**TABLE 1**  
Determination of change in equivalent population Pa

Planning Scheme Zone	Equiv. Population per gross ha. for determination of Pa
Rural	0
Rural Residential	4.4 see Appendix No. 1
Village	23 see Appendix No. 1
Residential (dwelling house) *	29 see Appendix No. 1
Commercial	30
Local Industry	30
All other zones	to be assessed by Council on an individual development basis

\* Further headworks are payable for higher density development

**TABLE 2**

Determination of contribution per equivalent person Cs  
Refer to Schedules A and B for details

**[A] TANNUM SANDS/BOYNE ISLAND SEWERAGE SCHEME**

Value of Works Required	<b>\$23,121,000</b>
Less Subsidies	<b>\$8,100,000</b>
Less Current Balance in Sewerage Reserve (2003)	<b>\$1,800,000</b>
Required Developer Headworks	<b>\$13,221,000</b>
The majority of outlays is related to the additional 7500EP capacity provided by the new sewerage treatment plant and adjustments	<b>7,500</b>
Therefore Required Developer Contribution (Cs)	<b>\$1,762/EP</b>
That is:- For a Residential lot	<b>\$5,112/lot</b>

**[B] CALLIOPE SCHEME**

Value of Works Required	<b>\$848,000</b>
Less Subsidies	<b>Nil</b>
Less Balance of Sewerage Reserve	<b>\$50,000</b>
Required Developer Headworks	<b>\$798,000</b>
Current EP Population (2003)	<b>1700</b>
Future EP Population (2113) (at 3.5% growth)	<b>2400</b>
Therefore available population for development contribution	<b>700</b>
Therefore Required Developer Contribution (Cs)	<b>\$1,140/EP</b>
That is:- For a Residential lot	<b>\$3,306/lot</b>

**TABLE 3**

Determination of Equivalent population per development Pp

<b>Development</b>	<b>Unit of Development.</b>	<b>E.P./Unit</b>
Residential - reconfiguration	Allotment	2.9
Residential – duplex	Dwelling Unit	2.6
Residential – multiple unit, aged persons accommodation	Dwelling Unit	2.6
Residential – accommodation building, motel, resort	Dwelling Unit	1.8
Village - reconfiguration	Allotment	2.9
Hotel (residential component)	Dwelling Unit	1.8
Caravan & Relocatable Home Park	Site	2.0
Service Station	Allotment	6.4
Institution	Bed	2.0
Other Uses	to be assessed by Council on an individual use basis	

Headworks contributions are payable to Council at the time of issue of the latest authority to proceed with the actual development leading to the increase in demand on services.

Council may allow the headworks contribution relating to a development requiring Council's approval to be guaranteed by appropriate agreements and securities. Such agreements and securities shall be lodged prior to the commencement of the use and forms part of the approval.

Such agreements would include provision for the duration of the guarantee, conditions pertaining to default, and rise and fall provisions for calculating actual headworks payable.

The headworks contribution payable for a development shall be determined as accurately as possible utilising the most appropriate formula that best reflects the increased equivalent population demand for the particular development.

Headworks contribution is payable only once for the same increase in demand for a particular parcel of land or development. No refund of headworks monies already paid shall be made by Council in the event of a change of use that incurs a less demand on Council services.

### **WORKS EXTERNAL**

Those works that are necessary to connect the development, at full demand, to Council's existing reticulation system at a location and in such a manner so that the existing system has sufficient capacity to supply the needs of the development are deemed to be works external.

In the circumstances where a development is of such a type, size, location or nature, so that the projected headworks as listed in the Schedules attached hereto are not adequate

to cope with the demand that would be generated by the development, Council reserves the right to require the developer to carry out at his full cost, the necessary works as Works External to accommodate the full demand of the development.

The developer shall be responsible for the total cost of provision of Works External.

The developer may be required to enter into an agreement and provide securities as determined by Council for the provision of Works External.

Where certain external works form part of the future reticulation system, the developer shall be responsible for the cost of providing the level of facilities necessary for the full demand of his development. Council reserves the right to require this cost to be paid by the developer as a contribution towards the provision of a larger facility, provided by Council at this time to facilitate not only the current development but also future developments. Such additional costs may be funded from headworks contributions as listed in the schedules of this policy.

### **INTERNAL SEWERAGE RETICULATION**

The developer is required to provide sewerage reticulation to every appropriate lot or section of the development within the bounds of the development at their full cost for the level of facilities necessary for the full demand of the development.

Where certain internal works form part of the general reticulation system and the facility needs to be larger than the individual development's requirements, Council reserves the right to require the developer to provide the infrastructure to service the general network either by:

- [a] Council constructing the infrastructure to suit the general reticulation system's needs and receiving payment for the nominal infrastructure required to service the development; or
- [b] The Developer constructing the infrastructure to suit the general reticulation system's needs and receiving an "oversizing" payment for the difference in cost between the infrastructure required to service the development and the infrastructure actually constructed.

In any case, work should not commence on such oversized infrastructure until an agreement has been reached between Council and Developer for the works and the payments to be made. The additional cost associated with providing the "oversized" facility may be derived by Council from headworks as specified in the Schedules of this policy.

## APPENDIX NO. 1

### Pa Determinations

Rural Res		
	Average population per lot	= 2.9
	No. of lots/ha	= 1.5
	therefore E.P./ha	= 4.4
Residential Zone *		
	Average pop./lot	= 2.9
	No. of lots/ha	= 10
	therefore E.P./ha	= 29

\* Further headworks are payable for higher density development.



## SCHEDULE "A"

### TANNUM SANDS/BOYNE ISLAND SEWERAGE SCHEME

#### HEADWORKS

Year	Description	Cost
03/04	Pump Station No. 4 Boyne Island replacement	\$225,000
03/04	Boyne Island Treatment Plant, Grit Chamber	\$61,000
04/05 - 05/06	Construct Tannum Sands Sewerage Treatment Plant (7500EP)	\$22,050,000
06/07	Pump Station No 4 Boyne Island Rising Main	\$500,000
06/07	Pump Station No 3 Boyne Island Rising Main	\$135,000
09/10	Boyne Island Sewerage Treatment Plant Upgrade	\$50,000
11/12	Boyne Island Sewerage Treatment Plant Upgrade	\$50,000
13/14	Provisional oversizing of developer facilities	\$50,000
	Total Expenditure	\$23,121,000

## SCHEDULE "B"

### CALLIOPE SCHEME SEWERAGE HEADWORKS

#### Capital Works Program (10 Year Plan)

Year	Description	Cost
03/04	Provide treated outfall sewer main and storage	\$50,000
04/05	Construct new pump station No 2 Hazelbrook	\$200,000
04/05	Stage 1 rising main 200mm	\$58,000
04/05	Stage 2 replace 150mm rising main by 200mm main	\$75,000
06/07	Provisional oversizing of Developer facilities	\$2 ,000
07/08	Provisional oversizing of Developer facilities	\$3 ,000
13/14	Plus share of 5000EP Sewerage Plant at 2013	\$460,000
	TOTAL EXPENDITURE FOR 10 YEAR PROGRAM	\$848,000
2017	PROVIDE UPGRADE OF 2500 EP SEWERAGE PLANT TO 5000EP INCLUDING ANCILLARIES	\$650,000

FIRST ADOPTED: **4TH JULY 1997 (AS TRANSITIONAL PLANNING SCHEME POLICY NO. 1)**

Amendment table (Post 2005)

AMENDMENT DESCRIPTION	DATE
Amended to include initial estimates for Tannum Sands sewerage treatment plant	15 August 2003
Amended to include tendered prices for the Tannum Sands sewerage treatment plant	2 June 2006
Amended to incorporate IPA terminology	13 April 2007