



PLANNING SCHEME POLICY

PLANNING SCHEME POLICY NO. 3 DEVELOPER CONTRIBUTION POLICY – TANNUM SANDS/BOYNE ISLAND ARTERIAL ROADS

SUBJECT: DEVELOPER CONTRIBUTION POLICY – TANNUM SANDS/BOYNE
ISLAND ARTERIAL ROADS

OBJECT: To provide an appropriate arterial road network to the existing and future residents of the suburbs of Boyne Island/Tannum Sands.

SCOPE: The application of this policy is to all application for Material Change of Use, or reconfiguring of a lot in the Policy as defined by the map attached hereto and marked as Appendix 1.

RATIONALE:

Calliope Shire Council believes that significant development will continue to occur in the Tannum Sands/Boyne Island area of the Shire. This has been recognised by the Planning Scheme which provides the basis for orderly development including a high level of servicing and appropriate amenity.

The provision of an arterial road network is a major community cost. It requires considerable forward planning so that the roads can be constructed when required and also constructed in the right locations so that they are effective and cause least disruption to the community.

In the interest of fairness and equity, the cost of providing these major road links should be borne by both the existing residents who will benefit from the improved road system and the developers who are responsible for generating additional traffic through material changes of use, the creation of additional allotments and increased land uses. To ensure that this is achieved, Council introduced that original Planning Scheme Policy in January 1994.

This policy for developer contribution towards the provision of an arterial road network in the Tannum Sands/Boyne Island area is aimed at providing a fair and reasonable method of cost sharing between these two groups of beneficiaries.

Given that in the immediate future Calliope Shire Council is embarking on an infrastructure construction program in water and sewerage, the proportion of debt servicing allocated to the Arterial Roads will have to be shared with other services.

This policy has been updated as an interim measure until Priority Infrastructure Plans are implemented by Council. This is a process similar that of a planning scheme under the Integrated Planning Act and as such will need to reflect the interests of state infrastructure providers.

POLICY:

Council has determined that the roads as listed in Appendix 2 and contained within the defined area of Tannum Sands/Boyne Island (Appendix 1) are necessary for the road network and need to be constructed by the time the area population reaches 20,000 people.

The developer shall contribute to Council the amount of Arterial Road Contribution at the rate per "equivalent person" calculated in accordance with the following formulae and with reference to Tables 1 & 2:-

- (a) When changing the use of the land to Rural Residential, Residential, Commercial or Local Industry, the following formulae shall apply:-

$$\text{Arterial Road Contribution} = A \times Pa \times Cr \times I.$$

Where:

- A = Area in hectares of land subject to the material change of use application
- Pa = The increase in equivalent population density per gross hectare which would result from approval of the application given by Table 1.
- Cr = Contribution per equivalent person being \$995 in March 2005 dollar terms.
- I = Rise and fall factor to adjust for price changes based on the Road and Bridge Construction Price Index.

- (b) When the application is for a material change of use to any other zone other than those listed in [a] above, the Arterial Road Contribution shall be calculated using the actual demands of the particular development on the Road System and the following formula shall apply:-

$$\text{Arterial Road Contribution} = g \times Cr \times I.$$

Where:

- G = Increase in equivalent population resulting from the material change of use application.
- Cr = Contribution per equivalent person being \$995 in March 2005 dollar terms.
- I = Rise and fall factor to adjust for price changes based on the Road and Bridge Construction Price Index.

- (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 Building Units and Group Titles Act, or the Body Corporate and Community Management Act 1997, the Arterial Road Contribution shall be calculated using the following formula:-

$$\text{Arterial Road Contribution} = Pp \times Cr \times I.$$

Where:

- Pp = The increase in equivalent demand ratio in terms of equivalent population which would result from approval of the application. Refer Table 2.
- Cr = Contribution per equivalent person being \$995 in March, 2005 dollar terms.
- I = Rise and fall factor to adjust for price changes based on the Road and Bridge Construction Price Index.

Factors listed in Tables 1 and 2 have been determined by Council and shall be used in the appropriate formula for the calculation of Arterial Road Contributions.

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	5
Residential (dwelling house)	32
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

Council may allow the Arterial Road 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 issue of the formal approval 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 Arterial Roads Contribution payable.

The Arterial Roads 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.

Arterial Road Contribution is payable only once for the same increase in demand for a particular parcel of land or development. However, the full increase in demand will be used in assessing the total headworks payable at each point of approval by Council.

The Arterial Road Contribution is to be paid at the time as may be agreed upon between the Local Authority and the applicant, but in the absence of agreement, the amount is payable --

- (a) where it is proposed to reconfigure the relevant land -- within 14 days after the date of receipt by the Local Authority of notification by the applicant of the applicant's intention to commence works in connection with the application and prior to commencing the works;
- (b) (i) where it is proposed not to subdivide the relevant land -- within 14 days after the date of the granting by the Local Authority of approval under the Building Act 1975; or
- (ii) where no building work is associated with the relevant land -- prior to the commencement of the use.

The approval of a development may include a condition requiring the applicant to lodge and maintain with the Local Authority, security in a form approved by the Local Authority.

TABLE 2
Determination of Equivalent Population per development Pp

Development	Unit of Development.	E.P./Unit
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
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	

Council will hold such contributions in reserve for expenditure on the Arterial Road Network in the defined area, together with such other funds as may be generated by Council. Indicative funding assumptions and expenditures are given in Appendix 3.

APPENDIX 1
PROPOSED ARTERIAL ROAD NETWORK PLAN
FOR TANNUM SANDS AND BOYNE ISLAND

**PROPOSED ARTERIAL
ROAD NETWORK PLAN
FOR TANNUM SANDS
AND BOYNE ISLAND**



SCALE 1 : 50 000



APPENDIX 2

ARTERIAL ROAD NETWORK

Tannum Sands/Boyne Island (20,000 People)

1.	Boyne Island Road - duplication from Pioneer Drive to Benaraby Road	Upgrading by Department of Main Roads
2.	Malpas Avenue	Upgrading by Department of Main Roads and Calliope Shire Council.
3.	Handley Drive	Upgrading by Calliope Shire Council and Developer
4.	Centenary Drive	Upgrading by Calliope Shire Council and Developer
5.	Hampton Drive	Upgrading By Department Of Main Roads
6.	Tannum Sands Road	Upgrading by Department of Main Roads
7.	Road A-B-C (Coronation Drive)	Upgrading and provision by Calliope Shire Council and Developers.
8.	Road H-C-D-E (Pioneer Drive)	Upgrading and provision by Calliope Shire Council and Developers.
9.	Boyne River Bridge	Provision by Calliope Shire Council and Developers.
10.	Boyne River Flood Way Bridge	Provision by Calliope Shire Council and Developers.
11.	Cattle Creek Bridge	Provision by Calliope Shire Council and Developers

APPENDIX 3
ARTERIAL ROAD NETWORK
Funding and Expenditure Assumptions

[A] ESTIMATE OF COST for Works by Calliope Shire Council and Developers.

(1) Arterial Road Network

Standard

Road Length:	10.6 Km.
Formation Width:	14m.
Pavement Width:	10m.
Bitumen Seal Width:	10m.

Indicative Cost: \$7,450,000

2. Bridges

Boyne River Bridge (250m x 14m)	\$4,162,000
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Floodway Bridge (120m x 14m)	\$2,000,000
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Cattle Creek Bridge (66 x 14m)	\$1,100,000
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3. Intersections

(a) Major Nodes A, C & E	\$2,250,000
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(b) Lesser Nodes	\$2,400,000
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Intersections B, D, F, H & I

Intersections completed under initial policy during period 1994 -2005
Handley Drive/Boyne Island Road
Handley Drive/Centenary Drive
Centenary Drive/Malpas Street
Hampton Drive/Tannum Sands Road

Total Indicative Cost: \$19,362,000

[B] FUNDING

At current rates and valuations of Residential land, current Revenue/Lot = \$570 p.a. net.

At current population estimated number of Residential (or equivalent) lots = 3400

At 20,000 population the estimated number of Residential lots (or equivalent) = 7800.

Net revenue is given by $\$570 \times 7800 = \$4,446,000$

Loan term of 12 years at 7% p.a. = $\$126/\1000 borrowed.

Historical and regional borrowing statistics yield an I & R component less than 35% of Separate and General Rates

i.e. I & R max. = $0.35 \times \$4,446,000$
= $\$1,556,100$ p.a.

Which could fund borrowings of $\$22,228,700$.

The proportion of this potential borrowing that is available for the Arterial Road Network will depend on the priority and need of the community for other facilities and the rate of growth of the community. Calliope Shire is also embarking on a sewerage treatment plant, water infrastructure and other community infrastructure which involve significant borrowings.

e.g. Based on 30% borrowings for Arterial Road = $\$6.67M$

Net shortfall of funds over expenses = $\$19.36M - \$6.67M = \$12.69M$,

No. of additional equivalent Residential lots = 4400.

Necessary contribution per extra Residential lots = $\$2,884$.

or

Contribution per Equivalent Person (Cr) = $\$995$

(based on 2.9 people per equivalent Residential Lot).

FIRST ADOPTED: **7TH JANUARY 1994 (AS TRANSITIONAL PLANNING SCHEME POLICY NO. 9)**

Amendment table

AMENDMENT DESCRIPTION	DATE
Amended	16 September 2005
Amended to incorporate IPA terminology	13 April 2007