

**SECTION 94 CONTRIBUTIONS PLAN  
NO. 17  
QUAKERS HILL COMMERCIAL  
PRECINCT**

In force as at 17 December 2008

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# 1 Introduction

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## 1.1 Purpose of Plan

This Contributions Plan outlines Council's policy regarding the application of Section 94 (S.94) of the Environmental Planning and Assessment Act, 1979 to the provision of intersection upgrading of Quakers Hill Parkway and Eastern Road, and the junction of Eastern Road and Douglas Road.

The need for this Plan has been generated by the anticipated development of mixed residential/commercial developments in the Quakers Hill Commercial Precinct. The abovementioned intersection upgrading will accommodate the additional traffic volumes generated by potential developments as reported in the 2004 Traffic Impact Assessment, prepared by Thompson Stanbury Associates.

This Plan has been prepared in accordance with the Environmental Planning and Assessment Act, 1979 and the Environmental Planning and Assessment Regulation, 2000.

The initial Contributions Plan was originally approved by Council on 13 September 2006 and came into force on 27 September 2006.

This Plan was reviewed in June 2008. The revised Plan came into force from 17 December 2008.

The S.94 contributions contained in this Plan have been determined on the basis of a "Contribution Catchment". This is the area over which a contribution for a particular item is levied. Within the catchment there is an identifiable "list" of works, which are scheduled for provision.

Council applies a contribution formula to the catchment for the purpose of calculating the contribution rate applicable to that catchment. The formula takes into account the cost of works to be undertaken and the size of the catchment area. The total cost of providing the works is distributed over the total catchment on an equitable basis.

## 1.2 Principles of Section 94

Section 94 permits Council to require persons or entities developing land to pay monetary contributions, provide capital works (works in kind), and/or dedicate land in order to help fund the increased demand for public amenities and public services (amenities and services) generated through their developments.

The three general principles in applying S.94 contributions are:

- A contribution must be for, or relate to, a planning purpose;
- A contribution must fairly and reasonably relate to the subject development; and

- The contribution must be such that a reasonable planning authority, duly applying its statutory duties, could have properly imposed.

Council may either:

- Require a monetary or 'in kind' contribution (or dedication of land) to fund amenities and services to be carried out in the future; or
- Require a contribution to fund amenities and services, which have already been constructed.

The latter category is referred to as retrospective funding. At this stage there are no works which have been provided by Council in the Quakers Hill Commercial Precinct for which Council will be seeking a development contribution. However, as the plan progresses, works will be implemented for which Council will be seeking a contribution from future development.

One of the fundamental responsibilities of any Council in imposing S.94 contributions is to ensure that the contributions levied are reasonable. That is, the works and facilities to be provided must be as a direct consequence of the development on which the contributions are levied. In keeping with this responsibility, S.94 contributions levied on development as a result of this Plan are limited to providing amenities and services to the level necessary to sustain the form of urban development envisaged to occur in the Quakers Hill Commercial Precinct.

## **1.3 Aims and Objectives**

The aims and objectives of this Plan are to:

- Ensure that the S.94 contributions levied on development within the Quakers Hill Commercial Precinct are reasonable;
- Ensure that the method of levying Section 94 contributions is practical;
- Ensure that an appropriate level of traffic works occurs within the Quakers Hill Commercial Precinct;
- Employ a user pays policy for the funding of infrastructure within the Quakers Hill Commercial Precinct so that the existing residents of the City are not subsidising the traffic works generated by new urban development;
- Ensure that the traffic works provided are not for the purpose of making up shortfalls in other areas;
- Make clear Council's intentions regarding the location and timing of infrastructure provision within the Quakers Hill Commercial Precinct;

## **1.4 Land to Which the Plan Applies**

The land to which this Plan applies is shown on the following page.

# QUAKERS HILL COMMERCIAL PRECINCT CATCHMENT



 **CATCHMENT AREA**

## 1.5 Development to which the Plan Applies

This Plan applies to all developments occurring within the catchment areas that require the submission of a development application to Council, including the intensification of use of a site involving expansion of area occupied by a development and/or the addition of resident or worker populations.

## 1.6 Accredited Certifier

In accordance with Section 94EC (1) of the Environmental Planning and Assessment Act, 1979 an accredited certifier must, if a complying certificate is issued for a development covered by this Section 94 Plan, impose a condition requiring the payment of a monetary contribution under this Plan.

## 1.7 Relationship to Other Plans

Other planning controls apply to the areas subject to this Plan. These include:

- Blacktown Local Environmental Plan 1988; and
- Blacktown Development Control Plan 1992.
- Contributions Plan No. 3 – Open Space in Established Residential Areas.
- Contributions Plan No. 10 – Tree Planting on Nature Strips.

Please note that the references above relate to other Council Plans. Other infrastructure providers (eg. Integral, Sydney Water, RTA) within the Quakers Hill Commercial Precinct may require monetary payment for the infrastructure they provide. This list may not include all such providers and in this regard applicants are advised to make their own detailed enquiries.

## 1.8 The Monitoring and Review of this Plan

This Plan will be subject to regular review by Council. The purpose of any review is to ensure that:

- Contribution levels reflect current land and construction costs;
- The level of population reflects current planning and engineering practice and likely population trends; and
- Work schedules are amended if development levels and income received differ from current expectations.

Any changes to the Plan must be prepared in accordance with the Act and Regulation and placed on public exhibition for a period of 28 days. The nature of any changes proposed and the reasons for these will be clearly outlined as part of the public participation process.

Council welcomes the comments of interested persons in relation to this Plan at any time.

## **1.9 Timing of Provision of Items**

The priority attached to providing the item has been determined having regard for:

- Anticipated revenue. Council's ability to forward fund Section 94 works is limited. As such the timing of works is very much dependant on the receipt of adequate S94 funds. The work schedules in the appendices of this plan have been formulated having regard for existing funds available to each of the catchment areas and projected income.

As noted in Section 1.8 above, regular reviews of this plan are undertaken. Development trends are monitored and revenue estimates are revised as part of the review process and as a result, the priority of works can change.

## **1.10 Financial Information**

A separate annual statement is prepared by Council following the end of each financial year. This accounting record contains details of total contributions received, total contributions expended and total interest earned for each plan and is available for inspection free of charge from Council's Corporate Finance Section.

## **1.11 Enquiries regarding this Plan**

Enquiries in relation to this or any other Contributions Plan can be made either by phoning Council's Information Centre on 9839 6000 between 8.30 am and 4.30 pm Monday to Friday or by visiting the Information Centre on the Ground Floor of the Civic Centre in Flushcombe Road, Blacktown between 8.30 am to 4.30 pm Monday to Friday. A copy of the Contributions Register is also available for inspection free of charge at this counter. As this register is on Council's mainframe computer and spans many years, persons wishing to view the whole register (rather than details in relation to a particular property) will need to contact Council's Contributions and Expenditure Accountant or Section 94 Officer in advance to ensure suitable arrangements can be made to view this information.

## 2 Intersection Upgrade

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### 2.1 Introduction

A Traffic Impact Assessment conducted by Thompson Stanbury Associates for the Quakers Hill Commercial Precinct has recommended a number of alterations to the surrounding existing traffic infrastructure. This is to ensure that the surrounding road network is capable of accommodating the additional traffic projected to be generated by the proposed increase in urban development to the precinct.

### 2.2 Nexus

A direct nexus can be drawn between the anticipated development of the land to which the plan applies and the need to provide the required upgraded traffic management works.

This plan seeks to provide the following works that will accommodate increased traffic movements as a consequence of proposed development in the Quakers Hill Commercial Precinct:

#### **Eastern Road and Douglas Road junction**

- Convert the intersection control from signals to signage control with priority movements being turning movements between the western Eastern Road and the Douglas Road approaches.

#### **Quakers Hill Parkway and Eastern Road intersection**

- Construct an exclusive left turn lane within the eastern Eastern Road approach to provide connectivity to the existing slip lane.
- Extend the right turn lane within the western Quakers Hill Parkway approach by approximately 20 – 30m.

The combination of the abovementioned intersection upgrades in conjunction with the impending Quakers Hill Parkway upgrading works, will improve the ability of the intersections to suitably accommodate the additional traffic projected to be generated by the anticipated development of the Quakers Hill Commercial Precinct.

## 3 Determination of Contribution Rates

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### 3.1 Contribution Formula

The following formula is used to calculate the contribution rate. The contribution relates to the required traffic works to the Quakers Hill Commercial Precinct.

$$\text{CONTRIBUTION RATE} = \frac{(\text{L1} + \text{L2} + \text{C1} + \text{C2})}{\text{A}} + \text{B}$$

(\$/HECTARE)

- WHERE:
- L1 = The actual cost to Council to date of acquiring land for the required traffic works adjusted to current day values.
  - L2 = The estimated cost of land yet to be acquired the required traffic works.
  - C1= The actual cost to Council to date of undertaking works indexed to current day values using the Consumer Price Index (CPI).
  - C2 = The estimated cost of works yet to be undertaken.
  - A = The total developable area of catchment
  - B = Administrative component. This is 2% of the total cost of providing the works.

### 3.2 Explanation of the Administrative Component

The administration of S.94 is an expensive task. Council employs a number of staff that work on planning, designing and constructing works to be funded from S.94 contributions. In addition, consultant studies are often commissioned in order to determine design and costings of S.94 funded works. These may require revision on a regular basis. Also reviews of the demand for services and amenities, particularly the population based items, are conducted approximately every five years.

Council considers that the costs involved with administering S.94 are an integral and essential component of the efficient provision of works. Therefore, some of the costs of full-time staff and studies should be recouped from S.94 contributions.

"B" as contained in the contribution formula above, is the administrative component. It represents 2% of the cost of constructing the works. Council considers that this small on-cost to recover part of the costs involved in administering S.94 is not unreasonable.

### 3.3 Explanation of the Catchment Area

The area of the catchment is the total “developable area” in the catchment. In calculating the “developable area”, land, which will never be required to pay a contribution, has been excluded. The “exclusions” in this plan relate only to existing development where a credit is allocated. The purpose of identifying these exclusions is to ensure that only the new development (which is generating the need for amenities and services) pays for their provision.

### 3.4 Explanation of the Land Components

Before Council can construct amenities and services it must first acquire the land on which the amenities and services are to be constructed.

In the contribution formulae:

- L1 - Represents land that has previously been acquired by Council for the purpose of providing the particular works. This amount reflects the actual cost to Council of acquiring these parcels (including valuation and conveyancing charges), indexed to current day \$ values using the CPI.
- L2 - Represents the estimated average cost to Council of acquiring the lands required for the purpose of providing works. As this figure is an estimated average total cost of acquisition, the amount adopted does not necessarily reflect the value of any individual property. Each parcel of land to be acquired is subject to detailed valuation at the time of its acquisition. The “L2” figure is supplied by Council's Valuer and takes into account the following matters:
  - L1 and L2 acquisitions are undertaken in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act, 1991, which requires that land is to be acquired for an amount not less than its market value (unaffected by the proposal) at the date of acquisition.
  - That one of Council's objectives is to ensure that the funds Council receives for land acquisition from Section 94 Contributions in a particular catchment are equivalent to the amount required to fund the purchase of all land Council must acquire in that catchment. Therefore, valuation and conveyancing charges incurred by Council when acquiring land are taken into account.

Council has calculated the total value of L1 and L2 in the contribution formulae. These values are detailed in Appendix "B".

## 3.5 Explanation of the Capital Components

Schedules of works to be provided for the various items are detailed in Appendix "A".

In the contribution formula:

- C1 - Represents the actual cost to Council of constructing works indexed to current day \$ values using the Consumer Price Index (CPI).
- C2 - Represents the estimated cost to Council of constructing works, which have yet to be provided in the catchment and are based on the most detailed designs that were available at the time of preparing the estimates.

## 3.6 Indexation

In the formula, previous capital expenditure (C1) is indexed to current day values using the Consumer Price Index - Sydney - Housing (CPI). This index is published by the Australian Bureau of Statistics on a quarterly basis.

The reason for indexing past expenditure is that every developer pays for a small proportion of the cost of providing each individual item identified in the Plan. This means that if / when items are constructed prior to all contributions within a catchment being collected, then "borrowing" (between items) occurs. If retrospective contributions are not indexed this "borrowing" will have occurred without any interest having been paid. This will result in a shortfall of funds when future items are constructed using the "paid back" contributions. What indexing effectively does is to make up the lost interest on the funds that have been borrowed between individual items.

The CPI is one of the indices recommended for use by the Department of Planning.

## 3.7 Base Contribution Rate

A base contribution rate has been calculated using the formula in Section 3.1 above and components are shown in Appendix "B".

This rate is subject to review and indexation. This procedure is outlined in Section 3.6 above.

## 4 Payment of Contributions

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### 4.1 Methods of payment

There are 3 possible methods of payment of S.94 Contributions - monetary contribution, dedication of land and works-in-kind agreements.

#### Monetary Contribution

This is the usual method of payment. When a development consent is issued that involves the payment of a S.94 contribution, it contains a condition outlining the amount payable in monetary terms subject to indexation by the CPI. See section 3.5 for more details on indexation.

#### Dedication of Land

As no land is required for the purpose of providing these works, offsetting of contributions via dedication of land is not possible in respect to these contributions.

#### Works-In-Kind Agreements

As it is Council's intention to undertake the compensatory works to the floodplain, payment of the contributions via a Works In Kind is not feasible.

### 4.2 Timing of Payment

Council's policy regarding the timing of payment of S.94 contributions is as follows:  
Approved under the EP & A Act as it existed pre July 1998 -

- Development Applications involving subdivisions  
Prior to the release of the "linen plan" of subdivision.
- Development Applications involving building work -  
Prior to release of the Building Permit.  
Note: Applications for combined building and subdivision approval are required to pay contributions upon whichever of these events occurs first.
- Development Applications where no building approval is required -  
Prior to occupation.

Approved under the EP & A Act as amended on and from July 1 1998 -

- Development Applications involving subdivisions  
Prior to release of the Subdivision Certificate
- Development Applications involving building work  
Prior to release of Building Construction Certificate.
- Development Applications where no building approval is required  
Prior to occupation or use of the development.

Note: Applications for combined building and subdivision approval are required to pay contributions upon whichever of these events occurs first.

### 4.3 Credits for Existing Development

As Section 94 contributions can only be levied where development will result in increased demand, contributions are not sought in relation to demand for urban facilities generated by existing authorised development. Thus “credits” are granted in relation to urban demand generated by existing authorised development.

- A credit of 450m<sup>2</sup> is applied for existing authorised dwellings that are to be demolished in residential zones.
- In other instances a credit relating to the actual area occupied and retained for use by the existing development is generally applied. The credit granted is determined having regard for the individual circumstances.
- The area occupied is determined having regard to both the current and previous applications, aerial photos, the area occupied by existing authorised buildings and authorised activities on site.
- Residue lots are not levied until they are further developed. In residential zones Council places an 88B restriction on residue lots to deny any further development of the lot until it is further subdivided, consolidated or has a separate development application approval. Contributions are levied upon further subdivision, consolidation or separate development approval.

### 4.4 Indexation of Contributions

Contribution rates are indexed quarterly in accordance with the Consumer Price Index - Sydney - Housing (CPI). See also Section 3.6

The method of indexing the contribution rates is to multiply the base contribution rate by the most recently published CPI at the time of payment and in the case of this version of the Plan, divide it by the **March 2008 CPI (145.4)**. **At all times the contributions payable will not fall below the base rates listed at Appendix “B”.**

### 4.5 Discounting of Contributions

Council does not discount contributions both for equity and financial reasons, as it would be inequitable to recoup a discount from remaining development. Discounting would also compromise Council's ability to provide the facilities and would place an additional burden on existing residents to subsidise new development.

### 4.6 Deferred Payment of Contributions

Council has a policy for the deferred payment of S.94 contributions as follows:

- An applicant requesting deferred payment needs to apply in writing to Council. All requests are considered on their merits having regard to (but not exclusively) the type of work for which the contribution is sought, the rate of development occurring within the area and the impending need to construct the works for which S.94 Contributions are being levied.
- Where deferred payment is approved by Council the period of time for deferring payment will generally be limited to 12 months.

- If Council approves of the request for deferred payment it is conditional upon the applicant providing a suitable Bank Guarantee and Deed of Agreement.
- Interest is charged on deferred contributions. Council also charges an administrative fee for deferred payment. The interest rate and administrative fee levied for the deferred payment of contributions are reviewed annually and appear in Council's Schedule of Fees. A copy of this Schedule is available from Council's Development Services Unit.
- The amount of the bank guarantee shall be the sum of the amount of contributions outstanding at the time of deferring payment plus the expected "interest" accrued over the deferral period. This amount will also represent the amount payable at the end of the deferral period.
- The Deed of Agreement is to be prepared by one of Council's Solicitors at full cost to the applicant. In this regard the applicant is to pay Council's Solicitor's costs direct to the Solicitor and not through Council.
- Should contributions not be paid by the due date, the bank guarantee will be called up by Council.
- Council has a separate deferral policy specifically for dual occupancies, which are to be occupied by elderly and/or disabled persons (i.e. traditional granny flats).
- Enquiries regarding deferred payment can be made through contacting the responsible Council contact officer.

# ***APPENDICES***

**APPENDIX A**

**SCHEDULE OF WORKS  
QUAKERS HILL COMMERCIAL PRECINCT**

DESCRIPTION	COMPLETED COST	ESTIMATED COST		TOTAL
		MARCH 2008 TO MARCH 2012	MARCH 2012 TO MARCH 2015	
		INDEXED TO MARCH 2008		
Provide a lefthand slip lane into Eastern Road from Quakers Hill Parkway				\$317,000
Provide a lefthand slip lane from Eastern Road into Quakers Hill Parkway		\$317,000		\$317,000
Remove Traffic lights at Douglas Road and Eastern Road, Quakers Hill				\$0
<b>Total</b>	\$0	\$317,000	\$0	\$317,000

CONTRIBUTION ITEM :  
**QUAKERS HILL  
COMMERCIAL PRECINCT**

**APPENDIX B**

**SCHEDULE OF VALUES IN THE CONTRIBUTION FORMULA**

CATCHMENT	SIZE OF CATCHMENT (Ha)	L1 (\$)	L2 (\$)	C1 (\$)	C2 (\$)	L1+L2+C1+C2 (\$)
QUAKERS HILL COMMERCIAL PRECINCT	4.7032	0	\$20,000		\$317,000	\$337,000

**BASE CONTRIBUTION RATE**

Base CPI MARCH 2008 - 145.4

ITEM	CONTRIBUTION RATE (\$ per Ha)
QUAKERS HILL COMMERCIAL PRECINCT	\$73,086

CONTRIBUTION ITEM :  
**QUAKERS HILL  
 COMMERCIAL PRECINCT**

# **BIBLIOGRAPHY**

## **Traffic Impact Assessment Quakers Hill Commercial Precinct**

*Thompson Stanbury Associates*

*Transport Planning, Town Planning, and Environmental  
Consultants - October 2004*