

DIRECTOR SUSTAINABLE DEVELOPMENT SERVICES REPORT

13 June 2006

DSDS10	STRATEGIC ALLIANCE: JOINT SECTION 94 PLAN, SHARED RESOURCE – SECTION 94 CONTRIBUTIONS OFFICER
	FILE: 264 APB

SUMMARY:

Reporting on a proposal to prepare a joint Section 94 Contributions Plan with Nambucca and Bellingen Shires and to jointly fund a Section 94 Officer for which Council's endorsement is sought.



Background:

Council will recall previous reports outlining the need to review and update Council's various section 94 plans, and the potential to collect additional contributions from developers that would assist in the provision of additional and/or improved services.

Whilst the potential exists to increase opportunities for developer contributions to fund Council provided services, it is unlikely that the expected level of development activity within Kempsey Shire will be sufficient to justify a full time position.

The opportunity to jointly fund a Section 94 Officer by smaller councils in a similar situation has been the subject of discussions at meetings of the MIDGOC Strategic Alliance. As a result, preliminary discussions have been held with Bellingen and Nambucca Councils to explore opportunities to jointly fund an officer to review and administer contribution plans for the three councils, whereby it was decided that the proposal be reported to the next available council meeting to obtain endorsement from each council.

Funding Options for the Position

Currently, Coffs Harbour and Port Macquarie-Hastings Councils charge a developer contribution for Section 94 administration, which funds the employment of a Section 94 officer. The rate per equivalent lot is \$301.96 in Coffs Harbour. Port Macquarie-Hastings Council charges a 2.2% levy across all its contribution charges, which equates to between \$600 and \$700 per equivalent lot.

Were Council to consider a similar charge to employ its own Section 94 Officer, the cost per equivalent lot at Kempsey is likely to be

substantially higher due to the cost being spread over a lower number of equivalent lots that could be levied. However, if the position was shared between the three councils, the rate per equivalent lot would be reduced and would likely be of a similar amount.

Proposal:

1. Section 94 Administration and Co-ordination Plan

It is proposed to prepare a joint Section 94 Plan with Nambucca and Bellingen Councils to fund administration and coordination of all section 94 plans. This would include the funding of employment of a Section 94 Officer.

To meet the upfront costs of the position it is proposed to borrow funds from existing Section 94 funds held to be progressively repaid from funds collected from the joint plan.

2. Recruitment of Shared Section 94 Officer

The proposal is to employ a Section 94 Officer, with the position being shared between Kempsey, Nambucca and Bellingen Councils. The officer will be responsible for the co-ordination and management of specialist contracts associated with the preparation of section 94 plans for the three Councils, and subsequently the ongoing administration of the plans.

Bellingen Council has offered to run the recruitment phase once the salary package and Position Description is finalised with each Council being a party to the culling and selection/interview phase.

The position would initially be a for a 2 year contract, after which the position would be reviewed to determine the ongoing need for the position by each council. It is expected that in order to attract a person with the specialist knowledge required for such a position, that the total cost (inclusive of overheads) is likely to be in the order of \$100,000 per annum to be shared equally by each council.

It is likely that following the initial contract, the role of administering and reviewing plans could be undertaken by a person with less specialist knowledge, thereby resulting in a reduction in required remuneration.

3. Expressions of Interest

To reduce the lead time between appointment of an officer and the review and implementation of up to date contribution plans, it is proposed to invite specialist consultants to indicate

their interest and expertise to prepare specific Section 94 plans. When an Officer is appointed, there will be a list of available and competent consultants to approach to undertake specific Section 94 plan preparation. Seeking of expressions of interest can proceed without the need for a council resolution.

REPORT IMPLICATIONS:

- ***Environmental***

The design and construction of public infrastructure and facilities will be required to have due regard to environmental management practices. The monetary cost for these environmental management practices will be able to be recovered through Section 94 charges.

- ***Social***

The preparation of Section 94 plans to fund the provision of community facilities will be a social benefit to the particular communities served.

- ***Economic (Financial)***

The provision of infrastructure and community facilities will enhance the economic value of the towns, villages and localities that are served.

The preparation of a joint Section 94 plan and the sharing of a Section 94 officer will be a cost effective method for the recovery of costs of new development through section 94.

The costs of employing the Section 94 officer, and the employment of specialist consultants to prepare the new Section 94 plans, can be recovered through Section 94 plans. Council is able to borrow from existing Section 94 funds to employ the officer and to commission specialists, provided the funds are repaid when the money is collected under the new section 94 plans. There are sufficient Section 94 funds already collected and held by Council to cover these costs.

Provided Council agrees to adopt a Contribution Plan to fund the position, there will be no impact on Council's Budget.

- ***Policy or Statutory***

Section 94 of the Environmental Planning and Assessment Act 1979 allows Council to prepare Section 94 plans which can include the recovery of costs of preparation and administration of the plans.

Section 94AE of the Environmental Planning and Assessment Act 1979 allows Councils to prepare joint Section 94 plans.

RECOMMENDATION:

- A. That Council resolve to prepare a joint Section 94 plan with Nambucca and Bellingen Councils to recover costs associated with the preparation and administration of Section 94 plans, including the employment of a Section 94 officer.**
- B. That Council endorse the employment of a Section 94 officer as a shared position between Kempsey, Nambucca and Bellingen Councils.**
- C. That Council appoint the Director of Sustainable Development Services (or his delegate) as its representative on a joint working group with representatives from Nambucca and Bellingen Councils to oversee the preparation of the joint Section 94 plan, employment of the section 94 officer and review of Councils Section 94 plans.**
- D. That a review be undertaken of all existing Section 94 plans, with the joint working group to determine the priority for the review of each plan.**

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R B Pitt
DIRECTOR SUSTAINABLE DEVELOPMENT SERVICES