



DEVELOPER
HEADWORKS
CONTRIBUTIONS –
WATER AND
SEWERAGE SERVICES

DEVELOPER HEADWORKS CONTRIBUTION – WATER AND SEWERAGE SERVICES

CATEGORY: *6.0 Water Supply & Sewerage*

REFERENCE: 6.2.3

POLICY NO: *6.2 Water and Sewerage Services*

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REASON:

Developer Headworks Contributions aim to recover a portion of the capital cost of providing an infrastructure service when demand on that service is increased by way of a change to the number of lots that existed when the water and sewerage infrastructure was originally established, or a change to the number of dwellings per lot (as in the case of flats or units).

POLICY STATEMENT:

In accordance with Section 64 of the Local Government Act 1993, Division 2 of Part 3 of the Water Supply Authorities Act 1987 applies to the Council.

This decision contains a scheme whereby works of water, sewerage and drainage required in connection with the development of land can be provided without ultimate cost to a water supply authority ie Council.

Under this scheme, a developer is required to obtain a certificate of compliance from Council before a Plan of Subdivision can be registered. In deciding whether to grant the certificate, the Council can do either or both of the following:

- (a) it can require the developer to contribute to the value of existing works which benefit the developer's land;
- (b) it can require the developer to pay the whole or part of the cost of constructing specified additional works.

The imposition of such a requirement is in addition to any requirement the Council may impose in granting a building approval or a development consent.

In respect of item (a) above, Council has established a contribution level as follows:

Bombala Water: \$ 1,190.50 per *Equivalent Tenement (ET)

Bombala Sewer: \$ 1,533.70 per ET

Delegate Water: \$ 911.90 per ET

Delegate Sewer: \$ 527.20 per ET

*** Note:** Equivalent Tenement = a unit adopted for calculation of Developer Contribution, equates to a detached residential dwelling. Other developments are rated as a multiple of an ET

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Contributions for Headworks are to be phased in over a 3 year period and therefore will be levied at varying rates, viz:-

Year 1 {1/7/95 to 30/6/95}: for works commenced within this period the charge will be 50% of the prescribed contribution.

Year 2 {1/7/96 to 30/6/97}: for works commenced within this period the charge will be 75% of the prescribed contribution.

Year 2 {1/7/97 and thereafter}: full contribution is payable.

How Contributions will be Applied:

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|-----------------|---|
| Dwelling Houses | 1 ET |
| Flats/Units | 1 ET for first flat or unit, ² / ₃ ET for each additional unit |
| Non-residential | Will have a multiple of an ET calculated by Council applied to the development. The Public Works Department guidelines will be the basis of such calculation. |

Developer contributions are based on dwelling entitlements and if a lot existed when a water or sewerage scheme was commenced then that lot does not attract a developer contribution charge. The presumption by Council, when providing the water or sewerage infrastructure, was 1 lot = 1 dwelling.

Note: The Bombala Water Reticulation Service was established in 1930, with a major augmentation upgrading taking place in 1982 and the Bombala Sewer System was established in 1966.

The Delegate Water Reticulation Service was established in 1956 and the Delegate Sewer System in 1989.

However, if that lot is subdivided (*and thereby creating an additional demand on the infrastructure than was originally planned*), then a developer contribution charge is payable.

Also, if more than one dwelling is constructed on that lot (*which would also result in an additional demand on the infrastructure than was originally planned*), then a developer contribution charge is payable.

Examples of Typical Developer Headworks Contributions:

- (1) Mr A owns Lot 1 which has been in existence prior to water and sewer services being established. Mr Smith wishes to erect a dwelling house on the lot.

No developer headworks contributions are payable.

- (2) Mrs B owns Lot 5 which has been in existence prior to water and sewer services being established. Mrs Brown wishes to erect 3 flats on the lot.

Developer headworks contributions payable as follows:-

- Credit of 1 ET for water and 1 ET for sewer for first flat (on the basis of 1 lot = 1 dwelling)

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- Payment of 1 ET for water and 1 ET for sewer (for second flat) plus payment of $\frac{2}{3}$ ET for water and $\frac{2}{3}$ ET for sewer (for third flat)

- (3) Mr C wishes to subdivide Lot 10 into 4 lots. It is proposed that a dwelling house is to be erected on each Lot. Lot 10 has been in existence prior to water and sewer services being established.

Developer headworks contributions payable as follows:-

- Credit of 1 ET for water and 1 ET for sewer (on the basis of 1 lot = 1 dwelling)
- Payment of 3 ET for water and 3 ET for sewer

- (4) At a later date, a purchaser of one of the lots created by Mr C decides to erect 2 flats on the lot instead of a dwelling house.

Developer headworks contributions payable as follows:-

- Credit of 1 ET for water and 1 ET for sewer (already paid by Mr C for 1 dwelling)
- Payment of 1 ET for water and 1 ET for sewer (for extra dwelling)

- (5) Mrs D wishes to erect a dwelling house on a lot in Delegate which was created after the establishment of the water reticulation service and before establishment of the sewer system.

Developer headworks contributions payable as follows:-

- Credit of 1 ET for sewer (dwelling entitlement taken into account for sewer service)
- Payment of 1 ET for water (dwelling entitlement not able to be taken into account when water reticulation service was established)

Summary of Conditions:

- (a) Contribution payable as condition of development consent or building approval.
- (b) The cost of connection of services to properties is not included in the Headworks Contributions
- (c) The cost of extensions of mains to properties is not included in the Headworks Contributions.
- (d) This policy is to be reviewed annually to include more accurate data as it becomes available.

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| AUTHORISATION: Min No: 609/96 Date: 6/11/96 |
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