
NARROMINE SHIRE COUNCIL
ORDINARY MEETING BUSINESS PAPER – 11 SEPTEMBER 2019
SUPPLEMENTARY REPORTS TO COUNCIL – PLANNING

1. ADOPTION OF DRAFT SECTION 7.11 CONTRIBUTIONS PLAN 2019 – HEAVY VEHICLES

Author	Executive Manager Planning
Responsible Officer	Executive Manager Planning
Link to Strategic Plans	CSP - 4.4.1 Our road network is safe, well maintained and appropriately funded DP - 3.6.1 Ensure local and regional roads are safe and well-constructed and maintained

Executive Summary

The purpose of this report is to inform Council of the outcome of the public exhibition of the Draft Section 7.11 Contributions Plan 2019 - Heavy Vehicles and to recommend Council adoption.

Report

This supplementary report should be considered with Item No 2 of Reports to Council – Planning.

Background

At the Council meeting of 10 July 2019, Council resolved to place the draft Plan on public exhibition for a period of 28 days in accordance with the *Environmental Planning and Assessment Regulation 2000*.

This report is to inform Council of the proposed amendments and to recommend Council adopt the draft Plan.

Discussion

The draft Plan was placed on public exhibition from 17 July to 13 August 2019. Two submissions were received during the exhibition period. The main issues raised related to Council's estimated road maintenance costs, the proposed methodology and the potential financial impact of the contributions.

Nothing arose from the submissions that requires re-exhibition of the draft Plan or prevents the draft Plan from being adopted by Council. The issues and questions raised in the submissions are summarised and addressed in the following tables and include proposed changes to the draft Plan.

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1. ADOPTION OF DRAFT SECTION 7.11 CONTRIBUTIONS PLAN 2019 – HEAVY VEHICLES (Cont'd)

Submission One – R.W Corkery and Co on behalf of MA and SN Montgomery

Issue No	Issue	Council Comment / Proposed Change																														
1.	<p>A comparison of the per kilometre general costs for roads over their design life and the heavy vehicle contribution costs for Narromine, Parkes and Blayney Councils indicates that Narromine's estimated total road cost per kilometre would be 70% to 80% higher for sealed roads and over 200% higher for unsealed roads when compared to Parkes and Blayney.</p> <p>Whilst unit cost variances between Local Government Areas are expected, variances of the magnitude described above are difficult to comprehend, particularly when compared to Parkes, which is adjacent to Narromine and has a similar road network.</p> <p>Using the total road costs per kilometre provided for Narromine, Parkes and Blayney and the formula provided in Council's draft contributions plan, the annual heavy vehicle contribution costs would be as follows:</p> <p>Narromine - \$55 701 Parkes - \$29 429 Blayney – \$23 466</p> <p>The equivalent costs for Parkes and Blayney are 47.5% and 57.9% lower respectively than those proposed by the Plan.</p>	<p>The road maintenance costs in the exhibited draft Plan were based on the forecast average annualised road maintenance costs for Narromine LGA and derived from Council's Roads Management Strategic Plan at the time of preparing the draft plan. Council staff have reduced these costs based on alternative construction techniques and reduced material costs, proposed changes are outlined in 'proposed change' below.</p> <p>A Council's road maintenance costs are generally a reflection its economies of scale and construction techniques. As such road maintenance costs between Councils are not always comparable</p> <p>Proposed Change</p> <ul style="list-style-type: none"> Amend the road maintenance costs in section 6.4.2 Maintain the Narromine Shire Council Roads Network as shown in the table below. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Road Type</th> <th style="text-align: center;">Cost per KM</th> <th style="text-align: center;">How Often</th> </tr> </thead> <tbody> <tr> <td colspan="3">Regional Sealed Roads</td> </tr> <tr> <td>Rehabilitation</td> <td>From \$400,00 to \$325,000 (18.75% reduction)</td> <td>60th yr</td> </tr> <tr> <td>Reseals (average width 8m)</td> <td>From \$40,000 to \$32,000 (20% reduction)</td> <td>15th yr</td> </tr> <tr> <td>Maintenance</td> <td>From \$3,080 to \$3,000 (3% reduction)</td> <td>Annum</td> </tr> <tr> <td colspan="3">Local Sealed Roads</td> </tr> <tr> <td>Rehabilitation</td> <td>From \$250,000 to \$162,500 (35% reduction)</td> <td>90th year</td> </tr> <tr> <td>Reseals (average width 6m)</td> <td>\$35,000 (no change)</td> <td>15th yr</td> </tr> <tr> <td>Maintenance</td> <td>From \$3,080 to \$3,000 (3% reduction)</td> <td>Annum</td> </tr> <tr> <td colspan="3">Unsealed Roads</td> </tr> </tbody> </table>	Road Type	Cost per KM	How Often	Regional Sealed Roads			Rehabilitation	From \$400,00 to \$325,000 (18.75% reduction)	60 th yr	Reseals (average width 8m)	From \$40,000 to \$32,000 (20% reduction)	15 th yr	Maintenance	From \$3,080 to \$3,000 (3% reduction)	Annum	Local Sealed Roads			Rehabilitation	From \$250,000 to \$162,500 (35% reduction)	90 th year	Reseals (average width 6m)	\$35,000 (no change)	15 th yr	Maintenance	From \$3,080 to \$3,000 (3% reduction)	Annum	Unsealed Roads		
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		Resheet	From \$50,000 to \$40,000 (20% reduction)	At 20-25th yr
		Maintenance	\$2,500 (no change)	Annum
		<ul style="list-style-type: none"> • Amend the calculations for total cost per kilometre for each road type in accordance with the table above. • Amend the total cost per km for each road type over assumed design life as follows: <ul style="list-style-type: none"> - \$586,000 per km for regional sealed roads (reduced by 14.9%). - \$589,000 per km for local sealed roads (reduced by (13.8%). - \$85,000 per km for unsealed roads (reduced by 10.5%). • Amend the figures used to explain the contributions methodology in 6.4.7 Contributions Methodology Formula in accordance with the figures above. • Amend the fictitious development applications for quarries at Examples 1 and 2 of 6.4.8 Notional Examples in accordance with the figures above. 		
2	<p>On behalf of its client, R.W. Corkery & Co has lodged a Development Application for:</p> <ul style="list-style-type: none"> - <i>extraction, processing and transport of hard rock material,</i> - <i>Production rates of 150 000 tpa to 500 000 tpa (maximum).</i> - <i>A range of heavy vehicles would be used but it is anticipated that the majority of haulage would be by Class 11 Vehicles.</i> <p><i>Assuming Class 11 vehicles are used solely, there would be annual laden vehicle movements of approximately</i></p>	<p>Noted. Refer Issue No. 1 Proposed Change.</p> <p>It should also be noted that an applicant for a heavy vehicle generating development can request a reduction in contributions required under the Plan as part of a Development Application.</p> <p>The acceptability of this request can be determined by the consent authority in the determination of the development application.</p> <p>The draft Plan exhibited does not include Class 11 or Class 12 vehicles and is to be updated accordingly, see below Proposed Change.</p>		

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	<p>2,880 to 9,600.</p> <p><i>Using the proposed transport route, 70% of the product would be transported to the north via Eumungerie Road, Warren Road, Mitchell Highway and Tomingley Road to the South East and West.</i></p> <p><i>The distance to the Narromine LGA Boundary or nearest State Road is 1.4kms of local road and 28kms of regional roads on the northern route and 1.4kms of local road and 9.9km of regional road on the remainder route.</i></p> <p><i>Using the total road costs per kilometre for Parkes, Narromine and Blayney and the above distances, the annual heavy vehicle Class 11 contribution cost for each LGA would be:</i></p> <ul style="list-style-type: none"> - Narromine \$201,000 (average) to \$671,000 (maximum) - Parkes \$62,000 (average) to \$206,000 (maximum) - Blayney \$51,000 (average) to \$170,000 (maximum) <p><i>The Plan, if adopted in its current form, would impose a significant, and in its client's opinion, unjustifiable cost burden on our client should the Application proceed (as well as on other current and proposed operations involving heavy vehicle transportation within the Narromine LGA).</i></p> <p><i>The heavy vehicle cost burden, as proposed under the Plan would become a significant cost burden for proposed or any new development</i></p>	<p><u>Proposed Change</u></p> <ul style="list-style-type: none"> • Insert the following sentence in section 6.4.7 Contribution Methodology Formula to ensure all vehicle configurations are accounted for. <p><u>Should vehicle configurations be utilised other than those stated in the Table, the applicant should consult with Council to determine the applicable ESA that applies to their vehicle category.</u></p> <p>Refer to Issue No. 1 Proposed Change.</p>

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	<i>investment in the Narromine LGA, particularly given the lower transportation costs in surrounding LGAs.</i>	
3	<p><i>With the exception of contracts associated with the Inland Rail project currently in progress, the majority of products from Macquarie Manor Quarry would be used on roads in the Narromine Shire Council. The proposed road maintenance contribution would simply result in higher charges for products for Council's own roads and a competitive advantage for quarries located adjacent to State Roads (where the Plan would not apply) and in adjoining LGAs.</i></p> <p><i>Our client has no objection to making an annual contribution for road maintenance in the Narromine LGA, however they contend that the charges for proposed under the Plan are disproportionate and unreasonable when compared to charges adopted for similar plans in other LGAs.</i></p> <p>R.W. Corkery & Co, on behalf of its client would also like feedback from Council on issues 4-8.</p>	<p>Council does not currently have a contract with Macquarie Manor for the supply of road base. The draft Plan will apply to all development applications for heavy vehicle generating developments within the Narromine Shire LGA that meet the criteria in the Plan, except for Council development applications unless they are for commercial purposes.</p> <p>Refer to Issue No.1 Proposed Change. The intent of the Plan is to recoup the costs of maintaining Council roads that are incurred as a direct result of heavy vehicle generating development.</p> <p>Refer to Issue No.1 Proposed Change.</p> <p>These issues are addressed below and will be detailed in a letter to the submitter.</p>
4	<i>Justification for the high relative per kilometre road costs proposed under the Plan compared to the equivalent Plan that applies to the Parkes LGA.</i>	Refer to Issue No.1 Proposed Change.
5	<i>Whether the Plan will apply to all extractive industry development or just new development.</i>	The Plan, when adopted, will apply to all heavy vehicle generating development applications in the Narromine LGA that meet the criteria specified in the Plan, with the exception of Council development

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		applications unless they are for a commercial purpose.
6	<i>An indication of when the Plan is likely to be adopted.</i>	If adopted, the Plan will apply from 18 September 2019 or 25 September 2019 (depending on newspaper bookings).
7	<i>The amount of heavy vehicle traffic on Eumungerie Road and what proportion of the traffic emanates from outside of the Narromine LGA and is therefore not liable under the Plan.</i>	<p>Figures regarding the amount of heavy vehicle traffic using Eumungerie Road and originating outside of the Narromine LGA are not kept by Council.</p> <p>The draft Plan imposes development contributions on those development applications in the Narromine LGA that damage Council roads. It cannot impose contributions from heavy vehicle generating development originating from outside of the Narromine LGA.</p>
8	<i>Whether the Plan would apply to contracts that supply product for road maintenance within the Narromine LGA.</i>	The draft Plan will apply to all development applications for heavy vehicle generating developments within the Narromine Shire LGA, with the exception of Council development applications unless they are for commercial purposes.

Submission No.2 – Quarry Solutions

Issue No	Issue	Council Comment/Proposed Change
9	<i>The format, assumptions and monetary values of the Plan are very similar to the Armidale Regional Council S.7.11 Contributions Plan. It is assumed that Council has sought to adopt a similar approach to Armidale to reduce costs for Council in preparing the Plan, however careful consideration should be given to whether the same</i>	<p>Council engaged the services of 'Strategy Hunter consultants' to prepare the Plan. 'Strategy Hunter' is a well respected NSW planning and development policy consultancy and has prepared several similar contributions plans for regional NSW Councils.</p> <p>The proposed methodology is considered to be the most transparent and equitable means of levying a development for road maintenance costs. The proposed methodology reflects the direct costs of</p>

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	<i>approach is appropriate for Narromine.</i>	maintaining specific road types, the degree of impact associated with different vehicle classes and the distance travelled.
10	<i>A key consideration for any heavy haulage contributions plan should be ease and transparency of administration. The Plan in its current form sets out a complicated method to calculate the potential contribution requiring a case by case calculation by either council or a suitably qualified engineer. This methodology will result in inconsistency and variation of contribution rates between quarries which will lead to commercial advantage for certain operations which is likely to reduce competition and therefore in the longer term to increased costs for construction materials which in turn will increase the costs of local road construction and maintenance projects directly impacting Council and the community.</i>	<p>The proposed methodology has been adopted in other regional Councils including Parkes, Upper Hunter and Armidale. The concept of Equivalent Standard Axle (ESA) is an internationally accepted method for determining likely damage to road pavement from heavy vehicles.</p> <p>Levies will be consistently applied using the methodology provided in the draft Plan.</p> <p>The draft Plan includes a 1% cost of all contributions to fund plan administration.</p>
11	<i>The proposed method of calculation and administration will require a quarry to report not just on the amount of material produced each year but also the length of the road travelled and whether it is sealed or unsealed for each and every delivery to enable accurate calculation of contributions. As Council would understand, quarries do not just deliver to fixed locations because over time new road projects or construction projects occur in different locations. This will be a significant burden for the</i>	<p>A development application for a heavy vehicle generating development must include a traffic impact assessment that details the particular routes to be travelled, the number of vehicle trips generated and the types of vehicles used. This enables an informed assessment of the proposal by the public and Government agencies.</p> <p>The quarterly reports required to be submitted to Council by quarry operators under the draft Plan should be generally consistent with the original development application. In the event that a quarry extracts less or generates less vehicular movements than those detailed in the original development application, this will be reflected in the operator's quarterly</p>

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	<i>quarry operator and also raises questions on how Council would audit those records for transparency and accuracy.</i>	reports and consequently the levy imposed.
12	<p><i>A simple transparent methodology of a rate per tonne contribution which increases by a relevant indexation each year is the best outcome for Council and for operators. This results in a fixed known cost that can be budgeted for by operators year in and year out whilst enabling Council to audit and cross check the accuracy of a quarry's heavy haulage contributions each year against its weighbridge records and sales dockets.</i></p> <p><i>Suggest that a rate of \$.50 to \$.80/t depending on length of local roads travelled is a reasonable contribution rate that would ensure operations remain viable whilst providing for suitable funds for maintenance in the long term for Council. These rates are similar to the rates payable for Quarry Solutions existing quarries in Richmond Valley and Gwydir and our knowledge of other Councils such as Lismore and Tenterfield.</i></p>	<p>A per tonne contribution rate is not proposed as this method does not reflect road maintenance costs associated with different road types or vehicle classes. A contribution rate must also reflect the length of road travelled.</p> <p>Refer to Issue No.1 Proposed Change. Development contributions for road maintenance should reflect the costs incurred by Council, as such it is not appropriate to compare contribution rates in this instance.</p>
13	<p><i>If Council does not adopt the above method, we strongly suggest that Council carefully review the assumed values for road construction and maintenance costs that are included within the Plan.</i></p> <p><i>The assumed values should be around 10-15% lower than the</i></p>	Refer to Issue No. 1 Proposed Change.

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	<i>figures in the exhibited draft Plan.</i>	

Minor Changes

Five minor changes to the exhibited draft Plan are proposed by Council staff and are provided in the table below, proposed insertions are underlined. These amendments are minor and do not materially change the intent or effect of the Plan, as such they do not warrant re-exhibition.

No.	Change	Reason
1	Update Table of Contents	To account for new page numbers.
2	1.1.1 <i>What are development contributions?</i> - Second bullet point, reference to Clause 93F and 93I of the <i>Environmental Planning and Assessment Act 1979</i> should be changed to Clause 7.4 -7.10.	Clause reference refers to the <i>Environmental Planning and Assessment Act 1979</i> prior to being amended.
3	3.3.2 <i>Works in Kind/Material Public Benefits</i> - Remove reference to Narromine Shire Council's Engineering Code and replace with reference to ' <u>the prevailing adopted practice of Narromine Shire Council in relation to the relevant category of works</u> '.	Council does not currently have an adopted Engineering Code, however it is likely that it will have one during the lifetime of the S.7.11 Plan.
4	3.8.1 <i>Adjusting Contributions and the time of payment</i> - Change reference to Clause 2.7, to Clause 3.8.	Typographical error, incorrect Clause reference.
5	6.4.5 <i>Approach to Measuring Traffic Impacts.</i> - Add words to account for existing unapproved developments. Paragraph should read: Pre-development numbers of heavy vehicles on roads would be based on the details provided in the documentation submitted with the Development Application (if considered satisfactory by Council), and verified by traffic counts over a minimum period of 1 month prior to the	Pre-development traffic levels should be adjusted to allow for unapproved developments that are generating heavy vehicle traffic.

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No.	Change	Reason
	commencement of the development <u>'and where relevant adjusted (reduced) to account for heavy vehicle traffic arising from any existing unapproved development on the subject land'</u>	

None of the above changes are substantive in their nature and do not warrant re-exhibition.

Implementation

If adopted, the Plan, will come into effect on September 18 2019 or September 25 2019 (depending on Council booking dates). All development applications and Complying Development Certificates that satisfy the relevant criteria and are lodged on or after this date will be subject to the provisions of the Plan.

Financial Implications

The adoption of the Plan will have a positive financial impact on Council as it will provide Council with the ability to fund road maintenance costs incurred as a direct result of the operation of heavy vehicle generating developments, rather than seeking an alternative funding source.

Legal and Regulatory Compliance

- *Environmental Planning & Assessment Act 1979*
- *Environmental Planning & Assessment Regulation 2000*
- *Department of Planning & Environment Practice Notes 2005*
- *Ministerial Directions (Local Infrastructure Contributions)*

Risk Management Issues

Council's current S.7.12 Development Contributions Plan does not account for road maintenance costs.

Voluntary Planning Agreements may be entered into for road maintenance costs, however there is a lack of transparency associated with such agreements as they are negotiated on a case by case basis.

If Council does not adopt the draft Plan, it will need to fund road maintenance required as a result of heavy vehicle generating developments from another source.

**1. ADOPTION OF DRAFT SECTION 7.11 CONTRIBUTIONS PLAN 2019 – HEAVY VEHICLES
(Cont'd)**

Consultation

An advertisement was placed in the local paper and the draft Plan was placed on exhibition from 17 July 2019 to 13 August 2019 on the Narromine Shire Council website and also Narromine Shire Council offices, in accordance with the Clause 26 of the *Environmental Planning and Assessment Regulations 2000*.

Two submissions were received during the exhibition period. The next stage in the formal adoption of the Narromine Shire Council Section 7.11 Contributions Plan 2019 – Heavy Vehicles as per the *Environmental Planning and Assessment Regulation 2000* requires Council to give public notice of its decision in a local newspaper within 28 days after the decision is made. Should Council not adopt the Plan, notice of its decision not to proceed must include Council's reason for the decision.

A contribution plan comes into effect on the date that the public notice of its approval is given in a local newspaper or on a later date specified in the notice.

Subject to the adoption of the Contributions Plan by Council, public notice of Council's decision would be made in the local newspaper on 18 September 2019 (or 25 September 2019 depending on newspaper bookings). The Plan would, if adopted, come into effect on 18 September 2019 or 25 September 2019.

Attachments

Attachment 1 – Draft Narromine Shire Council 7.11 Contributions Plan 2019 – Heavy Vehicles.

As this matter relates to a planning decision made in the exercise of a function of Council under the EPA Act, and relates to a development contribution plan under that Act, **a division is required to be called on the motion.**

RECOMMENDATION

That Draft Narromine Shire Council 7.11 Contributions Plan 2019 – Heavy Vehicles as amended be adopted.



Narromine Shire Council

Section 7.11 Contributions Plan 2019

-Heavy Vehicles

Attachment No 1

Narromine Shire Council Section 7.11 Contributions Plan – Heavy Vehicles 2019

Produced by:
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1. EXECUTIVE SUMMARY

1.1. Background

1.1.1. What are development contributions?

Development contributions are contributions made by those undertaking development approved under the Environmental Planning and Assessment Act 1979 (the Act). Contributions may be in the form of money, the dedication of land or some other material public benefit (or a combination of these). The mechanisms available for development contributions are limited to:

- In the case of contributions made under sections 7.11 or 7.12 of the Act - toward the provision or improvement of amenities or services (or the recouping of the cost of provision or improvement of amenities or services), or
- In the case of contributions made under a planning agreement prepared in accordance with sections 7.4 to 7.10 of the Act toward public purposes.

The Plan deals with Section 7.11 contributions.

1.1.2. Section 7.11 levies

Section 7.11 of the Environmental Planning and Assessment Act 1979 enables Council to levy contributions from development for the provision of public services and amenities required as a consequence of that development. Contributions may be in the form of cash payments, transfer or dedication of land to Council, or the provision of a Material Public Benefit or Works in Kind.

For Council to levy contributions under Section 7.11 there must be a clear nexus between the proposed development and the need for the public service or amenity for which the levy is being required and as detailed in a Contributions Plan.

This Section 7.11 Contributions Plan seeks contributions towards the additional costs of road maintenance from developments which generate frequent heavy haulage vehicle movements.

Accordingly, certain developments will be levied because of their impact on the frequency of road maintenance, determined by a consistent methodology based on heavy vehicle usage.

1.2. Purpose

The primary purpose of this Plan is to authorise the levying of contributions that will assist Council to provide public services and amenities to:

- Ensure roads are maintained in a reasonable condition for users as a result of damage caused by developments that generate frequent heavy haulage movements.

This Plan enables Council to require a contribution from development towards the provision, extension or augmentation of public services and public amenities that will, or are likely to be, required as a consequence of new development.

The contribution may involve payment of a monetary contribution.

Other purposes of this Plan are to:

- Provide an overall strategy for the coordinated delivery of public facilities and infrastructure consistent with Council's strategic plans and management plan;
- Provide a comprehensive strategy and administrative framework for the assessment, collection, expenditure, accounting and review of developer contributions towards the equitable provision of public services and amenities;

Attachment No 1

- Identify the additional services and amenities required to meet the demands arising from new development;
- Provide an adequate level of public services and amenities to meet demand arising from development within a reasonable time, as development occurs, and at a reasonable cost, without unduly impacting on the affordability of the proposed development;
- Ensure that the development contributions are based on reasonable estimates of cost;
- Ensure that the existing community is not unduly burdened by the provision of public services and amenities which are needed (either partly or fully) as a result of ongoing development in the LGA, and that there is a reasonable apportionment of cost between existing demand and new demand for public infrastructure provided by Council, and
- Ensure that contributions are fair and reasonable.

1.3. Nexus

All heavy vehicles contribute to the deterioration of road pavements. Australian Road Research Board (ARBB) research shows that an increase in the number of heavy vehicles using a road will accelerate the deterioration of a road, and lead to increased road maintenance costs being incurred by Council. The impact of heavy vehicles on the condition of road pavements has been well documented by Austroads and other authoritative sources.

Council maintains the LGA's roads at an adopted level of service. As a result of a development using heavy haulage vehicles, Council will need to undertake increased maintenance work to maintain this level of service. The extent of the increased maintenance is dependent on the heavy vehicular traffic generated by the subject development.

Increased road maintenance results in an increased drain on Council's finances. These increased costs will burden the community with providing the increased funds required by Council in order to maintain the existing level of service for the road network as a result of the development, unless the subject development provides a contribution commensurate with the increased maintenance costs.

The purpose of this methodology is to ensure that heavy vehicle haulage associated with a specific development provides a fair contribution towards the additional costs incurred by Council as a result of any heavy haulage traffic associated with that development.

The costs of keeping roads in a satisfactory condition occur in three main areas:

- Rehabilitation:
 - Regional sealed pavement rehabilitation;
 - Rural sealed pavement rehabilitation, and
 - Unsealed pavement rehabilitation/gravel resheeting or gravel patching.
- Reseals
 - Maintenance reseal (i.e. regional and local roads)
- Maintenance
 - Annual routine maintenance, and
 - Heavy patching or stabilisation of selected sections.

A traffic generating development will be required to contribute a proportion of all of the above costs based upon the heavy vehicle Equivalent Standard Axle (ESA) impact on the regional or local road used by the heavy vehicles in question, within a given period of time. Developments will be required to regularly report their haulage tonnages and the types of vehicles involved, in order for these costs to be accurately determined.

The methodology used by the Plan to determine the contribution is based on the average annualised road maintenance costs, and the length, and type, of roads to be used by heavy vehicles associated with the subject development

The contribution and its calculation do not apply to State Roads that are the funding responsibility of the State Government, and not Council, such as the Mitchell or Newell Highways.

The operation of this Plan will also generate the need for planning, administration and management activities associated with this Plan, in order to regularly review, update and manage the future provision of infrastructure.

1.4. **Exemptions:**

This Plan does not apply to:

- Extractive industries with an average annual approved output of up to and including 5,000 m³ of solid material, or
- Other developments within an average annual approved total haulage of up to and including 7,500 tonnes of material, or
- Development located in a Business, or Industrial land uses zone.

1.5. **Structure of the Plan**

This Plan is arranged into a summary and 7 sections as detailed below:

- Section 1** Executive Summary and Purpose of the Plan.
- Section 2** Introduction
- Section 3** Operation of the Plan.
- Section 4-** Administration
- Section 5** Nexus
- Section 6** Transport Facilities
- Section 7** Plan Administration Costs

1.6. **Summary of Contributions Rates**

Contribution rate:

Table 1: Heavy Haulage Vehicle Movement Generating Development Contribution Summary

Contribution Type	Per annum rate per tonne per kilometre of road hauled material
Road maintenance	As determined by the methodology in Section 6
Plan Management and Administration	1% of the above figure
TOTAL	Total of the above as calculated

Note: these amounts are subject to indexation.

2. INTRODUCTION

2.1. Name of the Plan

This Plan is referred to as the Narromine Shire Council Section 7.11 Contributions Plan 2019.

This Contributions Plan has been prepared in accordance with the relevant provisions of the Environmental Planning and Assessment Act 1979, as amended (the Act), the Environmental Planning and Assessment Regulation 2000, the Department of Planning and Infrastructure's Development Contributions Practice Notes 2005, relevant Ministerial Directions and Department of Planning and Environment Circulars and Guidelines.

2.2. Area to Which the Plan Applies

This Contributions Plan applies to the Narromine Shire Council Local Government Area.

2.3. Types of Development to which this Plan applies

This Plan applies to:

- Developments that generate heavy haulage vehicle movements.

Note: "development" referred to in this clause has the same meaning as in the Act.

Exemptions:

Certain developments which use heavy vehicle haulage are exempt from the payments for the heavy vehicle contribution, in order to:

- Assist the viability of smaller local scale enterprises;
- Simplify administration of the Plan, and
- Recognise the generally higher design standards in respect of vehicle loadings of roads in business and industrial areas.

The exempt developments are:

- Extractive industries with an average annual approved output of up to and including 5,000 m³ of solid material, or
- Other developments within an average annual approved total haulage of up to and including 7,500 tonnes of material, or
- Development located in a Business or Industrial zone.
- Development undertaken by or on behalf of Council, unless undertaken as a business enterprise.

2.4. Commencement of Plan

This Contributions Plan takes effect on XX XX 2019.

2.4.1. Savings and transitional arrangements

A development application which has been submitted prior to the adoption of this Plan but not determined shall be determined in accordance with the provisions of the Plan which applied at the date of determination of the application.

2.5. **Relationship to other Plans and Policies**

This Plan complements the Narromine Shire Council Section 94A (7.12) Plan and its successors.

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3. OPERATION OF THE PLAN

3.1. Method of Operation - Authorisation

In determining a Development Application or issuing a Complying Development Certificate to which this Plan applies, this Plan authorises the Council to impose a condition of consent requiring the payment of a monetary contribution in accordance with the provisions of this Plan, or in lieu thereof accept the provision of a material public benefit or works in kind.

Prior to the issue of a Complying Development Certificate for development to which this Plan applies, the issuer of the certificate must impose a condition pursuant to this Plan if such condition may be imposed.

Complying Development Certificates must be assessed and issued by Council if the developer wishes Council to consider land dedication, material public benefits or works-in-kind.

3.2. Types of Contributions

There are a number of alternative methods of settlement of Section 7.11 developer contributions. These are as follows:

- Monetary contribution;
- Dedication of land;
- Material Public Benefit, or
- Works in Kind.

Where a developer negotiates a material public benefit (for works not in the works schedule), works in kind (for items included in the works schedule), or the dedication of land, in lieu of paying any part of the monetary contribution required under this Plan, the applicant must still pay Council's reasonable costs for the management of the Plan (plan management and administration contributions).

The Act also provides the ability for the Council to consider entering into a Planning Agreement (PA) as part of a development application or when rezoning land. Public amenities and services delivered through a PA may be in addition to or instead of the payment of a monetary contribution under Section 7.11.

3.3. Monetary contribution

This Plan identifies the monetary contribution required for the maintenance of roads. The contribution amount payable will be included as a condition of consent on any development approval issued. Details of how and when the amount will be adjusted will be included in the consent as detailed in this Plan.

3.3.1. Dedication of land

Dedication of land in lieu of monetary contributions described in this Plan will only be considered when Council deems that the land is in a location and has physical and servicing characteristics that make it suitable for the designated purpose.

All costs of dedication are to be borne by the applicant, including but not limited to, survey, legal and administration costs.

The land is to be in a condition suitable for its intended purpose cleared of all debris, weeds and waste materials. The land is to have a compliance certificate from a registered testing authority stating that the land is free from contaminated and hazardous materials and substances.

3.3.2. Works in Kind / Material Public Benefits

A works in kind (WIK) is the undertaking of a work or provision of a facility that is scheduled within a Contributions Plan, in lieu of the part or full payment of either a monetary contribution or the dedication of land that would normally apply. WIK are generally offered and assessed as part of the development application process. Applicants seeking Council's acceptance of a WIK arrangement should initially discuss such a proposal with Council officers to determine whether Council would agree to enter into such agreement and to establish Council's requirements.

A material public benefit (MPB) may be offered by the developer in part or full satisfaction of a condition requiring the payment of a monetary contribution. A MPB may include the provision of work that is not scheduled within a Contributions Plan. Council may accept the provision of a MPB if it can be justified why it is of equivalent or greater benefit to the community compared to what has been identified under the Plan.

Such alternative development contributions arrangements may be negotiated with the Council in connection with the carrying out of development in the following circumstances:

a) Offer made to the Council as part of a development application

If an applicant does not wish to pay a monetary Section 7.11 contribution in connection with the carrying out of development, the applicant may include in a development application for the development a proposal to carry out the works towards which a contribution or levy would otherwise have been applied.

The Council will consider the alternative arrangement as part of its assessment of the development application. If the Council agrees to the arrangement and grants consent to the application, it will impose a condition of consent requiring the works to be carried out. If the Council does not agree to the alternative arrangement, it may grant consent subject to a condition imposed under Section 7.11 requiring payment of the monetary contribution.

b) Offer made to Council following the grant of development consent:

If development consent has been granted to the carrying out of development subject to a condition under Section 7.11 requiring payment of a monetary contribution towards the cost of public amenities and public services, the applicant may request in writing that they instead provide to the Council a material public benefit in part or full satisfaction of the requirements of the relevant condition. This application should be made in the form of a formal modification of development consent made under section 96 of the Act.

The material public benefit may be the carrying out of work or another public benefit but not the payment of money or the dedication of land free of cost.

If the Council agrees to the applicant's request, the applicant is required to comply with the alternative arrangement and is not required, in part or whole, as relevant, to comply with the conditions imposed under Section 7.11. If the Council declines the applicant's request, the applicant will be required to comply with the requirements of the conditions imposed under Section 7.11.

In either case, in deciding whether to agree to the applicant's request, the Council will have regard to the requirements of the current Revised Development Practice Notes (DIPNR 2005) and may consider matters such as, but not limited to, the following:

- The need for the facility and how it achieves the outcome being sought by this Plan and the imposition of the condition;
- The purpose and objectives of this Plan and any relevant plans or strategies;
- Whether the alternative will prejudice the timing or the manner of the provision of the infrastructure for which the contribution was required, and

- Full details of the quantities, finishes and costings of the proposed works.

The acceptance of a WIK agreement or a MPB will be at Council's absolute discretion, and aside from any exceptional circumstances, no credits will be granted for in-kind works carried out by the developer that are in excess of the approved contribution amount. Where the value of the WIK, MPB or dedication of land is less than the value of the required contribution, the applicant will be required to settle the balance of the contribution by way of a monetary contribution and/or land dedication.

All works in kind will be designed and constructed in accordance with relevant Australian Standards and with the prevailing adopted practice of Narromine Shire Council in relation to the relevant category of works.

3.4. Planning Agreements

An applicant may offer to enter into a Planning Agreement with the Council in connection with a development application or a rezoning application that is made for the purposes of being able to subsequently make a development application. Provision is made for Planning Agreements under Sections 7.4-7.10 of the Environmental Planning and Assessment Act 1979, as amended.

Under a Planning Agreement the applicant may offer to pay money, dedicate land, carry out works, or provide other material public benefits for public purposes. The applicant's provision under a Planning Agreement may be additional to, or instead of, making contributions under Section 7.11 of the Act.

The offer to enter into a Planning Agreement, together with the draft Agreement, will generally need to accompany the relevant development or rezoning application. The Council will publicly notify the draft Agreement and explanatory note relating to the draft Agreement along with the relevant application and will consider the Agreement as part of its assessment of the relevant application. If the Council agrees to enter into the Agreement, it may impose a condition of development consent requiring the Agreement to be entered into and performed.

Council encourages the use of Planning Agreements, particularly for larger and/or more complex development.

3.5. Payment of the Contribution

3.5.1. Timing of Payments

The time of payment of contributions shall be as follows:

- Within 28 days of receipt of a quarterly notice from the Council stating the contribution amount pursuant to the previous quarter's heavy haulage vehicle activity.

3.5.2. Deferred or Periodic Payments

Council may consider the deferred payment of contributions or payments made by periodic instalments.

A request for deferral or periodic payment must be made in writing to Council, stating the proposed length of deferral, and may only be accepted where:

- There are valid reasons for the deferral or periodic payment;
- The deferral will not prejudice the efficiency and operation or cash flows of the Plan;
- The granting of the request for deferred payment will not jeopardise the timely provision of works or land identified within the Plan;
- A suitable bank guarantee (or equivalent security) can be, and is, provided in the event that the request is accepted by Council;
- The applicant intends to make a contribution by way of a planning agreement, works-in-kind or land dedication in lieu of a cash contribution and Council and the applicant have a legally binding agreement for the provision of the works or land dedication, and

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- The periodic or deferred contributions are paid, including indexing, at no cost to Council.

The conditions under which Council may accept deferred payment by way of a bank guarantee are:

- The bank guarantee is by an Australian Bank;
- indexing will be calculated from the date the contribution was due until the date of payment in accordance with the CPI indexing provisions stated in Section 3.8 of this Plan;
- The bank guarantee is for a maximum period of twelve months;
- The amount of the bank guarantee is the sum of the total contribution or the amount of the outstanding contribution at the time of deferring payment, plus an amount determined by Council to include any anticipated indexation for the next thirteen months following the date the contribution was due;
- The bank unconditionally pays the guaranteed sum to Council if Council so demands in writing, no earlier than 12 months from the provision of the guarantee or completion of the work, whichever occurs first;
- The bank must pay the guaranteed sum without reference to the applicant or landowner or other person who provided the guarantee, and without regard to any dispute, controversy, issue or other matter relating to the development consent or the carrying out of development in accordance with the development consent;
- The bank's obligations are discharged when payment to the Council is made in accordance with the approved bank guarantee or when Council notifies the bank in writing that the guarantee is no longer required, and
- Council's registration and release of bank guarantee fee is paid.

Any outstanding component of the contribution shall be indexed quarterly in accordance with the Consumer Price Index movements. Indexing will be calculated from the date the contribution was due until the date of payment.

3.6. Complying Development

Accredited Certifiers must impose a condition requiring monetary contributions in accordance with this Plan, in accordance with Section 7.11 of the Environmental Planning and Assessment Act. The amount of the contribution is to be determined in accordance with the formulas contained in the Plan and the current contribution rates. The conditions imposed must be consistent with Council's standard Section 7.11 consent conditions and be in accordance with this Plan. It is the responsibility of accredited certifiers to correctly calculate the contribution and apply the Section 7.11 contribution.

3.7. Goods and Services Tax

Monetary Section 7.11 development contributions are exempt from the Federal Government Goods and Services Tax (GST).

3.8. Adjusting Contribution Rates

To ensure that the value of contributions is not eroded over time by movements in the Consumer Price Index, (CPI) land value increases, the capital costs of construction of facilities and administration of the plan or through changes in the costs of studies to support the Plan, the Council will index the contribution rates indicated in this Plan, on a quarterly basis, with reviewed rates to apply from the first working day of December, March, June and September.

This Plan authorises Council to undertake these index based changes without the necessity of preparing a new or amending contributions plan.

The contribution rates will be reviewed and subsequently indexed by reference to the Construction costs by the Consumer Price Index (All Groups – Sydney) as published quarterly by the Australian Bureau of Statistics.

In accordance with Clause 32(3)(b) of the Environmental Planning and Assessment Regulations, the following sets out the means by which Council will index contribution rates that are set out in this Plan:

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For changes to the Consumer Price Index (Sydney All Groups), the contributions will be reviewed quarterly in accordance with the following formula:

$$\text{New Contribution Rate} = \frac{C \times \text{CPI 2}}{\text{CPI 1}}$$

where:

- C is the initial contribution rate at the time of adoption of the Plan, expressed in dollars
- CPI 2 is the Consumer Price Index Number (Sydney All Groups) available at the time of the review
- CPI 1 is the Consumer Price Index Number (Sydney All Groups) at the date of adoption of the Plan, or its subsequent amendment

3.8.1. Adjusting Contributions at the Time of Payment

Contributions required as a condition of development consent will be adjusted at the time of payment using the following formula.

Contribution amounts will initially be calculated and regularly updated in accordance with the terms of Clause 3.8 at the time development consent is granted. The contribution amounts included in a development consent are to be adjusted at the date of payment on the basis of the contribution rates that are applicable at the time of the payment, and not at the date of the approval of the development.

Adjustments to the contributions amount in a consent will be made in the following manner:

$$CP = \frac{CDC + (CDC \times (CRP - CRC))}{CRC}$$

Where:

- CP is the amount of the contribution calculated at the time of payment;
- CDC is the amount of the original contribution as set out in the development consent.
- CRP is the contribution rate at the time of payment
- CRC is the contribution rate at the time of the original consent or quarterly statement

The current contribution rates are published by Council and are available from Council Offices.

3.9. Reassessment of Contributions

Council may consider an application for the reassessment of the development contributions payable. This may result in the contribution being reduced, waived or modified.

Where a condition of development consent has already been imposed requiring the payment of a contribution, the applicant will need to lodge an application to review the consent in accordance with Section 8.3 of the Environmental Planning and Assessment Act 1979, as amended.

The request shall be in writing and provide sufficient information to satisfy Council of the inappropriate nature of the contribution and the implications to Council of reducing or waiving the contribution in the particular circumstances.

3.10. Review of the Plan

This Plan may be reviewed in full, or in part, when considered appropriate, having regard to the rate and type of development, cost of facility provision, and community response to service and facility provision.

A complete review of this Plan is anticipated every five (5) years from the date of commencement of the Plan.

3.11. Funding and Timing of Works

The contributions made to Council under the Plan may fully or partially fund the public amenities and services identified in this Plan. The contribution rates have been determined on the basis of apportionment between the expected development and other sources of demand. In circumstances where public amenities and services are not fully funded by contributions, the remaining funds will be supplied from other Council sources.

Public amenities and services are required at the time demand is created, which may be before sufficient contributions are received. Council's ability to forward fund these services and amenities is very limited, and consequently their provision is largely contingent upon the availability of contributions. Pooling of funds to assist with the provision of infrastructure, as detailed in Section 3.12 will be considered and used when necessary.

Council will aim to spend all funds within a reasonable time and in a manner which achieves an equitable high standard of road maintenance.

To provide a strategy for the implementation of the services and amenities levied for in this Plan, and to use contributions in the most effective manner, work will be reprioritised. This will take into account development trends, population characteristics, existing funds, funds from other sources (where required) and anticipated revenue flows. The priorities for Council's maintenance works will be published in Council's Delivery Program.

3.12. Pooling of Contributions

This Plan expressly authorises monetary Section 7.11 Contributions paid for different purposes to be pooled and applied (progressively or otherwise) for those purposes. The priorities for the expenditure of the contributions are shown in the Works Schedules (if any).

3.13. Accountability

Financial management and accountability are important components of Section 7.11, and Council is obliged to maintain an accurate and up to date register of all Section 7.11 contributions.

Monetary contributions received under the authority of this Plan must be recorded and kept through a separate account specifically established for this Plan. The records must indicate the contributions received, contributions expended and must include the interest, if any, earned on invested funds for each account.

These records are updated on a monthly basis.

Separate accounting records are maintained for all Council's Section 7.11 and Section 7.12 Contribution Plans. Information on Section 7.11 accounts and funds relating to this Plan will be provided in a condensed format within Narromine Shire Council's Annual Report/s in accordance with requirements of the Environmental Planning and Assessment Regulation.

Information is also available in Council's contribution register relating to this Plan, which can be inspected at Council during normal business hours.

4. ADMINISTRATION OF THE PLAN

4.1. Management Costs of the Plan

There is a substantial time and cost overhead associated with this Plan and its implementation.

Accordingly, costs associated with the preparation, administration and management of this Plan will be levied on all applications which result in a contribution payable under this Plan. These costs are shown as a separate element in the rates schedule and the method of calculation is described in Section 6 and covers the implementation review, monitoring and updating procedures set out in the Plan. In addition, studies are undertaken to determine the design and costing of works as well as to review the development and demand assumptions of the Plan.

Where a MPB or WIK agreement is negotiated between a developer and the Council, the Plan Administration and Management Contribution levy will still apply. This amount will cover plan review costs and also Council's costs associated with negotiating the MPB or PA and supervision of the work undertaken.

5. NEXUS AND METHODOLOGY

This section of the Plan establishes the relationship (nexus) between the expected types of development in the Contribution Areas and the demand for additional public services and facilities to meet the needs of that development.

Nexus is the relationship between the expected types of development in the area and the demonstrated need for additional public facilities created by those developments. The concept of nexus is often referred to in the following terms:

- Causal Nexus – ‘what’. This is a demonstration that the anticipated development will or is likely to create a need or increases the demand for a particular public facility.
- Spatial or physical nexus – ‘where’. Spatial nexus requires that the proposed public facility be located so as to serve the needs of those who created the demand for it.
- Temporal nexus – ‘when’. Temporal nexus seeks to ensure that the public facility will be provided in a timely manner to benefit those who contributed towards it.

The level of provision sought for the facilities identified in this Plan is considered reasonable and are required to satisfy the expected demands arising from relevant development in the Plan's Contributions Area. New or expanding development utilising heavy vehicle haulage will increase the need for maintenance of certain public roads. It will therefore be necessary for increased maintenance to be provided in response to the impact of increased heavy vehicle usage.

Table 2: Facilities categories

Category	Types of Services/Facilities
Heavy vehicle Generating Development	Road maintenance (heavy haulage vehicle impacts),
Plan Management and Administration	Management of development contributions and works, and review of the Plan.

Details of the methodology for calculating the contribution towards increased maintenance costs are attached to this Plan.

6. HEAVY VEHICLE GENERATING DEVELOPMENT

6.1. Introduction

The contributions provided for in this Plan are required to meet the increase in road maintenance from new development within the identified Contribution Area.

The key documents supporting these works are identified below:

- Narromine Shire Council Community Strategic Plan 2027 Narromine Shire Council
- Council Revised 2017/18-2020/21 Delivery Plan 2018-2019 Narromine Shire Council
- Council Operational Plan 2018-2019 Narromine Shire Council
- Council Long Term Financial Plan Narromine Shire Council (adopted 2018)
- Asset Management Plan
- Asset Management Policy 2017 Narromine Shire Council
- Bitumen and Asphalt Resurfacing Policy Narromine Shire Council
- Narromine Shire Council Roads Manual
- Austroads Guide to Pavement Technology Part 2: Pavement Structural Design (2012)

6.2. Nexus

Facilities provided for within this Plan are consistent with the Council's Community Strategic Plan (CSP), and in particular:

- Outcome 3.6: OUR ROAD NETWORK IS SAFE, WELL MAINTAINED AND APPROPRIATELY FUNDED
 - Action 3.6.1: Ensure local and regional roads are safe, well constructed and maintained

A contribution is sought in the case of development that generates significant heavy haulage vehicle movements. It is well documented that heavy vehicles accelerate the deterioration of road surfaces, and lead to a requirement for more frequent and expensive remediation and maintenance works if road service standards are to be maintained. Accordingly, such developments may be required to contribute towards the costs of the resultant more frequent maintenance regime.

6.3. Apportionment

In relation to heavy vehicle haulage contributions, the contribution rate has been calculated solely on the demand attributable to a proposed development, and as a result no apportionment has been applied.

6.4. Methodology

All heavy vehicles contribute to the deterioration of road pavements. An increase in the number of heavy vehicles using a road will accelerate the deterioration of a road, and lead to increased road maintenance costs being incurred by Council. The impact of heavy vehicles on the condition of road pavements has been well documented by Austroads and other authoritative sources.

Council maintains the Local Government Area's roads at an adopted level of service as specified in the Narromine Shire Council's Asset Management Plan – Transport (AMP6). As a result of a development using heavy haulage vehicles, Council will need to undertake increased maintenance work to maintain this level of service. The extent of the increased maintenance is dependent on the heavy vehicular traffic generated by the subject development.

Increased road maintenance results in an increased drain on Council's finances. These increased costs will burden the community with providing the increased funds required by Council in order to maintain the existing level of service for

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the road network as a result of the development, unless the subject development provides a contribution commensurate with the increased maintenance costs.

The purpose of this methodology is to ensure that heavy vehicle haulage associated with a specific development provides a fair contribution towards the additional costs incurred by Council as a result of any heavy haulage traffic associated with that development.

The costs of keeping roads in a satisfactory condition occur in three main areas:

- Rehabilitation:
 - Regional sealed pavement rehabilitation;
 - Rural sealed pavement rehabilitation, and
 - Unsealed pavement rehabilitation/gravel resurfacing;
- Reseals
 - Maintenance reseal (i.e. regional and local roads)
- Maintenance
 - Annual routine maintenance, and
 - Heavy patching or stabilisation of selected sections.

A traffic generating development will be required to pay a proportion of all of the above costs based upon the heavy vehicle Equivalent Standard Axle (ESA) impact on the regional or local road used by the heavy vehicles in question. An Equivalent Standard Axle (ESA) is defined as a Dual Tyred Single Axle transmitting a load of 80kN (or 8.2 tonne) to the pavement (Austroads).

The contribution and its calculation do not apply to State Roads that are the funding responsibility of the State Government, such as the Mitchell or Newell Highways.

6.4.1. Roads and Design Life

Council maintains a mix of sealed and unsealed roads. These roads have been subdivided into three categories for the purposes of this Plan:

- Regional sealed pavement;
- Local sealed pavement, and
- Unsealed pavement.

Each road type has a different design life and maintenance requirements.

Austroads Pavement Design Guides contain design tables where pavement design life can be expressed in accordance with design traffic loadings (ESA). Thus, a standard life of pavement can be expressed as ESAs. This means that the life of a pavement can be expressed as the total number of equivalent axles that should pass over it prior to replacement.

The standard life (assumed design life) for the road categories above in expressed as ESA are:

- Regional sealed roads: approximately 1,000,000 ESA over 60 years
- Local sealed approximately 1,000,000 ESA over 90 years
- Unsealed roads approximately 200,000 ESA over 15 years

A sealed road incurs construction costs, maintenance costs and replacement of the wearing course over its design life. An unsealed road incurs ongoing costs for maintenance and gravel resheeting and heavy gravel patching, with additional work required if there is significant damage for natural events, such as flood events.

6.4.2. Maintain the Narromine Shire Council Roads Network

The Table below indicates the costs of maintaining specific road types as determined by Council, at the time of preparation of this Plan. The figures are those generally applying across Council's road network, however specific roads have differing maintenance costs. They are derived from the Narromine Shire Council Roads Management Strategic Plan. This information can be used to calculate the "notional" cost of regional and rural sealed roads, as well as unsealed roads, over their design life. The actual current cost of these works, as they relate to the specific roads affected by a development, will be used by Council in calculating a contribution, in order to ensure that the calculated contribution closely reflects actual costs.

Table: General cost of roads over their design life

Road type	Cost per km	How often
Regional sealed roads:		
Rehabilitation	\$325,000	at 60 th year
Reseals (average width of 8m)	\$32,000	at 15 th year
Maintenance	\$3,000	annually
Local sealed roads		
Rehabilitation	\$162,000	at 90 th year
Reseals (average width of 6m)	\$35,000	at 15 th year
Maintenance	\$3,000	annually
Unsealed roads		
Resheet	\$40,000	at 20-25 th year
Maintenance	\$2,500	annually

Applicants are advised to consult with Council in order to determine the current costs for the above maintenance activities for the specific roads affected by their proposal, prior to assessing the likely contribution of a specific development.

Based on the General Table above, the total cost per kilometre of a **regional sealed** road over its assumed design life is:

$$\begin{aligned}
 & \$ \text{ maintenance} \times 55 \text{ yrs.} + \$ \text{reseal (@ 15}^{\text{th}}, 30^{\text{th}}, 45^{\text{th}} \text{ years)} + \$ \text{ reconstruction (@60th year)} \\
 & = (\$3,000 \times 55) + \$32,000 \times 3 + \$325,000 \\
 & = \$586,000 \text{ per km}
 \end{aligned}$$

The total cost per kilometre of a **local sealed** road over its assumed design life is:

$$\begin{aligned}
 & \$ \text{ maintenance} \times 84 \text{ yrs.} + \$ \text{ reseal (@ 15th, 30th, 45th, 60th, 75 years)} + \$ \text{ reconstruction (@ 90th year)} \\
 & = (\$3,000 \times 84) + \$35,000 \times 5 + \$162,000 \\
 & = \$589,000 \text{ per km}
 \end{aligned}$$

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The total cost per kilometre of an **unsealed road** is over its assumed design life:

$$\begin{aligned} & \$ \text{ maintenance} \times 18\text{yrs} + \$ \text{ resheet gravel (@ 20th year)} \\ & = (\$2,500 \times 18) + \$40,000 \\ & = \$85,000 \text{ per km} \end{aligned}$$

6.4.3. Approach to Measuring Traffic Impacts

The calculation of the contribution is based on a comparison of the pre and post development use by heavy vehicles of the roads affected by the development.

The methodology considers the average annualised road maintenance costs, and the length and type of roads to be used by heavy vehicles associated with the subject development. Increased maintenance costs are calculated using the ESA loading on the road per vehicle as a proportion of the total loadings on the road. This is then converted to a total cost per tonne (1000 kilograms) per annum over the designated route travelled by the vehicles.

Predevelopment numbers of heavy vehicles on the roads will be based on the details provided in the documentation submitted with the Development Application (if considered satisfactory by Council), and verified by traffic counts over a minimum period of 1 month, prior to the commencement of the development (and where relevant the predevelopment numbers adjusted (reduced) to account for heavy vehicle traffic arising from any existing unapproved development on the subject land).

Where the designated travel route involves the use of more than one road, a separate count for each road may be necessary. This should be confirmed with Council.

The increased costs associated with each road will be calculated separately, and the total contribution payable for the development will be the sum of all the calculated contribution rates for all the individual roads on the designated travel route/s.

6.4.4. Measuring Traffic Impacts at DA Stage

An assessment of vehicle movements generated by a development is required as part of the Statement of Environmental Effects (SEE) or Environmental Impact Statement (EIS) accompanying the proposed development application.

6.4.5. Measuring Traffic Impacts, Post DA Determination

Notwithstanding the assessment carried out at DA Stage, Council will require ongoing reporting of haulage movements and tonnages in order to ensure an accurate assessment of contributions towards maintaining the relevant roads.

A quarterly report will be required from the operator of the development. The quarterly report should include details of the number and type of vehicle movements over the past 3 months, including tonnages hauled. Details of the extracted volume of material will also be required, as is usually submitted annually in returns to the NSW Government Department with responsibility for mines and quarries (if relevant). The documents should be audited and certified by the operating company's auditor.

Council may require confirmation of the accuracy of the operator's records at the operator's expense, if Council feels there are discrepancies in the operator's records or no audited statement is provided by the development. If the confirmation process determines that the operator's records are accurate within a tolerance of 5 percent, Council will assume responsibility for the relevant expenses, such as traffic surveys, etc.

There is a relationship between the volume of material extracted from the ground and the vehicle movements generated. For extractive industries, generally a 30% loose volume factor is used for conversion of solid volume to loose volume and therefore, it is assumed that an average haulage truck of loose fill volume 10 m³ represents 7.7m³ of solid

volume extracted. Should an applicant be of the view that this volume factor is inappropriate an alternative factor may be applied provided it is justified to Council’s satisfaction.

6.4.6. Method of Assessment

The impact of heavy vehicles on roads will be calculated using ESA (equivalent standard axle), which provides a widely accepted way of determining the likely damage to a road pavement from heavy vehicles. The ESA of the relevant heavy vehicles in the operator’s annual return will be calculated using the prevailing AUSTRROADS vehicle classification.

Only loaded truck movements will be included in the calculations.

The calculation of contributions will be expressed as a yearly cost, calculated annually and payable quarterly.

6.4.7. Contributions Methodology Formula

This Plan applies a consistent formula to determine the contribution of heavy vehicle haulage towards road maintenance.

This formula considers:

- Use of the roads in question expressed in ESA
- The design life of the roads
- The lifecycle costs of maintaining the roads

Different road vehicles have different axle configurations and different axle load configurations. In turn, vehicle class configurations are converted to equivalent standard axles (ESA).

The Austroads Guide to Pavement Technology Part 2: Pavement Structural Design (2012) provides a methodology for the identifying the ESAs for different vehicles. The table below shows the ESA applying to specific vehicle classes.

Table: Vehicle ESA per Vehicle Class

Vehicle class	Vehicle type (Austroads classification)	ESA
1	Car	0
2	Light vehicle with towing/ commercial van	0
3	Two axle truck	1.2
4	Three axle truck	1.6
5	Four axle truck	2.2
6	Three axle articulated truck	1.8
7	Four axle articulated truck	2.2
8	Five axle articulated truck	2.8
9	Six axle articulated truck	2.8 (average)
10	B double	3.4

The calculation of the periodic contribution relating to any heavy haulage development is determined by calculating the aggregate impact of the subject heavy vehicle movements on each of the road type described above. Should vehicle configurations be utilised other than those stated in the Table, the applicant should consult with Council to determine the applicable ESA that applies to their vehicle category. The periodic contribution is determined by applying the following formula:

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$$\begin{aligned} \$C &= \frac{\$Reg \times ESA \times Reg \text{ Length}}{Reg. \text{ life}} + \frac{\$Local \text{ seal} \times ESA \times Local \text{ sealed Length}}{Local \text{ seal life}} \\ &+ \frac{\$Unseal \times ESA \times Unsealed \text{ Length}}{Unsealed \text{ life}} \end{aligned}$$

where:

- \$C is the monetary contribution payable by the development for the relevant period (e.g. preceding quarter) in dollars
- \$Reg is the standard cost of regional road per kilometre over the design life in dollars, being \$586,000
- \$Local sealed is the standard cost of local sealed road per kilometre over the design life in dollars, being \$589,000
- \$Unseal is the standard cost of local gravel road per kilometre over the design life in dollars, being \$85,000
- ESA is the total number of ESAs generated by the development in the preceding period
- Reg life is the standard life of a sealed regional road, which is 1,000,000 ESA
- Local sealed life is the standard life of a local sealed road, which is 1,000,000 ESA
- Unsealed life is the standard life of a local gravel road, which is 200,000 ESA
- Reg Length is the total length of regional sealed road travelled by the development's laden heavy vehicles estimated at the time of the development application, in kilometres
- Local seal Length is the total length of local sealed road travelled by the development's laden heavy vehicles estimated at the time of the development application, in kilometres
- Unsealed Length is the total length of local unsealed road travelled by the development's laden heavy vehicles estimated at the time of the development application, in kilometres

6.4.8. Notional examples

Example 1

A fictitious quarry is proposed. The distance travelled on Shire roads from the quarry to the nearest State road is approximately 10 km of local sealed roads.

The applicant states that the quarry will produce 100,000 tonnes of material each year.

The haulage of the excavated material will involve 4000 Class 8 vehicle movements.

Because only one type of road (local sealed) is involved, the formula is:

$$\begin{aligned} \$C &= \frac{\$Local \text{ sealed} \times ESA \times Local \text{ sealed Length}}{Local \text{ sealed life}} \end{aligned}$$

$$\begin{aligned} \$C &= \frac{\$589,000 \times 11,200 \times 10}{1,000,000} \end{aligned}$$

= \$ 65,968 per annum

Example 2

A fictitious mine is proposed. The distance travelled on Shire roads from the mine to the nearest State road is approximately 5 km of regional sealed roads, 10 km of local sealed roads and 5 km of local unsealed roads.

The applicant states that the mine will produce 50,000 tonnes of material each year.

The haulage of the excavated material will involve 2000 Class 7 vehicle movements.

Attachment No 1

Because all three road types are involved, the formula is:

$$\begin{aligned} \$C &= \frac{\$Reg \times ESA \times Reg \text{ Length}}{Reg. \text{ life}} + \frac{\$Local \text{ sealed} \times ESA \times Local \text{ sealed Length}}{Local \text{ sealed life}} \\ &+ \frac{\$Unseal \times ESA \times Unsealed Length}{Unsealed life} \end{aligned}$$

$$\begin{aligned} \$C &= \frac{\$689,400 \times 4,400 \text{ (i.e. } 2.2 \times 2000) \times 5}{1,000,000} + \frac{\$683,720 \times 4,400 \times 10}{1,000,000} \\ &+ \frac{\$95,000 \times 4,400 \times 5}{200,000} \\ &= \$12,892 + \$25,916 + \$9,350 \\ &= \$48,158 \text{ per annum} \end{aligned}$$

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7. PLAN ADMINISTRATION COSTS

7.1. Nexus

The preparation and administration of a Section 7.11 plan requires resources. Council employs staff to undertake the financial accounting of contributions, and implement the Plan and its works. In addition, consultant studies and specialist advice (e.g. legal and valuation) are obtained to assist with Plan preparation, management and review.

The costs involved with administering Section 7.11 are an essential component of the efficient provision of facilities necessitated by development within the Contributions Areas.

7.2. Strategy

The Plan aims to provide funds to ensure the efficient management of the Section 7.11 planning and financial processes within Council. These processes will be ongoing throughout the life of the Plan.

Council staff that are accountable for facility/service planning and delivery will be involved in reviewing and updating the Plan. This may include review of the works schedules or the latest information on community needs to ensure that facility planning is current and appropriate. This may also include engaging specialist consultants (e.g. planning and engineering specialists) to carry out studies.

7.3. Calculation of Contribution

The estimated cost of Council staff and specialist consulting assistance in the preparation, implementation, management and administration of this Plan is 1% of the value of contributions.

Table 3: Plan Preparation and Management Contributions

Contributions Area	Contribution
Plan Management Administration- Heavy Vehicle Generating Development	1% of the calculated contribution