



NAMBUCCA SHIRE COUNCIL

SECTION 94 CONTRIBUTIONS PLAN

MINES AND EXTRACTIVE INDUSTRIES ROAD MAINTENANCE

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MINES AND EXTRACTIVE INDUSTRIES
1998 – 1999

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1 INTRODUCTION

This Contributions Plan contains the procedures for administration, assessment and settlement of contributions and accountability. The Plan also contains the methodology for determining the contribution rate and the manner and timing of expenditure of the funds collected. Attached to the contributions plan are various supplementary documents which provide further discussion on the operation and administration of the plan.

This plan has been prepared in accordance with the provisions of the Environmental Planning and Assessment Act and Regulations relating to Section 94 of the Act, and having regard to the Department of Urban Affairs and Planning's Draft "Section 94 Contributions Plan Revised Manual – second edition" (June 1997).

Section 94 of the EP&A Act enables Council to levy contributions from developers to meet the cost of providing public amenities and services required as a consequence of development. The contributions may be used to provide for future works or facilities or to re-coup costs of works which have already been constructed. This Plan seeks contributions from mines and extractive industries for maintenance of road networks damaged as a result of the development. Payment of this contribution does not relieve the developer from any conditions of consent for roadworks identified under a Section 90 assessment as being needed to upgrade the existing road network to a standard compatible with the development. The developer should also be aware that some roads within the Shire will be considered by Council as unsuitable to be used as haulage routes for extractive industry operations without major upgrading, at the developer's cost.

The principles for levying the contributions and adopted for this plan are:

- The contribution must be for, or relate to, a planning purpose.
- The contribution must fairly and reasonably relate to the subject development.
- The contribution must be such that a reasonable planning authority duly appreciating statutory duties could have properly imposed the contribution.

2 TITLE

This Plan is called "Nambucca Section 94 Contribution Plan – Mines and Extractive Industries".

3 THE PURPOSE OF THE PLAN

The purpose of this plan is to permit Council to levy contributions pursuant to Section 94 of the EP&A Act, 1979 to ensure roads are maintained in a reasonable condition for users as a result of damage caused by heavy haulage vehicles associated with an extractive industry development.

The aims and objectives of this plan are:

- To enable the Council to require as a condition of development consent contribution towards the maintenance of road networks.
- To ensure that the existing community is not burdened by the costs of roadworks resulting from damage caused by heavy vehicles associated with the development.
- To enable the Council to be both publicly and financially accountable in its assessment and administration of its Contributions plans;
- To ensure contribution rates are fair and reasonable.

4 DEFINITIONS

“*applicant*” means the person, company or organisation submitting a development application.

“*appropriate institution*” means a licensed bank or other institution whose securities comprise authorized investments under the Trustee Act 1912.

“*appropriate rate of interest*” means the seven (7) year Local Government interest borrowing rate applicable from time to time.

“*contribution*” means the dedication of land, the making of a monetary contribution or the provision of a material public benefit, as referred to in Section 94 of the EP&A Act.

“*contributions plans*” means a contribution plan referred to in Section 94 of the EP&A Act.

“*Council*” means Nambucca Shire Council.

“*designated travel route*” means the route identified in the development consent as being the travel route for heavy vehicles generated by the development from the development to the Pacific Highway.

“*DUAP*” means the NSW Department Urban Affairs and Planning.

“*EP&A Act*” means the Environmental Planning & Assessment Act, 1979, as amended.

“*EP&A Regulation*” means the Environmental Planning and Assessment Regulation, 1980, as amended.

“*extractive industry*” means:

- a the winning of extractive material; or
- b an undertaking, not being a mine, which depends for its operation on the winning of extractive material from the land on which it is carried on, and includes any stockpiling, washing, crushing, grinding, milling or separating into sizes of that extractive material on that land.

“*extractive material*” means sand, gravel, clay, turf, soil, rock, stone or similar substances.

“*LEP*” means a local environmental plan made by the Minister under Section 70 of the EP&A Act.

“*LGA*” means the local government area.

“*operator*” means the registered owner or company operating the mine or extractive industry from time to time.

“*public facility*” means any public amenity or public service, as referred to in Section 94 of the EP&A Act, including roadworks, the need for which has increased or been created by development.

“*recoupment*” means the payment of a monetary contribution to the Council to offset the cost (plus any interest) which the Council has already incurred in providing public facilities in anticipation of development.

“*roadworks*” means any works carried out within a road reserve including pavement and surface reconstruction and rehabilitation, drainage, bridgeworks, benching and dust mitigation.

“*settlement*” means the payment of a monetary contribution, the undertaking of a work in kind or the dedication of land required as a result of new development.

“*works program*” means the schedule of the specific public facilities for which contributions may be required, and the likely timing provision of those public facilities based on projected rates of development, the collection of development contributions and the availability of funds from a supplementary source.

5 THE LAND TO WHICH THE PLAN APPLIES

This Plan applies to all land within the Nambucca Council LGA.

6 DEVELOPMENTS TO WHICH THIS PLAN APPLIES

This Plan applies to all developments falling within the extractive industry definition.

7 NEXUS

Mines and extractive industries have the potential to generate significant heavy vehicle movements which impact adversely upon the local road network. The major impact on an existing road is to increase the amount of required road maintenance to keep the road at a serviceable level for the community. Therefore whilst Council prior to development could have budgeted to maintain the road at a certain level of service, the impact of the development would mean that more maintenance work will be required to be carried out by Council annually to maintain this level of service. The extent of this increased maintenance depends entirely on the amount of heavy vehicular traffic generated by the development. This increase in maintenance costs also applies to the many bridges, in particular timber bridges maintained by Council. Therefore, this has a major impact on Council's financial resources which, in effect, without a contribution from the development, would burden the existing community with providing the extra financial resource needed by Council to maintain the existing level of service for the road network as a result of the development.

The basis of the calculation has regard to the average annual road maintenance costs and the length of roads likely to be used by vehicles associated with extractive industries. The increased maintenance costs are related calculated on the basis of the average cost per kilometre to bring a road up the required standard for the development. The impact is calculated on 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 kilometre. The designated travel route will form the length of road upon which the contribution will be levied.

8 CALCULATION OF CONTRIBUTION RATES

8.1 Cost of Facilities

a Average Road Maintenance Costs

It is proposed to relate contributions to the basic average road pavement maintenance costs (including overheads) on a shire wide basis for rural roads. Historical cost data for bridge maintenance has also been included in the calculation with an assumption that the percentage of bridges within the sealed and unsealed sections of the road network are equal. The basic cost is then to be indexed each year in accordance with the Road Cost Index applying to each year ending 30 June. On this basis the following rates apply:

Year	Rural Sealed Roads	Rural Unsealed Roads	Rural Sealed Roads 1997 values	Rural Unsealed Roads 1997 values
1991	\$935,034	\$415,962	\$1,084,353	\$482,38
1992	\$683,214	\$460,000	\$772,994	\$520,448
1993	\$657,574	\$420,000	\$725,839	\$463,601
*1994	\$346,356	\$244,237	\$372,988	\$263,017
1994/95	\$804,690	\$564,526	\$845,427	\$593,105
1995/96	\$802,509	\$804,717	\$822,572	\$824,835
1996/97	\$660,470	\$619,355	\$660,470	\$619,355
	\$3,271,599	\$2,652,835	\$3,427,295	\$2,763,913
		Average Cost/yr	\$ 527,276	\$ 425,217

* six month transitional period

Thus with:

Total Length Sealed Road	= 213 km
Total Length Unsealed Road	= 367 km
Average Annual Sealed Road Maintenance Cost (Ms)	= \$2,475 per km
Average Annual Unsealed Road Maintenance Cost (Mu)	= \$1,159 per km

b Road Lengths

The lengths of road to which the maintenance contribution will apply are the lengths of sealed (Ls) and unsealed (Lu) road over which loaded vehicles from the development travel to the Pacific Highway. The designated travel route will need to be specified in the development application.

These road lengths will be multiplied by the average annual maintenance costs and would be specific to each development, its location and access routes.

c Maintenance Cost Increase

For all road pavements, performance is influenced only by the heavy end of the traffic spectrum. No account need be taken of cars and light commercial vehicles as for as loadings are concerned (Austroads – “Pavement Design – A Guide to the Structural Design of Road Pavements”).

The increased deterioration of a road pavement can reasonably be related directly to the increase in heavy vehicle loading. For local roads bearing an increase in heavy traffic from a proposed traffic generating development, the increase in road maintenance requirements and hence expenditure, are related therefore to the ratio of the heavy vehicle movements generated by the development to the existing heavy vehicle movements on the road prior to the development.

If the number of heavy vehicles initially on the road is expressed as V_i and the total number of heavy vehicles (entering and leaving) from a traffic generating development is V_d , then the increased ratio of damage, and hence additional maintenance expenditure, may be expressed as the ratio of:

$$\frac{V_d}{V_i}$$

This figure should be multiplied by the length of the road travelled (L_s or L_u as appropriate) and the average annual maintenance cost (M_s or M_u as the case may be).

The maintenance contribution per year therefore becomes:

$$\text{Maintenance Contribution (Cs) for sealed pavements} = \$ (M_s \times L_s \times \frac{V_d}{V_i})$$

and

$$\text{Maintenance Contribution (Cu) for unsealed pavements:} = \$ (M_u \times L_u \times \frac{V_d}{V_i})$$

d Method of Measurement

The method of determining initial numbers of heavy vehicles on the road should be by traffic count over a minimum period of one week, prior to the commencement of the development and prior to setting the maintenance contribution rate. Where the designated travel route involves the use of more than one road then each road will be treated separately in terms of the road maintenance contribution. Therefore, 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.

Traditionally, the method of assessing heavy vehicle movements generated by a development has been to utilize the projected movements provided as part of the EIS accompanying the proposed development application. This practice has, in the past led to some concerns regarding the reliability of the movements adopted for the purpose of calculating contributions.

In order to overcome this uncertainty and establish some reliability in the basis for contribution calculations, a relationship has been established between the volume of material extracted and vehicle movements generated. Generally a 30% loose volume factor is adopted within the industry for conversion of solid volume to loose volume and therefore, it is assumed that an average haulage truck of loose fill volume 10 represents 7.7 m^3 of solid volume extracted. The extraction of this amount of material thereby also represents two truck movements (one outward and one return).

Therefore, for a full year's extraction of $(X) \text{ m}^3$ the truck movements would be:

$$\begin{aligned} (X) \text{ m}^3 &= \frac{(X)}{7.7} \times \frac{1}{365} \times 2 \text{ truck movements per day} \\ &= 0.000712 \text{ truck movements per day per m}^3 \end{aligned}$$

Therefore, the contribution for sealed roads becomes:

$$\begin{aligned} C_s &= 0.000712 \times \$2,475 \frac{L_s}{V_i} \\ &= \$1.76 \text{ Ls per m}^3 \text{ (solid volume)} \\ &\quad V_i \end{aligned}$$

and the contribution for unsealed roads becomes:

$$\begin{aligned} \text{Cu} &= 0.000712 \times \$1,159 \frac{\text{Lu}}{\text{Vi}} \\ &= \$0.83 \text{ Lu per m}^3 \text{ (solid volume)} \\ &\quad \text{Vi} \end{aligned}$$

9 METHOD TO INDEX CONTRIBUTION RATES

The Council will review the contribution rates to ensure that the monetary contributions reflect the costs associated with the provision of that particular facility. Traffic volumes will be reviewed annually.

The contribution rates will be reviewed on the basis of the Road Cost Index, as issued by the Roads and Traffic Authority of NSW, for each year after 30 June, 1998. This index is to be applied to the contribution rate in a compound manner to provide the indexed contribution rate applicable for the ensuing year.

10 METHOD AND TIMING OF PAYMENT OF MONETARY CONTRIBUTIONS

Payment will be required to be paid annually by 31 July each year for extracted material for the preceding one year period to 30 June or within thirty days of completion of the extraction works for minor extraction operations. A condition of consent for a mine or extractive industry will be the payment of a contribution for roadworks.

The contribution will be based on the annual records kept by operators and expressed in terms of cubic metres (solid volume) per annum extracted from the mine or extractive industry. The mine or extractive industry will be required to furnish to Council with the contribution payment an annual statement of extracted volume, derived from the company's transactions and financial records, the statement being duly audited and certified by the Company's Auditor. The cost of certification is to be borne by the operator. Council reserves the right to confirm the accuracy of the operator's records by survey of the site, at the operator's expense, if Council feels there are discrepancies in the operator's records or no such audited statement is provided by the mine or extractive industry. In the case of confirmation of accuracy of records, if the survey determines that the operator's records were accurate with a plus or minus tolerance of five percent then Council will assume responsibility for all the survey expenses.

Late payment of contributions will be subjected to interest charges calculated at the appropriate rate of interest.

Any road maintenance works carried out by the operator on the designated travel route eg watering, grading, etc can be credited against that operator's annual contribution provided the work has prior approval from the Director Operations and Technical Services, Nambucca Shire Council (DOTS) and a written agreement on the value of this work has been signed by both the operator and DOTS.

11 DEFERMENT OF PAYMENT OF CONTRIBUTIONS

Applications for deferment of payment will be considered on their merits and subject to the following conditions:

- a The deferment will be for a fixed period not exceeding one (1) year from application.
- b In consideration of the deferment the applicant must agree to pay to the Council interest on the contributions or on so much thereof as shall remain outstanding from time to time computed from the date of the application and calculated at the appropriate rate of interest.
- c Payment of the contributions and of the interest must be secured to the Council by delivery of an unconditional guarantee in writing issued by an appropriate institution.

12 PUBLIC AVAILABILITY OF FINANCIAL INFORMATION

In accordance with Clause 36(1) Environmental Planning and Assessment Regulations 1980 (as amended), copies of the following are available for inspection free of charge at Council during office hours:

- a A copy of the Section 94 Contributions Plan – Mines and Extractive Industries
- b The contributions register
- c An annual financial statement at the end of each financial year

13 WORKS SCHEDULE

Owing to the uncertainty in relation to development for mines and extractive industries, a contingent works schedule is to be utilised in accordance with the criteria listed below:

Income from contribution will be spent on the road network associated with the development that is subject to the contribution, within a reasonable time frame pertaining to the circumstances of the development.