Gunnedah Shire Council

Section 94 Contributions Plan Extractive Industries











November 2013

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Part A

1. Introduction

1.1 Name of the Plan

This Plan is called the Gunnedah Shire Section 94 Contributions Plan - Extractive Industries.

1.2 Commencement of the Plan

This Plan was endorsed by Council on16 October 2013 and commenced on 12 November 2013.

Development applications assessed on or after this date will be subject to the provisions of this plan.

1.3 What is the Purpose of this Plan?

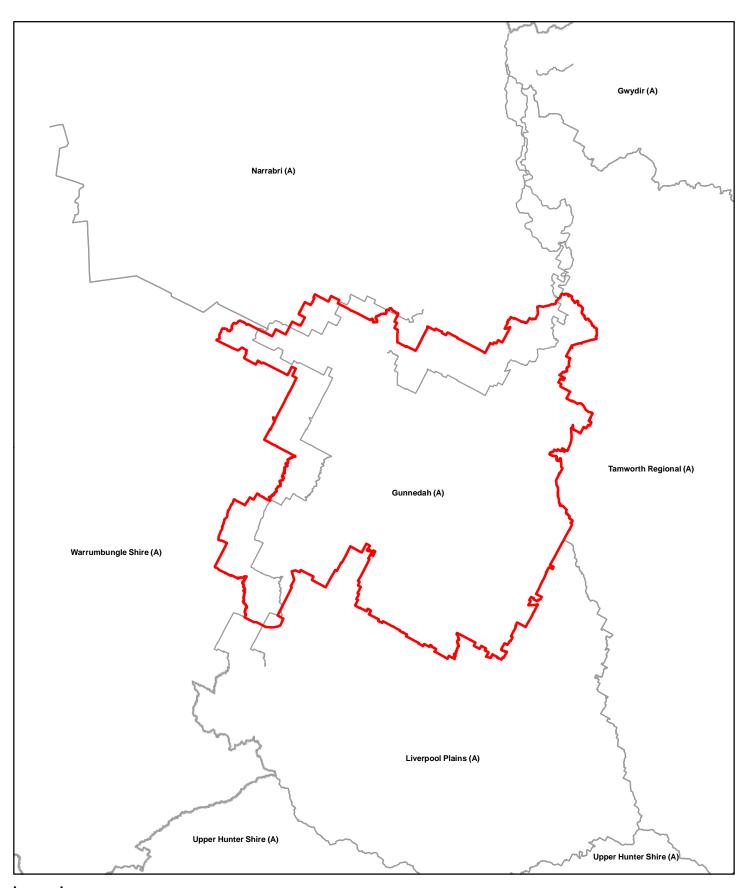
The primary purpose of this Plan is to satisfy the requirements of the *Environmental Planning* and Assessment Act 1979 (EP&A Act) and the *Environmental Planning and Assessment* Regulation 2000 (EPA Regulation) to enable Gunnedah Shire Council to levy payment of a monetary contribution, a dedication of land, or, in lieu thereof, to accept the provision of material public benefits (including the dedication of land) or the carrying out of works in kind, towards the provision, extension or augmentation of services and facilities that will, or are likely to be, required as a consequence of development in Gunnedah.

Other purposes of this Plan are to:

- provide the framework for the efficient and equitable determination, collection and management of development contributions towards the provision of services and facilities;
- ensure that community infrastructure is provided in a reasonable time;
- ensure that all new development that benefits from community infrastructure contributes to its provision;
- determine likely development patterns and needs of the population which will result from that development;
- ensure that the existing Gunnedah community is not unreasonably burdened by the
 provision of public infrastructure required (either partly or fully) as a result of the ongoing
 development and re-development of Gunnedah;
- provide an overall strategy for the coordinated delivery of services and facilities consistent with Council's strategic intent and Management Plan;
- provide a comprehensive and transparent strategy which is implemented for the assessment, accounting and review of development contributions made under Section 94 of the EP&A Act and EPA Regulation for Gunnedah Shire; and
- indicate a program of works and expenditure for the provision of community infrastructure required as a result of development.

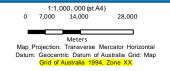
1.4 Land to which this Plan applies

This Plan applies to all land within the Gunnedah LGA as indicted on Figure 1.



Legend

Land to Which This Plan Applies



1.5 Development to which this Plan Applies

Contributions will be levied on Extractive industries as defined in Part C of this Plan.

1.6 Relationship to Other Plans

This Plan repeals:

Gunnedah Contributions and Development Services Plan (2001).

Contributions raised and paid under the auspices of the repealed plans will be directed towards the respective facility categories contained in this Plan. This Plan incorporates the outstanding fund balances of the repealed plans, as existing at the time of the plan's introduction.

Contributions levied under the repealed plans may be adjusted at the time of payment in accordance with movements in the quarterly Consumer Price Index. This Plan is consistent with Council's current Management Plan and provides a means of implementing priority facilities and strategies adopted by Council for the provision of public facilities and amenities in Gunnedah

This Plan complements Council's various development control plans and policies. However, developers and owners should check other relevant plans and policies for further information and development standards that may relate to their site.

1.7 Relationship to the Gunnedah Section 94A Plan

Where a development proposal contains both a residential component and a non-residential component, then Council will calculate the levy under the adopted Section 94A plan and the levy for the non-residential component under this Section 94 plan. The levy finally imposed on the development consent will be whichever the greater amount is.

1.8 Definitions

The definitions relating to this Plan not stated in this Part has the same definition as that contained in the Gunnedah LEP and DCP. Where a definition is not contained in this Plan, the LEP or DCP then the following documents, in order of preference, shall be used to determine the meaning of the word.

- 1. The Environmental Planning and Assessment Act 1979
- 2. The Environmental Planning and Assessment Regulation 2000
- 3. Other Acts and Regulations of the NSW Parliament
- 4. The latest edition of the Macquarie Dictionary

In addition in this Plan, the following words and phrases have the following meanings:

"ABS" means the Australian Bureau of Statistics.

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.

Council means the Council of the Shire of Gunnedah

CPI means the All Groups Consumer Price Index (Sydney) as published by the Australian Bureau of Statistics.

EP&A Act means the Environmental Planning and Assessment Act 1979 as amended.

EPA Regulation means the *Environmental Planning and Assessment Regulation 2000* as amended.

LEP means a local environmental plan made by the Minister under section 70 of the EP&A Act.

LGA means local government area

"Planning agreement" means a planning agreement referred to in Section 94 of the Environmental Planning and Assessment Act 1979.

"Works Schedule" means the schedule of public facilities and infrastructure for which development contributions may be required. It also includes the likely timing of provision of those public facilities based on projected rates of development.

2. Administration and Operation of the Plan

2.1 Operation of the Plan

Section 94 of the EP&A Act permits Council to levy developers to provide or assist in providing new facilities required as a consequence of new development. The mechanism to require the contribution is through the development assessment process.

In determining a development application or issuing a complying development certificate, Council may impose a condition of development consent requiring the payment of a monetary contribution, dedication of land and/or works in kind, in accordance with the provisions of this Plan.

This Plan identifies the quantum of contribution to be levied on an individual development, and what facilities the contribution may be directed towards. Such details are to be included in the respective development approval. The parameters and assumptions used to identify contributions and the works as a result of development occurring are dynamic. As a result, this Plan will be reviewed periodically.

Information on the contributions received, and details of how these contributions have been applied toward the provision of the services and facilities described in this Plan, will be reported in Council's annual financial statements. A register of contributions received under this Plan will also be maintained and made publicly available by Council.

2.2 When is the Development Contribution Payable?

Council's policy in relation to the timing of payments of monetary contributions required under this Plan is as follows:

- Development involving subdivision only;
 - prior to the release of the first subdivision certificate (linen plan) or strata certificate.
- Other development that requires a construction certificate;
 - prior to the release of the construction certificate.
- for development applications involving both subdivision and building works;
 - payment is to be made before the release of construction certificate or subdivision certificate whichever occurs first; and
- Other development not requiring the issuing of a construction certificate;
 - prior to the issuing of the first occupation certificate or commencement of the use, whichever occurs first.

The section 94 Contributions payable will be stipulated as a Condition of any Development Consent granted by the Consent Authority.

2.3 Ministerial Direction

The Minister for Planning issued a direction to the Council under section 94E of the EP&A Act effective from 16 September 2010. As a consequence of this review, the Minister for Planning has issued a Direction (March 2011) imposing:

- 1. A cap of \$20,000 per dwelling/lot for established areas; and
- 2. A cap of \$30,000 per dwelling/lot for Greenfield areas

No direction has been issued in relation to development contributions associated with commercial or retail development.

The rates identified in this Plan are within the cap for residential development and are considered comparable with newer contributions plans. Furthermore, this Plan effectively reviews the demands for infrastructure generated by anticipated development and provides a current appraisal of the costs of construction. While the rates contained in the previous Section 94 Plan are significantly lower, they are also significantly out dated (over 10 years old) often requiring alternative funding sources to supplement funds collected in order to meet current costs of construction.

2.4 Exemptions for Certain Types of Development

Certain types of development have been exempted from the requirement to make a contribution towards provision or improvement of amenities or services. These types of development are listed below. Council acknowledges that these various types of development provide a planning benefit that outweighs the increase in demand for services generated by the new population that the development will accommodate.

This Plan shall not apply to development:

- for the sole purpose of affordable housing;
- for the sole purpose of the adaptive reuse of an item of environmental heritage;
- for the purposes of public infrastructure provided by or on behalf of State Government or the Council;
- for the purposes of local infrastructure under this Plan or another contributions plan prepared under section 94B of the EP&A Act;
- for Council projects that provide non profit community facilities, such as sportsgrounds, parks, community centres, emergency services;
- for infrastructure provided by Sydney Water, Integral Energy or equivalent water, sewer or energy provider;
- that in the opinion of Council does not increase the demand for the categories of local infrastructure addressed by this Plan; and
- for which section 94 contributions will not be levied in accordance with a direction by the Minister under section 94E of the EP&A Act.

2.4.1 State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004

The Ministerial Direction of 14 September 2007 exempts contributions for public amenities or public services in relation to social housing providers defined in the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004.

In accordance with this SEPP, a 'social housing provider' means any of the following:

- a. The New South Wales Land and Housing Corporation,
- b. The Department of Housing,
- A community housing organisation registered with the Office of Community Housing of the Department of Housing,

- d. The Aboriginal Housing Office,
- e. A registered Aboriginal housing organisation within the meaning of the *Aboriginal Housing Act 1998*,
- f. The Department of Ageing, Disability and Home Care,
- g. A local government authority that provides affordable housing,
- h. A not-for-profit organisation that is a direct provider of rental housing to tenants.

It is also noted that granny flats/secondary dwellings and residential self care units/self contained dwellings developed under the State Environmental Planning Policy – (Housing for Seniors or People with a Disability) 2004 are exempt from a direct contribution under this Plan.

However, commercial developments, including those which provide exclusively for aged and disabled persons, may be subject to development contributions without being inconsistent with this Direction.

2.4.2 Building the Education Revolution Building Projects

The Ministerial Direction of 9 September 2009 exempts contributions for public amenities or public services in relation to school development in relation to Building the Education Revolution Building Projects.

2.4.3 Temporary Uses

Where a use is of an interim or temporary nature and subject to a time-limited consent which will expire, then contributions will be calculated but will be suspended – meaning no payment is due at activation of the consent. In the event a subsequent development application is lodged to continue the use, contributions will be due and payable notwithstanding the short term existence of the use.

2.4.4 Other Public Benefit Exemptions from the Contributions Plan

It is not always possible to identify in advance all developments which may be able to make a meritorious case for an exemption from the obligation to pay some or all of the applicable contributions. On the principle of ensuring public accountability, transparency and equity between all developers, this section specifies the limited opportunity for making a merit-based case for exemption.

Council may formally consider, on the individual merits, a case for exempting the following types of development from the levying of contributions:

- Developments which provide a distinct community benefit on a not-for-profit basis
 including but not necessarily limited to: accommodation associated with fire stations,
 police stations or police shop fronts, ambulance stations, rescue services, State
 Emergency Service (SES) and Rural Fire Service (RFS) operational bases and the like.
- Development which involves alterations and additions to an existing single dwelling house or the knock-down rebuild of an existing single dwelling house on a single residential allotment where no additional dwellings will be created;
- This provision is not intended to include corporate headquarters of any type; and
- Development by or for non-profit or cooperative organisations which provide a distinct community benefit including but not limited to: the provision of childcare services (especially for under-2s and/or special needs children) including kindergartens and preschools; outreach services, community services or the like, on a cooperative or not-for profit basis.

Full details of any case for exemption must be included as part of the Development Application to enable the Council to make a merit-based assessment of the unique circumstances of the specific case in question concurrent with the consideration of the Development Application as a whole.

If Council does not grant a full exemption to the payment then Council may allow a reduction in the rate of demand for a particular development or Council may allow for the exclusion of individual line items in the works schedule to enable a contribution to be calculated.

2.4.5 Supporting Documentation

In support of such documentation the applicant must confirm the proposed cost of development. The proposed cost of carrying out development is to be determined by the consent authority, for the purpose of this clause, by adding up all the costs and expenses that have been or are to be incurred by the applicant in carrying out the development, including the following:

- a. if the development involves the erection of a building, or the carrying out of engineering or construction work - the costs of or incidental to erecting the building, or carrying out the work, including the costs (if any) of and incidental to demolition, excavation and site preparation, decontamination or remediation,
- b. if the development involves a change of use of land the costs of or incidental to doing anything necessary to enable the use of the land to be changed,
- c. if the development involves the subdivision of land the costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants, easements or other rights.

The following costs and expenses are not to be included in any estimate or determination of the proposed cost of carrying out development:

- a. the cost of the land on which the development is to be carried out,
- b. the costs of any repairs to any building or works on the land that are to be retained in connection with the development,
- c. the costs associated with marketing or financing the development (including interest on any loans),
- d. the costs associated with legal work carried out or to be carried out in connection with the development,
- e. project management costs associated with the development,
- f. the cost of building insurance in respect of the development,
- g. the costs of fittings and furnishings, including any refitting or refurbishing, associated with the development (except where the development involves an enlargement, expansion or intensification of a current use of land),
- h. the costs of commercial stock inventory,
- i. any taxes, levies or charges (other than GST) paid or payable in connection with the development by or under any law,
- j. the costs of enabling access by disabled persons in respect of the development,
- k. the costs of energy and water efficiency measures associated with the development,
- I. the costs of any development that is provided as affordable housing,
- m. the costs of any development that is adaptive reuse of a heritage item.

2.5 How the Contributions May be Paid

The EP&A Act provides that development contributions may be met by payment of a monetary contribution, the dedication of land, the carrying out of works in kind or the provision of a material public benefit or any combination of these methods. Each of these methods is a form of payment. Any agreement by the consent authority to accept non-monetary satisfaction of a contribution condition will not alter the total calculated contribution due and payable and no amendment to the contribution condition to reduce the calculated amount will be made. The method of satisfying a contribution does not change the obligation to make the contribution.

2.5.1 Monetary Contribution

This is the usual means of satisfying a condition of consent requiring a Section 94 Development Contribution. Payment must be in the form of cash, debit card (EFTPOS) or bank cheque. Credit cards are not accepted. Personal and company cheques are not accepted. Direct debit is not accepted.

2.5.2 Voluntary Planning Agreements

Sections 93C to 93L of the Environmental Planning and Assessment Act

Council will request the applicant commence negotiation of a Voluntary Planning Agreement under Sections 93C to 93L of the EP&A Act where there is a proposal to dedicate land, carry out works in kind and/or provide a material public benefit. The joint voluntary agreement of the specifics of the proposal is required to ensure the legality of non-monetary payments of development contributions.

The applicant's provision under a planning agreement may be additional to or instead of paying a contribution in accordance with a condition of development consent authorised by this Plan. This will be a matter for negotiation with Council. The offer to enter into the planning agreement together with a copy of the draft agreement should accompany the relevant development application or rezoning proposal.

Section 93G(1) and (2) of the EP&A Act and Clause 25D(1) of the EPA Regulations requires a draft Planning Agreement to be exhibited concurrently with a development application or a Development Control Plan. In order to satisfy these criteria, a prospective applicant must notify the Council of their preference to negotiate any non-monetary payment of development contributions prior to the lodgement of any development application.

If Council agrees to enter into the planning agreement, it may impose a condition of development consent under Section 94 of the EP&A Act requiring the agreement to be entered into and performed. If Council does not agree to enter into the planning agreement, it may grant consent subject to a condition authorised by this Plan requiring the payment of a contribution.

2.5.3 Land Dedication and Planning Agreements

A Voluntary Planning Agreement may make provision for the transfer of land free-of-cost to the Council in full or partial satisfaction of a contribution required as part of a Development Consent. The land may be for any purpose identified within the works programmes of this Development Contributions Plan.

The estimated value of the land will be negotiated as part of the Planning Agreement, taking into account the unique characteristics of the property and the circumstances of the transfer including but not limited to:

The extent to which development potential has been lost or retained, wholly or partly;

- Whether the land has been targeted by any adopted policy of Council including, but not limited to this Plan - however, in the case of land not targeted in this plan, Council will also assess the potential impact on the achievement of the identified works programme;
- The size, shape, location, accessibility and topography of the land proposed to be dedicated;
- Whether the land adjoins an existing area of open space and can be readily consolidated into that area and/or the land will create or improve accessibility within the area;
- Any factors which may affect the usability of the land such as soil condition, flood liability, possible site contamination, public accessibility and safety, proximity to existing uses, the current use of the land, the cost of embellishment or construction of the proposed facility, the impact on the current Contributions Plan works programmes, measures required to fence and maintain the land in the event that works cannot be carried out for some time, and the like:
- The degree to which the identified land can satisfy the purpose for which the contributions has been sought; and
- The on-going costs to Council of care, control and management both prior to and after any improvement works are carried out on the land.

2.5.4 Works in Kind, Material Public Benefit and Planning Agreements

Council may accept an offer by the applicant to provide an "in-kind" contribution (ie the applicant completes part of all of a work identified in the Plan) or through provision of another material public benefit in lieu of the applicant satisfying its obligations under this Plan by way of payment of a monetary contribution. A material public benefit is defined in the EP&A Act as not comprising the dedication of land or the payment of monetary contribution.

Council will only accept such alternatives provided the value of the works to be undertaken is at least equal to the value of the contribution that would otherwise be required under this Plan and the standard of the works is to Council's full satisfaction. The value of the works must be provided by the applicant at the time of the request and must be independently certified by a Quantity Surveyor who is registered with the Australian Institute of Quantity Surveyors or a person who can demonstrate equivalent qualifications.

Acceptance of works in kind is at the sole discretion of Council. Council may review the valuation of works and may seek the services of an independent person to verify the costs. In these cases, all costs will be at the expense of the applicant.

All proposed works must be formally agreed to by the consent authority and documented in a formal Planning Agreement under the EP&A Act.

2.6 Can Deferred or Periodic Payments be Made?

Council's policy is to allow deferred or periodic payment of monetary Section 94 contributions subject to consideration of a written application made to Council before the time for payment of the contribution occurs under this Plan.

In deciding whether to allow deferred or periodic payment of a monetary contribution, Council will take into consideration the following matters:

- The reasons provided by the applicant requesting a deferred or periodic payment.
- Whether prejudice will be caused to the community deriving benefit from the services being provided under this Plan.

- Whether allowing the deferred or periodic payment is likely to prevent the public facility being provided to meet the demands of development in a timely manner.
- Whether the applicant has provided the Council with adequate security in relation to the deferred or periodic payment.
- Any other relevant circumstances of the case.

If the Council determines to allow the application, the arrangements relating to the deferred or periodic payment will not take effect until the applicant has entered into a written agreement with the Council reflecting the terms of the Council's approval. The decision to agree to such a request will be at the complete discretion of Council.

If Council does decide to accept deferred or periodic payment, Council may require the applicant to provide a bank guarantee for the full amount of the contribution or the outstanding balance on condition that:

- indexing will be calculated from the date the contribution was due until the date of payment;
- the bank guarantee for the amount of the total contribution, or the amount of the
 outstanding contribution, plus an amount equal to the deferred time period, interest plus
 any charges associated with establishing or operating the bank security;
- the bank unconditionally pays the guaranteed sum to the Council if the Council so demands in writing not earlier than 12 months from the provision of the guarantee or completion of the work;
- 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;
- the bank's obligations are discharged when payment to the Council is made in accordance with this guarantee or when Council notifies the bank in writing that the guarantee is no longer required; and
- where a bank guarantee has been deposited with Council, the guarantee shall not be cancelled until such time as the original contribution and accrued interest are paid.

Council is also entitled to claim any charges associated with establishing or operating the bank security. The applicant is to be provided with the details of any such expenses.

2.7 Construction Certificates and the Obligation of Accredited Certifiers

In accordance with Schedule 1 (Part 1 Clause 10) EP&A Act and Clause 146 of the EPA Regulation, a certifying authority must not issue a construction certificate for building work or subdivision work under a development consent unless it has verified that each condition requiring the payment of monetary contributions has been satisfied.

In particular, the certifier must ensure that the applicant provides a receipt(s) confirming that contributions have been fully paid and copies of such receipts must be included with copies of the certified plans provided to Council in accordance with clause 142(2) of the EPA Regulation.

If an accredited certifier fails to comply with such a requirement of a contributions plan, the consent authority may impose the necessary condition on the complying development certificate and it has effect as if it had been imposed by the accredited certifier.

The only exceptions to the requirement are where a work in kind, material public benefit and/or dedication of land arrangement has been agreed by the consent authority. In such cases, Council will issue a letter confirming that an alternative payment method has been agreed with the applicant.

2.8 Section 96 Modifications to Development Consents

Any subsequent Section 96 modification to an issued development consent does not alter the original date of consent. Any formal application to modify a development consent in such a way as will alter the contributions due and payable will be taken to authorise a change to the development contributions consent condition(s).

All such modifications are considered under the Contributions Plan that applied at the date of the original development consent. The procedure is different depending on whether the original contribution has, or has not, been paid.

2.8.1 Where the Original Contribution has not been paid

If the development contributions levied on the original consent have not yet been paid, the contributions are recalculated in their entirety including any credit for any existing development that applied at the date of the original consent. The revised consent condition will replace the original condition.

2.8.2 Where the Original Contribution has been paid

If the development contributions levied on the original consent have been paid, the procedure is different since it is not reasonable to apply CPI inflation to that part of the contribution which has been paid. Given that payment generally occurs at the release of the Construction Certificate, it is also likely that the development will be under construction.

In these circumstances, the development for which contributions have been paid is considered to be the existing (under construction) development. This approved development is to be credited as the existing development for the purposes of the recalculation. The proposed amendments are the proposed development.

In this way, only the net additional contribution is charged at the current CPI. In this circumstance an additional condition will be inserted alongside the original condition because the additional contribution does not supersede or obviate the obligation to pay the original contribution.

No refunds will be provided as all contributions are committed to Council's rolling works programme and Council is entitled to certainty in cash-flow.

2.9 Adjustment of Contributions

To ensure that the values of the contributions are not eroded over time by movements of the consumer price index, Council will amend the contribution rates. The contribution rates listed will be amended and increased according to consumer price index to allow for increases in the cost of provision of facilities. Contributions will also be adjusted at the time of payment in accordance with the quarterly consumer price index.

Contributions required as a condition of development consent will be adjusted at the time of payment in accordance with the latest Consumer Price Index (All Groups – Sydney) as published quarterly by the Australian Bureau of Statistics, using the following formula:

= C x <u>CPI</u>
Contribution at time of CPI
payment

Where:

C = The original contribution amount as shown on the consent

CPI ² = The Consumer Price Index Number (Sydney - All Groups) currently available from the Australian Bureau of Statistics at the time of payment.

CPI ¹ = The Consumer Price Index Number (Sydney - All Groups) last published by the Australian Bureau of Statistics at the time of coming into effect of the Plan, or subsequent amendment of the Plan.

2.10 Accountability

Council is required to comply with a range of financial accountability and public access to information requirements in relation to section 94 contributions. These are addressed in Divisions 5 and 6 of Part 4 of the EP&A Regulation and include:

- maintenance of, and public access to, a contributions register;
- maintenance of, and public access to, accounting records for contributions receipts and expenditure;
- annual financial reporting of contributions; and
- public access to contributions plans and supporting documents.

Separate accounting records are maintained for all development contributions at Council. A contributions register is maintained by Council in accordance with the EPA Regulation. The register may also be inspected on request on provision of reasonable notice.

2.11 Pooling of Contributions

Council's ability to forward fund services and amenities identified in this Plan is very limited. Consequently their provision is largely contingent upon the availability of contribution funds. Therefore, in accordance with Clause 27(1)(h) of the EPA Regulation, this Development Contributions Plan authorises monetary contributions paid for different purposes to be pooled and applied (progressively or otherwise) for those purposes.

Monetary contributions collected under previous issues of this contribution plan, or under equivalent contribution plans to be extinguished or repealed on adoption of this contribution plan, are authorised to be pooled and used for purposes outlined in this plan where those uses are consistent with the purpose for which the contributions were originally collected, and the intended original purpose has been either completed, abandoned or provided for by other means and/or the contributions are surplus

2.12 Review of Plan and Contribution Rates

Council acknowledges the need to periodically monitor and review this Plan. For this reason, the contributions will be subject to a number of reviews to take account of such matters as community needs, costs of amenities and services, rate and extent of development, affordability of contributions and progress in providing scheduled works.

In the event of the Council identifying changes as a result of the review process, amendments to this Plan, (apart from the periodic adjustment of contributions that is provided for in Section 2.8

of this plan, based on published indices), will be publicly exhibited in accordance with the requirements of the EPA Regulation.

Pursuant to Clause 32(3) of the EPA Regulation, Council may make certain minor adjustments or amendments to this Plan without prior public exhibition and adoption by Council.

2.13 Savings and Transitional Arrangements

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

This criterion applies notwithstanding the date of lodgement of the development application.

2.14 Review of Plan without the need for public exhibition

Pursuant to clause 32(3) of the EPA Regulation, Council may make certain minor adjustments or amendments to the Plan without prior public exhibition and adoption by Council. Minor adjustments could include minor typographical corrections and amendments to rates resulting from changes in the indexes adopted by this Plan.

2.15 Goods and Services Tax

At the time this Plan was made, the position of the Australian Taxation Office (ATO) was that the payment of development contributions made under the EP&A Act is exempt from the Goods and Services Tax (GST) under Division 81 of *A New Tax System (Goods and Services Tax) Act* 1999 (Cwth).

Items in the works schedule of this Plan have been calculated without any GST component

Part B

Population and Housing Profile

This Part contains projections of future growth and population change and development in the areas covered by this Plan. This chapter defines the growth which is expected to occur during the life of this Plan.

3.1 Gunnedah Shire Profile

Gunnedah LGA is located in north-western NSW, approximately 475 kilometres from Sydney and 75 kilometres west of Tamworth.

Historically the main urban development has centred around the town of Gunnedah which is located on the Namoi River, at the junction of the Oxley and Kamilaroi Highways. The town of Gunnedah is located in the north eastern portion of the LGA. The Gunnedah town centre is focused largely on Conadilly Street which is linked to the Oxley Highway. The Namoi River flows north of the town centre and Blackjack Creek is immediately to its west. The rail line, which services Moree and Werris Creek, is south of the town centre (Collie Pty Ltd, 2008).

3.2 Gunnedah Demographics Snapshot

Population trends and changes in Gunnedah share the characteristics of many other regional areas outside of the major cities in Australia. These characteristics include an ageing population, lifestyle driven growth coupled with decline in the proportion and number of young adults, changing household structures which mirror changes in the broader Australian population, and growth beyond the fringes of established urban areas and into rural landscapes.

Total Area (km²)	4987.4
Population in 2011	12,066
Medium Age (2011)	40
Indigenous Person (%) (2011)	11.3
Indigenous Medium Age	19
Dwellings in 2011	4,975
Occupancy Rate persons per dwelling (2011)	2.5
Medium individual income \$/weekly (2011)	485
Indigenous Persons Medium individual income \$/weekly (2011)	365
Median rent (\$/weekly) (2011)	190
Country of Birth – Australia (%)	89

Source: ABS Census 2011, First Release Data (ABS, Census Fist Release Data,, 2011)

3.3 Historical Population

Historical records show a fluctuating population over time. The population increased from 1976 to 1986 by 6.1% (10 year period). However, from 1991 to 2006 the population declined by 13.6%. The population decline during this time period can be related to the severe drought affecting agricultural conditions. However since 2006 the population increased by 4.7% demonstrating the changed economic conditions since 2006.

Table 1 Population Size and Population Change in Gunnedah LGA - 1976 to 2011

Year	Population	Average % Change p.a
1976	12658	
1981	13173	0.8%
1986	13426	0.4%
1991	13331	-0.1%
1996	12,819	-0.8%
2001	11,846	-1.5%
2006	11,520	-0.6%
2011	12,066	0.9%

Source: ABS Census 2006 and 2011 Time Series Profile, Census Counts for Small Areas 1991 Cat No 2730.1 and Census of Population and Housing In Local Government Areas 1981 Cat No 2401.0

3.4 Occupancy Rate

The occupancy rate has declined in Gunnedah since 1996. This is line with state and national trends. The Australian Bureau of Statistics have projected this decline is projected to continue gradually. Much of this decline can be attributed to reductions in family size and the increase in numbers of one and two-person households.

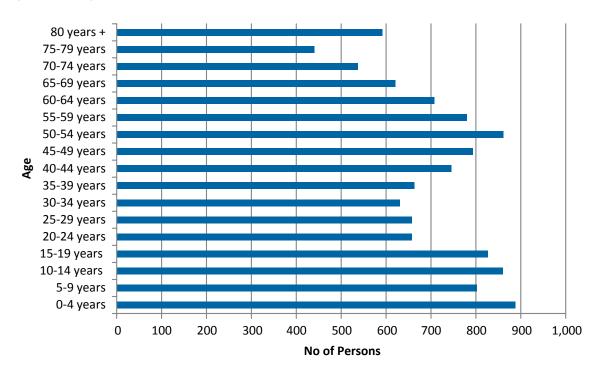
Table 2 Occupancy Rate, 1996 - 2011

Year	Occupancy Rate
1996	2.7
2001	2.6
2006	2.5
2011	2.5

Source: ABS Census 2006 and 2011 Time Series Profile. (ABS, Census time series Profile and Expanded Profile, 2006 and 2011)

3.5 Age Structure

Figure 2 Age Structure, Gunnedah LGA 2011



Source: . (ABS, Census time series Profile and Expanded Profile, 2006 and 2011)

The medium age in Gunnedah in 2001 was 37 years old and in 2011 the medium age rose to 40 years old. Over the last four census periods, the trend of an increasing aging population in Gunnedah has been evident. Figure 2 above validates that there is a significant proportion of person aged over 45 years old in Gunnedah Shire.

The above graph also demonstrates the low portion of 20 to 40 year old person living in the Shire. In NSW in 2011, 6.5% of the population was aged between 20 and 24, however in Gunnedah only 5.4% of the population was aged between 20 and 24 years old. A trend in which the growth of the more elderly residents outstripping the growth of its younger residents is consistent with regional towns throughout NSW and Australia.

3.6 Population Mobility

Migration with Australia plays a major role in determining population growth. Unlike births and deaths, which are relatively stable components of population change, levels of migration are volatile and can vary widely between places and over time. As such, an understanding of internal migration trends, their drivers, and their impacts, assists in an understanding of population change in Gunnedah.

While demonstrated above that young adults within Gunnedah are the most mobile group, Gunnedah generally does not have a highly mobility population, with over eighty two per cent in the same address for one year in 2006. Compare this to a highly mobile area such as inner Sydney where only 32% of the population in 2006 had the same address one year ago. This is a significant as there is substantial research into the 'floating 'populations in regional areas which are employees on transfer by State and Federal government departments such as the post office and education department, private firms - particularly banks, stock and station agents and, increasingly, supermarket chains' (Hugo, 1976)If these populations are present than regional towns have the effect of depopulation.

Gunnedah also has a significant amount of its population that moves around the same LGA which contributions to the retention of its exiting population. This is related to familiarity of an area.

Table 3 Population Mobility, 2006

2006 Census	Per cent of the Total Population (%)
Same usual address 1 year ago as in 2006	82.4%
Different usual address 1 year ago but same LGA	8.1%
Different usual address 1 year ago but different LGA	5.7%
Same usual address 5 year ago as in 2006	58.3%
Different usual address 5 year ago but same LGA	18.5%
Different usual address 5 year ago but different LGA	17.9%

Source: ABS Census 2006

Please note population mobility figures at the time of the development of this plan were not available for 2011 census.

3.7 Other Population Characteristics

Further key population characteristics of Gunnedah include the following:

- The medium personal income increase from \$290 per week in 2001 to \$494 per week in 2011.
- In 2011, 89% of the population was born in Australia.
- Chinese languages were the second most common language spoken at home following English in 2011.
- In 2011, 11% of households in Gunnedah were lone person households.
- In 2011, 19% of dwellings had 3 or more motor vehicles.
- In 2011, 33.3% of dwellings had no internet connection.

3.8 Dwelling and Household Characterises

Separated houses remain the most popular type of house in Gunnedah and the number of separate houses has increased by 215 houses in 10 years. The number of semi detached and apartments have also increased over time.

At the 2011 census there were 4975 private dwellings of which 9.8% are unoccupied. In 2006 there was a vacancy rate of 10% demonstrating that not only are the number of dwellings increase but also the occupancy is increasing.

Table 4 Dwelling Characteristics in Gunnedah 2001 to 2011 (Occupied)

Dwelling types	2001	2006	2011	% of total Private dwellings	Change 2001 to 2011 (No.)	% Change - 2001 to 2011
	No.	No.	No.	2011	No.	%
Separate house	3,976	4,068	4,191	88%	215	-0.01%
Semi-detached, row or terrace house, townhouse	88	40	136	3%	48	-0.91%
Flat, unit or apartment	308	319	328	7%	20	-0.07%
Other dwellings /Not stated	136	84	96	2%	-40	1.00%
Total	4508	4511	4751			

Source: ABS Census 2006 and 2011 Time Series Profile

3.8.1 Total Private Dwellings

The table below demonstrates that Gunnedah had an increase in its total dwellings over time. The average increase in dwellings per year in Gunnedah was 35 dwellings from 1976 to 2011.

The average annual increase in dwellings over this period was 0.72%.

Table 5 Total Private Dwellings from 1976 to 2011

Year	Total Private Dwellings (occupied and unoccupied)	Average Annual Increase (%) (per census period)	Increase in Number of Dwellings Per Year (per census period)
1976	3,916		
1981	4,401	2.48%	97
1986	4,713	1.42%	62
1991	4,889	0.75%	35
1996	5,131	0.99%	48
2001	5,145	0.05%	3
2006	5,015	-0.51%	-26
2011	5,240	0.90%	45

Source: ABS Census 2006 and 2011 Time Series Profile

3.9 Growth Opportunities

Agricultural Conditions

Agriculture continues to be a strong sector within the Gunnedah economy and declines in some areas from 2006 to 2011 reflect the overall state wide trends in the gradual decline of agricultural production in many rural areas and in rural based employment. The effect that the drought has had on many rural areas is well documented:

'The most recent drought has been one of the most severe on record, with large parts of southern and eastern Australia experiencing dry conditions since 1996. Moreover, "for the agriculturally important Murray-Darling Basin, October 2007 marked the sixth anniversary of lower than average rainfall totals, with the November 2001 to October 2007 period being it's

equal driest such six-year period on record" (Bureau of Meteorology [BOM], 2007, p. 1). Households adjust to adverse circumstances in drought-affected areas, with some members of households moving (temporarily or otherwise) towards areas with greater economic opportunity.' (Australian Institute of Family Studies, September 2011)

Figure 3 below demonstrates the agricultural conditions during the 2006 (census year) and in 2012. The dramatic difference of the agricultural conditions throughout the state in 2012 is significant.

Figure 3 Agricultural Conditions 2006 and 2012, NSW

Source: Department of Primary Industries, May 2012

The report for Australian Institute of Family Studies in 2011, *Migration, labour demand, housing markets and the drought in regional Australia*, researched drought and the migration of population in rural areas. The paper supports the idea that the population affects are only short term and people will generally move back due to family orientation etc. It is therefore likely that Gunnedah will grow in population given the agricultural conditions are now favourable.

Resources

Extractive industries have grown significantly in the last few years. The Gunnedah Basin has one of the largest coal reserves in NSW with several mining operations located in the area. While there is only one mine currently located in the Gunnedah Shire, the town of Gunnedah is the closest major township to the majority of the mines, which has made it an attractive location for workers to live and a range of businesses providing services to the mines (GHD, 2011)

There are currently six coal mines located within the Gunnedah Basin comprising; Sunnyside Mine, Rocglen Mine, Narrabri North Mine – Stage 1, Boggabri Mine, Tarrawonga Mine; Werris Creek; Boggabri Mine Expansion; Maules Creek Project and Narrabri North Mine – Stage 2.

There is also a planned development by Shenhua at Watermark in the Gunnedah LGA and BHP in Caroona in the Liverpool Plains LGA. The Caroona Coal Exploration area is located about 50km southeast of Gunnedah and 30km northwest of Quirindi and covers an area of approximately 350km². In April 2006, the NSW Minister for Mineral Resources awarded the coal exploration licence for the Caroona area to BHP Billiton. Currently the project is in the Targeted Exploration phase. The Caroona deposit is estimated to contain more than 500 Mt of in situ potentially mineable underground coal that may produce a high quality exportable thermal coal (GHD, 2011).

With the increase in mine employees there will also be population flow on effects such as their families moving into the area and the provision of new employment would provide an impetus to other local businesses which may result in further population increases.

3.10 Population Projections

In the future, it is difficult to accurately predict in what ways the characteristics of the local population will change and evolve. Over the life of this plan however, it can be expected that the relative proportion of people in the middle age (45-64 years) and older age (65 plus years) will increase, with the proportion of younger age groups stabilising.

Gunnedah has historically produced a significant and consistent amount of housing, as shown in Section 3.8 particularly in neighbourhoods well served by services. The average increase in dwelling per year in Gunnedah was 35 dwelling from 1976 to 2011.

Occupancy rates have generally been declining since the 1970s. In 2011 the occupancy rate was 2.7 persons per household.

Population projections provide an indication of the future demand for public facilities. Council has reviewed its projections for the future population of the Shire. In this plan, these projections are used as a basis for determining the appropriate contribution which should be levied on new development which generates increased population

An analysis of population projections has been undertaken for Gunnedah Shire Council for the purposes of this study. The strategy provides a forecast at a broad scale for whether Gunnedah has a high, medium, low or nil growth scenarios. The following growth scenarios are typical for population forecasting.

Low – demand is driven largely by internal population change and slight changes in the agricultural affecting the region. This will be based on historical dwelling development trends.

Medium – demand is driven by internal population change and growth and/or moderate positive inward migration. The demand is also driven by inward migration. Growth relies on intensification of existing land supply within designated urban boundaries and/or expansion of rural residential areas. This will be based on historical dwelling development trends.

High – demand is driven by internal population change and/or significant inward migration. Relies on intensification of existing land supply within designated urban boundaries and/or expansion, and may require new settlement. This scenario predicts that high growth will be due to a resource boom in the region.

3.10.1 Low Growth Scenario

Assumptions

- Occupancy rate: constant occupancy rate to 2036 at 2.5 (2.5 is the 2011 Census Occupancy rate for Gunnedah LGA).
- Assumes constant growth over the next 25 years.
- Agricultural conditions: this scenario is based on the assumption that agricultural conditions in Gunnedah are now favourable and will continue on this trend providing employment opportunities, in migration as well as the family multiplier effect.
- Extractive Industries: this scenario assumes the existing extractive industries continue and provide Gunnedah with a slight population increase.

Methodology

Beginning with the 1976 to 2006 census dwelling stock, estimates of dwellings and population to the year 2036 were made for residential development based on the current trends in the development industry. It is reasonable to assume that Gunnedah's population will steadily increase over time given its attractive rural quality, it's close to proximity to Tamworth and other regional centres and the Council's commitment to accommodate housing in the future.

- Column 1: occupied private dwelling numbers were projected to 2036 utilising the average annual increase (column 2).
- Column 2: average annual increase from 2011 to 2036 was based on the average increase from 1976 to 2011. The average over this period (35 years) is 0.72%.
- Column 3: 2.5 is the occupancy rate in 2011 and this is assumed to be constant until 2036.
- Column 4: Population number was calculated by multiplying the occupied private dwellings and the occupancy rate (2.5).

Therefore the increase in the residential population between 2011 and 2036 is 3,568 persons in a low growth scenario.

Year	1 Occupied Private Dwelling	2 Annual Average Dwelling Increase	3 Occupancy Rate	4 Total Population
1976	3,916			12658
1981	4,401	2.48%		13173
1986	4,713	1.42%		13426
1991	4,889	0.75%		13331
1996	5,131	0.99%		12,819
2001	5,145	0.05%		11,846
2006	5,015	-0.51%		11,520
2011	5,240	0.90%	2.5	12,066
2016	5,429	0.72%	2.5	13,572
2021	5,624	0.72%	2.5	14,060
2026	5,827	0.72%	2.5	14,566
2031	6,036	0.72%	2.5	15,091
2036	6,254	0.72%	2.5	15,634
Increase from 2011 to 2036				3,568

3.10.2 Medium Growth Scenario

Assumptions

- Occupancy rate: constant occupancy rate to 2036 at 2.5 (2.5 is the 2011 Census Occupancy rate for Gunnedah LGA).
- Assumes constant growth over the next 25 years.

- Agricultural conditions: this scenario is based on the assumption that agricultural conditions in Gunnedah are now favourable and will continue on this trend providing employment opportunities, in migration as well as the family multiplier effect.
- Extractive Industries: this scenario assumes the existing extractive industries continue
 and a few new operations commence and provide Gunnedah with a medium population
 increase.

Methodology

This scenario is based on the same assumptions as the scenario presented above in that agricultural conditions in Gunnedah are now favourable and will continue on this trend providing employment opportunities, in migration as well as the family multiplier effect.

However, this scenario also assumes there will be a small increase in the mining sector allowing for increased population.

The following is a step by step process of how the residential population projections were developed.

- Column 1: occupied private dwelling numbers were projected to 2036 utilising the average annual increase (column 2).
- Column 2: average annual increase from 2011 to 2036 was based on the average increase from 1976 to 2006 (0.9%). As stated in 2.6 the drought started around 2006 which has significant consequence on the Gunnedah Population as well the GFC. This scenario estimate that the annual growth rate over the next 25 years would represent the time between 1976 and 2006. In addition, 0.9% was the growth rate between 2006 and 2011.
- Column 3: 2.5 is the occupancy rate in 2011 and this is assumed to be constant until 2036.
- Column 4: Population number was calculated by multiplying the occupied private dwellings and the occupancy rate (2.5).

Therefore the increase in the residential population between 2011 and 2036 is 4,653 persons in the medium growth scenario.

	1	2	3	4
Year	Occupied Private Dwelling	Annual Average Dwelling Increase	Occupancy Rate	Total Population
1976	3,916			12658
1981	4,401	2.48%		13173
1986	4,713	1.42%		13426
1991	4,889	0.75%		13331
1996	5,131	0.99%		12,819
2001	5,145	0.05%		11,846
2006	5,015	-0.51%		11,520
2011	5,240	0.90%	2.5	12,066
2016	5,476	0.90%	2.5	13,690

	1	2	3	4
Year	Occupied Private Dwelling	Annual Average Dwelling Increase	Occupancy Rate	Total Population
2021	5,722	0.90%	2.5	14,306
2026	5,980	0.90%	2.5	14,949
2031	6,249	0.90%	2.5	15,622
2036	6,530	0.90%	2.5	16,325
Increase from 2	2011 to 2036		4,259	

3.10.3 High Growth Scenario

Assumptions

- Occupancy rate: constant occupancy rate to 2036 at 2.5 (2.5 is the 2011 Census Occupancy rate for Gunnedah LGA).
- Agricultural conditions: this scenario is based on the assumption that agricultural conditions in Gunnedah are now favourable and will continue on this trend providing employment opportunities, in migration as well as the family multiplier effect.
- Resource related boom the high growth scenario is based on residential changes where resource related development is expected to have an impact. They reflect potential changes in permanent full time workforce numbers for a potential mine operation in the area. This could potentially occur not only in Gunnedah but Liverpool Plans or Narrabri, however as Gunnedah has the largest town in the region, the residential will likely occur in Gunnedah.

Section 3.9 explains the potential for resources to be mined within Gunnedah and surroundings. The additional workers may draw on Gunnedah to access a range of services and the projections considered family multipliers to derive population changes. The average annual dwellings increase (column 2) was based on the amount of additional workers and the multiplier effect from increase in the services industry and families for the resource boom in Gunnedah. Increases in populations within towns have been well documented for example in 2010 when planning for resources in the Pilbara they estimated 20% to 40% additional population over 10 years (Heuris Partners Ltd, April 2010,), However, Gunnedah and surrounding LGA's does not have the same amount of mineral deposits as the Pilbara and Gunnedah has an already established service centre based on its agricultural industry. Similar research from the Bowen Region, (Queensland) estimated population projections for the population areas in the region (Office of Economic and Statistical Research, April 2012). This report estimates the population for each Statistical Local Area (SLA) in the Bowen region. The Banana SLA which has a similar existing population and agricultural based economy as Gunnedah estimated a 1.5% to 3.1% increase in residential population per year. Similarly the Central Highlands SLA projected population increases of 1.6% to 3.4% per year.

As Gunnedah is likely to have a lower level resource boom when compared to these regions it has been estimated that a 1.1% increase in dwellings is likely to occur. The average annual increase from 2011 to 2036 was based on the average increase from 1976 to 2001 (1.1%). High growth scenario estimate the growth rate is similar to the growth rate during this period.

Methodology

This scenario is based on the same assumptions as the scenario presented above in that agricultural conditions in Gunnedah are now favourable and will continue on this trend providing employment opportunities, in migration as well as the family multiplier effect. In addition, these projections assume a 1.7% increase in dwellings from a resource boom as described above.

The following is a step by step process of how the residential population projections were developed.

- Column 1: occupied private dwelling numbers were projected to 2036 utilising the average annual increase (column 2);
- Column 2: average annual increase over this period is 1.1% due to the resource boom (refer to explanation above);
- Column 3: 2.5 is the occupancy rate in 2011 and this is assumed to be constant until 2036; and
- Column 4: Population number was calculated by multiplying the occupied private dwellings and the occupancy rate (2.5).

Therefore the increase in the rural residential population between 2011 and 2036 is 5,055 persons in the high growth scenario.

	1	2	3	4
Year	Occupied Private Dwelling	Annual Average Dwelling Increase	Occupancy Rate	Total Population
1976	3,916			12658
1981	4,401	2.48%		13173
1986	4,713	1.42%		13426
1991	4,889	0.75%		13331
1996	5,131	0.99%		12,819
2001	5,145	0.05%		11,846
2006	5,015	-0.51%		11,520
2011	5,240	0.90%		12,066
2016	5,528	1.1%	2.5	13,821
2021	5,832	1.1%	2.5	14,581
2026	6,153	1.1%	2.5	15,383
2031	6,491	1.1%	2.5	16,229
2036	6,848	1.1%	2.5	17,121
Increase from 2011 to 2036				5,055

The above projections are based on assumptions of future overall growth in the numbers of dwellings at recent levels and 2011 household occupancy rates being maintained. It is reasonable to assume that population will continue to rise given Gunnedah's attractive living

and natural environment and Council's commitment to accommodate housing in the future. A review of other sources and the historic dynamics of the local housing market suggests that these projections are reasonable.

These projections are higher than the Department of Planning and Infrastructure projections, However the DoP&I were undertaken during a period of severe drought, followed by the global economic crisis. This had significant effects on the population of Gunnedah. It is unlikely that these trends would continue considering the drought is now over.

In addition, while DoP&I predictions are based on the best available data and must therefore be considered valid, the predictions do not take into account non-demographic factors such as the intent of past land use planning policy that might alter population distribution, infrastructure constraints on growth, and economic confidence, all of which may influence trends over time. Current rising business confidence – generated from factors such as rising visitor numbers, the exploration of the Shenhua at Watermark project, and the buoyant property market – suggests an optimistic outlook for population growth in the Gunnedah LGA. For this reason these population projections have not been adopted for the purposes of this Plan.

3.11 Visitor Population

Like residential and commercial office space demand, tourism accommodation also experiences supply and demand-driven development cycles. Gunnedah hosts 'Ag-Quip' each August in which 100,000 visitors come to Gunnedah. 'Ag-Quip' is the largest agricultural field day event in the southern hemisphere.

At the present time there is evidence of an underlying demand for additional tourist accommodation in the form of medium to high occupancy rates not only for business reasons but as a tourist destination. Gunnedah is sited as the 'Koala capital of the world' as well as diversity of attractions and events including Lake Keepit State Park, museums and galleries, bushwalking, golfing, sightseeing and tours.

On census night in 2011 in Gunnedah, there were a total of 802 visitors from Australia and 32 visitors from overseas. On 2006 census night there were 579 visitors from Australia in Gunnedah and 14 visitors from overseas. This is an increase of 241 visitors over 5 years. It is acknowledged that these figures will include persons who were visitors in a private home at the time of the 2006 Census and 2011 Census respectively.

Essentially this plan envisages the number of visitors in Gunnedah will increase slightly at a similar rate as the historical data shown above.

3.12 Employment

Gunnedah is predominantly a rural location, although major employment areas are located at Gunnedah CBD as well the numerous extractive industries throughout Gunnedah. Council's planning policies expressed through the *Gunnedah Local Environmental Plan 2012* and other strategic and statutory documents propose that future employment develop mainly within the existing Business and Industrial zoned areas.

In 2006 (2011 census data for employment was not available at this time of developing this report), there were 4,680 persons employed in the labour force worth 8.8% unemployment. The high unemployment could be reflective of the drought and during this period.

The Gunnedah Satellite Development Strategy (GHD, 2011), estimated demand for retail and commercial space. The study stated the following:

'The growth in the mining sector has had a significant impact on the Gunnedah Shire's economy and is expected to result in strong economic and population growth over the next two decades.

Gunnedah is the closest major township to the majority of the mines, which has made it an attractive location for workers to live and a range of businesses providing services to the mines. The importance of the town as a service centre is likely to increase with the development of new mining projects.

Based on the low, medium and high projections, it is forecast that the Gunnedah Shire will require an additional 5,380 m² to 8,740 m² of retail and commercial office floorspace by 2031. This equates to an average of approximately 270 m² to 440 m² per annum respectively.'

The forecasts presented in the Gunnedah Satellite Development Strategy (GHD, 2011) reflect the impact of continued global and regional demand as well as the indirect effect of an expanded local resident population.

3.13 Future Development and Residential Population Characteristics

The future development and population context of the Gunnedah LGA, against which Council will need to plan and deliver facilities and services, may be expected to include the following components:

- Relatively high proportion of couple families with children, although the trend is towards
 declining overall household sizes and more one and two person households as
 neighbourhoods 'mature';
- overall ageing of the population, with fewer young people and greater numbers of middleaged and older people, as a percentage of total population;
- continued strong demand for new dwellings which includes rural residential as well single dwellings in the village;
- continuing increasing land prices, which will limit Council's ability to purchase additional land for facilities and services; and
- A large proportion of the population will fully owned their dwellings as well as a large private renting population.

Part C

4. Extractive Industries

Road pavement deterioration associated with quarries and mining is caused largely by the passage of heavy vehicles. Extractive industries typically cause and exacerbate the deterioration of the road surfaces, which then requires the need for considerable expenditure to maintain, repair and, where necessary, reconstruct the roads. In the Gunnedah LGA there are several active and proposed mines, including Sunnyside Mine, as well as several proposed projects including Boggabri Mine Expansion; Maules Creek Project and Shenhua at Watermark project.

Each truck movement associated with the above mines will contribute to the volume of traffic within the public road system and actual damage to the road surface. The need to upgrade roads is substantially and directly associated with the weight of laden trucks. Accordingly, it has been accepted practice to levy development contributions based directly upon the number and weight of laden truck movements. Therefore a relationship to the demand for an upgraded road system can be related directly to the weight of material leaving an extractive industry site. This will be the basis upon which contribution levies will be imposed.

Contributions will be required to be paid on a monthly basis to Council based on a fee for each tonne of extractive resource leaving the extractive industry/ mine site by road transport. This levy will be calculated as follows:

MCR = TONNES x RATE

Where:

MCR = the monthly contributions required by quarries/ mines;

TONNES = tonnes of resource removed from site per month by road transport; and

RATE = the rate per tonne.

Gunnedah Shire Council's adopted rate per tonne has been determined in accordance with decisions handed down by the Land and Environment Court (Capital Quarries Pty Ltd. v Gunning & Yass Shire Councils (1987) and Colin C Donges & Associates v Baulkham Hills Council (1989).

Therefore, this Plan adopts a rate of \$0.75 per tonne.

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Document Status

Rev	Author	Reviewer		Approved for Issue		
No.		Name	Signature	Name	Signature	Date
0	K Burbidge	S Lawer	S Lawer	S Lawer	S Lawer	Oct 12
1	K Burbidge	S Lawer	fan	S Lawer	Jan	Dec 12

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