



**Rous Water**  
REGIONAL WATER SUPPLY

BALLINA  
BYRON  
LISMORE  
RICHMOND VALLEY

Our Ref: WFVG: 151/12 (46014)

13 October 2015

Mr Paul Hickey  
General Manager  
Ballina Shire Council  
PO Box 450  
BALLINA NSW 2478



Dear Sir

**Rous Water bulk developer charge – secondary dwellings**

A number of issues have arisen in the assessment of developer charges by both Rous Water and the constituent Councils acting on behalf of Rous Water with respect to secondary dwellings (granny flats).

Rous Water requested advice from each of the constituent Councils on their treatment of secondary dwellings. From the information received it was evident that there exists differences between Councils in assessing secondary dwellings however there is a common desire to either wave or treat the assessment of developer charges for secondary dwellings in a manner which finds basic secondary dwellings not liable for developer charges.

The responses from constituent Councils also showed that there is a potential for Rous Water developer charges to be discounted or waived under other circumstances without reference to and agreement from Rous Water.

A report was presented to the Rous Water Council meeting of 19 August 2015. Following consideration of the report, Council made the following resolution:

1. Rous Water implement the methodology for determining developer charges for granny flats utilised by Lismore City Council and Ballina Shire Council.
2. When data is available (no later than two years) on the impacts from the constituent Councils, the impact of this policy be assessed and reported to Council.
3. Staff discuss the collection of developer charges with constituent Councils to ensure that charges payable to Rous Water are not discounted without agreement of this Council.
4. As part of the development of the revised Rous Water Development Servicing Plans, the agency agreement between Rous Water and the constituent Councils for the collection of developer charges on behalf of Rous Water be reviewed to ensure that it clearly sets out the methodology for the discounting of Rous Water development contributions by the constituent Councils.
5. That Rous Water convene a meeting with constituent Councils to determine suitable criteria for determining the calculation of equivalent tenements (ETs) for secondary dwellings.

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The effect of the resolution is as follows:

Resolution 1

1. All secondary dwellings will be exempt from Rous Water developer charges where the secondary dwelling does not increase the number of overall bedrooms in the site to greater than five, the number of water closets to greater than three and the laundries to greater than two.
2. One or two bedroom Attached or Detached Dual Occupancy dwellings with a floor area of 115m<sup>2</sup> or less will be exempt from Rous Water developer charges, provided the total number of bedrooms on the site does not exceed five, the total number of laundries does not exceed two and the total number of water closets does not exceed three.
3. Two or more bedroom Attached or Detached Dual Occupancy dwellings with a floor area of greater than 115m<sup>2</sup> and which do not create a total number of bedrooms in excess of five, a total number of laundries in excess of two and a total number of toilets in excess of three on the site are to be levied 0.3 ETs for Rous Water developer charges.

Resolution 2 and 5

Rous Water requests the assistance of the constituent Councils in determining the impact of the adoption of Resolution 2 above. It is envisaged that pre development and post development water consumption of a sample of properties where secondary dwellings have been built will be compared to determine if the assessment of developer charges for those developments is fair and reasonable.

With respect to Resolution 5, it is intended that the matter be pursued through the Regional Water Supply Liaison Committee once sufficient data is available.

Resolution 3 and 4

Rous Water is currently preparing new bulk and retail developer servicing plans. During preparation of those plans, Rous Water will contact each constituent Council to discuss these plans. It is intended that the agency agreements between the constituent Council and Rous Water, for the collection of development servicing charges, be reviewed at that time. In the interim, your Council is requested to collect all charges payable to Rous Water and to not discount or waive any charge without reference of the matter to Rous Water. It should be noted that where a constituent Council chooses to discount or waive its own developer charges that discount or waiver does not apply to Rous Water charges.

Should you require any clarification on the above, please contact Guy Bezrouchko or Wayne Franklin on (02) 6623 3800.

Yours faithfully

  
Wayne Franklin  
Technical Services Director



**Secondary Dwellings** (Originally presented to Councillors 14 March 2016  
updated December 2017)





## Background

What Type of Secondary Dwellings does the Waiver Policy Apply to?

- **Floor area limited to 60m<sup>2</sup>**
- **Maximum of 5 bedrooms, 3 WC's and 2 laundries on a lot.**
- **No subdivision permitted**
- **Only applies to land zoned R2 or R3**



## Background

### Policy Triggers

- **Declining rate of new dwelling construction**
- **Declining number of persons per dwelling**
- **Increase in one and two person households**
- **Few one and two bedroom units being built**
- **Shortage of rental accommodation and high rents**



# Background

## Policy Triggers

Year	2016	2011	2006	2001	1996	1991
Private Dwellings	19,107	18,022	17,088	16,147	14,763	12,057
Year	2016	2011	2006	2001	1996	1991
Persons Per Dwelling	2.33	2.35	2.39	2.43	2.52	2.63

Year	2016	2011	2006	2001	1996	1991
1 person	28.3%	27.3%	27%	26.4%	23.4%	21.1%
2 person	38.4%	39%	38.3%	37.9%	38%	37.6%



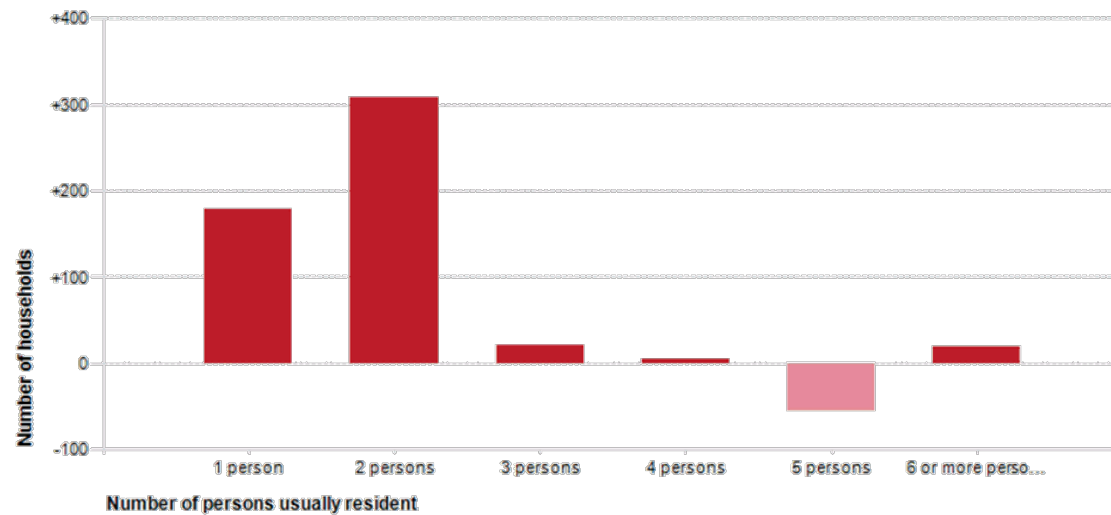


# Background

## Policy Triggers

Change in household size, 2006 to 2011

Ballina Shire



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006 and 2011 (Enumerated data)  
Compiled and presented in profile.id by .id, the population experts.

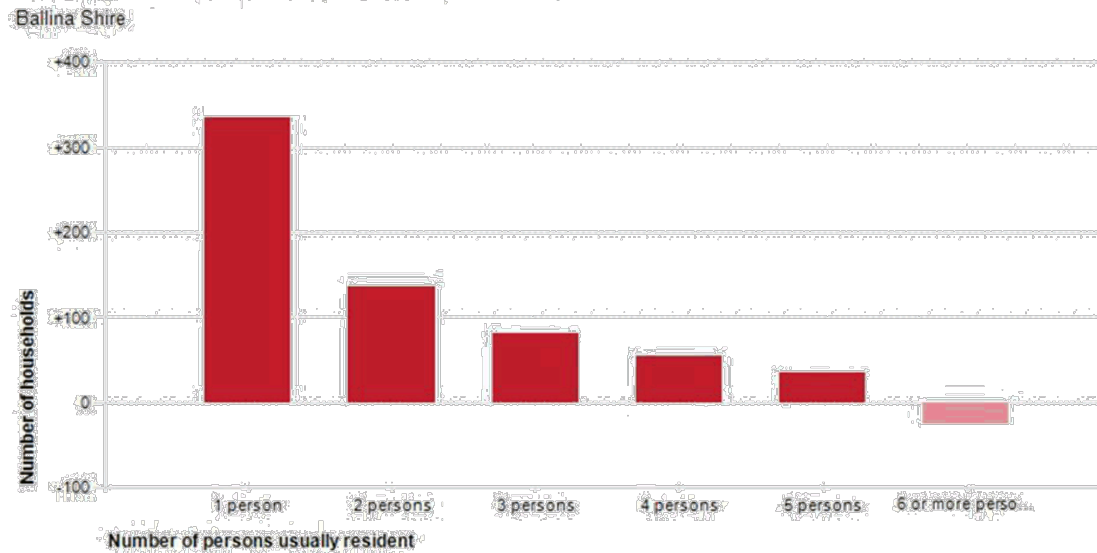




# Background

## Policy Triggers

### Change in household size, 2011 to 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.







# Background

## Policy Triggers

### Number of bedrooms per dwelling

Ballina Shire Number of bedrooms	2011			2006			Change 2006 to 2011
	Number	%	Regional NSW %	Number	%	Regional NSW %	
0 or 1 bedrooms	772	5	5	784	5	5	-12
2 bedrooms	3,248	20	18	3,246	20	19	2
3 bedrooms	7,085	43	43	6,871	43	45	214
4 bedrooms	3,740	23	24	3,528	22	22	212
5 bedrooms or more	825	5	5	726	5	5	99
Not stated	700	4	5	685	4	5	15
<b>Total households</b>	<b>16,370</b>	<b>100</b>	<b>100</b>	<b>15,840</b>	<b>100</b>	<b>100</b>	<b>530</b>

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2006 and 2011. Compiled and presented by [.id](#), the population experts.  
(Enumerated data)



# Background

## Policy Triggers

### Number of bedrooms per dwelling

Ballina Shire - Households (Enumerated)	2016			2011			Change
Number of bedrooms	Number	%	Regional NSW %	Number	%	Regional NSW %	2011 to 2016
0 or 1 bedrooms	756	4.3	4.5	772	4.7	4.7	-16
2 bedrooms	3,381	19.3	16.9	3,248	19.8	18.1	+133
3 bedrooms	6,989	39.8	40.4	7,085	43.3	43.3	-96
4 bedrooms	4,048	23.1	24.5	3,740	22.8	23.7	+308
5 bedrooms or more	942	5.4	5.6	825	5.0	5.1	+117
Not stated	1,443	8.2	8.1	700	4.3	5.1	+743
Total households	17,559	100.0	100.0	16,370	100.0	100.0	+1,189

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016. Compiled and presented by id, the population experts.



# Where have they been approved?

(1/04/2014 to 31/12/2017)

Location	Number Approved
Alstonville	17
Ballina	17
East Ballina	14
West Ballina	6
Cumbalum	5
Lennox Head	48
Skennars Head	4
Wardell	3
Wollongbar	6
TOTAL	120

# Surrounding Council positions as of December 2017



- Tweed – No contributions payable, cannot be subdivided, the greater of 60m<sup>2</sup> or 20% of floor area of principal dwelling.
- Byron – the greater of 60m<sup>2</sup> or 35% of floor area of principal dwelling. In 2011 fee waiver policy implemented. April 2015 Council resolved to exhibit changes to contribution plans to reinstate contributions. Waiver still in place as of January 2018.
- Lismore – Contribution discount policy for all secondary dwellings, (the greater of 60m<sup>2</sup> or 25% of floor area of principal dwelling) and one and two bedroom attached or detached dual occupancy dwellings floor area of 115m<sup>2</sup> or less.



## March 2016 Ballina Real Estate Agent Comments

- Vacancy Rate 0% - Properties being rented before vacant.
- Rents for Granny Flats - \$320 for 2 bedroom and \$250 for 1 bedroom per week.
- Rents for 3 bedroom house - \$400 per week or \$300 for older unit.
- Renters of granny flat accommodation include young singles, single mum and child, and older people with carers. All considered to be those least able to afford other housing forms.
- Ramps on some secondary dwelling preclude use by elderly



## Rent Report December 2015 (Housing NSW)

SA 3 Local Government Area*	All Dwellings											
	One Bedroom			Two Bedrooms			Three Bedrooms			Four + Bedrooms		
	Median	Change		Median	Change		Median	Change		Median	Change	
	\$	Qtly %	Ann %	\$	Qtly %	Ann %	\$	Qtly %	Ann %	\$	Qtly %	Ann %
Richmond Valley - Coastal	295	3.5	13.5	340	3.0	3.0	470	0.0	4.4	570	3.6	7.5
Ballina	240	s	n	320	0.0	6.7	440	4.8	10.0	540	10.2	8.0
Byron	330	-5.7	n	420	5.0	2.4	505	-12.9	-2.9	670	4.7	15.5
Richmond Valley	170	s	n	230	4.5	4.5	280	-6.7	0.0	330	s	n
Richmond Valley - Hinterland	150	-14.3	-16.7	230	0.0	0.0	300	0.0	3.4	360	2.9	9.1
Kyogle	-	n	n	210	s	n	275	s	n	-	n	n
Lismore	150	s	n	245	1.0	-2.0	330	1.5	6.5	400	2.6	11.1
Richmond Valley	170	s	n	230	4.5	4.5	280	-6.7	0.0	330	s	n
Tweed Valley	240	2.1	4.3	326	3.6	8.8	400	0.0	3.2	550	10.0	12.2
Tweed	240	2.1	4.3	326	3.6	8.8	400	0.0	3.2	550	10.0	12.2



Moveable 2 bedroom dwelling – Renting for approx \$320 per week in 2015 and \$350 per week in December 2017.





Detached secondary dwelling constructed in 2017 Crn Coral Street and The Avenue, Alstonville







## Charges

Following Issue of Interim Occupation Certificate the following annual charges apply for 2017/18

Waste Operations Charge	na
Domestic Waste Urban Charge	\$374
Waste Water Access Charge	\$953
Water Access Charge	\$204
<b>TOTAL</b>	<b>\$1531pa</b>



## Options March 2016

- Maintain waiver policy as proposed for an additional 2 years.
- Phase out over next 2 years – 100% until 30/9/2016; 75% until 31 March 2017; 50% until 30/9/2017; 25% until 31/3/2018. No waiver after March 2018.
- Extend waiver policy to one bedroom home units and smaller dual occupancies or consider other initiatives.
- Discontinue Current Waiver Policy after 31 March 2016.



## Conclusion March 2016

- Critical Rental Shortage
- Secondary Dwellings rents at lower end of market
- Reasonable spread of approvals across urban areas
- Policy initiatives required to stimulate one and two bedroom dwellings for rental market