PROPOSED SECTION 96 APPLICATION
FOR A BOARDING HOUSE
AT 5 SIXTH MILE LANE ROSEVILLE

STATEMENT OF ENVIRONMENTAL EFFECTS
February 2017
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1) INTRODUCTION

Vigor Master Pty Ltd has been engaged by the owner of the property to prepare a Statement of Environmental Effects in relation to a proposed boarding house at 5 Sixth Mile Lane, Roseville (DA0255/15).

The proposed modifications involve the changes to the terms of consent conditions only.

This report addresses the details of proposed term changes.

2) DEVELOPMENT CONSENT

Development consent (DA0255/15) was approved for the demolition of a dwelling and construction of a boarding house containing 21 boarding rooms (including a manager's room).

Figure 1: Approved site plan

The approved numerical overview of the proposed plan is shown in the following table.
### NUMERICAL OVERVIEW OF PROPOSED DEVELOPMENT

<table>
<thead>
<tr>
<th>COMPONENT</th>
<th>PROPOSED</th>
</tr>
</thead>
<tbody>
<tr>
<td>SITE AREA</td>
<td>842.8 sqm</td>
</tr>
<tr>
<td>MAX FSR ALLOWED</td>
<td>1:1</td>
</tr>
<tr>
<td>MAX GFA ALLOWED</td>
<td>842.8 sqm</td>
</tr>
<tr>
<td>TOTAL FSR PROPOSED</td>
<td>0.866:1</td>
</tr>
<tr>
<td>TOTAL GFA PROPOSED</td>
<td>729.81 sqm</td>
</tr>
<tr>
<td>DEEP SOIL AREA</td>
<td>342.36 sqm 40.62%</td>
</tr>
<tr>
<td>LANDSCAPE AREA</td>
<td>377.21 sqm 44.76%</td>
</tr>
<tr>
<td>SITE COVERAGE</td>
<td>377.00 sqm 39.99%</td>
</tr>
<tr>
<td>NUMBER ROOMS</td>
<td>20</td>
</tr>
<tr>
<td>NUMBER CAR SPACES</td>
<td>5</td>
</tr>
<tr>
<td>NUMBER BICYCLE SPACES</td>
<td>5</td>
</tr>
<tr>
<td>NUMBER MOTORCYCLE SPACES</td>
<td>4</td>
</tr>
</tbody>
</table>
3) PROPOSED MODIFICATIONS

The applicant seeks the consent to delete condition 39 and add a new condition 100 under "CONDITIONS TO BE SATISFIED AT ALL TIMES".

a) REASONS FOR THE MODIFICATIONS

The applicant wants suspension of the contributions fee on the grounds of the proposed boarding house is affordable housing.

According to Clause 1.31 Contributions and other Affordable Housing in Ku-ring-gai Contributions Plan 2010, development contributions can be calculated but suspended as long as the housing remains affordable housing. Also in Clause 1.31.1 Affordable Rental Housing, boarding houses are listed as potentially meeting the criteria for new affordable housing. The proposed development of boarding house will provide more affordable housing to the local community with future rental definitely not exceeding the maximum allowed amount under State Environmental Planning Policy (Affordable Rental Housing) 2009.

Moreover based on Clause 1.32 Private Boarding Houses, Group Homes and Affordable Housing also in Ku-ring-gai Contributions Plan 2010, a boarding house may be able to justify a case for an exemption so long as it meets State Government criteria for a tax exemption for low-cost accommodation. So as long as the land is exempted from land tax under Revenue Ruling No. LT 100, the land tax exemption for Land used and Occupied Primarily for a Boarding House, the development of boarding house shall be considered as affordable housing.

In addition, merits of the proposed boarding house should be taken into consideration as more affordable boarding rooms will be available to young adults, compared to currently most of the one-bedroom property for lease in Roseville charge more than $450 weekly. This is made possible due to the relatively small room sizes (all around 15 Sqm), with simple and practical design, hence lowering the overall construction costs which make the rooms affordable.
b) DETAILS OF THE PROPOSED CHANGES
The detailed changes are coloured in red below:

1. Delete Condition 39

2. Add an additional condition under "CONDITIONS TO BE SATISFIED AT ALL TIMES" regarding Section 94 Contributions fee as proposed below.

100. Section 94 Contributions – Centres. (For DAs determined on or after 19 December 2010)

This development will be subjected to a development contribution calculated in accordance with Ku-ring-gai Contributions Plan 2010, being a Section 94 Contributions Plan in effect under the Environmental Planning and Assessment Act IF:

1) The proposed future room tariff exceeds the amount of tariff limits set in accordance to the most updated Revenue Ruling for Exemption - Land used and Occupied Primarily for a Boarding House, OR
2) The land fails to receive Land Tax exemption under the most updated Revenue Ruling.

The contributions are subject to indexation and will continue to be indexed to reflect changes in the consumer price index and housing price index until they are paid in accordance with Ku-ring-gai Contributions Plan 2010 to reflect changes in the consumer price index and housing price index. Prior to payment, please contact Council directly to verify the current payable contributions.

Copies of Council’s Contribution Plans can be viewed at Council Chambers, 818 Pacific Hwy Gordon or on Council’s website at www.kmc.nsw.gov.au.

Reason: To ensure the provision, extension or augmentation of the Key Community Infrastructure identified in Ku-ring-gai Contributions Plan 2010 that will, or is likely to be, required as consequence of the development.
4) PROPOSED AND FUTURE AFFORDABLE TARIFFS COMMITMENT

a) Latest Revenue Ruling

The ruling history of Boarding house’s land tax exemption and management act are shown in figure 6a. As illustrated, ruling no (LT100) is the latest ruling act applicable from 1st of January to 31st of December (2017). Further to the Ruling act section 3.3 as shown in figure 6b, the maximum allowable tariff for each single “less than full board and lodging” room during the whole of 2017 must not exceed $249 per week. This admissible figure will be strictly adhered to while determining the proposed room tariff to ensure the boarding fees will not exceed the absolute threshold.

b) Proposed room tariffs

The proposed room tariffs for single accommodation room will be set at $245 per week throughout the whole of 2017, and 2018 to ensure its affordability.

c) Current and future commitment

With affordability in mind, the current and future management teams will be committed to consistently manage and optimise the construction and operating cost efficiently, hence the savings will be given back to the future boarders at an affordable boarding rate. In order to monitor and enforce the proposed and future tariffs below the land tax exemption rate, the future room rate will be reviewed and adjusted appropriately strictly in accordance with the latest revenue ruling when applicable, with its absolute proposed fees below the allowable threshold. Moreover, the future compliance to the affordability commitment can be demonstrated by:

i. All financial records will be kept in reserve for up to 5 years, and will be ready to be presented when required for auditing purposes.

ii. Land tax exemption statement will be issued by OSR annually to demonstrate the compliance with the affordability criteria, and will also be kept in reserve for up to 5 years for auditing purposes when required.
5) CONCLUSION AND RECOMMENDATION

The proposal not only would not result in any impact on the site or surrounding environment, but also provide more affordable boarding options to local residents. Thus the proposed Section 96 application should be approved.

6) Appendix

Revenue Ruling No. LT 100

Exemption – Land Used and Occupied Primarily for a Boarding House - 2017 Tax Year

Section 10Q Land Tax Management Act 1956

Ruling history

<table>
<thead>
<tr>
<th>Ruling no.</th>
<th>Issued date</th>
<th>Dates of effect</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>LT 091</td>
<td>21 December 2012</td>
<td>1 January 2013</td>
<td>31 December 2013</td>
</tr>
<tr>
<td>LT 093</td>
<td>19 December 2013</td>
<td>1 January 2014</td>
<td>31 December 2014</td>
</tr>
<tr>
<td>LT 095</td>
<td>22 December 2014</td>
<td>1 January 2015</td>
<td>31 December 2015</td>
</tr>
<tr>
<td>LT 098</td>
<td>17 December 2015</td>
<td>1 January 2016</td>
<td>31 December 2016</td>
</tr>
<tr>
<td>LT 100</td>
<td>24 November 2016</td>
<td>1 January 2017</td>
<td>31 December 2017</td>
</tr>
</tbody>
</table>

Guidelines approved by the Treasurer

3. The guidelines under which a NSW boarding house is exempt from land tax for the 2017 tax year are as follows:

i. Land anywhere in NSW that is used by the owner as the site of a boarding house will be entitled to an exemption from land tax for the 2017 tax year if, during the whole of the year ended 31 December 2016, in respect of at least 80% of the accommodation actually occupied:

   a. occupation was by persons who were long term residents (as defined); and
   
   b. where full board and lodging was provided, the maximum tariff charged per room was no more than*:
       
       $365 per week for single accommodation; or
       $605 per week for family or shared accommodation
       
       or where less than full board and lodging was provided, the maximum tariff charged per room was no more than*:
       
       $244 per week for single accommodation; or
       $405 per week for family or shared accommodation.

ii. Where the requirements of paragraph 3(i) above were not met because the land was used as a boarding house for only part of the 2016 calendar year, the land will qualify for exemption if at least 80% of the accommodation that was actually occupied during the period of operation as a boarding house in 2016 was occupied by long term residents within the limits shown in paragraph 3(i).

iii. The owner must provide a statutory declaration stating that, in respect of at least 80% of the accommodation actually occupied by boarding house residents, the tariff for each room for full board and lodging during the whole of 2017, will not exceed*:

       $372 per week for single accommodation or
       $616 per week for family or shared accommodation
       
       or where less than full board and lodging is provided, the tariff for each room during the whole of 2017 will not exceed*:

       $249 per week for single accommodation or
       $413 per week for family or shared accommodation.

("Tariff rates do not include GST.")

Figure 6b. Affordable Tariff guidelines approved by the treasurer from http://www.osr.nsw.gov.au/info/legislation/rulings/land/tt100