
Tweed Shire Council – Ratepayer Summary

The Kings Forest development is a large scale project currently being undertaken within the Tweed Shire Council (the council) area. It will include around 4,500 lots and related infrastructure to be delivered in 4 stages.ⁱ A condition of the project approval is that environmental lands are to be maintained and managed in perpetuity. The council is seeking to ensure funding arrangements for the environmental works are in place upon dedication of the land to the council. It has therefore applied for a permanent increase in its general income in 2021-22 through a special variation (SV) of 4.35% (inclusive of the rate peg).ⁱⁱ

IPART has approved the application in full.

Impact on council's income

Purpose

- ▼ Fund management and maintenance of environmental protection land.

\$17.3m

Additional income
above the rate peg over
the next ten years

The special variation will be applied as a special rate to support and facilitate the Kings Forest development, in particular, the management and maintenance of the environmental lands. The council used a similar arrangement in 2016-17 to fund environmental works for the Cobaki development.ⁱⁱⁱ It is the council's intention to apply the 2.35% increase above the rate peg as a special rate only on ratepayers in the Kings Forest development. However, as the development is still at an early stage, the special rate will initially be levied on the developer, LEDA Manorstead Pty Ltd (LEDA) only.



In time, the special rate will also be levied on other owners of land in the Kings Forest development. Ratepayers in the wider local government area will not pay the special rate levy or fund any environmental works associated with the area, such as re-planting land that the council clears, which was a concern raised by one submission we received.^{iv} We assessed the council's application against the Guidelines issued by the Office of Local Government and determined that it met the criteria.

Financial Need

Largely demonstrated



The council demonstrated the need for an additional income stream to fund the management and maintenance of the environmental lands in perpetuity.

Community awareness

Demonstrated



The council used an appropriate range of consultation methods given the intended use of the special variation funds.

Reasonable impact on ratepayers

Demonstrated



The special rate will initially be applied to the developer until the subdivided lots are sold to future ratepayers in the Kings Forest area.

IP&R documentation

Demonstrated



The required documentation was appropriately exhibited and adopted by the council.

Productivity Improvement and Cost Containment

Demonstrated



The council appropriately decided to not use revenue generated from the wider ratepayer base to fund the costs of environmental maintenance in the Kings Forest area.

Response to concerns raised in submissions

Councils applying for additional funding through an SV process are required to undertake community engagement. As part of our process, IPART also accepts submissions from stakeholders.

IPART received 1 submission from a ratepayer who was concerned that Tweed Shire residents were being asked to pay to re-plant land the council had cleared in order to profit from land sales. However, this is not the case. Initially, the council proposes to charge the developer of the Kings Forest site a special rate. In time, this special rate will apply to all landowners in this development. There will be no impact on existing Tweed Shire residents.

ⁱ Tweed Shire Council, *2021-22 Special Rate Variation application*, notification letter, pp 1, 3.

ⁱⁱ Tweed Shire Council, *Application Part A*, Worksheet 1.

ⁱⁱⁱ Tweed Shire Council, *2021-22 Special Rate Variation application*, notification letter, p 6.

^{iv} Anonymous, submission to IPART Special Variation Application, p 1.