

Chasing CDC contributions

11.50am - 12.20am (30 mins)



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Chasing CDC Contributions Planning Institute of Australia



Introduction

As part of Council's project to restructure their portfolio of contribution plans, income from CDCs and additional lot yields were audited.

Additional lot yield was typically 10-13% above what the CP envisaged.

The CDC audit identified that the missed, or wrongly allocated income, was significant.

Issues

Past charge rule was more than one bedroom or over 60m², so most applications were lodged showing one bed with a study

Some PCAs favoured because they would leave the relevant condition out or issue OC without proof of payment

No oversight as to whether payments were being made

Audit Process

CDC applications extracted from Authority. This is done using the CDC code.

This list is checked to see whether a secondary dwelling is involved.

Payment tab is checked to see if a payment is made and not on the General Ledger.

All plans are checked against consents to ensure the correct payment has been conditioned.

All non-payments or incorrect conditions result in reminder or please explain letters to the owner and PCA

Remedy

Policy change to ensure all secondary dwellings attract a contribution based on number of bedrooms.

Drafting letters to applicant and/or PCA and on occasion Dept Fair Trading.

Ensure checks are regular so PCAs and applicants learn there is a good chance we will catch up with them.

Results

2020 \$312K (16 out of 50 applications)

2021 \$74K (3 of 43 applications)

2022 \$643K (40 of 133 applications)

2023 \$1M (31 out of 127 applications)

\$63K of that is for one bedders built from Oct - Dec 2023, which would've been exempt prior to that



Success Rate

Over \$2M in contributions recovered, which may not have been paid.

2-3 PCAs serial offenders, we report them to Dept Fair Trading, nothing has been done to date.

It is hoped that there will be a gradual decline in non-payments and one bedder applications where two are intended.

Resourcing

First audit was very resource hungry.

Regular checks, we do once a month, spreads the resource requirement and ensures timely reminders to applicants.

To date, the person doing the audits has covered their whole years wages in recovered money.

Future Management

Novoplan - previous work on the audit has ensured we have good CDC data to go into the system.

Additional Info: if you want more information on this or want us to send you our letter templates or process (only work for those that use Authority, might need modification for TechOne) contact Mark at mark.pham@camden.nsw.gov.au



Questions?



PIA Presentation July 2024

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