



Assessment of Contributions Plan No.18 –
Bella Vista and Kellyville Station Precincts:
Technical Paper

Final Report

February 2022

Local Government >>

Tribunal Members

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Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders, past, present and emerging.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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1 Overview

This paper presents our detailed assessment of Contributions Plan 18 (CP18) submitted by the Hills Shire Council for the Bella Vista and Kellyville Station precincts (Precincts). It explains how we have reviewed each category of costs included in the contributions plan (CP) in turn, as well as any issues that sit across the entire plan. This analysis elaborates on our review of all items included in CP18 against the assessment criteria in the [Practice Note](#). For each recommendation, we provide a detailed explanation on the reasons for our decision. We also respond to the issues raised by stakeholders during public consultation on our Draft Report and subsequent Information Paper.

This technical report is accompanied by two other papers:

- Our overview report providing a summary of our recommendations and assessment of the reasonable costs of the plan.
- An [information paper](#) outlining IPART's general process for reviewing contributions plans, including information such as its context, rationale, terms of reference, methodology and timeline.

1.1 Overview of our assessment

We found that CP18 largely reflects the reasonable costs of local infrastructure required for the new development, but that costs in the Council's initial submission should be updated to largely reflect the revised infrastructure cost estimates included in a report prepared by quantity surveyor Rider Levett Bucknall (RLB).

In response to our [Draft Report](#), a submission from APP Corporation (APP) on behalf of the developer (Landcom), included new cost estimates for transport and open space works based on a detailed site-specific study by RLB. These revised costs would result in an increase of more than \$15 million (10%) in total costs for CP18, raising contributions rates for a 2-bedroom dwelling by around \$2,000 (9%) compared to the draft plan submitted by the Council.

The costs proposed by APP in its submission include:

- additional costs for the Viaduct Park of \$5.4 million
- a new vehicular bridge at a cost of \$3.8 million
- allowances for Public Art & Interpretive Signage and for Biodiversity Offsets of \$5.4 million
- other works items.

To provide stakeholders with an opportunity to comment on the updated infrastructure costs, we released a targeted [Information Paper](#) in December 2021. We received submissions from the Council and APP on the Information Paper.

Overall, we consider the revised infrastructure cost estimates in the RLB Report to be reasonable. The updated report more accurately reflects the infrastructure that is required to service new development and the site-specific costs, which we have reviewed. However, we do not recommend including any allowances for Public Art & Interpretative Signage and Biodiversity Offsets as these items are not on the Essential Works List.

Our recommendations would increase the total cost of CP18 from \$149.6 million to \$160.1 million, representing an increase of \$10.5 million (7.0%). The highest value recommendations are to:

- Update the cost of the Local Park under the Kellyville Viaduct (increase of \$5.4 million).
- Remove the planned left-in/left-out intersection with Memorial Avenue and include a new Vehicular Bridge over Elizabeth Macarthur Creek instead due to Transport for NSW (TfNSW) requirements (increase of \$3.5 million).
- Include acquisition costs for a portion of privately-owned land that was inadvertently excluded from the Council's initial submission (increase of \$1.6 million).
- Remove the 1.5% acquisition allowance from the cost of open space land and community facilities (decrease of \$1.2 million).

We have maintained our draft recommendation on allowances for land acquisition costs in CP18 as we consider that it is reasonable to assume that the Voluntary Planning Agreement (VPA) will occur. However, we agree with including the portion of privately-owned land that Council did not include in its initial submission, and applying 1.5% land acquisition costs to this land. We are also maintaining our recommendation to review the plan within 3 years as we consider it good practice to specify a timeframe reviewing plans.

We have also made recommendations on the categorisation of some infrastructure items and the apportionment of costs between residential and non-residential development. We also found the application of some allowances to costs in this plan unreasonable.

The combined impact of our recommendations would increase the contribution rates in the plan for a 2-bedroom residential dwelling from \$23,962 to \$24,099 (increase of \$137 or 0.6%).

The remainder of this paper outlines our assessment of CP18 for each cost category.

2 Transport

The total cost of transport infrastructure in CP18 is \$17.7 million (11.8% of total costs), which is entirely comprised of works costs. There are no transport land costs in the plan.

2.1 Overview of our assessment

- **Essential works** – All transport works are consistent with the essential works list (EWL). We are recommending that some transport-related costs that the Council included in open space be moved to the transport category. Those costs are also consistent with the EWL.
- **Nexus** – There is nexus between all transport works in the plan and development in the Precincts. We note that one item included in the original plan (a left-in/left-out intersection) was superseded by a new vehicular bridge to manage increased traffic flows while meeting Transport for NSW's requirements.
- **Reasonable cost (works only)** – The costs of transport works in the plan have been updated by new cost estimates provided in the RLB Report. We consider these costs to be reasonable.
- **Apportionment** – The Council's approach to apportioning costs is mostly reasonable, except that we consider the demand for pedestrian bridges and shared pathways arises from both residential and non-residential development.

We recommend that the Council:

- Transfer the cost of the shared pathway along Elizabeth Macarthur Creek from open space to transport works.
- Include the costs for a new Vehicular Bridge, consistent with TfNSW requirements.
- Update the plan with the new cost estimates provided in the RLB Report.
- Apportion the cost of pedestrian bridges and the shared pathway to residential and non-residential development, consistent with other transport works in the plan.

Our findings and recommended adjustments are summarised in Table 2.1 below. Based on our findings, we recommend an increase of approximately \$5.8 million in the cost of transport works in CP18. This includes the increases from recategorization of some items and updated cost estimates from RLB.

Table 2.1 IPART-recommended adjustments for transport (\$Jun2020)

Criterion	Finding	Recommendation	Land	Works
Total costs in plan			n/a	17,667,124
Essential works	All works in the plan are consistent with the EWL			
	Some open space costs are better categorised as transport costs	Transfer the cost of shared pathway (OSE6 and OSE7) from open space to transport works		1,901,450
Nexus	Nexus is established for all works			
	The left-in/left-out intersection is no longer allowed under new requirements from TfNSW prohibiting further access points to Memorial Ave	Include a vehicular bridge over Elizabeth Macarthur Creek in lieu of the planned intersection with Memorial Avenue		3,529,651
Reasonable cost - Works	The cost of works is mostly reasonable			
	The Council should update the plan with the new site-specific estimates	Include the new costs supplied by RLB for all other transport items		235,025
Apportionment	Approach is mostly reasonable			
	Demand for the active transport network comes from residential and non-residential development	Apportion costs between residential and non-residential development		
Total IPART-recommended cost adjustment			n/a	5,666,126
Total IPART-assessed reasonable cost			n/a	23,333,250

Note: Apportionment recommendations do not change the total cost of works.
Source: CP18 works schedule, RLB report, IPART calculations.

2.2 Transport works included in CP18

The current transport network in the precinct will be subject to major improvements to support future residential and non-residential development, including:

- through CP18: delivery of signalised intersections, roundabouts, intersection upgrades and vehicular and pedestrian bridges.
- through developer delivery: provision of local roads, asset relocation, water management devices, footpaths, street tree planting, traffic management devices and treatment of local roads.

Transport works costs represent 27.4% of the Council's proposed works costs in CP18. In turn, the key transport works costs are vehicular and pedestrian bridges (\$8.6 million or 48.7% of transport works costs) and signalised intersections (\$8.0 million or 45.1% of total works costs).

Table 2.2 shows the cost of transport works in the Council's plan.

Table 2.2 Transport works in CP18 (\$Jun2020)

Item	Cost of works
Vehicular bridge	3,944,365
Pedestrian bridges	4,666,920
Signalised intersections	7,964,344
Roundabouts	807,496
Left in left out intersection	283,999
Total	17,667,124

Note: There are no transport land costs in CP18.

Source: CP18 works schedule.

Our assessment of transport works in CP18 against the guidance in DPIE's Practice Note is set out below.

2.3 Criterion 1: Essential works

All works for transport in CP18 are consistent with the essential works list in the [Practice Note](#).

There are no land components for any of the transport works items.

We consider that the shared pathway along Elizabeth Macarthur Creek (OSE6 and OSE7) primarily serves a transport function and recommend that the Council move the costs for this infrastructure to the transport category and remove it from open space.

The shared pathway is also consistent with the essential works list.

2.3.1 Pedestrian/cyclist bridges serve a transport purpose and are consistent with the essential works list

CP18 includes a pedestrian bridge over Memorial Avenue, and 2 pedestrian/cyclist bridges over Elizabeth Macarthur Creek. The pedestrian bridge over Memorial Avenue (item RT3) serves a clear transport purpose by enabling pedestrian crossing over a road, which the NSW Government is currently upgrading to a four-lane divided road. A pedestrian bridge will minimise traffic disturbance relative to an at-grade pedestrian crossing.

The two proposed pedestrian/cyclist bridges over Elizabeth Macarthur Creek (items RT2 and RT4) are close to the eastern boundary of CP18 and will connect the Precincts with residential areas and open space outside the Precincts. The Council notes that these pedestrian bridges will support the transit oriented developments in the Precincts by making it convenient and attractive to walk or cycle, and hence reducing reliance on private vehicles. We consider that this transport purpose is consistent with the essential works list.

The Council notes that all 3 pedestrian bridges will 'improve pedestrian movement within (and to and from) the Precincts'. As demand for these pedestrian bridges does not solely arise from the new development in CP18, the apportionment of costs should reflect this. We consider this in our assessment of Criterion 5: apportionment (see Chapter 2.6).

2.3.2 The shared pathway along Elizabeth Macarthur Creek serves a transport purpose and is consistent with the essential works list

CP18 includes 2.4 kilometres of shared pathway along Elizabeth Macarthur Creek, identified as 2 items in the works schedule (OSE6 in the Kellyville Precinct and OSE7 in the Bella Vista Precinct). The Council has included these items in the plan as 'high quality linear open space within 10 minutes walking or 800 metres to residents'. The 3 pedestrian bridges in CP18 (discussed above) are part of this shared pathway.


We consider that the shared pathway primarily serves a transport purpose as it enables residents to engage in active transport. The shared pathway provides a safe way for residents to access other areas within and adjacent to the Precincts, and makes walking and cycling viable alternatives to driving. We consider that this may also present a secondary recreational benefit.

In our Draft Report, we recommended the shared pathway be transferred from open space to transport works and as a result, have considered this pathway as part of our analysis of transport works. This is consistent with the Council's classification of the pedestrian bridges which form part of, or intersect, the pathway, as transport infrastructure.

In response, the Council agreed with our draft recommendation. We have therefore maintained our draft recommendation.

An implication of this change is that the costs of the shared pathway, as transport works, will be apportioned to both residential and non-residential development instead of being apportioned wholly to residential development as proposed under open space.

Recommendation

1.  Transfer the cost of the shared pathway along Elizabeth Macarthur Creek (OSE6 and OSE7) of about \$2 million from the open space category to the transport category. This would change the way this cost is allocated between residential and non-residential development.

2.4 Criterion 2: Nexus

In assessing whether there is nexus between the transport works and the development in the plan, we have considered the technical studies included in the state significant development applications (SSDAs), the Council's proposed need for the infrastructure, and the identified location and purpose of infrastructure.

We found that nexus is established for all transport works in the plan.

2.4.1 Nexus for most transport works is established through a technical study prepared as part of the SSDA

To establish nexus for transport works in CP18, the Council has relied on the Jacobs traffic and transport assessment report (June 2020) prepared for the SSDAs for the Precincts.¹ We consider that this technical study establishes nexus for 6 of the 11 proposed transport works items in CP18. Nexus is established for the shared pathway (OSE6 and OSE7) through the environmental impact statements prepared as part of the SSDAs.

The Council has also included an additional 5 transport works items in CP18 (not included in the technical study) based on its own assessment of traffic needs:

- A pedestrian bridge near Unaipon Avenue/Celebration Drive intersection (item RT4) to improve pedestrian connectivity within the open space network.
- Signalisation at Balmoral Road/Mawson Avenue (item RT6) to improve traffic flow, as this intersection is located at the junction of 2 roads which will carry substantial traffic. This intersection treatment is consistent with the proposed signalisation of the nearby Balmoral Road/Celebration Drive intersection (RT7) included in the Jacobs (2020) report.
- A dual-lane roundabout near Colonial Street Vehicular Bridge (item RT9) to improve traffic efficiency and safety, as it will be a main vehicular access point to the eastern side of Elizabeth Macarthur Creek and to Memorial Avenue.
- A dual-lane roundabout north of the district open space in the Bella Vista Precinct (item RT10) to facilitate efficient and safe vehicular access to both the school and district park.
- An intersection upgrade (to a left-in-left-out intersection, without signals or roundabout) for Memorial Avenue and a Bella Vista Collector Road (item RT11) to assist with traffic flow. We note that this intersection upgrade has been superseded by new requirements from Transport for NSW (see Chapter 2.4.2 below).

The Council does not have any traffic reports or internal modelling to support its conclusions on nexus for these 5 items. However, based on the Council's explanations and our visit to the Precincts to view the proposed sites for the transport works, we consider that there is nexus between these transport works in CP18 and development in the Precincts.

2.4.2 Transport for NSW has new access requirements

In their submissions to our Draft Report, Council and the developer informed us that Transport for NSW did not support any direct access from the precincts in CP18 to Memorial Avenue (that is, item RT11 above). This means that the planned left-in/left-out intersection with Memorial Avenue needs to be removed from CP18 and replaced with an alternative option. Both Council and the developer proposed a vehicular bridge across Elizabeth Macarthur creek to address TfNSW's new access requirements.

¹ The two SSDAs are: Kellyville Station Precinct Concept Proposal (SSD 10343) and Bella Vista Station Precinct Concept Proposal (SSD 10344).

Vehicular access to Memorial Avenue is required to facilitate the development within the plan's catchment area. Without access to Memorial Avenue, traffic within the northern section of the Precinct can only access the surrounding road network via Balmoral Road.

We consider that nexus has been established for a new vehicular bridge. An access point to Memorial Avenue is fundamental to service north-south connections within the Precinct. The bridge represents a reasonable alternative to the planned intersection; and it satisfies TfNSW requirements.

Recommendation

- 2. Accept the proposed costs for a new vehicular bridge over Elizabeth Macarthur creek, which supersedes the Left-in/Left-out intersection with Memorial Avenue (a net increase of \$3.5 million).

2.5 Criterion 3: Reasonable cost of works

The Council's initial works costs in CP18 were \$17.7 million (11.8% of the total cost of works).

On a per person basis, this cost is low relative to other plans we have assessed. CP18 does not include costs for transport items we have seen in other plans, such as: local roads, asset relocation, water management devices, footpaths, street tree planting, traffic management devices and treatment for local roads. The intention is that these costs will be incurred by developers as part of the works associated with individual developments within the Precincts and provided at no cost to the Council.

We found that:

- The Council's approach to estimating the cost of transport works is reasonable.
- While the use of cost estimates from the initial Landcom VPA offer was reasonable at the time of the plan's drafting, as site-specific cost estimates were not available, the plan needs to be updated with the revised costs from the RLB Report.

In assessing whether the costs of transport works in CP18 are reasonable, we considered:

- the costing approach the Council used to prepare the plan
- the proposed costs with reasonable costs in other plans we have assessed.

2.5.1 The initial Landcom VPA offer costs were reasonable when the plan was first prepared

When preparing the plan, the Council relied on the initial Landcom VPA offer for most of its cost estimates. In our Draft Report, we considered this approach reasonable, as the developer was best placed to estimate the cost of work items until more accurate information was provided. The developer stated that it would update costs with site-specific estimates from a quantity surveyor when available.

2.5.2 The new estimates are reasonable as they have been provided by a quantity surveyor through a site-specific study

The developer has updated all transport costs included in the plan using site-specific estimates in the RLB Report. These estimates include the new vehicular bridge (RT11) in place of the planned intersection. As the new bridge is identical to the one already included to the plan (RT1), the costs are the same.

The table below lists the original and new cost estimates for all transport items in the plan.

Table 2.3 Cost for transport items in CP18 and RLB report (\$Jun2020)

	Infrastructure item	Costs in CP18	RLB Costs
RT1	Vehicular Bridge – Kellyville Collector Road to Colonial Street	3,944,365	3,813,650
RT2	Pedestrian Bridge – Decora Drive to Wenden Avenue	462,000	777,750
RT3	Pedestrian Bridge – Memorial Avenue	3,742,920	3,228,000
RT4	Pedestrian Bridge – Near Unaipon Ave / Celebration Drive Intersection	462,000	777,750
RT5	Upgrade – Samantha Riley Drive / Decora Drive	642,024	659,500
RT6	Signalisation – Balmoral Road / Mawson Avenue	921,305	927,500
RT7	Signalisation – Balmoral Road / Celebration Drive	4,088,488	4,079,000
RT8	Signalisation – Brighton Drive / Celebration Drive	2,312,527	2,352,000
RT9	Roundabout – New Road near Colonial Street Vehicular Bridge	403,748	501,500
RT10	Roundabout North of District Open Space in Bella Vista Precinct	403,748	501,500
RT11	Vehicular Bridge – Celebration Drive to Free Settlers Drive	283,999	3,813,650

Source: APP submission to IPART draft report.

The cost updates in the RLB Report provide a detailed breakdown of elements such as length and width measurements, required earthworks, traffic light provision, consultant and contractor fees. These cost estimates are more precise than the original ones, since the latter were derived from benchmarks and/or informed by preliminary studies.

We recommend accepting the revised costs provided in the RLB Report and including these in the plan. This results in a \$3.8 million increase in transport costs, of which \$3.5 million is due to the new bridge.

Recommendation

3. Update transport infrastructure costs in the plan with revised cost estimates provided by the site-specific quantity surveyors' report by Rider Levett Bucknall.

2.6 Criterion 5: Apportionment

In assessing apportionment of transport costs in CP18 we have considered the demand for infrastructure arising from:

- different types of development (i.e. residential vs non-residential)
- development within and outside the Precincts.

As outlined below, we found the Council's approach to apportionment of transport works costs (excluding pedestrian bridges) is reasonable. This approach involves apportioning costs:

- Firstly, between residential and non-residential development based on the RMS Guide to Traffic Generating Developments (RMS Guide).
- Secondly, amongst residential development on a per person basis and non-residential development on a per square metre of Gross Floor Area (GFA) basis.

However, we consider that the costs of some infrastructure apportioned to CP18 exceed the demand arising from development within the Precincts. In principle, a share of transport works costs should be apportioned outside of CP18. That said, we have not recommended any changes given the relatively low cost of these works items, and the difficulty in allocating the remaining costs to other relevant developments.

The Council proposed a different method of apportionment for the cost of pedestrian bridges, proposing to apportion the costs to residential development only. In our Draft Report, we found that it is not reasonable for the Council to apportion the costs to residential development only, and recommended that the costs of pedestrian bridges (RT2, RT3 and RT4) be apportioned between residential and non-residential development based on the RMS Guide to Traffic Generating Developments. This is consistent with the apportionment approach for other transport items in the plan.

In response, the Council agreed with our draft recommendation. We have therefore maintained our draft recommendation.

2.6.1 The demand for some transport works items does not solely arise from development in CP18

The Council has apportioned 100% of the costs of all transport works items to CP18. To assess whether this apportionment is reasonable, we considered whether:

- there is demand for the infrastructure from **within** the Precincts
- there is demand for the infrastructure from **outside** the Precincts
- the infrastructure may have been delivered in the absence of development in CP18
- the benefit to residents outside CP18 was sufficient to recommend some apportionment of costs outside CP18.

We consider that the costs of most transport works items should be fully apportioned to CP18. However, for 3 works items, we consider it is likely that some demand for the infrastructure arises from outside the Precincts, which presents an argument for reduced apportionment to CP18. These items are:

- the pedestrian bridge from Decora Drive to Wenden Avenue (RT2)
- the left slip lane from Samantha Riley Drive into Decora Drive (RT5)
- the new vehicular bridge across Elizabeth Macarthur Creek (RT11).

These works items provide access to the metro stations. Demand for access to the metro station (by foot and by car) could have resulted in the need for these works items, even in the absence of new development in CP18. We consider that up to 50% of the costs for the pedestrian bridge (RT2), and 50% of the costs of the left slip lane (RT5) could be borne outside the Precincts to reflect this demand.

However, it is not clear how the Council should fund the costs which are not borne by development in CP18. The contributions plan for the adjoining precinct (CP12 – Balmoral Road Release Area) is near the end of its plan life (with development under the plan scheduled from 2006 to 2026). This means that it would be impractical for the Council to apportion a share of works costs in CP18 to CP12, as the burden would disproportionately fall on the remaining developments. For these reasons, we do not propose to make a recommendation for the Council to change its apportionment of these items.

We have elaborated on our analysis for some works items, below, for which the assessment of apportionment is not straightforward.

RT2 – Pedestrian bridge from Decora Drive to Wenden Avenue

The proposed pedestrian bridge over Elizabeth Macarthur Creek is located on the eastern precinct boundary. While this bridge will facilitate access to the east of the Precincts, it will also improve access to Kellyville metro station for people outside the Precincts.

The Council does not have information on the projected usage of this pedestrian bridge, but notes that it will both provide access to the metro station and enable residents to access the riparian open space corridor in the Precincts. We consider that the benefits of improved pedestrian and cyclist access to the metro stations could have resulted in sufficient demand for this works item, even in the absence of development in CP18. However, as mentioned above, estimating the appropriate amount to apportion is difficult, and raises equity concerns because the burden would fall on a small number of residents in CP12.

RT4 – Pedestrian bridge near Unaipon Avenue/Celebration Drive intersection

The proposed pedestrian bridge near the intersection of Unaipon Avenue and Celebration Drive will enable pedestrians and cyclists to cross Elizabeth Macarthur Creek, and connect CP18 with open space to the east of the Precincts.

While this works item is similar to RT2 (discussed above), we consider that the benefits are likely to be greater for residents of CP18 than for people outside the Precincts. As the bridge adjoins open space (approximately 500 metres in width), it is less likely to be used for access to Bella Vista metro station. As such, we consider that it is unlikely to have been provided in the absence of development in CP18 and should not be funded by residents outside the Precincts.

RT5 – Left slip lane from Samantha Riley Drive into Decora Drive

The left slip lane into Decora Drive is located at the north-eastern corner of the Precincts. The Traffic and Transport Assessment Report prepared for the SSDAs indicates that Decora Drive will serve as the main movement corridor through the Kellyville precinct for access to the metro commuter car park.ⁱⁱⁱ

The Traffic and Transport Assessment Report designates Guragura Street as the local access street. Within the metro station precinct, Guragura Street will function as a mixed-use town centre and enable traffic access to the metro station.^{iv}

The left slip lane, therefore, is likely to provide benefits to both residents in CP18 and those from outside the Precincts accessing the metro station and may have been required even in the absence of development in CP18.

However, the Council has advised that the road upgrades required to support the operation of Sydney Metro Northwest were identified in the Environmental Impact Statements (EIS 1 and EIS 2) and delivered as part of Sydney Metro Northwest. The Council therefore proposes that any further upgrades to support the additional traffic volumes around the station (i.e. this works item) should be levied on future development.^v

RT8 – Signalisation of the intersection of Brighton Drive and Celebration Drive

The proposed signalised intersection is located on the south-eastern boundary of CP18. The current T-intersection does not have any traffic management infrastructure. However, development in CP18 will include a new local road, making this a 4-way intersection. The new road will provide access to the community facility and open space adjoining Bella Vista metro station.

The signalisation of the intersection will improve traffic flow both within and outside the Precincts. The current intersection may have been sufficient to facilitate access to the metro station and Windsor Road, were it not for the new local road and increased population arising from CP18. As such, we consider that it is appropriate to apportion the full costs of signalisation to CP18.

Figure 2.1 Current intersection of Brighton Drive and Celebration Drive (proposed location of RT8)



Source: IPART.

RT11 – Vehicular bridge across Elizabeth Macarthur Creek into Free Settlers Drive

The proposed vehicular bridge connects the northern section of the Bella Vista Precincts to Free Settlers Drive, to the adjacent Balmoral Road Release Area. The bridge serves the same function of the original left-in/left-out intersection by providing access to Memorial Avenue. The rationale for the bridge is that access points to Memorial Avenue are crucial to provide the new Precincts with traffic access to the surrounding areas. Moreover, these access points are currently very limited, making the removal of the original intersection unfeasible without an alternative solution.

Since the bridge is an important connection from the Precincts to the outside areas, it is likely to service demand from other areas. For example, the bridge connects directly to the areas serviced by the CP12 – Balmoral Road Release Area – and residents from Balmoral Road can use it to access the metro station.

In our Information Paper, we sought comment on what share of bridge's costs should be funded from development within the precinct. In response, the Council considered that demand for the new bridge will be entirely generated within CP18's catchment area.

While we are still of the view that the bridge will service demand from outside of the precinct, we recommend not apportioning a share of these costs for the new bridge for two reasons:

1. While the bridge will service demand from outside of the CP18 area, the bridge will create spill-over costs borne by the broader Council rate base. In particular, TfNSW and the developer expect that the bridge may create the need for road upgrades to an existing intersection in CP12.
2. Given that development in the CP12 area is almost completed, apportioning a part of CP18 costs to this plan would disproportionately impact new residents.

Overall, we consider that apportioning the bridge's costs entirely to CP18 is an equitable, and simple, approach.

2.6.2 The Council has applied RMS vehicle generation rates to apportion transport costs

The Council has apportioned the costs of traffic works to residential and non-residential development in the Precincts based on vehicle generation rates specified in the RMS Guide to Traffic Generating Developments (RMS Guide). The rates used by the Council are presented in Table 2.4. The Council has estimated the residential rate and applied the non-residential rates in the RMS Guide.

Table 2.4 Proposed apportionment based on daily vehicle generation rates

Development type	Yield	Vehicle generation rate (RMS)	Daily vehicle trips	%
Residential	7,047 units	2.9 per unit	20,436	39%
Non-residential (other than retail)	151,000 m ²	10 per 100 m ² gross floor area	15,100	61%
Non-residential (retail)	25,736 m ²	63 per 100 m ² gross leasable floor area	16,214	
Total			50,370	100%

Source: Draft CP18.

The RMS Guide does not estimate a daily vehicle generation rate for 'high density residential flat buildings', which would be the most appropriate classification for development in this precinct. To overcome this, the Council has estimated a daily rate by multiplying the available peak hour rate by a factor of 10.²

We note that the RMS guide does provide comparable 'peak hour' vehicle generation rates for the relevant types of development. If these rates were applied, the share of transport infrastructure costs apportioned to residential development would decrease by 8 percentage points (approximately \$1.4 million), with a corresponding increase to the costs apportioned to non-residential development.

The Council considers that daily rates better reflect the demand generated by each development type.^{vi} We accept that peak hour rates do not fully capture the vehicle generation of each type of development and consider the difference between the two approaches is relatively minor relative to the total size of the plan. As such, we consider the Council's assumptions are generally reasonable.

² The council has based this assumption on the relationship between peak and daily vehicle generation rates for 'medium density residential flat buildings' which exhibit a 1:10 ratio between peak and daily vehicle generation rates.

2.6.3 Demand for pedestrian bridges and the shared pathway arises from both residential and non-residential development

The Council has apportioned 100% of the costs of pedestrian bridges to CP18, but has only apportioned the costs of these bridges to residential development. We do not consider this apportionment approach is reasonable.

The pedestrian bridges contribute to active transport within the Precincts. We consider that demand for this active transport is generated by both residential and non-residential development, and hence, the costs should be apportioned to all development. The Council acknowledges that both residents and workers (in the non-residential development) may use this infrastructure.^{vii}

For the same reason, we consider that the shared pathway, which has been moved from open space to transport works, should be apportioned to residential and non-residential development.

The RMS Guide provides estimates of vehicle traffic generation by development type but does not estimate rates of pedestrian or cyclist activity. Despite this, we consider the vehicle traffic generation rates are a good proxy for pedestrian traffic, as it accounts for different development uses rather than just floor area.

Our draft recommendation was to apportion the costs of pedestrian bridges and the shared pathway, between residential and non-residential development, consistent with the approach for all other transport works items.

In response, the Council agreed with our draft recommendation. We have therefore maintained our draft recommendation. Our recommendation does not change the total costs in the plan, but reduces the share borne by residential development from 100% to 39%.

Recommendation

4. Apportion the cost of pedestrian bridges (RT2, RT3 and RT4) to residential and non-residential development, consistent with other transport works in the plan.

3 Stormwater management

The total cost of stormwater management works in CP18 is \$3.37 million (2% of total plan costs). There are no stormwater management land costs in the plan.

Stormwater works costs are a small share of total works costs in CP18, however on a per hectare basis they are more than double the median cost of other plans we have assessed.³ The stormwater costs are apportioned wholly to residential development.

3.1 Overview of our assessment

- **Essential works** – All the stormwater management works are consistent with the essential works list. Although, we recommend moving rainwater reuse infrastructure costs to the open space category as a result of the nature of the infrastructure proposed (see our recommendation in Chapter 4.3.3).
- **Nexus** – There is nexus between the remaining stormwater items (gross pollutant traps, GPTs) and development in the Precincts.
- **Reasonable cost (works only)** – Costs should be updated to reflect site-specific estimates prepared by the quantity surveyor RLB.
- **Apportionment** – The apportionment of GPTs costs to only residential development is not reasonable. We recommend the costs be apportioned between residential and non-residential development based on gross floor area (GFA), then amongst residential development on a per person basis and non-residential development on a GFA basis.

³ This cost includes the rainwater re-use infrastructure that we propose to transfer to the open space category.

Table 3.1 IPART-recommended adjustments for stormwater (\$Jun2020)

Criterion	Finding	Recommendation	Works
Total costs in plan			3,366,000
Essential works	All items are consistent with the essential works list, however:		
	Rainwater reuse infrastructure (DR7) is an open space cost	Transfer cost to open space embellishment	- 2,108,460
Nexus	Nexus is established for GPTs in the plan		
Reasonable cost - Works	The Council should update the plan with the new site-specific estimates	Include the new costs supplied by RLB for stormwater items	-357,540
Apportionment	Approach is not reasonable	Apportion costs between residential and non-residential development on a GFA basis, then amongst residential development on a per-person basis, and non-residential on a GFA basis	
Total IPART-recommended cost adjustment			-2,466,000
Total IPART-assessed reasonable cost			900,000

Our findings and recommended adjustments are detailed below.

3.2 Stormwater management works included in CP18

CP18 applies to the Bella Vista and Kellyville Station Precincts. Given the proximity of the Precincts and shared demand for infrastructure, the Council considers both Precincts as a combined 'catchment area'. The Precincts' stormwater management plans identify stormwater from the Precincts will ultimately discharge to Elizabeth Macarthur Creek. The plans identify and propose several treatment devices to meet Sydney Water's stormwater pollutant reduction targets including:

- tree pits within public road reserves
- public reserve/open space natural infiltration
- rainwater reuse infrastructure within the proposed district open space
- GPTs.

CP18 proposes to levy development for the cost of 6 GPTs, and a rainwater reuse infrastructure within the district open space (Table 3.2).

Table 3.2 Stormwater management works in CP18 (\$Jun2020)

Item	Total cost
6 gross pollutant traps	900,000
1 rainwater reuse infrastructure	2,466,000
Total	3,366,000

Note: No land acquisition is required for stormwater management in CP18.

Source: CP18 works schedule

3.3 Criterion 1: Essential works

We consider that all the stormwater management works items in CP18 are consistent with the essential works list in the Practice Note. However, we consider the rainwater reuse infrastructure primarily serves the district open space and should be considered as open space embellishment.

In our Draft Report, we recommended transferring this cost to the open space category (discussion and recommendation in Chapter 4 – Open space).

In response, the Council agreed with our draft recommendation. We have therefore maintained our draft recommendation.

3.4 Criterion 2: Nexus

The Precincts' stormwater management plans were prepared by Wood and Grieve Engineers. In our view these plans establish nexus for the GPTs in CP18.

Table 3.3 Technical studies for stormwater works in CP18

Author	Title	Date
Wood and Grieve Engineers	Bella Vista Station Precinct Stormwater Management Plan	September 2019
Wood and Grieve Engineers	Kellyville Station Precinct Stormwater Management Plan	September 2019

Note: The technical studies were commissioned by Landcom as part of the State Significant Development applications (SSDAs) for the Precincts.

3.4.1 Nexus is established for gross pollutant traps

The stormwater management plans recommend GPTs be installed at several locations – a proposed public road, the district open space, and at discharge points into the Elizabeth Macarthur Creek. The location of GPTs at 'discharge points into the Elizabeth Macarthur Creek' are not specified in the stormwater management plans at this conceptual stage. Landcom proposed four GPTs along the Elizabeth Macarthur Creek as part of its initial VPA offer, which we consider is an appropriate interpretation of the stormwater management plans. Nexus is established for the GPTs (DR1 – DR 6) through the stormwater management plans.

3.5 Criterion 3: Reasonable cost of works

The total cost of stormwater management works in CP18 is \$3.37 million (5% of total works costs), which is low in dollar terms relative to costs in other plans. However, on a per hectare basis the costs are more than double the median cost compared to other plans we have assessed. This reflects the Precincts' relatively small net developable area (NDA) and high proposed cost for a rainwater reuse infrastructure.

3.5.1 We recommend updating stormwater costs

The new cost estimates in the RLB Report would reduce the costs for the rainwater reuse infrastructure (DR7) by almost \$360,000. Note that transferring this item to the open space category would further decrease stormwater costs by \$2.1 million, although it would not change total costs.

The original cost estimate for GPTs in CP18 is \$150,000 per unit, which the Council based on 2017 tender rates for a GPT in the Council's Oxlade Street Reserve North Kellyville project. In our Draft Report, we found this value to be higher than the average for GPTs across similar precincts. However, the new cost estimates in the RLB Report matches the Council's. As the RLB report is a site-specific study, we accept this cost as reasonable.

Recommendation

- 5. Update stormwater infrastructure costs with revised cost estimates provided by the site-specific quantity surveyors' report by Rider Levett Bucknall.

3.6 Criterion 5: Apportionment


In CP18, the Council apportions the cost of GPTs to residential development only.

In assessing the apportionment of GPTs, we consider that the need for GPTs is a direct consequence of the number of people, both residents and workers, producing surface level debris. On a gross floor area (GFA) basis, CP18 is comprised of 75.08% residential development and 24.92% non-residential development (i.e. retail, commercial and community developments). As the need for GPTs arises from both types of development, our draft recommendation was that the cost of GPTs should be apportioned between residential and non-residential development on a GFA basis, with 75% allocated to the former and 25% to the latter.

The need for most stormwater infrastructure is driven by the size of the impervious land that is being developed. As mentioned above, GPT use does not depend on land size, but on the number of people using this land for their activities and producing debris as a result. Therefore, in our Draft Report we also recommended apportioning costs for GPTs on a per-person basis for residential development, and on a GFA basis for non-residential development. This is because GFA represents the best proxy for the cost-driver of GPTs in non-residential developments, since such number cannot be determined with a consistent value (which is instead the case with residential dwellings).

In response, the Council agreed with our draft recommendation. We have therefore maintained our draft recommendation.

Recommendation

6.  Apportion the cost of gross pollutant traps (DR1-DR6) between residential and non-residential developments on a gross floor area (GFA) basis, and then amongst residential development on a per-person basis and amongst non-residential development on a GFA basis.

4 Open space

The total cost of open space land and embellishment in CP18 is \$121.0 million (80.9% of total costs), comprising:

- \$77.6 million for land (92.1% of the total cost of land)
- \$43.4 million for open space embellishment (67.3% of the total cost of works).

4.1 Overview of our assessment

- **Essential works** – The land and embellishment for open space are consistent with the essential works list. We recommend moving transport-related work costs *to* the transport infrastructure category (see Chapter 2.3), and moving open space embellishment costs *from* the stormwater infrastructure category. We recommend excluding allowances for Public Art & Interpretive Signage and Biodiversity Offsets which are not on the essential works list.
- **Nexus** – Nexus is established for the total area of land for open space, the open space provision and its embellishment. However, we note that the overall provision of open space is low.
- **Reasonable cost** – Update the open space embellishment costs with updated estimates in the RLB Report, which we have assessed to be reasonable. We note that the higher estimate for the Bella Vista District Park is reasonable because it was not fully costed in the Council's original submission.
- **Apportionment** – The Council's approach to apportioning open space costs to residential development on a per person basis is reasonable.

We recommend that the Council:

- Transfer the cost of rainwater re-use infrastructure in the Bella Vista district park (DR7) within stormwater management works to open space embellishment.
- Update the work costs in the plan to reflect RLB advice.
- Not include allowances for Public Art & Interpretive Signage and Biodiversity Offsets.

We also recommend:

- reducing the cost of open space **land** by approximately \$1.1 million.

Table 4.1 IPART-recommended adjustments for open space (\$Jun2020)

Criterion	Finding	Recommendation	Land	Works
Total costs in plan			77,606,308	43,376,109
Essential works	All land and works in the plan are consistent with the essential works list, however:			
	The shared cycleway sections (OSE6 and OSE7) are transport costs	Transfer costs to transport works		- 1,901,450
	Costs for rainwater re-use infrastructure are open space costs	Transfer costs from stormwater works		2,108,460
	Allowances for Interpretive Signage & Public Art and for Biodiversity Offsets are not on the list	Remove allowances from the new cost estimates		-5,550,000
Nexus	Nexus is established for all land and works in the plan.			
Reasonable cost - Land	The cost of land is reasonable, except:			
	The 15% acquisition allowance is not reasonable	Remove the 15% acquisition allowance from the cost of open space land	- 1,145,422	
	Plan accidentally excludes a plot of land	Add the 0.23 ha of private land with its related acquisition contingency	1,610,805	
Reasonable cost - Works	The cost of embellishment is mostly reasonable given the updates in cost estimates	Include RLB cost estimates for open space works in the plan		12,148,546
Apportionment	Approach is reasonable			
Total IPART-recommended cost adjustment			465,383	6,805,556
Total IPART-assessed reasonable cost			78,071,691	50,181,665

Note: The recommendations relating to the reasonable cost of land for open space (i.e. to remove the 15% acquisition allowance and to include 0.23 ha of private land) are discussed and estimated in Chapter 6.
Source: CP18 works schedule, IPART calculations.

4.2 Open space embellishment included in CP18

CP18 includes 17.6 hectares of open space, comprising 9.5 hectares located outside the Precincts (Caddies Creek Sporting Complex) and 8.1 hectares within the Precincts. The Council classifies the open space within the Precincts as 'passive open space', including local parks, neighbourhood parks, riparian parks, courts under a viaduct, urban plazas and district open space (Table 4.2). These parks and sporting facilities will serve a population of around 14,000 people.

Table 4.2 Open space costs in CP18 (\$Jun2020)

Item	Cost of land	Cost of embellishment	Total cost
Caddies Creek Sporting Complex (PF1)	10,933,581	20,747,948	31,681,529
Local parks (OSE9, OSE10)	18,428,416	2,762,760	21,191,176
Neighbourhood park (OSE5)	18,707,749	1,762,992	20,470,741
Land/courts under viaduct (OSE4)	1,433,556	2,761,968	4,195,524
District open space – Bella Vista (OSE8)	19,189,590	7,233,600	26,423,190
Town square urban plazas (OSE3, OSE11)	6,625,920	2,956,800	9,582,720
Riparian parks (OSE1, OSE2, OSE12)	2,287,495	3,305,412	5,592,907
Cycle path along creek (OSE6, OSE7)	-	1,844,629	1,844,629
Total	77,606,308	43,376,109	120,982,416

Source: CP18 works schedule, IPART calculations.

4.3 Criterion 1: Essential works

We found that the land and embellishment items in CP18 are generally consistent with the essential works list in the Practice Note, but some allowances included in their cost calculations are not. Given the stage of development, the Council does not have detailed plans for the embellishment of open space. The Council lists a skate park, which is not consistent with the essential works list. The remaining items listed are consistent with the essential works list.

We consider that the cycle path along Elizabeth Macarthur Creek (OSE6, OSE7) should be characterised as transport works and recommend the transfer of these costs to the transport infrastructure category (see Chapter 2 - Transport for more information). There are no land costs associated with this cycleway.

Similarly, we consider that the rainwater re-use infrastructure (including irrigation pumps) within the district park included in CP18 as stormwater infrastructure should be classified as open space embellishment. We recommend the costs of this infrastructure be transferred to the open space category and consider that it meets the requirements of essential works.

We note that embellishment at Caddies Creek Sporting Complex also includes some works which may be considered transport or stormwater infrastructure. We have not made recommendations to transfer these costs as the full costs associated with the sporting complex should be borne by residential development. Transferring these costs to other infrastructure categories could change this apportionment or add unnecessary complexity to the plan.

4.3.1 Embellishment at Caddies Creek Sporting Complex is consistent with the essential works list

The Caddies Creek Sporting Complex will include 4 single playing fields (including 1 cricket oval), parking, amenities buildings, a playground and pathways. These items are consistent with the essential works list.

In developing a cost estimate for the sporting complex, the Council included several other embellishment items, including but not limited to, an access road, pedestrian crossings, road humps, sports field drainage, stormwater pits and pipes, and rainwater re-use tanks. These items are consistent with the essential works list but may be more appropriately classified as essential works for transport or stormwater management. The Council has explained that it included these costs in open space embellishment as they form part of a single open space project, and detailed designs are not yet available.^{viii}

While we have previously made recommendations to transfer works costs to a more reflective category, in this case, we consider that it is appropriate for these works to remain as open space works costs because the costs should be fully apportioned to residential development.

- In the case of **transport infrastructure** – the proposed works items (including a new road, concrete road humps and pedestrian crossings) serve a clear transport function but are only necessary because of the provision of open space at Caddies Creek Sporting Complex. As the sporting complex is located outside the Precincts, there will be no demand for the transport infrastructure from non-residential development within CP18. As such, it is appropriate for residential development to bear the full costs of providing these transport works.
- In the case of **stormwater management infrastructure** – the proposed works items (stormwater pits and pipes, and re-use water tanks with pumps) are intended to assist with drainage at the sporting complex. The need for stormwater management works at the sporting complex solely arises from the sporting complex itself, which is being provided to meet the needs of the residential population in CP18. As non-residential development in CP18 neither contributes to demand for the sporting complex nor impervious area outside the Precincts, it is appropriate for residential development to bear the full costs of providing these transport works.

Transferring these costs to the transport or stormwater management works categories would either change this apportionment (by apportioning some of the costs to non-residential development) or require bespoke changes to apportionment for these items, as distinct from other works items in the respective infrastructure categories. The administrative impracticality of the latter means that the most practical solution to achieve the desired apportionment is to make no change to the classification of costs in the plan.

4.3.2 The proposed embellishment of passive open space is generally consistent with the essential works list

The Council has identified a range of embellishment items for the open space areas in CP18. These items are consistent with the essential works list, except for the skate park proposed for the local park under the viaduct (OSE4)⁴.

⁴ Skate parks are excluded from the EWL and therefore, not able to be included in an IPART endorsed contributions plan.

Table 4.3 Open space costs in CP18 (\$Jun2020)

Open space classification	Proposed embellishment items	Embellishment cost (\$ per square metre)
Riparian open space	n/a	198
Local/neighbourhood parks	small courts skate park shelter seating amenities quiet spaces planting open lawn kickaround area children's playground	264
District park	multi-use space to cater for sports and events dog off leash areas play equipment passive areas	244
Urban plazas	multi-use town square public seating	924

Source: CP18 works schedule

The Council has estimated the costs of embellishing open space using a per square metre rate based on the classification of open space. We do not recommend removing the skate park from the local park under the viaduct for several reasons:

- Detailed plans for parks are not yet available, and we expect the proposed items are indicative at this stage of development.
- The specific embellishment items in each of the local parks vary, despite costs being estimated using a common rate.
- The Council has not specifically costed each embellishment item in preparing its estimates.
- The Council has submitted several plans to IPART for assessment and has demonstrated an understanding that skate parks are embellishments outside the essential works list.
- A recommendation to reduce the per square metre rate applied to local parks could prevent the provision of other embellishment items.

4.3.3 Rainwater re-use infrastructure in the district park should be classified as open space embellishment

The Wood & Grieve Engineers stormwater management plan identifies the rainwater re-use system (including a pumped irrigation system) in the proposed district park within the Precincts.^{ix} Infiltrated stormwater will be collected by a series of subsoil drains, which will discharge to a subsurface rainwater storage tank.

The Council, in consultation with Landcom, explained that the rainwater re-use infrastructure would only collect water from the district park (i.e. it would not collect runoff from nearby impervious development area). The Council also noted that the collected water would only be used to irrigate the park.^x

While the rainwater re-use system could also improve the quality and quantity of stormwater runoff, and potentially reduce erosion at Elizabeth Macarthur Creek, we consider this impact is likely to be limited as the district park will be mostly pervious.

As the primary purpose of the rainwater re-use infrastructure is to benefit open space, we recommend that these costs be transferred from the stormwater infrastructure category to open space embellishment. This change will not affect total costs in the plan but will increase the share of costs apportioned to residential development, and reduce the share apportioned to non-residential development.

Recommendation

- 7. Transfer the cost of rainwater re-use infrastructure in the Bella Vista district park (DR7) from stormwater management works to open space embellishment. This would increase open space costs by approximately \$2.1 million.

4.3.4 Allowances for Public Art & Interpretive Signage and Biodiversity Offsets should not be included in the plan

The new cost estimates in the RLB Report for open space items include cost breakdowns. The developer has included allowances for Biodiversity and for Public Art and Interpretive Signage in most open space items. These allowances are substantial and account for a significant proportion of the increase in open space costs in the new estimates.

Public Art is not on the Essential Works List, so we recommend these allowance costs should not be included in the plan.

Biodiversity Offsets from the development of the precincts can be paid by developers through a Special Infrastructure Contributions (SIC), administered by the Department of Planning and Environment. The Precincts in CP18 are located within the North West Growth Area, where funds received through SICs can be allocated to pay Biodiversity Offsets. Precincts in the area have access to a combined \$100 million to be funded from SICs specifically for Biodiversity. As the NSW Government has established this funding mechanism, we consider that it is appropriate for the biodiversity offset costs to be funded through a SIC. Therefore, the costs of biodiversity offsets do not need to be recovered from the contributions rates in CP18.

Removing these allowances reduces the total cost of RLB's estimates by \$5.4 million.

4.4 Criterion 2: Nexus

Based on information from the Council and our analysis, we consider nexus is established for open space land and embellishment in the plan but note that the overall provision of open space is low.

We found that:

- The provision of 17.2 hectares of open space in CP18 is below the Growth Centres' benchmark estimate of 39.18 hectares of open space demand generated by the population in the new development.
- Provision of open space outside the Precincts is reasonable given land constraints (availability and cost).
- Nexus is established for the level of embellishment in the plan.

4.4.1 The Council relied on technical studies and its recreation strategy to establish nexus

To establish nexus, the Council relies on a social infrastructure and open space assessment prepared as part of the SSDA process. The Council also relies on its Recreation Strategy of October 2019 to justify the provision of open space in the current plan.^{xi} The Wood & Grieve Engineers stormwater management plan establishes nexus for the rainwater re-use system in the proposed district park.

Table 4.4 Technical study for open space embellishment in CP18

Author	Title	Date
Elton Consulting	Social infrastructure and open space assessment	August 2019
Wood and Grieve Engineers	Bella Vista Station Precinct stormwater management plan	September 2019

Note: These reports were commissioned by Landcom as part of the SSDA documentation.

4.4.2 Nexus is established for open space land but the overall rate of provision is low

The plan includes 17.2 hectares of open space land proposed to be used by the residents of the proposed precinct. The Council classifies 9.5 hectares of this land as 'active open space' at Caddies Creek Sporting Complex, and the other remaining 7.7 hectares as 'passive open space' comprising a network of parks and other open space in the Precincts. We consider that nexus is established for the open space provision and the new residents.

The Council's provision of 9.5 hectares of active open space is lower than the traditional benchmark for greenfield locations (2.83 hectares of active open space per 1,000 people, which equates to 39.2 hectares for the expected population in the Precincts).

Similarly, the Council's provision of 7.7 hectares of passive open space is relatively low compared with the benchmark of 1.62 hectares per 1,000 people^{xii} (which for this development would be equivalent to 20.9 hectares to meet the needs of the new population). The level of provision also represents a shortfall relative to the recommendations of the Elton Consulting study. This study recognised the Precinct's limitations and recommended 8 hectares of open space be provided through a network of local parks, a district park and linear open space along Elizabeth Macarthur Creek. The Council considers the shortfall is justifiable in the Precincts because of:

- the limited availability and high cost of land

- the likely density of future development and the urban character of the Precincts, which is more condensed than a greenfield release area
- the high level of embellishment of the individual open spaces
- the high amenity and informal passive open space opportunities provided within the Elizabeth Macarthur Creek riparian corridor, including walking and cycling opportunities along the planned north-south cycleway.

4.4.3 Nexus is established for open space embellishment

The Council's embellishment of local parks is informed by its 2019 Recreation Strategy. Recognising the Council has proposed that higher levels of embellishment are a trade-off for relatively low provision of open space land, we consider that nexus is established for the proposed level of embellishment in the parks.

Detailed designs are not available for the embellishment at Caddies Creek Sporting Complex. The level of embellishment proposed at the sporting complex is high relative to embellishment of similar facilities we have assessed.⁵ However, again recognising the trade-off between the level of embellishment and quantum of open space provision, we consider that nexus is established for the proposed level of embellishment at the sporting facility.

4.4.4 Nexus is established for rainwater re-use infrastructure in the district park

The Wood and Grieve Engineers' Bella Vista stormwater management plan recommends rainwater re-use infrastructure be installed within the district park. The size/capacity of the rainwater re-use infrastructure is not specified in the stormwater management plan. However, Landcom's cost estimate (via its initial VPA offer) for the infrastructure is based on a 2.74 hectare size (which is comparable to the district park's actual size of 2.97 hectares).

We consider that nexus is established for the rainwater re-use infrastructure via the technical study, as the infrastructure will enable irrigation of the open space and manage minor event stormwater runoff from the district open space.

4.5 Criterion 3: Reasonable cost (embellishment only)

The Council has not delivered any of the open space embellishment in the plan and, as a result, the plan includes estimated embellishment costs. We found:

- the Council's costing approaches are reasonable
- the per square metre embellishment cost rates are reasonable.

⁵ Based on IPART analysis of open space cost per square metre in similar plans we have assessed

4.5.1 Embellishment costs per square metre are high but compensate for lower open space provision

The Council had initially relied on Landcom's VPA offer for most of its cost estimates. These cost estimates apply a per square metre rate of embellishment for different types of open space, multiplied by the planned size of the open space.

We have compared the proposed per square metre rates for embellishment with rates we have considered reasonable in other plans. The rate in CP18 is high relative to these comparators, which partly reflects the high cost of embellishment for the urban plaza areas relative to parks.

The Council has proposed higher levels of embellishment as a trade-off for relatively low provision of open space land. CP18 includes 8.1 hectares of passive open space, relative to benchmark provision of 20.9 hectares based on the expected population. Even with cost updates from the RLB report, the proposed total cost of embellishment applied to the benchmark area would result in a rate of approximately \$140 per square metre, which is similar to rates we have seen in other plans. Given the smaller provision of open space when compared to the benchmarks we consider that it is reasonable to have a higher level of embellishment in these areas.

4.5.2 The new quantity surveyor estimates are reasonable

As discussed for transport items, the Council has obtained new cost information following a quantity surveyors' report. These cost estimates account for site-specific features of the proposed open space embellishment items and are based on a more detailed package of planning information.

We note that updating costs in the plan with these new estimates results in a substantial increase. Nonetheless, as discussed below, we found the increased costs were reasonable due to their supporting documentation.

The new costs are listed in the table below.

Table 4.5 Open space works costs in CP18 and RLB report (\$Apr2021)

	Infrastructure item	Costs in CP18	RLB Costs
OSE1	Riparian Open Space – Kellyville (North)	470,448	725,800
OSE2	2 Riparian Open Space – Kellyville (South)	674,190	902,660
OSE3	Urban Plaza – Kellyville Station (Lot B)	1,478,400	1,504,260
OSE4	Local Park – Kellyville Viaduct Park	2,761,968	8,472,355
OSE5	Neighbourhood Park – Kellyville	1,762,992	2,747,215
OSE6	Path along creek (Kellyville)	801,368	1,243,533
OSE7	Path along creek (Bella Vista)	1,043,261	1,407,917
OSE8	District Open Space – Bella Vista	7,233,600	8,741,750
OSE9	Local Park – Bella Vista (north)	1,755,600	2,625,045
OSE10	Local Park – Bella Vista (south)	1,007,160	1,148,340
OSE11	Urban Plaza – East of Bella Vista Station	1,478,400	1,823,265
OSE12	Riparian Open Space – Bella Vista	2,160,774	3,551,350

PF1	Caddies Creek Stage 2	20,747,948	20,631,165
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Source: APP submission to IPART draft report.

4.5.3 New costs for the Kellyville Viaduct Park are high but reasonable

CP18 includes the Kellyville Viaduct Park (OSE4) as an informal active space with sports courts and related structures. At \$8.4 million, cost estimates for the item in the RLB report are about three times higher than the original value included in the plan (\$2.8 million). This increase in costs for OSE4 accounts for 80% of the total cost increase in open space items included in RLB's new estimates.

In response to our Information Paper seeking clarification on the matter, the developer explained that original estimates did not account for site-specific features of this item. The new costs include the need for hardscape surfaces for sports courts which are considerably more expensive than the softscape found in standard parks. While this park is expensive, we recognise the need for a high level of embellishment given the low overall level of open space provision. We accept the developer's position and consider the new cost estimates reasonable since they accurately reflect the specific features of the park.

We note that the developer has always been aware of the need for special features in this park but did not include them in the initial estimates which were the basis for the Council's original submission. Landscape and Design Plans submitted to IPART early in the application process already included sports courts for the park, and it is not clear why the developer did not include hardscape surfaces in its initial calculations.

4.5.4 Cost estimates for the sporting complex are reasonable

As discussed in section above, the Council has estimated the embellishment costs for the Caddies Creek Sporting Complex through a bottom-up estimate based on benchmark costs for expected inclusions. This results in a rate of embellishment of approximately \$218 per square metre.

This value is high relative to other sporting complexes we have assessed, where embellishment costs range from around \$120 to \$170 per square metre. Applying the same approach as used for local parks, we divided the proposed cost of embellishment by the benchmark level of active open space provision for the expected population (16.6 hectares, compared with the 9.5 hectares provided in CP18). This results in a per square metre rate of embellishment of \$125 per square metre, which is within the range of costs we have previously assessed as reasonable.

As we consider this cost is reasonable, we have not scrutinised the individual embellishment items listed by the Council in building its bottom-up estimate of the cost of embellishment at Caddies Creek Sporting Complex. We recognise that these items and estimated costs are indicative only, as the Council is still preparing a revised master plan for the sporting complex.⁶

⁶ The council has indicated that there have been amendments to the Caddies Creek Master Plan since the draft CP18 was submitted to IPART. While 4 playing fields are still proposed, site constraints have led to a revision to the

As with passive open space in the Precincts, the future residents of CP18 should expect a high level of embellishment at Caddies Creek Sporting Complex as a trade-off for the limited area of open space in the plan.

Recommendation

8. Update costs for open space in the plan with the new estimates in the quantity surveyors' report by Rider Levett Bucknall but remove allowances for Public Art & Interpretative Signage and for Biodiversity Offsets. This would increase costs in the plan by \$6.7 million.

4.6 Criterion 5: Apportionment

CP18 apportions all open space land and embellishment costs to the updated residential population of the Precincts on a per person basis. The Council assumes that demand for open space is generated only by the residential development in the Precincts. We consider this approach is reasonable given the nature of the embellishment proposed.

amenities buildings (reducing from 2 buildings to 1). The council has clarified that the landscaping, clearance, earthworks and soil profile movements are required to deliver the facilities (i.e. they are not environmental works).

5 Plan administration

CP18 includes \$0.97 million for plan preparation and administration. This amount is 1.5% of works costs, which is consistent with the benchmark we proposed in our *Local Infrastructure Benchmark Costs Report* (April 2014).

5.1 Overview of our assessment

- **Essential works** – Plan preparation and administration costs are consistent with the essential works list.
- **Nexus** – There is nexus between plan administration costs and development in the Bella Vista and Kellyville Stations Precincts.
- **Apportionment** – The Council's approach to the apportionment of plan administration costs is reasonable. The calculation of apportionment should be updated to reflect our other recommendations which change the apportionment of transport and stormwater costs between residential and non-residential development.

We recommend that the Council revise the cost of plan administration to ensure that it continues to reflect 1.5% of works costs based on the IPART-assessed reasonable cost of works. As the Council apportions plan administration costs between residential and non-residential development based on its apportionment of the underlying works cost, this will also require the Council to adjust its apportionment calculation to reflect our other recommendations to the apportionment of transport and stormwater costs.

Our findings and recommendations for plan administration costs are summarised in Table 5.1 and discussed in more detail below.

Table 5.1 IPART-recommended adjustments for plan administration (\$Jun2020)

Criterion	Finding	Recommendation	Works
Total costs in plan			966,138
Essential works	Plan administration is on the essential works list		
Nexus	Nexus is established		
Reasonable cost	Calculating costs using IPART's benchmark of 1.5% of works costs is reasonable	Revise plan administration costs to be 1.5% of the revised cost of works	150,086
Apportionment	Approach is reasonable		
	The Council's approach reflects the apportionment of costs in the underlying infrastructure categories	Adjust apportionment to reflect IPART's other recommendations on the apportionment of transport and stormwater works costs between residential and non-residential development	n/a
Total IPART-recommended cost adjustment			150,086
Total IPART-assessed reasonable cost			1,116,224

Note: The apportionment recommendation does not affect total costs in the plan.
Source: The Hills Shire Council, Works Schedule, February 2021 and IPART calculations.

5.2 Criterion 1: Essential works

Plan preparation and administration costs are on the essential works list. The Practice Note explains:

"Plan administration costs are those costs directly associated with the preparation and administration of the contributions plan. These costs represent the costs to a Council of project managing the plan in much the same way as the project management costs are incorporated into the cost estimates for individual infrastructure items within a plan."

Plan administration costs may include:

- Background studies, concept plans and cost estimates that are required to prepare the plan.
- Project management costs for preparing and implementing the plan (e.g. employment of someone to co-ordinate the plan).^{xiii}

5.3 Criterion 2: Nexus

We consider there is nexus between plan preparation and administration activities and the expected development in the Bella Vista and Kellyville Stations Precincts.

5.4 Criterion 3: Reasonable cost

CP18 includes a cost of \$0.97 million for plan administration, which is 1.5% of the total cost of works in the plan. The amount of 1.5% is consistent with the benchmark we proposed in IPART's *Local Infrastructure Benchmark Cost Report* (April 2014), and we consider this is a reasonable estimate.

Given that we have recommended the Council revise the cost of works, we therefore recommend the Council calculate the cost of plan administration for CP18 to be 1.5% of our recommended cost of works.

Recommendation

9. Recalculate the cost of plan administration (1.5% of the cost of works) based on the adjusted costs we have recommended.

5.5 Criterion 5: Apportionment

In CP18, the Council apportions plan administration costs between residential and non-residential development based on its apportionment of the underlying works cost. This approach broadly reflects the demand for infrastructure from residential and non-residential development.

In our Draft Report, we recommended that the Council adjust the apportionment of costs for transport and stormwater management infrastructure. And that the Council adjust the apportionment of plan administration costs to residential and non-residential development to reflect our recommended apportionment of the underlying works costs for transport and stormwater management infrastructure.

This change will affect contributions rates for residential and non-residential development but does not change the total costs in the plan.

Council agreed with our draft recommendation. We have therefore maintained our draft recommendation.

Recommendation

10. Apportion plan administration costs to residential and non-residential development using the apportionment we have applied to transport and stormwater management infrastructure costs.

6 Land costs

CP18 includes \$84.2 million for land acquisition. This represents 56.3% of total costs.

6.1 Overview of our assessment

We found that the estimated cost of land in the plan is mostly reasonable, however it is not reasonable to apply an acquisition allowance to most of the land in this plan.

6.2 Land costs included in CP18

Land costs in CP18 represent the cost of acquiring land for open space and community facilities only. There are no land costs associated with provision of transport and stormwater management infrastructure because any land required for these infrastructure categories will be dedicated by developers. The Council has not yet acquired any of the land for local infrastructure in the plan.

Table 6.1 Land costs in CP18 (\$Jun2020)

Category	Total area (ha)	Total cost
Transport	-	-
Stormwater	-	-
Open space	9.69	77,606,308
Community services	0.16	6,625,920
Total	9.85	84,232,228

Source: CP18 Works Schedule and IPART analysis.

The Council has relied on different sources to estimate the value of:

1. land required for open space and community services within the Precincts
2. land required for open space at Caddies Creek, which is outside the Precincts.

6.2.1 The cost of land to be acquired within the Precincts is reasonable

For open space and community services land within the Precincts, the Council estimated the cost by applying average market values (dollars per square metre) derived from site-specific valuations undertaken by Landcom's qualified valuer in 2019. These valuations are based on the valuer's assumptions about the underlying zonings, Floor Space Ratios, Height of Building controls and achievable Gross Floor Area for the parcels of land to be acquired and any relevant constraints.

The average land values applied by the Council in CP18 for open space and community services land within the Precincts are shown in Table 6.2.

Table 6.2 Average market values for land in CP18 (2020)

Infrastructure item and type	Underlying zoning	Constrained (Y or N)	Average value (\$/m ²)
OSE1 – Riparian open space	B2 – Local centre	Y	135
OSE2 – Riparian open space	B2 – Local centre	Y	135
OSE4 – Local park under viaduct	R4 – High density residential	Y	135
OSE5 – Neighbourhood park	R1 – General residential (Floor Space Ratio 4:1)	N	2,760
OSE8 – District open space	R1 – General residential (Floor Space Ratio 1:1)	N	690
OSE9 – Local park	R1 – General residential (Floor Space Ratio 1.5:1)	N	1,035
OSE10 – Local park	B2 – Local centre	N	2,955
OSE11 – Urban plaza	B7 – Business park	N	4,080
OSE12 – Riparian open space	R1 – General residential	Y	135
CF1 – Community facility	B7 – Business park	N	4,080

Source: Lunney Watt & Associates, pp 17-18; CP18 Works Schedule; and IPART analysis.

We found that the Council's application of the average market values is reasonable because it reflects the underlying zonings and constraints applying to land in the plan and Landcom's valuer's advice.

6.2.2 The cost of land to be acquired outside the Precincts is reasonable

For open space land at Caddies Creek (outside the Precincts), the Council estimated the cost by applying the average per square metre value derived from the cost of adjoining land at Caddies Creek, that is owned by the Office of Strategic Lands (OSL) and included in the North West Special Infrastructure Contribution (SIC).

The OSL land at Caddies Creek was purchased over 10 years ago for the North West Rail Link corridor. The SIC team at DPIE have advised that, at that time, the land had a "Business" zoning and that it was later rezoned for open space (RE1 – public recreation) when the need for additional open space land was identified. The purchase price for this OSL land reflects the business zoning. The cost included in the North West Growth Area Special Infrastructure Contributions (North West SIC)⁷ reflects the indexed purchase price plus holding costs; it does not necessarily reflect the market value of the adjoining land the Council will purchase at Caddies Creek for CP18. DPIE considers that the Council or Landcom should obtain an up-to-date valuation to confirm the market value of this adjoining land. We understand that the Council is expecting Landcom to provide an updated valuation when it submits its VPA offer.

⁷ A NSW Government levy towards providing state based infrastructure to support new residents within the North West Growth Area

Until this updated valuation is available, the cost of the OSL land from the North West SIC is the best available information from which to estimate the cost of the adjoining land in CP18. Therefore, we consider that the cost of this land in the plan is reasonable at this time. We consider that the Council should update the cost of this land when Landcom provides an updated valuation.

6.2.3 Application of an acquisition allowance is generally not reasonable for this plan

For both land within and outside the precinct, the Council proposed adding an allowance of 1.5% of the land value to cover the amount that the Council may have to pay in association with land acquisition costs, such as: legal and conveyancing fees; survey fees; and/or compensation payments to land-owners for compulsory acquisition of their land.

The allowance applied to land costs in CP18 (1.5%) is the same as in other plans we have assessed recently from The Hills Shire Council.⁸ However, unlike most land in these other plans, almost all land in CP18 will be transferred (sold) to the Council by the developer (Landcom). This means that the heads of compensation under the *Land Acquisition (Just Terms Compensation) Act 1991* would not apply. The Council will pay the developer only the agreed value of the land and not any costs associated with the transaction. The Council's costs associated with the transfer of land are covered under plan administration costs. This is outlined in our Land Cost Information Paper.^{xiv}

We therefore consider that application of a 1.5% acquisition allowance for land in CP18 is not reasonable. Removing this allowance would reduce the cost of land in the plan by \$1,244,811 (comprising \$1,146,891 relating to the cost of open space land, and \$97,920 for community facilities land).

In its submission to the Draft Report, Council objected to the removal of this allowance. Council's position is that since a VPA hasn't been endorsed yet, its potential to eventuate cannot be guaranteed and should not inform IPART's assessment of reasonable costs. Council considers that if a VPA is assumed in the plan but does not eventuate, the Council will have to fund the cost shortfall; if the VPA is not assumed but eventually carried out, the plan can still be updated later with the associated cost savings.

We consider that the most reasonable assumption is that the VPA will happen in the future. In particular, the developer Landcom has prepared State Significant Development Plans for the precinct. If the VPA does not proceed, then the costs in the plan could be updated at a later stage.

We therefore maintain our recommendation to remove the land acquisition allowance for land included in the VPA.

⁸ Including for CP12 – Balmoral Road, CP13 – North Kellyville, CP17 – Castle Hill North and CP15 – Box Hill.

Recommendation

11. Remove the 1.5% acquisition allowance from the cost of land for open space and community facilities for land acquired through a Voluntary Planning Agreement with the developer. This would reduce the costs in the plan by around \$1.2 million.

6.2.4 Include a portion of private land that was previously excluded

In its submission to our Draft Report, the Council noted that it inadvertently excluded the cost of a portion of land within the planned Bella Vista District Park. The capital costs for the park have been correctly calculated on its entire 29.7 ha area. However, the land costs do not include 0.23 ha of private land and these costs should be added to the plan. We will also apply the 1.5% land acquisition allowance to this portion of land as it is not part of the VPA with Landcom. This results in a total increase in land costs of \$1.6 million.

Recommendation

12. Include the cost of the plot of private land (0.23 hectare) within the planned Bella Vista District Park that was previously excluded from the plan. Apply the 1.5% land acquisition allowance to the cost of this private land. This would increase costs in the plan by around \$1.6 million.

7 Cross category issues

This chapter discusses our analysis of issues that apply across infrastructure categories, including:

- Criterion 3: Reasonable cost (in relation to the Council's financial model)
- Criterion 4: Timing of infrastructure delivery
- Criterion 6: Consultation
- Criterion 7: Other matters.

7.1 Overview of our assessment

Our assessment is that the Council's approach to modelling and the assumptions it uses are generally reasonable, although Council should update the discount rate in the model with the latest available information. The Council should also update its residential and non-residential net present value (NPV) models to reflect its revised development path assumptions.⁹

We found that the timing of infrastructure delivery and the Council's consultation were both reasonable. We recommend that the Council review the plan within three years.

Our analysis of these issues is outlined below.

7.2 Criterion 3: Reasonable cost – the Council's financial model

The Council uses a net present value (NPV) approach to calculate the contributions rates in CP18. An NPV approach involves the use of a discounted cash flow model in which the contribution rates are calculated so that the present value of anticipated expenditure is equal to the present value of anticipated revenue.

An NPV approach is IPART's preferred approach to calculate contributions rates. In our Technical Paper, *Modelling local infrastructure contributions in a present value framework*, we set out some guidelines, but note that Councils have discretion over the approach they adopt.^{xv}

The Council submitted two models which separately calculate developer contributions for residential and non-residential development. The assumptions in the models are the same (i.e., development path and escalation factors), but the models have different imputed costs, which reflect the Council's approach to apportioning costs in the works schedule between residential and non-residential development.

⁹ The council revised its dwelling and yield projections following exhibition of the draft CP18 and has confirmed that the development path provided in the 'Post Exhibition - CP 18 Dwelling and Population projection (February 2021)' file should be relied upon for analysis.

The non-residential model derives a contribution rate based on gross floor area, while the residential model derives a per-person contribution rate. The models use the same parameters and our assessment applies to both.

7.2.1 Base year of the plan/model

The base period is the point at which the Council calculates the contribution rates. For CP18, the base period of the plan and all works cost estimates is June 2020. This is the same as the base period of the model.

7.2.2 Future cash flows (revenues and expenditure)

A nominal NPV approach requires the Council to make assumptions about the:

- timing of future expenditure and revenue receipts
- increase in nominal costs over the forecast period
- increase in nominal contributions rates (i.e., revenue) over the forecast period
- Council's cost of debt or opportunity cost of capital (i.e., the discount rate).

7.2.3 Timing of expenditure is based on the Council's expected staging of infrastructure

The Council's NPV model includes assumptions about the timing of expenditure, which are based on its forecasts of when infrastructure and associated land acquisitions are required in order to facilitate development of the precinct.

The Council assumes development will occur over 25 years and reflects this assumption in the model. We consider that the Council's approach to forecasting the timing of infrastructure delivery is reasonable.

7.2.4 Timing of revenue is determined by the Council's assumed development path

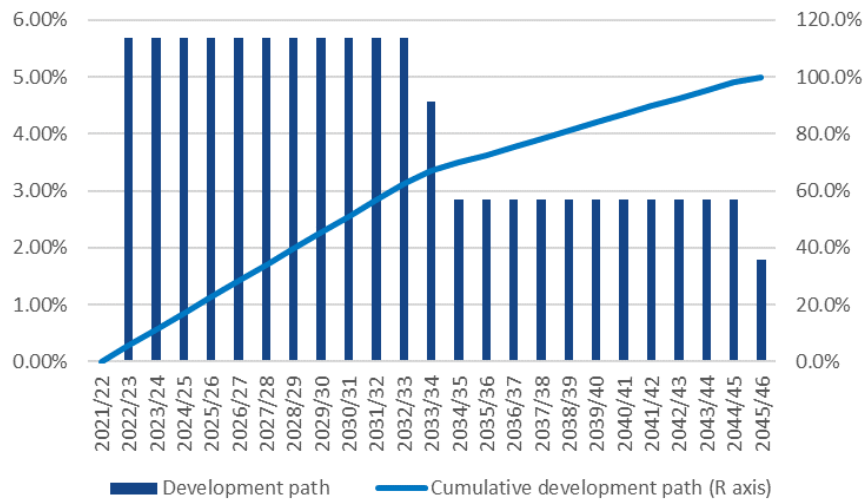
The Council's assumed timing for receipt of contributions revenue is based on its expected profile of development over the duration of the plan. We refer to this as the 'development path.' The Council has presented 3 different versions of the development path as some of the assumptions around this have changed over time.

The most recent development paths provided are presented in Figure 7.1 and Figure 7.2 below. These show that while residential development is expected to occur each year, non-residential development will occur in stages, with most occurring in the second half of the plan. We consider that these development paths are reasonable, and recommend that the Council update its NPV models to reflect the revised development paths.

Recommendation

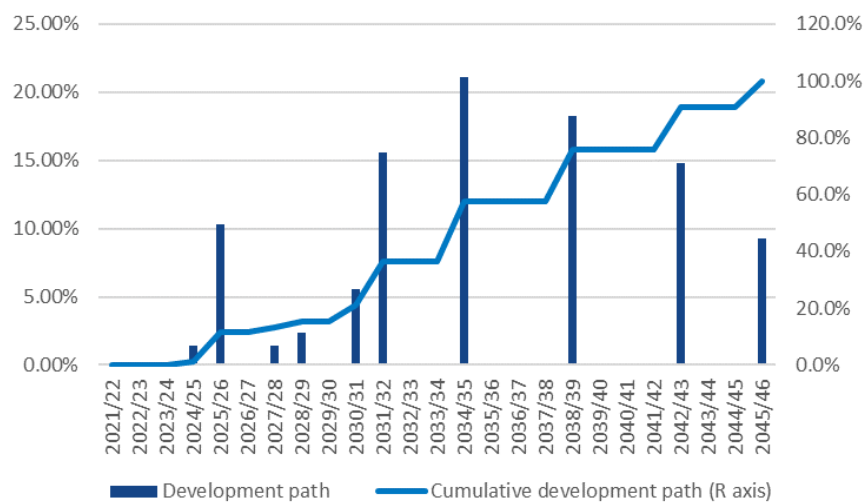
- 13. Update the development paths in the residential and non-residential NPV models, and in Table 1 of CP18, to reflect post-exhibition dwelling and yield amendments.

Figure 7.1 Assumed residential development path for CP18



Data source: The Hills Shire Council, CP18 residential NPV Model; IPART Analysis.

Figure 7.2 Assumed non-residential development path for CP18



Data source: The Hills Shire Council, CP18 non-residential NPV Model; IPART Analysis.

7.2.5 The Council escalates the costs of land and works from June 2020 onwards

The Council derives escalation factors from all land and works costs by calculating average annual growth over a 15-year period (June 2005 to June 2020) of several representative Australian Bureau of Statistics (ABS) indices. For administration costs, the Council assumes an escalation factor of 2.5%, which represents the midpoint of the Reserve Bank of Australia's inflation target of 2-3%.

The Council uses a geometric average to compound annual growth rates, in calculating escalation factors for land and works. This approach is consistent with recommendations we have made in recent assessments (for CP15, CP12, CP13 and CP17).

We consider the Council's approach to escalating costs is reasonable for land, works and administration costs.

7.2.6 The Council's revenue escalation factor of 2.5% is reasonable

The Council uses a rate of 2.5% to escalate future revenues, which represents the midpoint of the Reserve Bank of Australia's inflation target of 2-3%. The future value of revenues is then discounted to present values using the discount rate in the model.

We consider the Council's method of escalating revenues and the use of a 2.5% factor is reasonable and is consistent with guidance in our 2018 Technical Paper.^{xvi}

7.2.7 The Council should update to the latest available discount rate

The Council uses IPART's local government discount rate of 3.2% (published in August 2020) to discount all the escalated cash flows to their present values at the base period. This is consistent with our advice to use the IPART calculated discount rate, as set out in our paper on NPV modelling.^{xvii} The Council used the most recent available rate at the time the plan was first exhibited.

As the IPART calculated discount rate has since been updated, we consider the Council should update the model to use the latest available information. In August 2021, the nominal rate is 2.9%. The next update to the Local Government Cost Index will occur in late-February 2022.

Councils should adopt the latest available information on the discount rate when implementing recommendations and when reviewing a contributions plan.

Recommendation



14. Update the discount rate in the financial model to reflect the latest available local government discount rate published by IPART. Currently that nominal rate is 2.9%.

7.3 Criterion 5: Timing of infrastructure delivery

The provision of facilities in CP18 is dependent on the development timeframe, assumed to be 25 years. The Council intends to monitor the plan, which will allow for review and adjustment of population projections, and the works schedule, as required.

We consider that the Council's timing of infrastructure is reasonable.

7.4 Criterion 6: Consultation

We must assess whether the Council has conducted appropriate community liaison and publicity in preparing the contributions plan. We consider the Council's process for CP18 satisfies the consultation criterion.

The Council publicly exhibited the draft plan from 10 December 2020 to 29 January 2021 and received 7 submissions. The submissions were from:

- Landcom (on behalf of Sydney Metro)
- Sydney Water Corporation
- Cricket NSW
- Property Council of NSW
- 3 nearby landowners.

The issues raised in submissions and the Council's response, including post-exhibition amendments, are outlined in Table 7.1.

Table 7.1 Issues raised during public exhibition and the Council's response

Submitter	Comment	Council response
Landcom	Increase the dwelling/population projections in the plan because higher projected residential yields can be achieved on non-SSDA land	Plan amended to reflect higher dwelling/population projections, although not to the extent suggested by Landcom
	Include collector roads in the plan	No change – the Council considers it will be able to require developers to deliver collector roads as a condition of consent
	Include land for a community facility – Landcom will dedicate through VPA	Plan amended to include 1,600m ² of land for a community facility
	Several intersection upgrades require further refinement	No amendment– relevant agencies to refine for future plan revisions
	Update value of land at Caddies Creek based on Landcom valuation	No amendment as Landcom did not provide updated valuation - update when this is provided
	Update cost estimates for works items based on updated Landcom QS estimates	No amendment as Landcom did not provide updated estimates – update when they are provided
Sydney Water	Request to be informed of any changes to population, dwelling and employment data that affects delivery of SW services	No amendment – will inform SW as part of regular meetings
Cricket NSW	Requests 2 additional cricket fields and practice nets at the Caddies Creek playing fields	No amendment – revised master plan for Caddies Creek is being prepared for consultation. Cricket NSW's comments will be considered through this process

Submitter	Comment	Council response
Property Council of NSW	Concern about development feasibility – ensure there is no overlap between the CP and the SIC	No amendment – CP18 does not levy for any regional infrastructure covered by the SIC
	Plan should provide greater flexibility for developers to undertake works-in-kind	No amendment – CP18 enables the Council to consider applications for WIK agreements that meet certain criteria
	Plan should allow for payments to be made before issue of Occupation Cert, rather than before Construction or Subdivision Cert	No amendment – Direction to defer payment until Occupation Cert was a response to the COVID-19 pandemic. The Council does not support continuation of this approach
Individuals	Objection to expansion of Caddies Creek Sports Complex because of potential impacts to existing vegetation, wildlife and on flooding	No amendment. DPIE rezoned the land for public recreation in 2017. The preliminary master plan for this site has positioned facilities to minimise impacts. The Council has also commissioned an ecological impact assessment
	Existing facilities in LGA are sufficient to meet needs of new development and facilities are located a significant distance from new development	No amendment – there is currently limited availability at existing facilities at peak times, therefore clear demand for new facilities. An additional 4 playing fields at Caddies Creek meets the benchmark level of service established by the Council's recreation strategy. Distance from development – it has not been possible to secure land for more playing fields within the precinct because of the desire to achieve the highest and best use of this land and its high cost. New playing fields at Caddies Creek adjoin existing facilities and, being within 2km from development, they are within the rule of thumb catchment identified by the Recreation and Open Space Guidelines for Local Government
	Concern about impact of playing fields on character of neighbourhood, noise, traffic and property values	No amendment - proposed expansion of Caddies Creek Sports Complex is consistent with existing use, therefore impact will be minimal. Noise and traffic impacts will be assessed further through development assessment and approval. Green spaces make a positive contribution to the quality of life of residents within the surrounding community.
	Concerns about maintenance of future green space	No amendment – CPs fund infrastructure costs, not ongoing maintenance
	Concerns about access to properties north of Memorial Ave with removal of an existing access road	No amendment – the subject properties are not part of the SSDA. The Council is preparing draft development controls to apply to this land to ensure properties have adequate access to the public road network. These will be reflected in amendments to the Council's DCP

Source: The Hills Shire Council, *Post Exhibition Council Report and Minute*, 9 March 2021, pp 24-30.

We consider the Council has adequately considered the submissions in detail. It made the following post-exhibition amendments to the plan:

- Yield projections updated for non-SSDA land within the Precincts from 857 dwellings (1,684 people) to 1,333 dwellings (2,621 people). This increased the overall projected yield within the corridor from 6,571 dwellings (12,910 people) to 7,047 dwellings (13,848 people).
- In recognition of the increase in residential yield, the apportionment of costs between residential and non-residential development was adjusted to 39% (residential) and 61% (non-residential).
- Costs included for 1,600m² of land to the east of Bella Vista Station for a possible future community facility.
- Consequential changes to the yield tables, contribution rate tables, work schedules and maps within the draft plan to reflect the above changes.

We note that the deferral of contributions payments until prior to issue of an Occupation Certificate, which was raised as an issue through public exhibition, has been extended until 31 March 2022.

7.5 Criterion 7: Other matters

We are required to assess whether the plan complies with any other matters we consider relevant. Our assessment of the CP18 to date has identified 2 relevant other matters:

- the need to review the plan within 3 years
- timing of contributions payments.

7.5.1 The Council should review the plan within 3 years

Regular review of a contributions plan ensures that contribution rates most accurately reflect the Council's actual costs in delivering the local infrastructure which is needed to meet the demand from the new development. In general, our preference is for Councils to review their contributions plans every three to five years, depending on the stage and rate of development in the precinct to which plans apply.

CP18 is a new draft plan and no development has occurred in the Precincts. The Council has advised that it is expecting Landcom to provide updated land and works cost information when it submits a full VPA offer. The Council's application also indicates that further work is being undertaken or is required on various aspects of the plan that may impact the scope and cost of infrastructure, including:

- Changes to the development controls to apply to properties north of Memorial Avenue to ensure properties have adequate access to the public road network. These will be reflected in amendments to the Council's DCP.^{xviii}
- Ecological assessment of the potential impacts of the Caddies Creek Sports Complex Stage 2 Expansion to inform future detailed design work.^{xix}

Councils are not formally obliged to amend contributions plans within a certain timeframe. However, regular review of the plan as development proceeds would allow the Council to use more up-to-date information and refine the designs and cost estimates for infrastructure, thereby reducing the uncertainties in the current draft of the plan and ensuring that the plan is cost-reflective over the life of the plan.

Accordingly, in our Draft Report, we recommended that the Council update the contributions plan within three years and every five years thereafter. Within three years, the Council should have a better understanding of the scope and cost of land and works in the plan.

The Council did not agree with our draft recommendation to include a fixed timeframe for reviewing the plan, as it intends to review the plan regularly but only when needed.

However, we have maintained our draft recommendation, as we consider it good practice to specify a timeframe for reviewing plans, to ensure the plan reflects the up-to-date costs of providing infrastructure to the precincts. We note that the Council acknowledged that changes to the plan are likely to happen as development progresses.

Recommendation

- ✓ 15. Review the plan within 3 years to include updated information on planning assumptions, and the scope and cost of land and works in the plan.

7.5.2 Ministerial direction for contributions payments deferred to Occupation Certificate stage

CP18 provides that contributions payments are payable prior to issue of a Subdivision or Construction Certificate. This is consistent with the current provisions of the *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2000*^x.

However, the Minister issued a direction in June 2020 that required Councils to defer the levying of contributions until application for an Occupation Certificate^{xxi}. This direction was introduced as a temporary measure in response to the COVID-19 pandemic and it is due to expire in March 2022. In November 2020, the Productivity Commissioner recommended that this temporary measure be extended permanently^{xxii}. The NSW Government has endorsed this recommendation.

7.5.3 Inclusion of matters required in the Environmental Planning and Assessment Regulation

Clause 27 of the Environmental Planning and Assessment Regulation 2000 requires certain information to be included in a contributions plan. As part of our assessment we have checked that CP18 contains the required information. A summary of this analysis is provided in Table 7.2 below. We found that CP18 sets out the information required by the regulation.

In the plan, Council has expressly authorised contributions paid for different purposes to be pooled and applied progressively for those purposes. Council needs to set out priorities for the expenditure of pooled contributions,¹⁰ and be satisfied that the pooling and progressive application of contributions will not unreasonably prejudice the completion of the projects for which the money was originally intended.¹¹

We note that the Council has included priorities for expenditure in CP18 by referencing the work schedule but has not confirmed satisfaction with subclause (3) at this early stage of the plan. During the implementation of the plan, the Council may acquire more specific information on how pooled contributions are to be prioritised and allocated. This information should be updated when the plan is periodically reviewed.

Table 7.2 Assessment against the requirements in the EP&A regulation

Subclause	Location in CP
1(a) Purpose of the plan.	Section 2.4

¹⁰ under subclause 1(i) of the Regulation

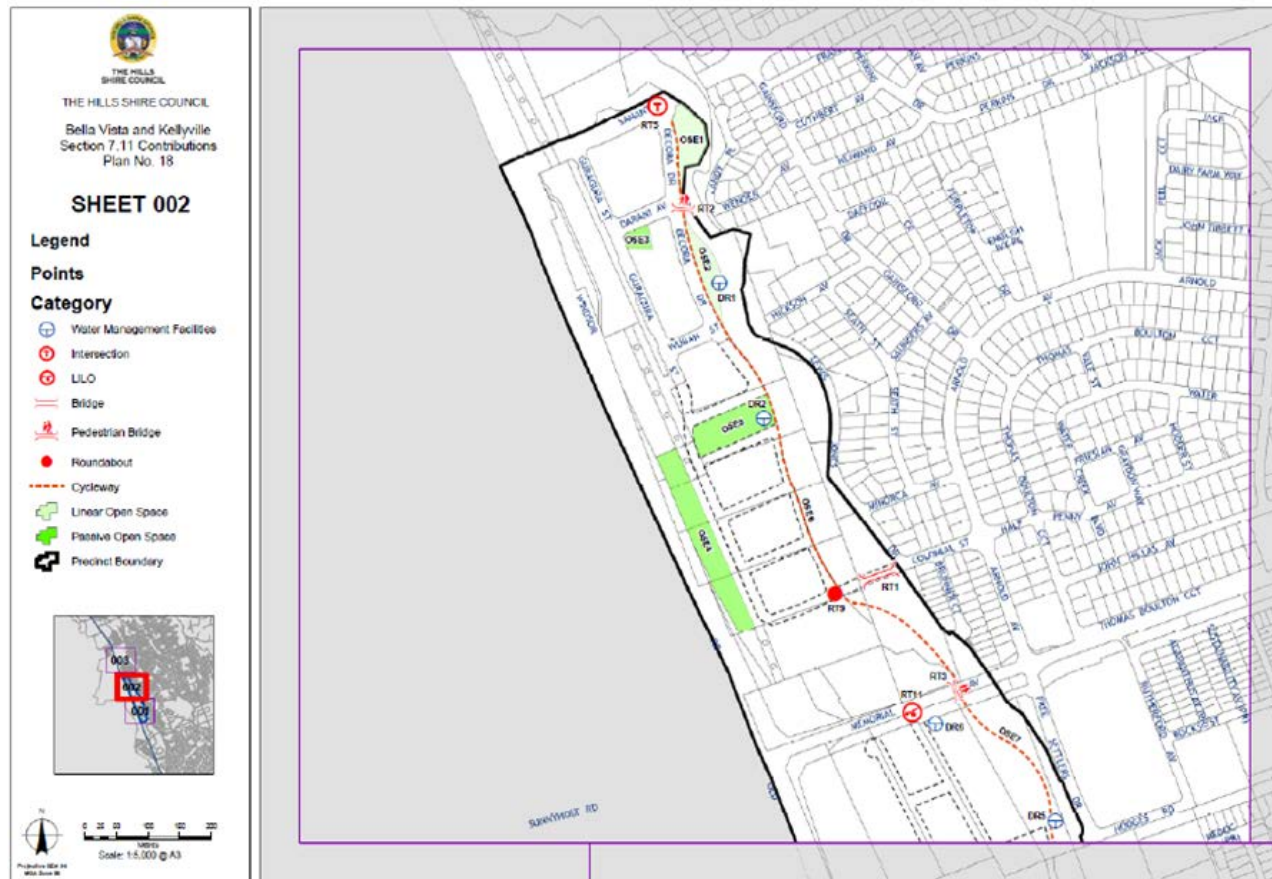
¹¹ under subclause (3) of the Regulation

1(b)	Land to which the plan applies.	Section 2.3
1(c)	The relationship between the expected types of development in the area to which the plan applies and the demand for additional public amenities and services to meet that development.	Sections 3.1, 3.2, 3.3, 3.4, 3.5 & 3.6.
1(d)	The formulas to be used for determining the section 7.11 contributions required for different categories of public amenities and services.	Section 2.19
1(e)	The section 7.11 contribution rates for different types of development, as specified in a schedule in the plan.	Section 1, Tables 2, 3 & 4.
1(g)	The Council's policy concerning the timing of the payment of monetary section 7.11 contributions, section 7.12 levies and the imposition of section 7.11 conditions or section 7.12 conditions that allow deferred or periodic payment.	Section 2.11 & Section 2.12
1(h)	A map showing the specific public amenities and services proposed to be provided by the Council, supported by a works schedule that contains an estimate of their cost and staging (whether by reference to dates or thresholds).	Section 3.7, Table 7 & Table 8, Figure 4 (Sheets 1 – 3)
1(i)	If the plan authorises monetary section 7.11 contributions or section 7.12 levies paid for different purposes to be pooled and applied progressively for those purposes, the priorities for the expenditure of the contributions or levies, particularised by reference to the works schedule.	Section 2.18
1A	Despite subclause (1) (g), a contributions plan made after the commencement of this subclause that makes provision for the imposition of conditions under section 7.11 or 7.12 of the Act in relation to the issue of a complying development certificate must provide that the payment of monetary section 7.11 contributions and section 7.12 levies in accordance with those conditions is to be made before the commencement of any building work or subdivision work authorised by the certificate.	Section 2.14
2	In determining the section 7.11 contribution rates or section 7.12 levy percentages for different types of development, the Council must take into consideration the conditions that may be imposed under section 4.17 (6)(b) of the Act or section 97 (1)(b) of the <i>Local Government Act 1993</i> .	Section 2.5
3	A contributions plan must not contain a provision that authorises monetary section 7.11 contributions or section 7.12 levies paid for different purposes to be pooled and applied progressively for those purposes unless the Council is satisfied that the pooling and progressive application of the money paid will not unreasonably prejudice the carrying into effect, within a reasonable time, of the purposes for which the money was originally paid.	Not mentioned

8 Maps showing location of planned infrastructure

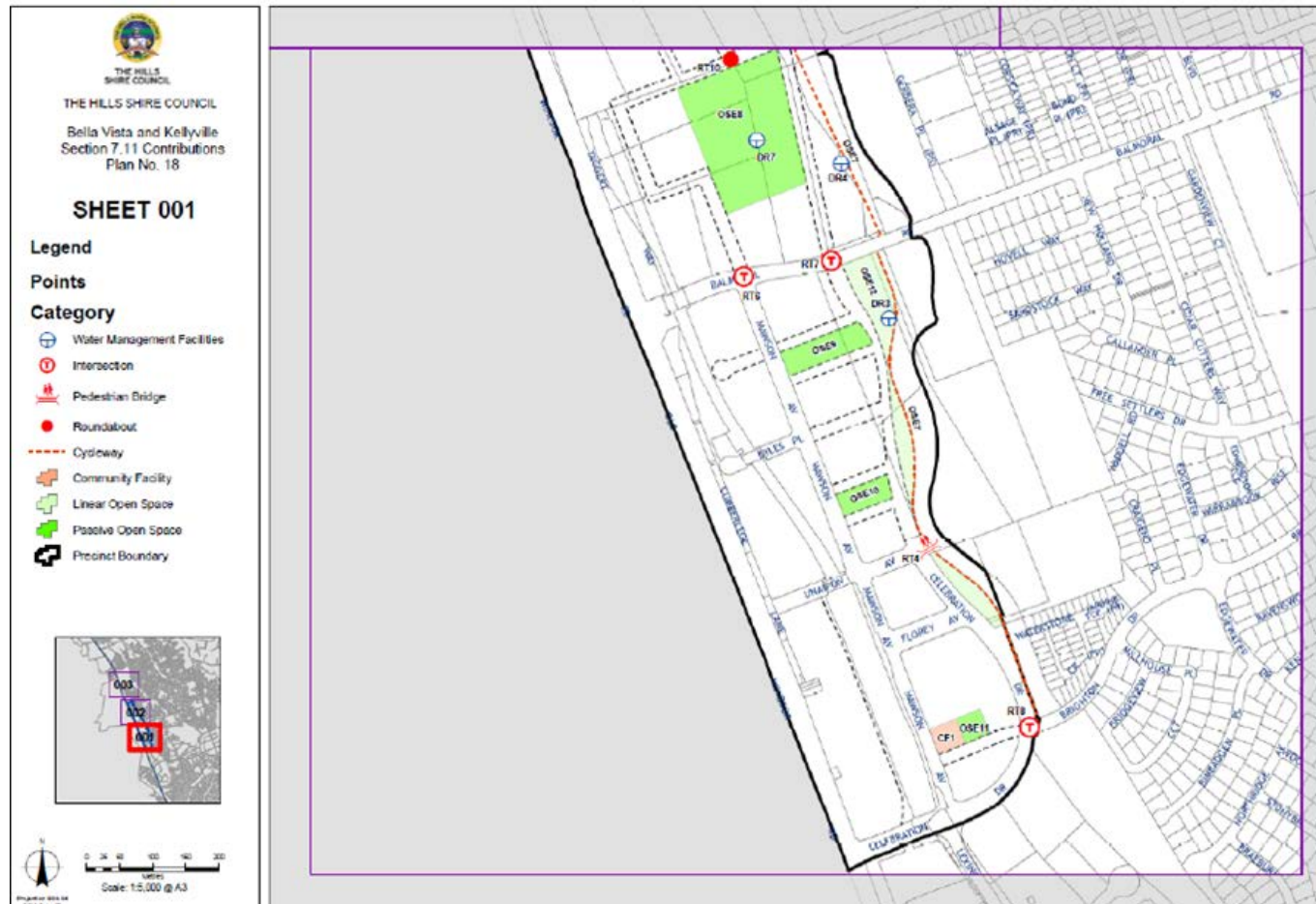
Note that these figures do not show the location of active open space at Caddies Creek, which is outside the precincts.

Figure 8.1 Location of proposed infrastructure in CP18



Source: The Hills Shire Council, *Draft CP18*

Figure 8.2 Location of proposed infrastructure in CP18



Source: The Hills Shire Council, *Draft CP18*.

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- ⁱ The Hills Shire Council. *Draft CP18*, p 28.
- ⁱⁱ Information from The Hills Shire Council, 10 June 2021.
- ⁱⁱⁱ Jacobs, *Traffic and Transport Assessment Report*, 29 June 2020, p 92.
- ^{iv} Jacobs, *Traffic and Transport Assessment Report*, 29 June 2020, p 92.
- ^v Information from The Hills Shire Council, 10 June 2021.
- ^{vi} Information from The Hills Shire Council, 10 June 2021.
- ^{vii} Information from The Hills Shire Council, 10 June 2021.
- ^{viii} Information from The Hills Shire Council, 10 June 2021.
- ^{ix} Wood & Grieve Engineers, *Bella Vista Station Precinct Stormwater Management Plan*, 9 September 2019.
- ^x Information from The Hills Shire Council, 11 June 2021.
- ^{xi} The Hills Shire Council, *Recreation Strategy*, October 2019.
- ^{xii} IPART, *Local Infrastructure Benchmark Costs – Final Report*, April 2014.
- ^{xiii} Department of Planning and Environment, *Local Infrastructure Contribution Practice Note*, January 2019, p 15.
- ^{xiv} IPART, *Contributions plan assessment: land costs*, Information Paper, June 2020, p 1.
- ^{xv} IPART, *Modelling for local infrastructure contributions in a present value framework*, August 2018, p 2.
- ^{xvi} IPART, *Modelling for local infrastructure contributions in a present value framework*, August 2018, p 11.
- ^{xvii} IPART, *Modelling for local infrastructure contributions in a present value framework*, August 2018, p 5.
- ^{xviii} The Hills Shire Council, *Post Exhibition Council Report and Minute*, 9 March 2021, pp 29-30.
- ^{xix} The Hills Shire Council, *Post Exhibition Council Report and Minute*, 9 March 2021, p 27.
- ^{xx} *Environmental Planning and Assessment Act 1979*, section 6.8 and *Environmental Planning and Assessment Regulation 2000*, clause 146.
- ^{xxi} *Environmental Planning and Assessment (Local Infrastructure Contributions – Timing of Payments) Direction 2020*, 25 June 2020.
- ^{xxii} NSW Productivity Commissioner, *Review of Infrastructure Contributions in NSW*, Final Report, November 2020, p 71.