



15 October 2021

Felicity Hall  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
HAYMARKET POST SHOP  
SYDNEY NSW 1240

Our Ref: FP262

Dear Ms Hall,

**IPART REVIEW OF CONTRIBUTIONS PLAN NO.18 – BELLA VISTA KELLYVILLE STATION PRECINCTS (FP262)**

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Thank you for the opportunity to provide comments on IPART's review of draft Contributions Plan No.18 – Bella Vista and Kellyville Station Precincts (the Plan). The sections below outline key recommended changes, revised costings and other general comments regarding IPART's draft assessment report. For clarity, a table containing a response to each of IPART's draft recommendations is also included as Attachment 1.

**a. Transport**

Dual-lane Roundabout – Base Costs

The draft report has recommended a reduction in the costs of 2 dual-lane roundabouts in the plan (RT9 - New Road near Colonial Street Vehicular Bridge and RT10 - North of District Open Space in Bella Vista Precinct) to reflect the cost for the Arnold Avenue and Colonial Street roundabout within CP12, given that this roundabout was identified by Council as a comparable example.

This recommendation is not supported and it is requested that the Plan utilise the cost estimate for dual-lane roundabouts that was previously included within the draft Plan. Whilst the dual-lane roundabout at Arnold Avenue / Colonial Street is an appropriate comparison in terms of design, the likely cost to deliver the new dual lane roundabouts will be substantially higher than the actual amount specified for the Arnold Avenue / Colonial Street roundabout in CP12. The reason for this is that the developers adjacent to the Arnold Avenue / Colonial Street roundabout had constructed a substantial portion of the pavement and kerb work for this item. As a result, Council's expenditure on that item from CP12 principally related to installation of the concrete works, signs and pavement markings. This is not the case for Items RT9 and RT10 and the actual amount within CP12 for the Arnold Avenue / Colonial Street roundabout (being \$186,000.00) would be more reflective of a single lane roundabout rather than the dual lane roundabouts proposed.

The two roundabouts identified within the draft Plan are expected to cost approximately \$403,748.00 (rather than \$186,000.00). This is based upon a higher base cost of \$278,447 (given the larger

extent of works required), plus an additional 7.5% for project management, 7.5% for design and a 30% contingency.

## **b. Stormwater**

### Gross Pollutant Traps – Base Costs

The draft report recommends that the Plan utilise Landcom's cost estimates for three of the Gross Pollutant Traps (GPTs), as it is anticipated that these items will likely be delivered by Landcom under the potential future VPA. The report considers that Landcom's cost is generally consistent with GPT costs from other contribution plans across Sydney (including North Kellyville and Box Hill). However, the report does note that the similar costs from contributions plans do not account for differences in size or inflation.

This recommendation is not supported and it is requested that Council's original cost be utilised. The proposed costs for GPTs within the draft Plan have taken into consideration matters such as size and other localised factors such as the need for maintenance access points. The costs for the proposed GPTs are based on the tendered price for Oxlade Street Reserve (within Council's Contributions Plan No. 13 – North Kellyville Precinct). This is considered to be a more accurate estimate of the likely cost for these items as the GPT for Oxlade Street Reserve is comparable in terms of scale, design and materials.

Whilst there could be cost savings for Landcom in providing such infrastructure as part of future development of the Sydney Metro land, this would not be the same for Council. At this time, Council has not received, considered or endorsed any VPA offer from Landcom and the potential for this to occur in the future should not be of determinative weight in IPART's assessment, until such time as a VPA of this nature has been entered into by both parties.

The draft Contributions Plan will be progressing to finalisation in advance of any associated VPA and will be capable of operating as a stand-alone contributions mechanism if needed. As such, the draft Plan should be assessed on its own merits and on the assumption that if no VPA eventuates (however unlikely), the Council would be responsible for the delivery of the items. If a VPA is entered into by both parties in the future which results in cost savings, this would then be reflected through a future update to the Contributions Plan once certainty of this outcome is available.

## **c. Cross-Category Considerations**

### Land Acquisition Allowance – Open Space & Community Facilities

The draft report recommends the removal of the 1.5% land acquisition allowance since the land is anticipated to be transferred to Council by Landcom under a VPA with associated offsets to future monetary contributions, which would negate the need for any associated acquisition costs.

Objection is raised to this recommendation. As detailed above, Council has not received, considered or endorsed any VPA offer from Landcom and the potential for this to occur in the future should not be of determinative weight in IPART's assessment of the Plan.

The draft Contributions Plan will be progressing to finalisation in advance of any associated VPA and will be capable of operating as a stand-alone contributions mechanism if needed. As such, the draft Plan should be assessed on its own merits and on the assumption that if no VPA eventuates (however unlikely), the Council would be responsible for the acquisition of land through the normal process (including the fees and charges associated with acquiring land). If a VPA is entered into by both parties in the future which results in cost savings, this would then be reflected through a future update to the Contributions Plan once certainty of this outcome is available.

It is further noted that not all land to be purchased under the Plan is owned by Sydney Metro / Landcom. There is a component of the Bella Vista District Park which is under private ownership. The costs for this land were inadvertently excluded from the calculations within the draft Plan and this will need to be rectified in the final Plan. Further discussion on this matter is provided later in this submission.

#### d. Other Matters

##### Bella Vista District Park

The draft Plan inadvertently excluded the cost for a portion of land required for the Bella Vista District Park. This small section to the north-east (indicated in the plans below) is under private ownership and not controlled by Landcom / Sydney Metro.

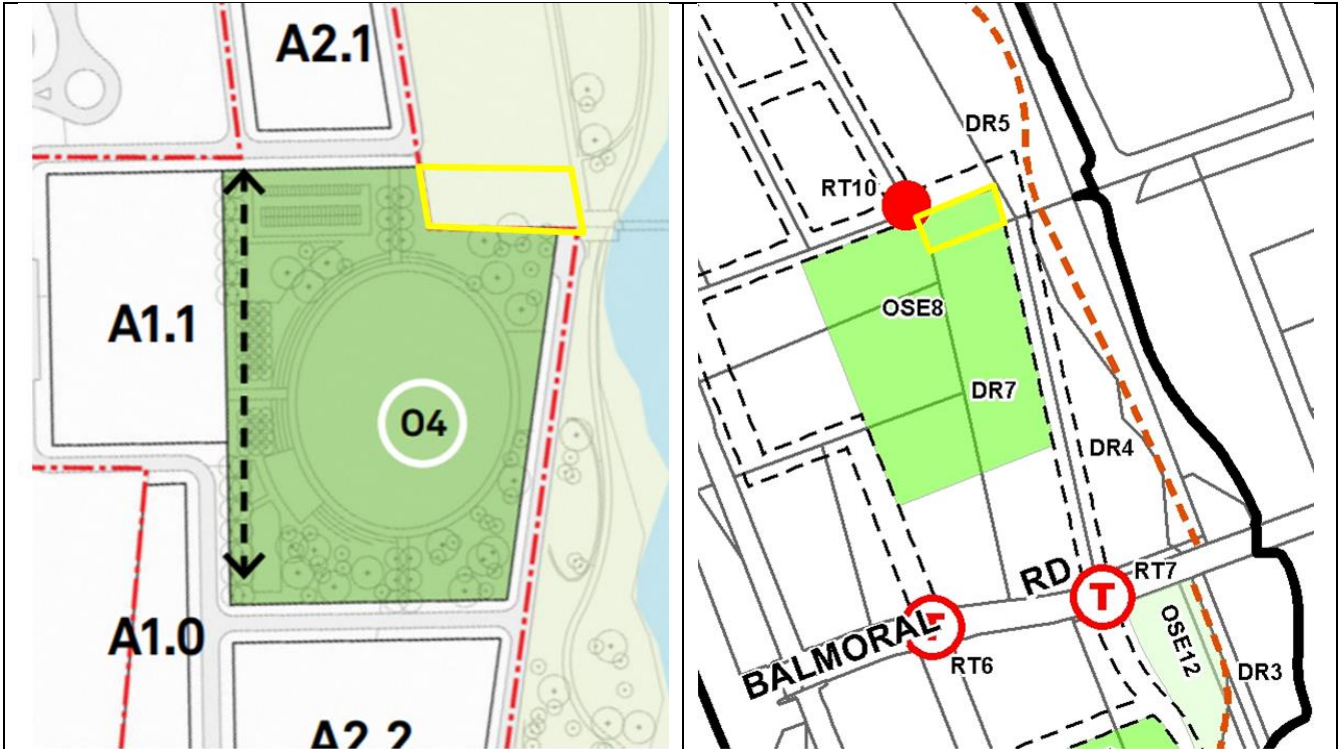


Figure 1

District Park Land excluded from CP (outlined in yellow)  
Extract of SSDA Master Plan (left – area outlined in red) and Extract of Contribution Plan Map (right)

The draft Plan includes the capital cost for the entirety of the District Park (29.7ha). The draft Plan includes the cost of acquiring the 27.4ha of land owned by Sydney Metro, however inadvertently excluded the 0.23ha of private land which will ultimately form part of the District Park. Accordingly, it is requested that the land acquisition cost of this item be updated to reflect the correct area of the District Park as the areas used to calculate the land and capital costs should reflect each other.

##### Intersection at Memorial Avenue and Bella Vista Collector Road

The RMS has recently advised Landcom that no new intersections with Memorial Avenue will be accepted and that this will necessitate the replacement of the proposed Left-in/ Left-out (LILO) intersection from the Bella Vista Precinct onto Memorial Avenue with a new vehicular bridge from the North-eastern corner of the District Park to Free Settlers Drive. It is also understood that the cost for this bridge would be the same as the proposed vehicular bridge in the Kellyville Precinct connecting to Colonial Street. No objection is raised to this change, subject to it being a requirement of the RMS. It is understood that Landcom has advised IPART about the need for this change and that it would be reflected in IPART's final recommendations.

#### e. Cost Implications

The cost implications of the responses and recommendations detailed within this letter (and Attachment 1) would result in the following changes to the Plan (refer to the following comparison table):

<b>Item</b>	<b>Draft CP18 (2020)</b>	<b>IPART Draft Report</b>	<b>Council Revised</b>
Transport	\$17,667,124	\$18,772,439 <b>(+\$1,105,315)</b>	\$19,040,913 <b>(+\$1,373,789)</b>
Stormwater	\$3,366,000	\$690,000 <b>(-\$2,676,000)</b>	\$900,000 <b>(-\$2,466,000)</b>
Open Space	\$120,982,417	\$120,095,776 <b>(-\$886,641)</b>	\$122,853,473 <b>(+\$1,871,056)</b>
Community	\$6,625,920	\$6,528,000 <b>(-\$97,920)</b>	\$6,625,920 <b>(\$ -)</b>
Administration	\$966,138	\$946,482 <b>(-\$19,656)</b>	\$953,659 <b>(-\$12,479)</b>
<b>TOTAL</b>	<b>\$149,607,598</b>	<b>\$147,032,697</b> <b>(-\$2,574,901)</b>	<b>\$150,373,965</b> <b>(+\$766,367)</b>

**Table 1**

Comparison of Exhibited, IPART Recommended and Council Revised Costs

A breakdown of the above costs is included within the supporting Works Schedule and NPV Model provided as Attachments 2 – 4.

Thank you for the opportunity to be involved in IPART's review process. Should you wish to discuss any of the matters raised within this letter, or arrange to meet with relevant Council officers, please contact Dragana Strbac, Town Planner on [REDACTED].

Yours faithfully,

[REDACTED]  
**Nicholas Carlton**  
**MANAGER – FORWARD PLANNING**

**Attachments:**

1. Table of Responses to IPART Recommendations
2. Revised Works Schedule
3. Revised NPV Model – Residential
4. Revised NPV Model – Non-Residential



## ATTACHMENT 1: RESPONSE TO IPART RECOMMENDATIONS FOR CP18

IPART Recommendation	Agree / Disagree	Council Comment
<b>Transport - Works</b>		
Transfer the cost of the shared pathway along Elizabeth Macarthur Creek (OSE6 and OSE7) from the open space category to the transport category.	Agree	No objection is raised to this recommendation as the items will serve a transport function and shifting the category from open space to transport will not result in any change to the cost of infrastructure funded within the Plan.
Reduce the cost of Signalised Intersection RT6 (Signalisation - Balmoral Road/ Mawson Avenue) to ensure consistent indexation of transport costs based on the ABS Producer Price Index (Road and Bridge Construction NSW).	Agree	<p>The cost of this Item within draft CP18 has been based on the actual cost of a similar intersection at Windsor Road and Milcroft Way, which was completed in 2017. The cost in the draft Plan was therefore indexed by 2.5% per annum to calculate the cost at the base year of the Plan (FY2020/2021). This method of indexation is consistent with how Council has indexed actuals.</p> <p>Nevertheless, no objection is raised given this will apply a consistent indexation methodology to infrastructure base costs within the draft Plan.</p>
Reduce the per metre rate for the shared pathway to \$578 per lineal metre along Elizabeth Macarthur Creek (OSE6 and OSE7) to reflect Landcom's cost estimate.	Agree	<p>The rates applied to OSE6 (Path along creek – Kellyville) and OSE7 (path along creek – Bella Vista) within the draft Plan were \$758 and \$780, respectively. Both of these figures were actually intended to be \$780 which is based on IPART's Benchmark cost for 2.5 wide shared cycleways / pedestrian paths, indexed to FY2020/21.</p> <p>No objection is raised given the proposed rate is similar to that applied to this type of infrastructure within CP12.</p>
Reduce the costs of 2 dual-lane roundabouts in the plan for RT9 (Roundabout - New Road near Colonial Street Vehicular Bridge) and RT10 (Roundabout - North of District Open Space in Bella Vista Precinct) to reflect the actual cost of a comparable roundabout in the local government area.	Disagree	<p>In determining the estimated cost of RT9 and RT10, the estimated cost of the comparable roundabout at the intersection of Arnold Avenue and Colonial Street was used, as opposed to the actual cost funded through CP12.</p> <p>This recommendation is not supported. It is requested that Contributions Plan No. 18 utilise the previous cost estimate for dual lane roundabouts. The dual lane roundabout at Arnold Avenue / Colonial Street is an appropriate comparison in terms of design. However, the likely cost to deliver the new dual lane roundabouts will be substantially higher than the actual amount specified for the Arnold Avenue / Colonial Street roundabout in CP12. The reason for this is that the adjacent developers constructed a substantial portion of the pavement and kerb work for this item. Council's expenditure principally related to installation of the concrete works, signs and pavement markings. The actual amount within CP12 (being \$186,000.00) would be more reflective of a single lane roundabout rather than a dual lane roundabout.</p>

IPART Recommendation	Agree / Disagree	Council Comment
<p>Apportion the cost of pedestrian bridges (RT2, RT3 and RT4) to residential (39%) and non-residential development (61%), consistent with other transport works in the plan and based on the expected traffic generation of these uses within the RMS Guide to Traffic Generating Development.</p>	<p>Agree</p>	<p>It is considered reasonable to apportion the costs for pedestrian bridges between residential and non-residential development, as both of these uses will generate demand for this infrastructure.</p>
<b>Stormwater - Works</b>		
<p>Adopt the initial Landcom VPA offer estimates for the 3 gross pollutant traps that Landcom has proposed to deliver.</p>	<p>Disagree</p>	<p>This recommendation is not supported. The proposed costs for GPTs within the draft plan have taken into consideration matters such as size and other localised factors such as the need for maintenance access points.</p> <p>The costs for the proposed GPTs are based on the tendered price for CP13 Oxlade Street Reserve and are considered to be a more accurate estimate of the likely cost for these items as the GPT for Oxlade Street Reserve is comparable in terms of scale, design and materials. Landcom's cost estimate was not used in this instance as it was considered that their estimate was too low.</p> <p>When preparing the plan Council must apply costs as if Council was delivering the item. The reason for this is that in the unlikely event that a VPA is not entered into, Council would be responsible for the delivery of the infrastructure within the Plan. Accordingly, Council needs to be satisfied that it can actually deliver the infrastructure for the amount specified in the plan. There will potentially be cost savings for Landcom in providing infrastructure as part of future development of the land, whereas this would not be the same for Council.</p>
<p>Apportion the cost of gross pollutant traps between residential (25%) and non-residential developments (75%), on a per-person basis for residential development and on a GFA basis non-residential development.</p>	<p>Agree</p>	<p>Given the demand for GPTs will be created by both residential and non-residential development, it is considered reasonable that these costs be apportioned in accordance with IPART's recommended split (being 25% residential and 75% non-residential).</p> <p>In terms of apportionment, a methodology using the GFA of the precincts is considered to be reasonable.</p>
<b>Open Space - Works</b>		
<p>Transfer the cost of rainwater re-use infrastructure in the Bella Vista district park (DR7) within stormwater management works to open space embellishment.</p>	<p>Agree</p>	<p>No objection is raised to this recommendation given this infrastructure will form a component of the Bella Vista District Park and will primarily serve this open space.</p>

IPART Recommendation	Agree / Disagree	Council Comment
<b>Administration</b>		
Use the Australian Bureau of Statistics' Producer Price Index to estimate inflation for the cost of Caddies Creek Sporting Complex (PF1).	Agree	<p>The previous cost of Caddies Creek Sporting Complex applied the CPI to the IPART benchmark costs to estimate inflation. This methodology has been used previously within other Council CPs.</p> <p>However, no objection is raised to this recommendation given this will apply a consistent indexation methodology to all infrastructure items within the draft Plan.</p>
Re-calculate the cost of plan administration to ensure it continues to reflect 1.5% of works costs following the cost adjustments made by IPART.	Agree	No objection is raised to this recommendation subject to the application of 1.5% to the total infrastructure cost based on previous recommendations within this submission.
Apportion administration costs based on IPART's recommended apportionment of the underlying works costs for transport and stormwater management infrastructure.	Agree	No objection as this amendment will ensure administration costs are fairly distributed consistent with the underlying infrastructure costs.
<b>Cross-Category Considerations</b>		
Remove the 1.5% acquisition allowance from the cost of land for open space and community facilities.	Disagree	<p>Strong objection is raised to this recommendation. Contributions plans must be prepared assuming that Council will be delivering all infrastructure items within the Plan, which includes all associated land acquisition. Until such time as there is certainty that a VPA will be entered into by both parties, the Plan must be written based on the costs for Council to deliver the infrastructure schedule and acquire the land.</p> <p>It is further noted that not all land to be purchased under the Plan is owned by Sydney Metro / Landcom. There is a component of the Bella Vista District Park which is under private ownership. The costs for this land were inadvertently excluded from the calculations within draft CP18 and this will need to be rectified in the final Plan, along with the 1.5% acquisition allowance.</p>
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.	Agree	No objection is raised to this recommendation. The relevant changes will need to be made to reflect post-exhibition dwelling and yield amendments.
Update the discount rate in the financial model to reflect the latest available local government discount rate published by IPART.	Agree	No objection is raised to this recommendation. It is noted that the nominal rate is currently 2.9% and that the next update to the Local Government Cost Index will occur in February 2022.



IPART Recommendation	Agree / Disagree	Council Comment
<p>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.</p>	<p>Disagree</p>	<p>This recommendation is not supported. Any items within the Plan which are identified for delivery within the VPA with Sydney Metro would retain the same value stipulated within the VPA. Council is legislatively required to review its contributions plans and draft CP18 includes commentary requiring 'regular' review of the Plan. Accordingly, whilst future reviews will occur (as required), the setting of a specific timeframe for the next review is not necessary in this instance.</p>