



Assessment of St Leonards South Precinct  
Contributions Plan: Overview

# Draft Report

October 2021

Local Government >>

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## Tribunal Members

The Tribunal members for this review are:

Ms Carmel Donnelly, Chair  
Ms Deborah Cope  
Ms Sandra Gamble

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## Invitation for submissions

IPART invites comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

## Submissions are due by Sunday, 14 November 2021

We prefer to receive them electronically via our [online submission form](#).

You can also send comments by mail to:

SLS CP Assessment  
Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop, Sydney NSW 1240

If you require assistance to make a submission (for example, if you would like to make a verbal submission) please contact one of the staff members listed above.

Late submissions may not be accepted at the discretion of the Tribunal. Our normal practice is to make submissions publicly available on our [website](#) as soon as possible after the closing date for submissions. If you wish to view copies of submissions but do not have access to the website, you can make alternative arrangements by telephoning one of the staff members listed above.

We may decide not to publish a submission, for example, if we consider it contains offensive or potentially defamatory information. We generally do not publish sensitive information. If your submission contains information that you do not wish to be publicly disclosed, please let us know when you make the submission. However, it could be disclosed under the *Government Information (Public Access) Act 2009* (NSW) or the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW), or where otherwise required by law.

If you would like further information on making a submission, IPART's [submission policy](#) is available on our website.

## The Independent Pricing and Regulatory Tribunal (IPART)

We make the people of NSW better off through independent decisions and advice. IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

## 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 Executive Summary

Lane Cove Council (council) submitted the *St Leonards South Section 7.11 Contributions Plan* (SLS CP) to IPART in May 2021. The council seeks to levy the uncapped contributions amount in SLS CP. To do so, IPART must review the plan, which is then provided to the Minister for Planning and Public Spaces (Minister). After the council makes any changes requested by the Minister (or the Minister's nominee) and adopts the plan, the council can levy the contributions amount in the reviewed plan.

We assessed SLS CP against the Department of Planning, Industry and Environment's (DPIE) Practice Note criteria. See our [Information Paper](#) for more detail on our assessment approach.

We found the plan mostly reflects reasonable costs for local infrastructure in the St Leonards South precinct (precinct) development.

Our draft recommendations would reduce the total cost in SLS CP from \$53.8 million to \$51.1 million, i.e. a decrease of about \$2.7 million (5%). This would reduce the contributions rate for a typical dwelling (2-bedroom dwelling), from \$29,629 to \$28,143, a decrease of \$1,486 (5%). We recommend:

- Removing shared paths from the works schedule, as they would be delivered via conditions of consent (decrease of \$1.17 million).
- The council provide further information and justification to establish nexus for stormwater upgrades. At this stage, we have not included the cost of stormwater upgrades in the plan (about \$1.48 million).
- The council investigate how to deliver the local park earlier.

Under the council's plan, it would not borrow to complete any works under the plan. This means that it would not complete the park until most residents have moved into the area. We recommend the council should look to deliver the local park as residents move into the precinct. The council could explore borrowing funds for land costs and include an allowance to recover the interest costs.

Doing so would establish significant open space for the new community, which is particularly important given the low level of open space provision in the precinct. It may also reduce the risk that future movements in land costs expose the council to a funding shortfall, and/or expose developers to increased contributions rates when plans are revised to account for actual costs.

Our draft recommendations by category are listed below and explained in detail in our Technical Paper.

## Draft Recommendations

### Transport

1. Remove shared paths cost (item g) from the works schedule. This would reduce costs by about \$1.17 million.

### Stormwater

2. The council provide further information and justification to establish nexus for stormwater upgrades. At this stage, we have not included the cost of stormwater upgrades in the plan (about \$1.48 million).

### Plan Administration

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

### Scheduled delivery of local park

4. The council should investigate how the local park could be delivered earlier in the plan, to provide benefits to the community as residents move into the precinct. It could consider whether to borrow funds for land costs and include an allowance to recover the interest costs.

### Review contributions plan

5. The council should 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.

## 2 Proposed Contributions Plan

### 2.1 Proposed development in St Leonards South precinct

The precinct is approximately 7 hectares and is located south of St Leonards train station (see Figure 1). The proposed development would replace existing low-density housing with around 2,000 new apartments and increase the population by around 3,600 residents.

Figure 1 St Leonards South precinct map



Note: St Leonards South precinct is highlighted in red.  
Source: SLS CP, Figure 1.

The developed precinct would include:

- apartments up to 19 storeys close to St Leonards train station, and 4-6 storeys towards the south of the precinct
- two community spaces inside future residential buildings
- pedestrian paths and green spines throughout the precinct
- open space and public domain networks
- road, pedestrian and cycling links to surrounding networks.

The local infrastructure in the precinct will be delivered through section 7.11 contributions,<sup>a</sup> conditions of consent and 'bonus floor space and building height' incentives.

## 2.2 Infrastructure included in the contributions plan

The proposed cost of infrastructure to be delivered through SLS CP is \$53.8 million (Table 1), which includes:

- \$37.6 million (69.9%) for land acquisition
- \$15.9 million (29.6%) for works
- \$0.2 million (0.4%) for plan administration.

Table 1 Council-proposed costs by infrastructure category (\$Mar 2021)

Infrastructure category	Land	Works	Administration	Total
Transport	-	9,877,500	148,163	10,025,663
Open space	37,604,455	6,041,700	90,626	43,736,781
<b>Total</b>	<b>37,604,455</b>	<b>15,919,200</b>	<b>238,788</b>	<b>53,762,443</b>

Source: SLS CP works schedule

The proposed contributions rates in SLS CP are shown in Table 2. The proposed contributions rates for residential developments are based on costs in SLS CP and the council's assumed household occupancy rates for each dwelling.

Table 2 Council-proposed residential contributions rates

Residential development type	Number of dwellings	Occupancy rate per dwelling	Proposed contribution rate (\$Mar 2021)
Studio or 1-bedroom	590	1.4	20,741
2-bedroom	987	2.0	29,629
3-bedroom	397	3.1	45,925

Note: IPART checked the calculations of contributions rates which resulted in minor updates.  
Source: SLS CP, Table 2 and IPART calculations.

<sup>a</sup> i.e. SLS CP.

### 3 Summary of IPART's Assessment

We assessed SLS CP in accordance with criteria set by DPIE's Practice Note (see our [Information Paper](#)). Our assessment is summarised below. For more detailed analysis, see the Technical Paper.

- 01 The proposed infrastructure items in the plan are on the **essential works list**.  
However, we recommend the council remove shared paths costs from the works schedule to avoid a double recovery of these costs.
- 02 The proposed infrastructure is reasonable in terms of **nexus**, i.e. the demand for infrastructure arises from the proposed development.  
However, we require further information and justification to establish nexus for stormwater upgrades. At this stage, we have not included the cost of stormwater upgrades in the plan.
- 03 The plan reflects a **reasonable estimate of costs** for infrastructure.
- 04 The proposed infrastructure can be provided within a **reasonable timeframe**, except for the local park.  
We recommend the council investigate ways to deliver the local park earlier, which could include it borrowing funds.
- 05 The proposed contributions are based on a reasonable **apportionment of costs**.
- 06 The council has conducted **appropriate community liaison** in preparing the plan.
- 07 We considered **other relevant matters** including how often the plan should be reviewed and whether it satisfies the requirements set out in clause 27 of the Environmental Planning and Assessment Regulation (see Technical Paper).

Our proposed costs after assessing SLS CP are shown in Table 3.

Table 3 IPART-proposed costs of infrastructure (\$Mar 2021)

Infrastructure category	Land	Works	Administration	Total	IPART-proposed adjustment
Transport	-	7,311,722	109,676	7,421,398	-2,604,265
Open space	37,604,455	5,950,670	89,260	43,644,385	-92,395
<b>Total</b>	<b>37,604,455</b>	<b>13,262,392</b>	<b>198,936</b>	<b>51,065,783</b>	<b>-2,696,660</b>

Source: IPART analysis.



We estimated the residential contributions by dwelling type, using our proposed reasonable costs (see Table 4). Our proposed adjustment would result in a 5% reduction in contributions across residential dwelling types.

Table 4 IPART-proposed residential contributions rates<sup>a</sup> (\$Mar 2021)

Residential development type	Council-proposed contributions rate	IPART-proposed contributions rate	Adjustment
Studio or 1-bedroom	20,741	19,700	-1,040
2-bedroom	29,629	28,143	-1,486
3-bedroom	45,925	43,622	-2,304

<sup>a</sup> Rounded to nearest whole number.

Source: SLS CP and IPART analysis.

## 4 We are seeking feedback

We welcome submissions from stakeholders on the draft recommendations set out in this Draft Report and analysis in the accompanying Technical Paper.

