

IRF21/2661

Ms Carmel Donnelly Chair Independent Pricing and Regulatory Tribunal PO Box K35 HAYMARKET POST SHOP, NSW, 1240

Via email: ipart@ipart.nsw.gov.au

Dear Ms Donnelly

I am writing to request the Independent Pricing and Regulatory Tribunal (IPART) undertake a targeted assessment of the construction costs for six priority stormwater detention basins and associated soil disposal costs in Blacktown City Council's (Council's) Contribution Plans No. 20 Riverstone and Alex Avenue (CP20) and undertake a targeted assessment of the construction costs of one priority stormwater detention basin and associated soil disposal costs in No. 21 – Marsden Park (CP21).

As this request falls outside of IPART's terms of reference for assessing contributions plans, my office has sought the approval of the Office of the Premier for this assessment, attached to this letter (Attachment A).

This request relates to IPART's assessment of CP20 published in July 2016 and Recommendation 7 'That \$139.93 million of estimated soil disposal costs be removed from the cost of essential works for CP20 until the issue has been resolved to the Minister's satisfaction'.

The request also relates to IPART's assessment of CP21 published in August 2017 and Recommendation 10 'Blacktown City Council amend CP21 following the completion of its review of the South Creek catchment to implement any relevant findings in relation to stormwater management' and Recommendation 11 'Blacktown City Council remove \$95,464,177 in stormwater infrastructure costs'. The former Minister for Planning supported these recommendations. Council did not support these recommendations but adopted CP20 and CP21 so that they could be eligible for LIGS funding.

Council claim that the IPART costs that are now attributed to these stormwater basins do not provide enough funding to construct the stormwater basins and has made a request to include the construction costs of the seven priority stormwater detention basins and associated soil disposal costs associated back into the plans.

The scope of the targeted assessment would only include a review of revised costs for the construction of the seven priority stormwater detention basins and associated soil disposal costs (as detailed in Attachment B). My nominee would reissue their advice to Council if IPART finds these revised costs to be reasonable.

Your consideration of this request would be greatly appreciated. The NSW Government is keen to assist Council to resolve this matter to support the provision of stormwater detention basins in Marsden Park and Riverstone and Alex Avenue Precincts, which will unlock development potential in these precincts and allow the removal of numerous temporary stormwater basins.

Should you have any questions, you are welcome to contact Ms Liz Gonzalez Ibanez, Manager Infrastructure Planning, at the Department of Planning and Environment on 8275 1951.

Yours sincerely

The Hon. Anthony Roberts MP

Minister for Planning Minister for Homes

Encl: Attachment A – Approval of the Office of the Premier for this arrangement
Attachment B – Indicative contributions attributed to constructing seven priority stormwater basins in CP20 and CP21



Dominic Perrottet MP

Premier of New South Wales

Ref: A5422953

The Hon Anthony Roberts Minister for Planning Minister for Homes 52 Martin Place SYDNEY NSW 2000

Dear Minister, July

Thank you for your correspondence of 23 March 2022 regarding a proposed arrangement under which the Independent Pricing and Regulatory Tribunal will undertake a targeted assessment of certain construction costs in three of Blacktown City Council's local developer contributions plans.

I note the proposed arrangement is one-off arrangement that supplements the current arrangement approved by my predecessor on 14 November 2018, under which IPART provides assessment services to the Minister for Planning in respect of Reviewable Contributions Plans.

I approve the proposed arrangement as set out in your letter pursuant to section 9(2) of the *Independent Pricing and Regulatory Tribunal Act 1992*.

Thank you for taking the time to bring this matter to my attention.

Yours sincerely.

Dominic Perrottet MP

Premier

2166/22

Attachment B

Table 1 Stormwater basin construction costs attributed to CP 20 and CP 21

Table 1	Stormwa	ater basin construct	tion costs attr	ibuted to CP 20	u and CP ZI
CP 20 - Eastern Creek Catchment		Original CP Value	IPART amended CP Value	Gap under targeted assessment	
Basin 1	E4.14	Detention basin	\$4,863,000	\$1,504,000	\$3,359,000
	E4.15	Bio-retention located in detention basin	\$662,000	\$447,000	\$215,000
Basin 2	E14.1	1350mm Drainage line from Princes St to Basin E14.2	\$361,000	\$239,000	\$122,000
	E14.2	Detention basin	\$6,535,000	\$1,595,000	\$4,940,000
Total			\$12,421,000	\$3,785,000	\$8,636,000
CP 20 - First F	onds Creek	Catchment	Original CP Value	IPART amended CP Value	Gap under targeted assessment
Basin 3	F15.1	Detention basin	\$12,940,000	\$3,351,000	\$9,589,000
	F15.2	Bio-retention located in detention basin	\$3,986,000	\$2,001,000	\$1,985,000
Basin 4	F19.1	Detention basin	\$14,693,883	\$3,106,883	\$11,587,000
	F19.2	Bio-retention located in detention basin	\$932,000	\$469,000	\$463,000
Basin 5	F23.1	Detention basin	\$1,311,000	\$934,000	\$377,000
	F23.2	Bio-retention located in detention basin	\$932,000	\$469,000	\$463,000
Basin 6	F24.1	Detention basin	\$3,062,701	\$3,062,701	\$0
	F24.2	Bio-retention located in detention basin	\$1,994,000	\$1,001,000	\$993,000
Total			\$39,851,584	\$14,394,584	\$25,457,000
CP 21 - Marsd	en Creek Ca	tchment	Original CP Value	IPART amended CP Value	Gap under targeted assessment
	MM 2.0	Detention basin	\$25,318,000	\$5,392,568	\$19,925,432
Basin 7	MM 2.6	21.4m Wide landscaped open channel	\$2,830,000	\$1,451,290	\$1,378,710
	MM 2.9	28.6m Wide landscaped open channel	\$871,725	\$824,186	\$47,539
Total			\$29,019,725	\$7,668,044	\$21,351,681
Grand Total			\$81,292,309	\$25,847,628	\$55,444,681

Table 2 Indicative Contributions per dwelling CP 20 Riverstone and Alex Ave Precincts (Eastern Creek Catchment)

Density (Dwellings per ha)	15	25
Eastern Creek Catchment- 2015 original plan	\$82,235	\$54,775
Eastern Creek Catchment- 2015 plan IPART approved	\$69,197	\$48,030
Eastern Creek Catchment- plan 2015 Plan targeted review	\$71,536	\$49,396
(revised cost for E4.14, E4.15, E14.1, E14.2)		
Increase from IPART Approved Plan under proposed targeted review	\$2,339	\$1,366

Table 3 Indicative Contributions per dwelling CP 20 Riverstone and Alex Ave Precincts (First Ponds Creek Catchment)

Density (Dwellings per ha)	15	25
First Ponds Creek Catchment -2015 Plan	\$85,407	\$56,610
First Ponds Creek Catchment- 2015 Plan IPART approved	\$70,664	\$49,114
First Ponds Creek Catchment - (revised costs for F15.1, F15.2, F23.1, F23.2, F19.1, F19.2)	\$73,891	\$50,815
Increase from IPART Approved Plan under proposed targeted review	\$3,227	\$1,701

Table 4 Indicative Contributions per dwelling CP 21 Marsden Park (Marsden Creek Catchment)

Density (Dwellings per ha)	15	25
Marsden Park Catchment – 2016 Plan Original	\$100,029	\$66,416
Marsden Creek Catchment – 2016 Plan IPART approved	\$81,243	\$54,589
Marsden Creek Catchment – 2016 Plan Targeted Review (revised cost for MM2.0, MM2.6, MM2.9)	\$91,128	\$60,518
Increase from IPART Approved Plan under proposed targeted review	\$9,886	\$5,929