



Independent Pricing and Regulatory Tribunal
New South Wales

Application for assessment of a local infrastructure contributions plan – Part A

The Hills Shire Council
Contributions Plan No.12 – Balmoral Road Release Area

Application
Local Government



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1 Instructions

1.1 Who should fill in this application form?

This form is for NSW councils that are submitting a **local infrastructure contributions plan** to IPART for assessment. A separate application must be submitted for each contributions plan.

Councils are encouraged to discuss information requirements or other queries relating to the contributions plan assessment process with IPART prior to submitting an application.

Call IPART on 02 9290 8400 to speak to the Local Government Contributions Plan Team.

1.2 How should a council submit an application?

Councils should complete this Application Form Part A and submit it to IPART, along with the contributions plan and all relevant supporting documentation (see Checklist in section 5) by email, post or in person. We require an electronic copy of all documents.

Email	Post	In Person
Attention: Local Government Contributions Plan Team	Attention: Local Government Contributions Plan Team	Attention: Local Government Contributions Plan Team
localgovernment@nsw.gov.au	Independent Pricing and Regulatory Tribunal PO Box K35 Haymarket Post Shop Sydney NSW 1240	Independent Pricing and Regulatory Tribunal Level 15 2-24 Rawson Place Sydney NSW 2000

1.3 What other information is available?

Please refer to IPART's website <<https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Local-Infrastructure-Contributions-Plans>> for further information on our assessment process, including current and completed assessments. The website also has copies of:

- ▼ Application Form Part B (optional)
- ▼ *Section 94E Ministerial Direction for Local Infrastructure Contributions 2012*, as amended (Ministerial Direction), and
- ▼ *Local Infrastructure Contributions Practice Note*, January 2018.

2 Preliminary Information

2.1 All applications

A. Council information

Council name	The Hills Shire Council
Primary council contact details (Provide name, position, phone number, and email address)	Nicholas Carlton, Principal Coordinator Forward Planning [REDACTED] [REDACTED]
Secondary council contact details (Provide name, position, phone number, and email address)	Piers Hemphill, Strategic Planning Coordinator [REDACTED] [REDACTED]

B. Information about the plan

What is the name of the plan?	Contributions Plan No.12 – Balmoral Road Release Area.
Which clause of the <i>section 94E Ministerial Direction for Local Infrastructure Contributions</i> (Ministerial Direction) applies to this plan (ie, clause 6, 6A, 6B or 6C)?	6A Raising cap on contributions in specified precincts after 2017 amendment direction.
What is the current maximum contribution amount (per lot or dwelling) for this plan under the Ministerial Direction?	\$40,000

In the absence of any cap imposed by the Ministerial Direction, what are the indicative contribution amounts (per lot or dwelling) for each type of residential development in the catchment area?

Contributions by Dwelling Type (2017/2018)

Dwelling Type	Rate Per Dwelling
Subdivision, Dwelling Houses and Dual Occupancies	\$51,852.89
Integrated Housing	\$45,752.55
Senior Housing/Boarding House Rooms	\$18,301.02
Multi Unit Housing:	
1 Bedroom	\$22,876.27
2 Bedroom	\$32,026.78
3 Bedroom	\$39,652.21
4 bedroom	\$53,377.97

* Multi Unit Housing includes Attached Dwellings, Multi Dwelling Housing and Residential Flat Buildings

When was the plan publicly exhibited?	The latest draft Plan was exhibited from Tuesday 22 May 2018 to 22 June 2018
Has the council adopted the plan? If so, when was it adopted and when did it come into force?	The version of the Plan submitted to IPART is draft amendments to the existing in force plan. The draft amendments have been publicly exhibited but not yet adopted by Council.
To what extent was the Department of Planning & Environment (DPE) involved in the development of this plan?	n/a
Over what period will development in the catchment area of the plan occur?	2006 to 2026 (20 years).
What proportion of the total projected development in the catchment area of the plan has been approved and/or constructed?	Approximately 50% of the anticipated residential development has occurred.
What planning instruments (SEPPs, LEPs, or DCPs) apply to land in the catchment area of the plan?	The Hills Local Environmental Plan 2012 The Hills Development Control Plan Part D Section 7 – Balmoral Road Release Area.
Has the Minister referred this contributions plan to IPART for review? If so, provide details.	No – IPART previously reviewed the Plan in 2011. The amendments being submitted reflect IPART's recommendations (where still relevant/applicable), as well as further updates to reflect actual income, expenditure and revised cost estimates and population. Council is required to submit the amendments to IPART before it is able to adopt them.

2.2 For contributions plans previously reviewed by IPART

Councils only need to complete these three questions for plans that IPART has previously reviewed.

C. Information about revisions to the plan

Why is the council submitting the revised plan for IPART's review?	<p>An update to the Plan is required to:</p> <ul style="list-style-type: none"> • Incorporate recommendations from IPART's previous assessment of CP12; • Reflect actual expenditure completed and income received; • Update the value of outstanding land acquisition based on current land values; • Revise cost estimates for outstanding capital works; • Revise population projections and future income assumptions based on the rate and quantum of development anticipated within the Balmoral Road Release Area,
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	<ul style="list-style-type: none"> • Updated census (demographic) data and the removal of land which has been Rezoned for the Bella Vista and Kellyville Station Precincts (these areas will be Subject to a new contributions plan); and • Administrative amendments and update of financial assumptions. <p>The amendments to the Plan continue to result in a contribution rate in excess of \$30,000 and as such, Council is required to submit the Plan to IPART for review, prior to adoption.</p>
<p>Briefly explain how the plan has been revised in response to:</p> <ul style="list-style-type: none"> – recommendations made in IPART's assessment report on the previous version/s of the plan, and – any directions from the Minister for Planning in relation to IPART's assessment. 	<p>The key amendments arising from IPART's 2011 assessment are the removal of capital costs associated with the provision of community facilities (Kellyville Park, Vinegar Hill Memorial Library Rouse Hill) and indoor recreation facilities (Kellyville Park and Bernie Mullane Sports Complex).</p>
<p>Briefly explain any other revisions to the plan such as updated costings, revised apportionment of costs, or amended delivery timeframe.</p>	<p>Refer to Council report (attached as part of this submission) for description of other amendments to the Plan.</p>

3 Assessment Criteria

We will assess the contributions plan against the criteria listed in the *Local Infrastructure Contributions Practice Note*, issued by the Department of Planning and Environment (DPE) in January 2018 (Practice Note).

Your responses to the questions in this section will assist us in understanding how the plan, including the proposed cost of land and works, has been prepared.

- ▼ If the information in your proposed response is clearly set out in the contributions plan or a separate report or document, it is sufficient to refer to the appropriate sections/pages.
- ▼ Any referenced reports and documents will need to be attached to this application (see Checklist in Section 5).

3.1 Criterion 1 – the Essential Works List

The public amenities and public services in the plan are on the Essential Works List

We are required to assess whether the land and works in the contributions plan are on the Essential Works List (EWL). Refer to the Practice Note for the most recent version of this list, including a definition of base level embellishment of open space.

Checklist for the contributions plan

Does the contributions plan ...	Contributions plan page reference(s)		
Include land or works not on the EWL	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	n/a
Include costs for any land or works not on the EWL in the calculation of contribution rates	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	n/a

1. If the plan includes costs for land and/or works not on the Essential Works List:
 - a) list these items below, and
 - b) indicate how their costs are to be met.

n/a

Only the land component for community services is on the Essential Works List. However, we require details of the community services that are intended to be provided on this land, so we can determine what proportion of the land costs can be recovered through development contributions.

- 2. List the community services that will be provided on the land that is to be acquired for community services (eg, youth centre, library) and indicate the floor space area allocated to each.**

Fit out and expansion of Rouse Hill Regional Centre library: + 800m² (600 m² already in adopted Plan + 250 m² as part of proposed amendments). Portion of costs apportioned to CP12. See Section 6.3 of Contributions Plan submitted.

3.2 Criterion 2 – Nexus

The proposed public amenities and public services are reasonable in terms of nexus (the connection between development and the demand created).

Nexus ensures that the land and works included in the contributions plan are required to meet the increased demand for facilities generated by the anticipated development.

Checklist for the contributions plan

Does the contributions plan ...			Contributions plan page reference(s)
Incorporate a map showing the geographical catchment area of the contributions plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	7
Detail the types of development that will occur in the catchment area(s) of the plan, and the approximate area of each land use	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	23-27
Include information about:			23-27
▼ the existing population in the catchment area	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
▼ the projected residential population and/or workforce	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Include details about how the need for land and works was determined	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	28-43
Refer to design and construction standards used in determining the works in the plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	28-43 + 47

3. Explain the process used to determine the need for all land and works in the plan.

List any supporting studies relied on and explain any deviations from recommendations in those studies.

a) Transport land and works

The proposed amendments are to an existing contributions plans, which has already determined the extent of local infrastructure required. Historical technical studies (2002-2006) which informed the Precinct Planning for the Balmoral Road Release Area have been provided as part of this application.

b) Stormwater land and management works

n/a

c) Open space land and works (embellishments)

The proposed amendments are to an existing contributions plans, which has already determined the extent of local infrastructure required. Historical technical studies (2002-2006) which informed the Precinct Planning for the Balmoral Road Release Area have been provided as part of this application.

d) Community services land

The proposed amendments are to an existing contributions plans, which has already determined the extent of local infrastructure required. Historical technical studies (2002-2006) which informed the Precinct Planning for the Balmoral Road Release Area have been provided as part of this application.

4. Were any supporting studies prepared for the catchment area but not relied on? If so, explain why they were not used.

n/a.

5. How has non-residential development been considered in determining the need for infrastructure in the plan.

This is a Residential Plan only that levies and provides for residential development only. There is minimal non-residential development anticipated.

6. In determining the need for infrastructure in the plan, what consideration was given to:

- a)** the existing population in the catchment area
- b)** any existing or projected population outside the catchment area
- c)** the capacity of existing infrastructure in the catchment area, and/or
- d)** any existing or proposed infrastructure outside the catchment area.

- A) Existing population does not create the demand for the new infrastructure required. All costs are fully apportioned to new development/additional population.
- B) Some regional items are apportioned between CP12 and adjoining areas. See Sections 4-7 of the Contributions Plan for specific details.
- C) See Sections 4-7 of the Contributions Plan for specific details. Minimal capacity in existing infrastructure to support growth as the Precinct was rural, prior to release.
- D) Minimal capacity within existing or proposed infrastructure outside the catchment areas. See details within Sections 4-7 of the Contributions Plan as well as supporting historical technical studies (to the extent that they may still be relevant given time passed since preparation).

3.3 Criterion 3 – Reasonable costs

The proposed development contribution is based on a reasonable estimate of the cost of the proposed public amenities and public services.

IPART must advise whether the proposed development contributions are based on a *reasonable* estimate of the cost of the proposed public amenities and public services. This includes how the base costs of land and each item of infrastructure are derived and the method used to calculate the contribution rates and escalate them over time.

Checklist for the contributions plan

Does the contributions plan ...	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Contributions plan page reference(s)
Explain how the proposed cost of works was derived (eg, quantity surveyor or other consultant advice, standard costs used by the council)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	48-51 + supporting material
Explain how the proposed cost of land was derived	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	48-51 + supporting material
Include a schedule of the contributions rates (eg, \$/ha, \$/person, \$/dwelling)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	63
Explain how the contribution rates will be adjusted for inflation/ changes in costs	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Section 2.19
Provide details of accounting arrangements for contribution funds (eg, is pooling of funds permitted, will internal borrowings be used to deliver infrastructure projects?)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Section 2
If using a Net Present Value (NPV) approach, include assumptions made in the modelling of costs and revenue	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	Section 2.19

7. What is the base period for costs in the plan (eg, June 2017)?

2016/2017

8. Explain the process used to estimate costs for works for each infrastructure category.

Refer to matters such as:

- Use of consultant or QS estimates
- Use of council costs
- Use of benchmark costs
- Any allowances included, such as professional fees and contingencies
- Details of any indexation of cost estimates to the base period of the plan, including the index used

a) Transport works

Refer to works schedules provided and supporting documentation

b) Stormwater management works

Refer to works schedules provided and supporting documentation

c) Open space works (embellishments)

Refer to works schedules provided and supporting documentation

9. Explain the process used to estimate the cost of plan preparation and administration.

1.5% of Capital costs. As per IPART Benchmark Costs Report.

10. What, if any, land has the council already acquired to provide local infrastructure for development in the catchment area? How has the cost of this land been included in the plan?

Actual costs have been reflected within the Works Schedule and calculation of contributions rate. Refer to Works Schedules provided.

11. Explain the process used to estimate the cost of land yet to be acquired by the council.

Refer to:

- Details of any inclusions for just terms compensation
- Details of any indexation of cost estimates from the base period of the plan, including the index used

Independent valuation report used to inform cost per square metre. Refer to supporting documentation.

12. If contributions rates in the plan are calculated using an NPV model,

- a) Does the model use real or nominal values?**
- b) If the model uses nominal values, what indexation assumptions are applied to costs and revenue?**
- c) What discount rate does the model use, and why?**

See attached NPV Model.

13. What measures have been taken to minimise costs in the contributions plan (eg, adjustment to design or alternative engineering solutions)?

Early acquisition of land.

3.4 Criterion 4 – Reasonable timeframe

The proposed public amenities and public services can be provided within a reasonable timeframe

Checklist for the contributions plan

Does the contributions plan ...			Contributions plan page reference(s)
Include details of the anticipated rate of development in the catchment area and how this was determined	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	5
Include a program for infrastructure delivery and explain how it relates to the anticipated timing of development	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	25 + 61
Include a statement regarding potential revision of the scheduled timing for infrastructure delivery	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	25

14. How has the council determined the timing of infrastructure provision?

Provide details of the program for delivery of infrastructure in the contributions plan and explain its underlying rationale.

Actual income and expenditure to date has been entered into the model. Remaining expenditure will be provided in line with projected population growth (development path).

3.5 Criterion 5 – Reasonable apportionment

The proposed development contribution is based on a reasonable apportionment of costs between existing and new demand, and also demand generated by different types of development.

Apportionment is about ensuring the allocation of costs equitably between all those who will benefit from the infrastructure or create the need for it. While nexus is about establishing a relationship between the development and demand for infrastructure, apportionment is about quantifying the extent of the relationship.

Checklist for the contributions plan

Does the contributions plan ...	Contributions plan page reference(s)
Include details of apportionment calculations	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Sections 4-7

15. How does the plan apportion costs?

Provide details of calculations made, and explain how the apportionment takes into consideration demand arising from (as relevant):

- new and existing development in the catchment area – ***new development only***
- different stages of development – ***n/a***
- different sub-catchments – ***n/a***
- residential and non-residential development – ***residential only***
- different residential development densities – ***based on population (occupancy)***
- new and/or existing development outside the catchment area – ***n/a***

a) Transport land and works

Refer to Section 5.3 – pages 32-35

b) Stormwater management land and works

n/a.

c) Open space land and works (embellishments)

n/a.

a) Community services land

Refer to Section 6.3 – pages 38-39

b) Plan preparation and administration

n/a.

3.6 Criterion 6 – Appropriate community liaison

The council has conducted appropriate community liaison and publicity in preparing the contributions plan.

We require evidence that the plan has been exhibited and publicised in accordance with the statutory requirements and that submissions received during the exhibition period have been taken into account. The post-exhibition version of the plan should not differ so significantly from the exhibited version that it requires re-exhibition.

It is not necessary that the relevant information is included in the contributions plan itself.

16. When was the plan publicly exhibited?

The draft amendments to the Plan were publicly exhibited from Tuesday 22 May 2018 to Friday 22 June 2018.

17. In developing the contributions plan, was any publicity and community liaison undertaken outside the mandatory exhibition period?

No.

18. How has the council taken into account submissions received on the draft plan placed on exhibition?

No submissions were received.

19. Does the council intend to undertake any further publicity or community liaison?

No.

3.7 Criterion 7 – The plan complies with other matters IPART considers relevant

IPART may take into consideration other matters relevant to our overall assessment of the contributions plan.

These matters may include compliance with the statutory requirements for making local infrastructure contribution plans and with the Practice Note, whether the plan uses up-to-date information, as well as issues of transparency and accountability in the council's proposed arrangements for the levying and collection of contributions under the plan.

20. Is there any other information relating to the contributions plan (such as use of VPAs) which may assist us to assess it against this criterion?

n/a.

21. Is the council aware of possible changes to any underlying assumptions used in preparing the plan which may be relevant to our assessment?

Such matters could include:

- revised population projections
- potential rezoning or changes to dwelling yields
- other changes to the applicable LEP, SEPP or DCP
- changes to NSW government policy for infrastructure delivery

n/a – note that a portion of the *current* area subject to the Plan was since rezoned by the NSW Government as part of the Bella Vista and Kellyville Rail Precincts. These areas will accommodate significant residential and non-residential growth, not planned or catered for under CP12. Accordingly, the amendments seek to excise this area from the plan – a new contributions plan will be required to levy development and provide infrastructure to support development within this area. See Council report for further details and mapping of areas.

22. Provide any other information which you consider would assist or expedite our assessment.

n/a.

4 Quality assurance

We also request that council undertake a quality assurance (QA) check of the contributions plan before it is submitted to IPART for review.

The purpose of the council's QA check is to identify and address any errors or inconsistencies within the work schedules and also between the contributions plan and relevant supporting information to ensure that the plan, as submitted, is accurate. This should reduce the risk that our assessment is delayed by the need for corrections to be made, or our report unnecessarily include recommendations to correct what are, in essence, calculation errors.

Checklist for the contributions plan

Has the contributions plan been checked for ...		
Typographical errors	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Calculation errors (including checking infrastructure and land cost calculations)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Use of the most up-to-date- data and information (<i>as at time of plan preparation</i>)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

23 Explain the quality assurance process undertaken for the contributions plan prior to submitting it to IPART for review.

Normal Council Quality Assurance process involving the review of work by 3-5 senior staff members.

5 Attachment checklist

Please complete the checklist below to ensure that all information necessary for IPART's assessment is submitted.

Councils should complete and attach Application Form Part B,¹ **or** provide IPART with spreadsheets (.xls files) that:

- ▼ detail all infrastructure items included in the plan, with references to the studies that support their inclusion in the plan as relevant
- ▼ detail the cost of each infrastructure item (including source and date of costings, and any indexation of cost estimates)
- ▼ list all parcels of land required for infrastructure in the plan
- ▼ detail the cost of any land that has already been acquired and land that the council is yet to acquire
- ▼ show how the total cost of land and works for each infrastructure category (or subcategory) have been apportioned
- ▼ show how the contributions rates in the plan have been calculated (including net present value modelling if this approach is used), and
- ▼ show indicative contribution amounts for each type of residential dwelling.

Checklist for council application

Application attachment			
Work schedules and calculation of contribution rates			
Application form Part B or	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
spreadsheets that provide the information listed above	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Contributions plan			
Version of contributions plan incorporating any post exhibition changes	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	
Version of contributions plan publicly exhibited	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
Version of contributions plan previously submitted to IPART for review	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>
Public consultation			
Copy of all submissions to publicly exhibited contributions plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>
Summary of submissions and council's response – Council response only	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>
Technical studies and consultant documents			
Land valuation report/s	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Supporting studies for stormwater management infrastructure (eg, Flooding and Water Cycle Management report)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>

¹ Application Form Part B is available on IPART's website.

Application attachment			
Supporting studies for transport infrastructure (eg, Traffic and Transport Assessment report)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Supporting studies for open space infrastructure (eg, Demographic and Social Infrastructure report)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Supporting studies for community services (eg, Demographic and Social Infrastructure report)	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Maps			
Plan catchment map/s	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Final Indicative Layout Plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>
Zoning map/s	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Land acquisition map/s	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Constrained land maps/s	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Other documents			
VPAs	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>
Details of other funding agreements for state or local infrastructure in the area covered by the plan (including draft agreements)	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/a <input checked="" type="checkbox"/>
Council business papers or meeting minutes related to the preparation of the contributions plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>
Any other documents that you think could be useful in IPART's assessment of the contributions plan	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/a <input type="checkbox"/>