

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

The Hills Shire Council
Contributions Plan No.13 - North Kellyville Precinct

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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	Independent Pricing and Regulatory Tribunal
	PO Box K35	Level 15
	Haymarket Post Shop	2-24 Rawson Place
	Sydney NSW 1240	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
Secondary council contact details (Provide name, position, phone number, and email address)	Piers Hemphill, Strategic Planning Coordinator

B. Information about the plan

What is the name of the plan?	Contributions Plan No.13 – North Kellyville Precinct.
Which clause of the section 94E Ministerial Direction for Local Infrastructure Contributions (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?	Lot/Dwelling: \$53,449.75 Integrated Development: \$47,161.54 Seniors Housing: \$18,864.62 4 bed multi dwelling housing: \$55,021.80 3 bed multi dwelling housing: \$40,873.34 2 bed multi dwelling housing: \$33,013.08 1 bed multi dwelling housing: \$23,580.77
When was the plan publicly exhibited?	The latest draft Plan was exhibited from Tuesday 1 May 2018 to Friday 1 June 2018

Has the council adopted the plan? If so, when was it adopted and when did it come into force?	The original Plan was first adopted by Council on 23 February 2010 and came into force on 6 July 2010. The version of the Plan submitted to IPART includes draft amendments. 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?	The Department of Planning rezoned and released the precinct including identification of the majority of infrastructure required and identification and zoning of land to be acquired by Council (for example, RE1 and SP2 land).
Over what period will development in the catchment area of the plan occur?	2010 to 2024 (15 years).
What proportion of the total projected development in the catchment area of the plan has been approved and/or constructed?	Approximately 70% of the originally anticipated residential development has occurred. Noting the revised yield and population projections within the draft amendments, approximately 52% of the revised anticipated residential development has occurred.
What planning instruments (SEPPs, LEPs, or DCPs) apply to land in the catchment area of the plan?	State Environmental Planning Policy (Sydney Region Growth Centres) 2006.
	North Kellyville Growth Centre Precincts Development Control Plan 2016.
Has the Minister referred this contributions plan to IPART for review? If so, provide details.	No – IPART reviewed the Plan in October 2011. This submitted Plan reflect IPART's recommendations (where still relevant/applicable), as well as further updates to reflect actual income, expenditure 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				An update to the Plan is required to:			
IPART's review?			•	Reflect actual expenditure completed and income received;			
			•	Revise population projections for the North Kellyville Precinct;			
			•	Include additional infrastructure to			

cater for higher than anticipated yields;

- Update the value of outstanding land acquisition based on current land values;
- Incorporate recommendations from IPART's previous assessment of CP13:
- Revise cost estimates for outstanding capital works; and
- Administrative amendments and update of financial assumptions.

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.

Briefly explain how the plan has been revised in response to:

- 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.

The key amendments arising from IPART's 2011 assessment are:

- Revision of the apportionment of costs for the expansion of the Vinegar Hill Memorial Library at Rouse Hill Town Centre between Contributions Plan No.13 and Contributions Plan No.12 – Balmoral Road Release Area, based on the respective population projection for each precinct;
- Revision of apportionment of costs for the bridge over smalls creek between Ross Place and Edwards Road between Contributions Plan No.13 and Contributions Plan No.15 – Box Hill Precinct, based on the residential population projected within each precinct; and
- Deletion of capital costs associated with the provision of community facilities to service new development as the Department of Planning and Environment has not categorised such infrastructure as "essential works" on the "Essential Works List" against which IPART conducts its assessment.

Briefly explain any other revisions to the plan such as updated costings, revised apportionment of costs, or amended delivery timeframe. Refer to Council report (attached as part of this submission) for description of other amendments to the Plan.

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 ⊠ No □	29 – works not on EWL	
Include costs for any land or works not on the EWL in the calculation of contribution rates	Yes ⊠ No □	29 – works not on EWL	

- 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.

An additional residential yield of approximately 2,000 dwellings generates the need for one (1) additional playing field, above and beyond that originally planned for under Contributions Plan No.13. It is proposed to meet this demand through the provision of one new playing field co-located with a planned new school.

While the use of synthetic fields co-located on school sites is not yet identified on IPART's essential works list (which is currently under review by the NSW Government), it is recommended that this item be pursued given it is the most cost efficient way to deliver an additional playing field for the additional population (noting that co-location with a school removes the need for significant land acquisition). The alternative method of acquiring new land within the Precinct in order to provide a non-synthetic field would place unnecessary upward pressure on the contribution rate and an unreasonable cost to the Department (by way of increase LIGS funding.

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).

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 ⊠	No □	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 ⊠	No □	16-25
Include information about:			17
the existing population in the catchment area	Yes ⊠	No □	
the projected residential population and/or workforce	Yes ⊠	No □	
Include details about how the need for land and works was determined	Yes ⊠	No □	25
Refer to design and construction standards used in determining the works in the plan	Yes ⊠	No □	77

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

Department of Planning and Environment Precinct Planning Process. Details can be found at:

https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/North-West-Growth-Area/North-Kellyville

Technical reports commissioned by the Department are also attached.

b) Stormwater land and management works

Department of Planning and Environment Precinct Planning Process. Details can be found at:

https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/North-West-Growth-Area/North-Kellyville

Technical reports commissioned by the Department are also attached.

c) Open space land and works (embellishments)

Department of Planning and Environment Precinct Planning Process. Details can be found at:

https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/North-West-Growth-Area/North-Kellyville

Technical reports commissioned by the Department are also attached.

d) Community services land

Department of Planning and Environment Precinct Planning Process. Details can be found at:

https://www.planning.nsw.gov.au/Plans-for-your-area/Priority-Growth-Areas-and-Precincts/North-West-Growth-Area/North-Kellyville

Technical reports commissioned by the Department are also attached.

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 – with the exception of the Town Centre. The Town Centre development was levied under Section 7.12 and traffic infrastructure surrounding the centre has been included within The Hills Section 94A Contributions Plan (excluded from CP13).

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 CP13 and adjoining areas. See Part C of the Contributions Plan for specific details.
- C) See Part C 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 proposals infrastructure outside the catchment areas. See details within Part C of the Contributions Plan and Department of Planning's Precinct Planning Documentation.

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	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 ⊠	No □	47-48
Explain how the proposed cost of land was derived	Yes ⊠	No □	47-48
Include a schedule of the contributions rates (eg, \$/ha, \$/person, \$/dwelling)	Yes ⊠	No □	57
Explain how the contribution rates will be adjusted for inflation/ changes in costs	Yes ⊠	No □	12-13
Provide details of accounting arrangements for contribution funds (eg, is pooling of funds permitted, will internal borrowings be used to deliver infrastructure projects?)	Yes ⊠	No □	Part B
If using a Net Present Value (NPV) approach, include assumptions made in the modelling of costs and revenue	Yes ⊠	No □	12-13

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)?

Use of synthetic playing fields co-located with future school to minimise open space costs.

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 ⊠	No □	5
Include a program for infrastructure delivery and explain how it relates to the anticipated timing of development	Yes ⊠	No □	54
Include a statement regarding potential revision of the scheduled timing for infrastructure delivery	Yes ⊠	No □	14

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 ⊠	No □	Throughout Part C

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

A new bridge over Smalls Creek, between Ross Place (in the north of the Precinct) and Edwards Road (connecting to Annangrove Road) (Item "NKB01") is included in the Plan. The adopted cost is based on high level estimates at the time of preparation with a total value originally estimated as \$4.3 million and this cost is currently apportioned between Contributions Plan No.13 and Contributions Plan No.15 – Box Hill Precinct based on the residential population within each precinct.

Council has recently prepared concept designs for this bridge as well as an associated cost estimate of \$17.5 million to complete the bridge. It is recommended that this updated cost be reflected in both Contributions Plan No.13 (as part of this review) and Contributions Plan No.15 – Box Hill Precinct (as part of the next review of this Plan).

As a critical component of the provision of this bridge, it is reasonable for the construction of this road approach (and associated land acquisition) to also be included within Contributions Plan No.13 (and Contributions Plan No.15 – Box Hill Precinct as part of future review). The total estimated value to complete the approach road to the bridge is \$15.6 million (\$10.2 million for construction and \$5.4 million for land acquisition), however only \$6.2 million of this cost would be apportioned to Contributions Plan No.13 (the remainder would be apportioned to Contributions Plan No.15 – Box Hill Precinct).

b) Stormwater management land and works

n/a.

c) Open space land and works (embellishments)

n/a.

a) Community services land

The expansion of the Vinegar Hill Memorial Library at Rouse Hill Town Centre has been apportioned between Contributions Plan No.13 and Contributions Plan No.12 – Balmoral Road Release Area, based on the respective population projection for each precinct.

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 latest draft Plan was exhibited from Tuesday 1 May 2018 to Friday 1 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?

One submission was received from the RMS. No action was required out of this submission. A separate letter has been sent to RMS on this matter (see supporting documentation).

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

For the purpose of population projections, the amendments rely on the draft density band amendments to the Growth Centres SEPP (to apply a maximum residential density - exhibited by the Department of Planning and Environment). These have not yet been finalised by the Department. Without the finalisation of these amendments by the Department, population projections would be even higher and further work would be required to identify local infrastructure requirements.

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 ⊠	No □
Calculation errors (including checking infrastructure and land cost calculations)	Yes ⊠	No □
Use of the most up-to-date- data and information (as at time of plan preparation)	Yes ⊠	No □

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 □	No ⊠
spreadsheets that provide the information listed above	Yes ⊠	No □
Contributions plan		
Version of contributions plan incorporating any post exhibition changes	Yes □	No ⊠
Version of contributions plan publicly exhibited	Yes ⊠	No □
Version of contributions plan previously submitted to IPART for review	Yes □	No ⊠ N/a □
Public consultation		
Copy of all submissions to publicly exhibited contributions plan	Yes ⊠	No □ N/a □
Summary of submissions and council's response – <i>Council response only</i>	Yes ⊠	No □ N/a □
Technical studies and consultant documents		
Land valuation report/s	Yes ⊠	No □ N/a □
Supporting studies for stormwater management infrastructure (eg, Flooding and Water Cycle Management report)	Yes ⊠	No □ N/a □

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

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