



Independent Pricing and Regulatory Tribunal

# **Application for assessment of a revised section 94 development contributions plan**

**The Hills Shire Council  
Contributions Plan No. 15 – Box Hill Precinct**

June 2015



# Contents

<b>1</b>	<b>Instructions</b>	<b>1</b>
<b>2</b>	<b>Summary of revisions</b>	<b>2</b>
<b>3</b>	<b>Assessment criteria</b>	<b>4</b>
3.1	Criterion 1: Essential Works List	4
3.2	Criterion 2: Nexus	5
3.3	Criterion 3: Reasonable costs	6
3.4	Criterion 4: Reasonable timeframe	8
3.5	Criterion 5: Reasonable apportionment	8
3.6	Criterion 6: Appropriate community liaison	9
3.7	Criterion 7: Plan complies with other matters IPART considers relevant	10
<b>4</b>	<b>Quality assurance</b>	<b>10</b>
<b>5</b>	<b>Attachment checklist</b>	<b>11</b>



# 1 Instructions

This form is for use by councils which have already submitted a contributions plan to IPART but now wish to resubmit the same plan for review again. This may arise because the plan has since been amended with changes to the expected demand for infrastructure, scope of works, geographical coverage or costs, or a revised approach to apportionment.

If a particular contributions plan has not been submitted to IPART before, and the council now wishes to submit it, please use the other application form at [www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt/Contributions\\_Plans](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Contributions_Plans).

For revised contributions plans, please complete this application form and submit it, along with any attachments, to IPART via:

Via email	Via post	In person
Attention: Nicole Haddock, Local Government Independent Pricing and Regulatory Tribunal <a href="mailto:localgovernment@ipart.nsw.gov.au">localgovernment@ipart.nsw.gov.au</a>	Attention: Nicole Haddock, Local Government Independent Pricing and Regulatory Tribunal PO Box K35 Haymarket Post Shop Sydney NSW 1240	Attention: Nicole Haddock, Local Government Independent Pricing and Regulatory Tribunal Level 15 2-24 Rawson Place Sydney NSW 2000

We require an electronic copy of all documents. Where these are too large to email, they can be posted to us on a disk or USB stick.

Councils are encouraged to discuss any information requirements or other concerns relating to the contributions plan with IPART prior to submitting the application form.

## Council information

Council name	The Hills Shire Council
Key council contact details (please provide name, position, phone no. and email address)	Bronwyn Smith – Principal Forward Planner 98430269 <a href="mailto:bsmith@thehills.nsw.gov.au">bsmith@thehills.nsw.gov.au</a>
Secondary council contact details (please provide name, position, phone number, and email address)	Nicholas Carlton 98430416 <a href="mailto:ncarlton@thehills.nsw.gov.au">ncarlton@thehills.nsw.gov.au</a>

## 2 Summary of revisions

### 1 Please summarise the main revisions to the plan and the effects on the contributions rate

See attached Council Report

Please indicate in the table below the original contributions plan's preliminary information supplied last time and the changes to it in the current revision. Examples of how this might be done concisely are shown for the first two items.

#### Preliminary information on the main revisions to the contributions plan

Name of contributions plan (CP)	Contributions Plan No. 15 Box Hill Precinct
Maximum residential contribution rate per dwelling?	\$48,370.00 per dwelling
What is the relevant contributions cap? (Schedule 2 of Ministerial Direction 94E)	Schedule 2 \$30,000 – Land within a growth centre (sub-clause 15).
What is the period over which the revised plan is valid?	25 years
When was this revised plan re-exhibited?	Tuesday 17 March 2015 to Friday 24 April 2015
Has the Department of Planning & Environment (DP&E) been involved in this revision? Explain how.	No
How much development has yet to occur under this revised plan?	100%
What is Relationship of this revised plan to State Environmental Planning Policies (SEPPs) Local Environmental Plans (LEPs) and/or Development Control Plans (DCPs)?	<p>The implementation of the NSW Government's Housing Diversity Package in August 2014 removed restrictions on the delivery of small lots and allowed for an increase range of housing types permitted within Growth Centre Precincts (including Box Hill Precinct). It is expected to result in a substantial increase in residential densities within the Precinct beyond original projections.</p> <p>Given the Housing Diversity Package may facilitate substantially higher than anticipated development yields within the Precinct, it is recommended that CP15 be amended to levy contributions for residential development based on actual dwellings proposed rather</p>

---

than Net Developable Area

---

Does the council intend to apply for Local Infrastructure Growth Scheme funding, a special variation or another funding source?	Yes – if the situation arises where the levy calculated in accordance with the Contributions Plan exceeds the cap of \$30,000 per dwelling.
---	---

Has Minister referred this revised plan to IPART for review? If so, why?	No – referred as Council may apply for LIGS funding if the situation arises where the levy calculated in accordance with the Contributions Plan exceeds the cap of \$30,000 per dwelling.
--	---

---

### 3 Assessment criteria

As with the original plan, we will assess this revised CP against the criteria listed in DP&E's *Revised Local Development Contributions Practice Note for the Assessment of Local Contributions Plan* by IPART, February 2014.

To ensure we receive all the relevant information and correctly understand the revisions to the contributions plan, please detail the changes to the plan in terms of the criteria of assessment (below). If the information is already contained in a separate report or in the CP itself, include page references as appropriate. Any referenced reports should be attached to the application.

#### 3.1 Criterion 1: Essential Works List

##### **The public amenities and services in the plan are on the “Essential Works List”**

The most recent version of the Essential Works list is in DP&E's Practice Note. This includes a definition for base level embellishment. You may simply record the detail of how the Essential Works list now varies from the one in your original CP if this is more straightforward.

---

#### **2 Are all the revised facilities and land on the Essential Works List? If not, how are essential and non-essential items distinguished in the CP?**

---

Yes (within one exception - see below) - additional open space (land acquisition and embellishment costs of approximately \$6.9 million) and one (1) new roundabout within the proposed residential road layout (approximately \$400,000).

In response to the shortfall in the provision of open space within the precinct (as a result of the precinct planning process completed by the Department of Planning and Environment), CP 15 includes the provision of an indoor recreation facility valued at \$18.8 million. This item is not compliant with the essential works list however it is considered to be a reasonable inclusion which is required to ensure an adequate provision of open space and recreational facilities within the Precinct.

Council has sent a letter to the Director General seeking exemption to the application of the “Essential Works List” as it relates to the indoor recreational facility proposed within the Box Hill Precinct and funded through CP 15. This letter is attached to this application also and it is requested that IPART consider the justification for the retention of this facility when undertaking an assessment of the revised CP15.



## 3.2 Criterion 2: Nexus

**There must be nexus between the development in the area to which the plan applies and the public amenities and services identified in the plan.**

**3 Has the expected development or demand for infrastructure changed since the previous version? If so, describe the extent of the changes arising, say, from revised zoning, dwelling/population and employment yields, and expected land-use mix.**

Council resolved at its Ordinary Meeting of 9 December 2014 to forward a planning proposal to the Department of Planning and Environment for a Gateway Determination to rezone land within Box Hill Industrial Precinct and future Box Hill Town Centre.

The planning proposal will facilitate the delivery of approximately 290 additional dwellings. In response to this increased future residential population, the proposal will also rezone an additional 3.2 hectares of land for open space in order to increase the level of service of open space within the Precinct.

Council also resolved at its Ordinary Meeting of 9 December 2014 that associated amendments to CP15 should be prepared, and be placed on public exhibition concurrently with the planning proposal. These amendments reflect the impacts of the rezoning with respect to the future residential population and employment yield of the Precinct, including the costs associated with additional open space (land acquisition and embellishment costs of approximately \$6.9 million) and one (1) new roundabout within the proposed residential road layout (approximately \$400,000).

**4 To what extent have amendments to infrastructure in the revised plan impacted nexus compared with the previous version of the plan? Do the changes all reflect recommendations in supporting studies? Please explain in terms of the types of infrastructure – stormwater management, transport, open space and community facilities.**

See attached Council report for discussion of changes to the method of levying development and see NPV Model spreadsheets for details of apportionment of costs for each infrastructure category.

**5 Have neighbouring precincts been considered in any revised demand assessment?**

Yes - no changes required.

**6 Has non-residential development been considered in demand re-assessment?**

Yes

**7 Has existing infrastructure and surplus capacity been taken into account?**

No surplus capacity exists to service new/future incoming population. New infrastructure is 100% apportioned to new development.

### **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.**

**8 For the cost of facilities and the works schedules, please highlight any changes that have occurred as a result of this revised contributions plan. This should be done separately for each of the four major types of infrastructure. Note if the costs differ from recommendations in the supporting studies, please explain why. Regarding the changes, please explain:**

- ▼ **Details of any indexation of costs (including the index used).**
- ▼ **The date when estimated costs were finalised.**
- ▼ **What allowances have been included in the estimated costs in the contributions plan (eg, professional fees, cost contingencies). Please detail allowances for each infrastructure category and provide an explanation for the chosen figures.**

See attached NPV Model spreadsheets for details.

**9 For land costs and the acquisition schedules, please explain any changes to the process used to estimate the costs for the following categories, as relevant:**

- ▼ Land already acquired or owned by the council.
- ▼ Land not yet owned by the council.
- ▼ Facilities already constructed.
- ▼ Facilities not yet constructed.
- ▼ Administration costs.

**Regarding the changes, please explain:**

- ▼ Details of any indexation of costs (including the index used).
- ▼ The date when estimated costs were finalised.
- ▼ What allowances have been included in the estimated costs in the contributions plan (eg, professional fees, cost contingencies).

No changes

**10 Has the council used an NPV model to calculate the contributions rates? If so, what assumptions have changed from the previous plan already reviewed by IPART?**

Yes - NPV model is used. No changes to previous assumptions - see attached NPV model and written draft contributions plan for assumptions.

**11 Will the council use internal borrowings to deliver infrastructure projects?**

Yes.

**12 What measures have been taken to reduce costs in the contributions plan (eg, adjustment to design or alternative engineering solutions)?**

See attached Council report for details of why the contribution rate has been reduced.

### 3.4 Criterion 4: Reasonable timeframe

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

**13 Please explain any changes to timing between the original and the revised contributions plan. You should also explain the basis for any changes eg. changes to the population numbers that originally determined the trigger points for each stage of development, including any changes by types of infrastructure or staged areas of development.**

The timing of development within the Box Hill Precinct is ultimately limited by the provision of sewer and water infrastructure by Sydney Water. Based on the 'Servicing Plan' published by Sydney Water and available at the time of preparation of CP15, a 40 year development timeframe for the precinct was assumed.

Sydney Water has since amended their 'Servicing Plan' to reduce the timeframe from 40 years to 25 years. It is anticipated that reducing the development period from 40 years to 25 years will substantially reduce the contribution rate by approximately 10-15% on average.

### 3.5 Criterion 5: Reasonable apportionment

The proposed development contribution is based on a reasonable apportionment of costs eg, between demand from existing population and demand from new population.

**14 Has the basis of apportionment of costs for any of the infrastructure categories changed between the original and the revised contributions plan? If so, in what way(s) and with what implications?**

100% of costs apportioned to new development.

Open Space: 100% of open space costs are attributable to residential development;

Water Cycle Management: costs are attributed based on the percentage of land within the precinct zoned for residential development versus the percentage of land zoned for non-residential development. For example within the Killarney Chain of Ponds Catchment area, 88% of urban land within the precinct is zoned for residential and 12% is zoned for non-residential - as such, 88% of costs

associated with Water Cycle Management are attributed to residential development and the remaining 12% of costs are attributed to non-residential development;

Transport: costs are apportioned based on individual demand projections for each individual traffic infrastructure item – this advice was prepared by GHD as part of the precinct planning process and provides a percentage breakdown (residential vs non-residential) of the demand generated by each form of development for each infrastructure item (for example, if the demand for a particular intersection is 75% attributed to residential development and 25% attributed to non-residential development, the costs will also be attributed by this same proportion). Overall, 60% of transport costs are attributed to residential development and 40% of transport costs are attributed to non-residential development;

Administration: costs are based on 1.5% of the cost of works attributed to each form of development;

Taking into account the above apportionment, all costs are levied for residential development based on population/dwellings and all costs are levied for non-residential development based on additional m<sup>2</sup> of floor area.

### 3.6 Criterion 6: Appropriate community liaison

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

#### Checklist for the revised contributions plan

Does the revised contributions plan ...			Contributions Plan page reference(s)
Or any supporting information include details of when it was publicly exhibited?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Details in Attached Council Report
Or any supporting information include details of the community liaison undertaken?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Details in Attached Council Report
Or any supporting information include a summary of submissions received and the council's response?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Details in Attached Council Report

#### 15 What publicity and community liaison has been undertaken in developing the revised contributions plan?

Contributions Plan publicly exhibited between 17 March 2015 and 24 April 2015

**16 What actions did the council take in response to the submissions?**

No actions required.

**17 Does the council intend to undertake any further publicity or community liaison?**

No

**3.7 Criterion 7: Plan complies with other matters IPART considers relevant**

**18 Is there anything else you wish to explain that may help or speed up our assessment?**

N/A

**19 Is there any other information relating to the development of the precinct/development area or the revised contributions plan (such as VPAs) to inform us about?**

N/A

**4 Quality assurance**

As with the original plan, please check for typographical and calculation errors and revisions to supporting material before submitting the revised plan.

**20 Please provide details of the quality assurance process undertaken for the contributions plan prior to submitting it to IPART for review.**

Normal Council QA Process involving the review of work by 3-5 senior staff members.

## 5 Attachment checklist

As with the original application, we ask you to complete the attached checklist to ensure that all information and attachments are included with the application.

Checklist	Attached	
Version of contributions plan incorporating any post-exhibition changes	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Version of contributions plan exhibited	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Copy of all submissions to the contributions plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Summary of submissions and council's response	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Works schedules (preferably in Excel format)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Maps:		
▼ Final Indicative Layout Plan	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Zoning maps	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Land acquisition maps	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Contribution catchment maps	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Breakdown of maximum residential rate by infrastructure category	Yes <input type="checkbox"/>	No <input type="checkbox"/>
NPV model (if applicable)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Expected residential densities and yields table (this may contain a breakdown of development types and areas, dwelling yields, occupancy rates, population)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Supporting studies:		
▼ For stormwater management (eg, Flooding and Water Cycle Management report)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Transport infrastructure (eg, Traffic and Transport Assessment report)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Open space and recreational facilities (eg, Demographic and Social Infrastructure report)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Community facilities (eg, Demographic and Social Infrastructure report)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
▼ Other studies (eg, Post-Exhibition Planning Report)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Other studies prepared during the precinct planning stage	Yes <input type="checkbox"/>	No <input type="checkbox"/>
VPA's (if relevant)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Schedule of land acquisitions	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Land valuation report	Yes <input type="checkbox"/>	No <input type="checkbox"/>