

# Application for assessment of a section 94 development contributions plan

Rockdale City Council
Rockdale Contributions Plan 2016 –
Urban Renewal Area

# **Contents**

1	Inst	ructions	1
2	Prel	iminary information	2
3	Ass	essment criteria	1
	3.1	Criterion 1 – the "Essential Works List"	1
	3.2	Criterion 2 – Nexus	2
	3.3	Criterion 3 – Reasonable costs	1
	3.4	Criterion 4 – Reasonable timeframe	1
	3.5	Criterion 5 – Reasonable apportionment	1
	3.6	Criterion 6 – Appropriate community liaison	1
	3.7	Criterion 7 – The plan complies with other matters IPART considers	
		relevant	1
4	Qua	lity assurance	1
5	Atta	chment checklist	2

#### **Instructions** 1

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	Attention: Nicole Haddock, Local Government	Attention: Nicole Haddock, Local Government
Independent Pricing and Regulatory Tribunal	Independent Pricing and Regulatory Tribunal	Independent Pricing and Regulatory Tribunal
localgovernment@ipart.nsw.gov.au	PO Box K35 Haymarket Post Shop	Level 15 2-24 Rawson Place
	Sydney NSW 1240	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.

A separate application must be submitted for each contributions plan.

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	Rockdale City Council
Key council contact details (please provide name, position, phone number, and email address)	Albert Jean Projects Officer (Assets) (02) 9562 1681 ajean@rockdale.nsw.gov.au
Secondary council contact details (please provide name, position, phone number, and email address)	Zoran Sarin Coordinator Assets Strategy (02) 9562 1669 ZSarin@rockdale.nsw.gov.au

#### **Preliminary information** 2

Please provide the following preliminary information about the contributions plan.

# **Preliminary information**

Name of contributions plan	Rockdale Contributions Plan 2016 – Urban Renewal Area
What is the maximum residential contribution?	\$39,698
Which contributions cap applies (refer to Schedule 2 of Ministerial Direction 94E)	\$20,000
What is the period over which the contributions plan is valid?	15 years (expected)
If this is a new contributions plan, when was it drafted and exhibited?	Drafted November 2015. Public Exhibition from 10 December 2015 until 19 February 2016.
If this is a revised contributions plan, when was it first adopted? When was the revised contributions plan reexhibited?	N/A
To what extent has the Department of Planning & Environment (DP&E) been involved in the development of this plan?	N/A
How much development has yet to occur under this plan?	38%

What is the relationship of the contributions plan with any State **Environmental Planning Policies** (SEPPs) Local Environmental Plans (LEPs) and/or Development Control Plans (DCPs)?

Rockdale Local Environmental Plan 2011 Rockdale Development Contribution Plan 2011

Is there any programmed review of the above instruments which may affect the underlying assumptions within the contributions plan?

Does the council intend to apply for Local Infrastructure Growth Scheme (LIGS) funding or a special variation? Please provide specific details.

Intend to apply for LIGS.

Has the Minister referred this contributions plan to IPART for review? Please provide specific details.

No.

#### 3 Assessment criteria

We will assess the contributions plan 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 contributions plan, please address the questions on the following pages. If the information is already contained in a separate report or in the contributions plan, include page references as appropriate. Any referenced reports will need to be attached to this application.

#### Criterion 1 - the "Essential Works List" 3.1

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

We are required to assess whether the items in the contributions plan are on DP&E's Essential Works List. For the most recent version of this list, please refer to DP&E's Practice Note. This includes a definition for base level embellishment.

Are all the facilities and land on the Essential Works List? If not, how are essential and non-essential items distinguished in the contributions plan?

The only works not in the Essential Works List is the Multi-Purpose Community Centre Fitout with an estimated value of \$2,978,872.

All other works have been assessed as complying with the Essential Works List.

- For open space, please provide a specific list of embellishments that are included in the contributions plan (eg, footpaths, street furniture -seating, bins, BBQs, sports fields, artworks).
- ▼ Each open space embellishment has a specific individual cost estimate based on a concept plan. The following is an non-exhaustive list of inclusions: Demolition, Environmental, Earthworks [import fill], Drainage [areas of new works], Kiosk/Amenities, Shade Structures, Soft Landscaping, Hard Landscaping, Play and Fitness Area, Lighting, Park Furniture, Fencing, Tennis Courts, Pedestrian Bridge works, Canal Wall, Canal Underground [based on Bonnie Doon Channel Cost], Cricket net.

- Please refer to individual cost estimates for each open space for a detailed list of embellishments.
- 3 Only the land component for community service 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. Please list the community services and facilities that will be provided on the land (eq., youth centres, libraries) and include the floorspace area committed to each.

Multi-Purpose Community Centre Fitout - 400m2

#### 3.2 Criterion 2 - Nexus

# There is nexus between the development in the area to which the plan applies and the kinds of public amenities and public services identified in the plan

Nexus ensures that there is a connection between the infrastructure included in the contributions plan and increased demand for facilities generated by the anticipated development.

To assess nexus we examine the infrastructure items included in the contributions plan against the recommendations in the supporting studies, and whether any deviations are considered reasonable.

# Checklist for the contributions plan

Does the contributions plan			Contributions Plan page reference(s)
Incorporate a map showing the geographical area(s) covered by the contributions plan?	Yes ✓	No 🗌	4
Detail the types of development that will occur in the precinct/ development area, and the approximate land area dedicated to each?	Yes ✓	No 🗌	7
Include information about:			
<ul> <li>The existing population in the precinct/development area.</li> </ul>	Yes ✓	No 🗌	10-12
The anticipated future population in the precinct/development area?	Yes ✓	No 🗌	10-12
Include a complete list of infrastructure?	Yes ✓	No 🗌	41-43
Include details of the rates of provision and demand calculations for the proposed infrastructure?	Yes ✓	No 🗌	5-6
Include a statement regarding design and construction standards that were used in determining the infrastructure included in the contributions plan?	Yes ✓	No 🗌	13-26

- How was the demand for infrastructure determined for each of the below infrastructure categories?
  - Are there any infrastructure design/construction standards or industry benchmarks that the council has used?

#### For stormwater management:

The Urban Renewal Area is generally low-lying, with ground levels in the Wolli Creek precinct predominantly between RL 2.00 and 5.00 (Australian Height Datum). Most of the land in the Bonar Street precinct is on higher land that drains towards the Wolli Creek precinct. Flooding is known to occur in all parts of Wolli Creek. The majority of the Urban Renewal Area is located below the design flood level. The design flood is established at the 0.5% AEP (annual exceedance probability) flood and the freeboard 500mm.

#### For transport:

Planning for the traffic needs of the Urban Renewal Area development commenced in the early 2000s when the area was being rezoned to permit mixed use commercial and residential development. These assessments informed the strategies and works schedules in the predecessor contributions plans. The access planning for the Urban Renewal Area was updated with the completion for the Wolli Creek and Bonar Street Precinct Traffic and Transport Study prepared by Bitzios Consulting in 2013.

#### For open space:

The anticipated open space demands for the Urban Renewal Area were assessed as part of the studies that informed the predecessor contributions plans. These studies included an Open Space Strategy prepared in 2001. The open space requirements were refined and updated in the original and subsequent versions of the development control plan for the area, and detailed implementation documents were prepared including a Public Domain Plan and supporting technical manual. It should be noted that the open space provision within the precinct falls well under the benchmark rate of 2.83ha/1,000 population used in greenfield areas. Only a limited amount of open space acquisition is proposed in the Urban Renewal Area. Open space embellishment and public domain improvements are proposed in place of substantial open space acquisition, and are therefore critical contributors to the amenity of the precinct.

#### For community facilities:

Council seeks to provide community services that cater to the demands of the whole population. Accordingly, the provision of a multi-use facility, based on a community hub model that facilitates a broad range of purposes, will best address these demands in an urban renewal context. Council therefore sees the provision of multi-purpose floor space as a community service priority.

Does the infrastructure in the contributions plan diverge from recommendations in the supporting studies? Please provide the reasons and supporting information for any discrepancies.

No.

Were there other studies prepared during the precinct planning stage that were not used in the development of the contributions plan? Please list them here and explain why they were not used.

No.

## 7 How have neighbouring precincts been considered in demand assessment?

The Wolli Creek and Bonar Street Urban Renewal Area is distinctly different to the neighbouring precincts. The Urban Renewal Area was previously zoned for industrial purposes and is typical of a brownfield redevelopment with strong requirements for new infrastructure such as traffic and transport, public domain, open space, and stormwater infrastructure to support residential uses. The development controls facilitate high density development of a scale which is not achievable elsewhere in the City or the surrounding areas. As such the apportionment rates are relatively high, as prior to the rezoning of the Area there were very few residents.

The urban renewal area is bounded in the east by the Cooks Cove redevelopment area, which been identified by the Department of Planning & Environment as a Priority Precinct. At this time, a precinct structure plan has yet to be finalised and therefore infrastructure requirement and demand assessments cannot be undertaken.

To the south of the urban renewal area, are the Arncliffe and Banksia Priority Precincts. Currently characterised by low density residential development and highway businesses, the Priority Precincts have yet to be publically exhibited by the Department of Planning & Environment. These two precincts will be focused on mainly small site infill redevelopments with some pockets of higher density around Arncliffe Railway Station. Although additional/augmented infrastructure will be required in these precincts, they are already zoned for residential uses and the requirement for new infrastructure is substantially different to the urban renewal area.

- 8 How has non-residential development been considered in demand assessment?
- ▼ Non-residential development has assumed to have an overall average worker occupancy of 1 worker per 30 square metres of gross floor area. It is expected that the Urban Renewal Area will accommodate 15,685 residents and 3,051 workers.
- How has existing infrastructure and surplus capacity been taken into account?

As the urban renewal area was previously an industrial sites, there is little infrastructure capacity that is appropriate for the residential uses. The contribution plan is aiming to increase the capacity across all infrastructure groups. For example, the existing public domain provision was not appropriate for high density residential developments and there is very little provision of quality pedestrian and cycle facilities. This also applies to the provision of open space and road network.

#### 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.

Reasonable costs may be based on estimates that have been provided by consultants or the council's experience. They should be comparable to the costs required to deliver similar land and facilities in other areas.

To assess costs we examine the works schedules and identify any cost differences between what was recommended in the supporting studies and the contributions plan, and why these may have occurred. We draw comparisons with the costs contained in industry guides and other sources where appropriate. An example may include our Local Infrastructure Benchmark Cost review. Consultants may also be used to help identify whether costs are reasonable for some types of infrastructure.

# Checklist for the contributions plan

Does the contributions plan			Contributions Plan page reference(s)
Include a statement about how costs have been derived and when these cost estimates were prepared (eg, Quantity Surveyor, standard costs used by the council)?	Yes ✓	No 🗌	26
Explain how and when the land has been valued?	Yes ✓	No 🗌	26
Include full costs of each item of infrastructure?	Yes ✓	No 🗌	41-43
Explain how the council will respond to cost fluctuations and inflation?	Yes ✓	No 🗌	37
Include a schedule of the contributions rates charged under the contributions plan (eg, this could be presented as \$/ha, \$/person, \$/dwelling)?	Yes ✓	No 🗌	6
Provide details of accounting processes for s94 funds (eg, does council 'pool' funds from other s94 accounts or use internal borrowings to deliver infrastructure projects)?	Yes ✓	No 🗌	37-38
If using a Net Present Value (NPV) approach, include assumptions made in the modelling of costs and revenue?	Yes 🗌	No 🗌	N/A
Include a schedule of land acquisitions required for the proposed infrastructure?	Yes ✓	No 🗌	41-43

10 Please explain the process used to estimate the costs for works (as contained in the works schedule).

#### Please explain:

- Separate statements for specific types of infrastructure if different processes were used.
- 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.

Advisian (previously known as Evans & Peck) was engaged by Council in 2014 to undertake a detailed cost estimate utilising IPART's draft Benchmark Costs for Local Contributions. Assumptions regarding allowances and other costs are as per the IPART's methodology which are different based on the different infrastructure types.

For each infrastructure item, Council has created a cost package, which contains a scope of works, references to design documentation (if available), and a detailed cost estimate.

All Groups Consumer Price Index; Sydney is the indexation methodology used for all works.

The majority of the cost estimates for the works were completed in 2014, with some revisions undertaken in 2015.

Plan administration costs have been determined to be 1.5% of the cost of construction works identified in this plan as determined based on the IPART benchmark.

For details regarding specific work items, please refer to Part A of each work item.

- 11 Please explain the process used to estimate land 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.

## 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).

Land acquisition costs were undertaken by a qualified land valuer. Costs associated with land acquisitions have also been included in the acquisition costs. The valuations included in the plan were from February 2015.

Lands already acquired by Council have been adjusted using CPI Sydney.

Costs associated with Just Terms Compensation (Stamp Duty, Vendor's administration and legal costs), Council's legal and administrative costs, subdivision, demolition and remediation costs, if applicable, have been included in the valuations. These are indexed based on CPI Sydney. No cost contingencies have been included.

12 Do the costs in the contributions plan differ from those in any of the supporting studies or council tenders used? If so, please explain why.

No.

13 Has the council used an NPV model to calculate the contributions rates? If so, what assumptions have been used?

No.

14 Will the council use internal borrowings to deliver infrastructure projects? What rate of return will be applied to the internally borrowed funds?

All interest calculations in S94 are based on the average interest earned by Council's investment portfolio.

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

Council is constantly identifying opportunities, whether it be regards to colocation, developer provision through WIK Agreements or Voluntary Planning Agreements to deliver the desired outcomes in a cost effective and timely manner.

For example, the Bonar Street Community Park Stage 1 was delivered through a Voluntary Planning Agreement at no cost to the community. Stage 2 of the park is currently the subject of a Voluntary Planning Agreement which will deliver the remainder of the park at much lower cost than market value to the community.

Council undertook the Wolli Creek and Transport Study to ensure adequate traffic, pedestrian, and cycleway infrastructure can be provided within the existing roadway, minimising land acquisition costs. This project also removed the proposed pedestrian bridge over the Princes Highway further reducing the costs within the contributions plan. Furthermore, Council undertook the Cooks River Cycleway Extension Feasibility Study in 2012, that determined the original proposal in a Pedestrian Cycling and Bridge across the Cooks River is a State Government responsibility. This initiated it's removed from the contribution plan and therefore reduced costs.

Stormwater is a major issue in the Wolli Creek and Bonar Street Precinct. This area was historical zoned industrial and is extremely flood prone. Council is constantly undertaking detailed flood studies upstream and within the catchment area to identify opportunities to reduce flooding. For example, a detailed analysis of the Bonar St precinct resulted in a change in the design of the infrastructure system. However, due to the significant constraints and the lack of alternatives within or outside the precinct, there is little opportunity to reduce the cost of works within the contribution plan.

#### 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 anticipated development growth rates and how these were calculated?	Yes ✓	No 🗌	7-12
Include a program for infrastructure delivery and explain how it relates to the anticipated development growth rates?	Yes ✓	No 🗌	41-43
Include a statement regarding revision of the scheduled infrastructure timing?	Yes 🗌	No ✓	
Include the projected timing of expenditure?	Yes 🗌	No ✓	

16 How has the council determined the timing of infrastructure provision? Please provide all the details if these are not included in the contributions plan. Eg, are population numbers used as trigger points for the provision of certain items and what is the rationale behind selecting these population estimates?

Each infrastructure item has an identified Timeframe and Trigger. Please refer to pages 41-43 of the Contributions Plan.

#### 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.

The concept of apportionment is based on ensuring that developers pay only for the portion of demand that results from their new development. While nexus is about establishing a relationship between the development and demand for infrastructure, apportionment is about quantifying the extent of the relationship.

To assess apportionment we examine population and densities assumptions, and whether they are reasonable. We also examine the share of costs for infrastructure items between different land uses, development types and between different precincts.

#### Checklist for the contributions plan

Does the contributions plan			Contributions Plan page reference(s)
Include details of apportionment calculations?	Yes ✓	No 🗌	13-26
Explain the relationship between the facilities and any existing population?	Yes ✓	No 🗌	13-26

- 17 How have the costs for infrastructure been apportioned for each of the below infrastructure categories. How has the council considered the following when apportioning costs in the contributions plan?
  - any existing development (this may include existing development within the area covered by the contributions plan)
  - different land uses (eg, residential, industrial, commercial)
  - other precincts (existing development outside of the area covered by a contributions plan).

Please provide details of any calculations used.

For stormwater management:

The proposed flood mitigation works are a pre-requisite to make the sites within the Urban Renewal Area developable for residential, commercial and other nonresidential urban purposes. This is despite the flood waters coming from other areas.

Please refer to page 19 of the Contributions Plan.

#### For transport:

The need for all of the access infrastructure is generated by the expected development in the Urban Renewal Area. The contribution rates are therefore calculated on the assumption that the full cost of the infrastructure is shared among the expected development.

Please refer to page 16 of the contributions plan.

## For open space:

The need for most of the social infrastructure is generated by the expected development in the Urban Renewal Area. The contribution rates for most of the social infrastructure are therefore calculated on the assumption that the full cost of the infrastructure is shared among the expected development.

Please refer to pages 21-22 of the contributions plan.

#### For community facilities:

The need for most of the social infrastructure is generated by the expected development in the Urban Renewal Area. The contribution rates for most of the social infrastructure are therefore calculated on the assumption that the full cost of the infrastructure is shared among the expected development.

Please refer to pages 21-22 of the contributions plan.

#### 3.6 Criterion 6 – Appropriate community liaison

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

Councils are required to publicly exhibit their plans and make any changes in response to submissions received before submitting the contributions plan to IPART.

#### Checklist for the contributions plan

Does the contributions plan			Contributions Plan page reference(s)
Or any supporting information include details of when it was publicly exhibited?	Yes 🛚	No 🗌	Please refer to Council Response to submissions and adoption of - Urban Renewal Area Contributions Plan
Or any supporting information include details of the community liaison undertaken?	Yes 🛚	No 🗌	Please refer to Council Response to submissions and adoption of - Urban Renewal Area Contributions Plan
Or any supporting information include a summary of submissions received and the council's response?	Yes 🛚	No 🗌	Please refer to Council Response to submissions and adoption of - Urban Renewal Area Contributions Plan

The exhibition and engagement process included:

- Public Notices in The St George Leader on 10 December 2015 and 27 January 2016;
- Have Your Say, including FAQ, on the council website
- Hard copies at the Council Administration Building and Arncliffe Library
- Development Industry Kiosk (by invitation to local frequent applicants)-St George Rowers, 2-4pm 4 February 2016
- Community Information Kiosk St George Rowers, 5-7pm 4 February 2016

# 19 What actions did the council take in response to the submissions?

All responses were collated and reported to Council on 16 March 2016. No changes were made to the Contributions Plan is response to submissions.

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

No.

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

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

Please refer to IPART Support Documentation Index.

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

Please refer to IPART Support Documentation Index and Rockdale City Council - Urban Renewal Area Contributions Plan 2015 for studies and plans.

For cost estimate details, please refer to S94 Works List and S94 Works Database.

For land valuation details, please refer to Land Valuations.

#### 4 **Quality assurance**

We also request that council undertake a quality assurance (QA) check for the contributions plan before it is submitted to IPART for review. The QA check is to address any errors or inconsistencies between the contributions plan and relevant supporting information.

Has the contributions plan been checked for		
Typographical errors?	Yes 🛚	No 🗌
Calculation errors? This includes checking infrastructure and land cost calculations.	Yes ⊠	No 🗌
Outdated information and revisions?	Yes 🛚	No 🗌

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

The contributions plan was prepared by GLN Planning and audited by staff within in Rockdale Council. The cost estimate was prepared by Advisian with the assistance of Rockdale Council staff. The plan has been proofread by Rockdale Council staff.

#### 5 **Attachment checklist**

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