

# **Assessment of Blacktown City Council's Draft Section 94 Contributions Plan No 22**

Area 20 Precinct

**Local Government — Assessment**  
September 2012



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ACP05

The Committee members for this review are:

Mr James Cox PSM, Chief Executive Officer and Full Time Tribunal Member

Mr Stuart McDonald, Committee Member

Mr Stephen Lyndon, Committee Member

Inquiries regarding this document should be directed to a staff member:

Michael Seery (02) 9290 8421

Sarah Blackwell (02) 9113 7763

Nadja Daellenbach (02) 9290 8407

Independent Pricing and Regulatory Tribunal of New South Wales

PO Box Q290, QVB Post Office NSW 1230

Level 8, 1 Market Street, Sydney NSW 2000

T (02) 9290 8400 F (02) 9290 2061

[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

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# 1 Executive Summary

## 1.1 Introduction

The NSW Government has asked the Independent Pricing and Regulatory Tribunal (IPART) to review certain contributions plans that have been prepared by councils under section 94 of the *Environmental Planning and Assessment Act 1979* (EP&A Act).

A council may impose a condition of development consent that the developer must contribute towards the cost of providing public amenities and services. Before a council can impose such a condition it must prepare a contributions plan.

A contributions plan is a public document which displays a council's policy for the assessment, collection, expenditure and administration of development contributions in a specified development area. The contributions plan identifies the relationship between the expected types of development and the demand for additional public amenities and services created by that development.

Blacktown Council has submitted Draft Contributions Plan No 22 - Area 20 Precinct (CP22) to IPART for assessment. The Area 20 Precinct is in Sydney's North West Growth Centre.

The maximum residential contribution payable under the plan is \$74,326 per lot.<sup>1</sup> This is above the maximum contribution cap of \$30,000 per residential lot that applies to the plan.<sup>2</sup> As a result, IPART is required to assess the plan and report our findings to the Minister for Planning and Infrastructure and the council.<sup>3</sup> (See Box 1.1 for more background information.) We assess plans in accordance with the criteria set out in the *Local Development Contributions Practice Note for the assessment of contributions plans by IPART* (the Practice Note).<sup>4</sup>

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<sup>1</sup> Blacktown City Council estimate, 13 February 2011.

<sup>2</sup> Minister for Planning and Infrastructure, *Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012*, 28 August 2012, p 8.

<sup>3</sup> Department of Planning, *Planning Circular PS 10-022, Reforms to Local Development Contributions*, 16 September 2010.

<sup>4</sup> Department of Planning, *Local Development Contributions Practice Note for assessment of contributions plans by IPART*, November 2010, (the Practice Note). Note: The Department of Planning and Infrastructure is updating the Practice Note.

Following our assessment, the Minister for Planning and Infrastructure will consider our recommendations and may ask the council to amend the plan prior to its adoption.

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### **Box 1.1 IPART's role in reviewing contributions plans**

In 2010, the NSW Government introduced caps on the amount of section 94 development contributions councils can collect. Unless the Minister for Planning and Infrastructure exempts the development area<sup>a</sup>, councils can levy development contributions to a maximum of:

- ▼ \$30,000 per dwelling or residential lot in greenfield areas
- ▼ \$20,000 per dwelling or residential lot in all other areas.

Along with the introduction of the contribution caps, the NSW Government gave IPART a new review function. This function is specified in the terms of reference issued in September 2012 by the then NSW Premier under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* (see Appendix A). In accordance with the terms of reference, IPART is required to review:

- ▼ new contributions plans that propose a contribution level above the relevant cap
- ▼ existing contributions plans above the relevant cap for which a council seeks funding from the Priority Infrastructure Fund (PIF), or funding through a special rate variation under the *Local Government Act 1994*
- ▼ contributions plans as otherwise determined by the Minister for Planning and Infrastructure.

The PIF that is referred to in IPART's terms of reference was a transitional measure. The PIF was set up in 2010 with \$50m to be available over 2 years (2010/11 to 2011/12).

In July 2012, the Government announced that it will continue to provide for councils where the cost of delivering essential infrastructure is greater than the amount they can collect from capped contributions. Councils that have had a plan reviewed by IPART may be eligible for funding from the Housing Acceleration Fund.

A council may apply for a special rate variation and to the Housing Acceleration Fund to meet the funding shortfall that results from the imposition of caps. Assessing applications for a special rate variation is a separate function undertaken by IPART. IPART will assess councils' applications for special rate variations in accordance with the guidelines published by the Division of Local Government, Department of Premier and Cabinet. We will also take into account the assessment we have made on the contributions plan when making our determination on the special variation application.

<sup>a</sup> The Minister for Planning exempted all developments where, as of August 2010, the amount of development that had already occurred exceeded 25% of the potential number of lots.

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In October 2011, IPART assessed 3 contributions plans:

- ▼ The Hills Shire Council - Contributions Plan No 12 for Balmoral Road Release Area.
- ▼ The Hills Shire Council - Contributions Plan No 13 for North Kellyville Release Area.
- ▼ Blacktown City Council - Contributions Plan No 20 for Riverstone and Alex Avenue Precincts.

Reports on these contributions plans have been presented to the Minister for Planning and Infrastructure and are available on our website.

In parallel with our assessment of CP22, we have also assessed Blacktown City Council's Draft Contributions Plan No 21 for the Marsden Park Industrial Precinct.<sup>5</sup>

## 1.1 Breakdown of costs in CP22

Table 1.1 summarises the land and facilities in CP22 and their cost, as included in the plan.

With the exception of the combined precinct facility, all of the land and facilities in CP22 are located in the Area 20 Precinct. The combined precinct facility (Reserve 867) is located in the Riverstone Precinct.

**Table 1.1 CP22 - Total costs (\$)**

	Land	Facilities	Total
Transport	1,654,000	19,940,000	21,594,000
Stormwater management	7,722,000	17,978,200	25,700,200
Open space	21,640,000	22,042,000	43,682,000
Community services	344,000	0	344,000
Combined precinct facility	1,172,649	546,000	1,718,649
Administration costs			465,194
<b>Total cost</b>	<b>32,532,649</b>	<b>60,506,200</b>	<b>93,504,043</b>

**Source:** Blacktown City Council, *Draft contributions plan No 22 Area 20 Precinct*, p 39, and IPART calculations.

## 1.2 Our findings and recommendations

This section summarises our assessment of the council's application against the assessment criteria in the Practice Note. Our findings and recommendations against each criterion are set out below, and our assessment of the reasonable cost of CP22 is shown in Table 1.2.

<sup>5</sup> See IPART, *Assessment of Blacktown City Council's Draft Section 94 Contributions Plan No 21*, September 2012.

We have assessed CP22 using additional information provided by Blacktown City Council, as well as advice from engineering consultants WorleyParsons for transport and stormwater infrastructure.

As a result of our assessment we consider that the total reasonable cost of essential works in CP22 should be around \$87,692,000. This is around \$5,812,000 (or 6.2%) less than the cost of the plan submitted to IPART. This reflects reductions in the cost of some facilities, and the removal of some open space embellishment which we do not consider meet the criteria for inclusions in the land and facilities to be funded by contributions.

We have not quantified the impact of recommendations relating to indexation because we consider that the cost impact would be minor.

**Table 1.2 Total cost of CP22 and IPART's assessment of the total reasonable cost of essential works in CP22 (\$)**

Component		Cost in plan	IPART adjustment	IPART-assessed reasonable cost
Transport	Land	1,654,000	0	1,654,000
	Facilities	19,940,000	- 149,975 (tip fees) - 429,635 (contingency) - 150,000 (design fees)	19,210,390
Stormwater management	Land	7,722,000	0	7,722,000
	Facilities	17,978,200	- 1,077,078 (tip fees) - 252,417 (landscaping) - 547,091 (jute mesh and maintenance)	16,101,614
Open space	Land	21,640,000	0	21,640,000
	Facilities	22,042,000	- 422,763 (public art) - 268,421 (plans of management) - 33,553 (cricket pitches) - 1,540,217 (bush regeneration) - 475,218 (Cudgegong Reserve apportionment)	19,301,828
Community services	Land	344,000	0	344,000
	Facilities	0	0	0
Combined precinct facility	Land	1,172,649	0	1,172,649
	Facilities	546,000	0	546,000
Administration costs		465,194	- 465,194	0
<b>Total</b>		<b>93,504,043</b>	<b>- 5,811,562</b>	<b>87,692,482</b>

**Source:** Blacktown City Council, *Draft Contributions Plan No 22 Area 20 Precinct*, and IPART calculations.

### Criterion 1: The Essential Works List

IPART must assess whether the public amenities and public services in the plan are on the Essential Works List as identified within the Practice Note.

Most of the items in CP22 are on the Essential Works List. The exceptions are:

- ▼ plans of management for parks
- ▼ public art
- ▼ administration costs
- ▼ bush regeneration works.

The total cost of these items is \$2,696,595.

Although administration costs are not on the Essential Works List, we consider that it is reasonable to include these costs in CP22. Administrative activities help to ensure that contributions plans are well managed, kept current and responsive to any changes which might arise over the period of development.

We also consider that it is reasonable to include bush regeneration costs for Cudgegong Reserve even though they are not on the Essential Works List. This is because the reserve is required to meet the demand for open space within the precinct and the bush regeneration works will enhance the reserve's use for this purpose.

The Practice Note containing the Essential Works List does not specifically refer to conservation areas. As a result, it is not clear whether the acquisition of land for the combined precinct facility (Reserve 867) and associated embellishment can be classified as essential works. We consider that land for Reserve 867 and associated embellishment can only be classified as essential works if the reserve has a dual use. That is, it is required to also meet the demand generated by development of Area 20 for either one or more of transport, stormwater management, open space or community services. This is considered under criterion 2 below.

#### Recommendations

- 1 The council should remove public art and Plans of Management from the cost of essential works in the plan. This will reduce the cost of essential works by \$691,184. 23
- 2 The revised Practice Note should clarify that where land serves the dual purposes of environmental protection and open space (or other categories of essential works), it is reasonable to include the environmental works as essential works. 23

- 3 In the absence of changes to the Practice Note described in recommendation 2, the council should remove environmental works from the cost of essential works in the plan. This will reduce the cost of essential works by \$1,540,217. 24
- 4 The revised Practice Note should be amended to include administration costs on the Essential Works List. 24
- 5 Administration costs should be defined to include: 24
  - councils' costs in preparing the contributions plan, including preparation of studies to identify the needs of the proposed development 24
  - councils' costs in reviewing and updating contributions plans and managing contributions receipts and expenditures. 24
- 6 In the absence of changes to the Practice Note to include administration costs on the Essential Works List, the council should remove these costs from the cost of essential works in the plan. This will reduce the cost of essential works by \$465,194. 25

## Criterion 2: Nexus

IPART must assess whether 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.

We found that there is nexus between most of the land and facilities in CP22 and the expected development in Area 20.

The main exception is the combined precinct facility (Reserve 867), for which we found no evidence demonstrating nexus. However, in light of an agreement that pre-dates the drafting of CP22 and the Practice Note, the Department of Planning and Infrastructure considers that the council should include the costs associated with Reserve 867 in the plan.

We also found 2 additional cricket pitches that were mistakenly included in the council's costing spreadsheet. These amount to \$33,553 in the plan's estimated cost.

We note that the final alignment of the North West Rail Link could impact the land and facilities required by the development of Area 20.

### Recommendations

- 7 The council should remove 2 cricket pitches from the cost of essential works in the plan to correct an error in the council's costing workbook. This will reduce the cost of essential works by \$33,553. 31

- 8 The council should review the open space provisions in CP22 when the alignment of the North West Rail Link is finalised and amend the plan if changes are required. 31

### Criterion 3: Reasonable cost

IPART must assess whether the proposed development contributions are based on a reasonable estimate of the cost of the proposed public amenities and public services

We found that the cost estimates for land and facilities in CP22 were mostly reasonable.

We found that for transport facilities, the allowances for contingencies and professional fees are mostly reasonable, with the exception of:

- ▼ tip fees
- ▼ contingency allowances for transport facilities
- ▼ some design fees for transport facilities.

We found that for stormwater management, the council's cost estimates were higher than the estimates provided by WorleyParsons, in particular:

- ▼ tip fees
- ▼ landscaping costs for raingardens.

We found some additional costs related to landscaping had been included twice, they are for jute mesh and 12 months of maintenance costs.

For both transport and stormwater facilities, we note that a significant amount of excavated material is being disposed at a commercial tip rather than being used as fill. This adds considerable amounts to the costs of these facilities.

We also noted several issues regarding indexation:

- ▼ some unit costs and land values are not expressed in June quarter 2011 dollars
- ▼ the use of the CPI Housing for indexation of unit costs is not reasonable
- ▼ the use of the CPI Housing for indexation of land already acquired is not reasonable
- ▼ the use of the CPI Housing for indexation of base contributions is not reasonable.

### Recommendations

- 9 The council should use the CPI (All Groups) for indexing the cost of land already acquired by the council that is included in CP22. 35

- 10 To improve consistency of cost estimates in CP22, the council should index the cost of land yet to be acquired to June quarter 2011 dollars. 37
- 11 The council should revise the tip fees for road works from \$136.50 per tonne to around \$120 per tonne. This will decrease the cost of essential works in the plan by around \$149,975. 40
- 12 The council should reduce the contingency allowance for transport facilities from 10% to 5% of base costs. This will reduce the cost of essential works in the plan by around \$429,635. 40
- 13 The council should reduce the fixed fee component of transport design costs from \$50,000 to \$20,000. This will reduce the cost of essential works in the plan by \$150,000. 40
- 14 To improve consistency of cost estimates in CP22, the council should index the cost of transport facilities to June quarter 2011 dollars. 41
- 15 The council should amend the tip fees for culvert, channel and raingarden works from \$103.70 and \$136.50 per tonne, to around \$120 per tonne. This will decrease the cost of essential works in the plan by around \$1,077,078. 44
- 16 The council should continue to seek alternative sites to dispose of excavated material and further refine its cost estimates as it reviews CP22. 44
- 17 The Department of Planning and Infrastructure should, with the assistance of Urbangrowth NSW, prioritise the development of guidelines for councils to use when determining the quantity of excavated material that needs to be deposited at landfill. 44
- 18 The council should reduce the landscaping cost for raingardens from \$30/m<sup>2</sup> to \$15/m<sup>2</sup>. This will reduce the cost of essential works in the plan by \$252,417. 44
- 19 The council should remove the cost of jute mesh and 12 months of maintenance applied to landscaping of channels due to double counting. This will reduce the cost of essential works by \$547,091. 44
- 20 To improve the consistency of cost estimates in CP22, the council should index the cost of stormwater management facilities to June quarter 2011 dollars. 44
- 21 The council should adjust the cost of open space embellishment to June 2011 dollars using the PPI Non-residential Building Construction for NSW. 45
- 22 The council should adjust the cost of embellishment of the combined precinct facility (Reserve 867) to June 2011 dollars using the PPI Non-residential Building Construction for NSW and the Labour Price Index. 46

- 23 Consistent with IPART's definition of administration costs in Recommendation 5, the council should adopt a more robust method of calculating administration costs, for example by estimating the consultancy fees incurred for the technical studies in preparing the contributions plan and staffing costs to prepare, maintain and administer the contributions plan. 47
- 24 The council should amend the plan so that the base contribution rates will be adjusted in accordance with the Consumer Price Index (All Groups) for Sydney. 49
- 25 The plan currently prevents the contributions payable from falling below the base rates as a result of a decrease in the Consumer Price Index (All Groups) for Sydney. The plan should permit the contributions payable to fall below the base contributions rates if this is the result of the consistent application of the Consumer Price Index (All Groups) for Sydney. 49

#### **Criterion 4: Timing**

IPART must assess whether the proposed public amenities and public services can be provided within a reasonable timeframe.

We found that the council's approach to prioritising land and facilities is reasonable. However, we are unable to assess the reasonableness of the specific timeframes allocated to each item because CP22 does not include information about the expected development patterns of the precinct.

We also note that no specific timeframe has been provided for the provision of the land for community services.

#### **Recommendations**

- 26 CP22 should provide an indicative timeframe for the purchase of land for community services. This could be when a population threshold is reached rather than an indicative year. 51

#### **Criterion 5: Apportionment**

IPART must assess whether the proposed development contribution is based on a reasonable apportionment between existing demand and new demand for the public amenities and public services.

The apportionment of costs in CP22 is mostly reasonable. The exception is Cudgegong Reserve, which we consider should be partially apportioned to the neighbouring Riverstone East Precinct.

## Recommendation

- 28 The council should apportion some of the costs associated with Cudgegong Reserve to the Riverstone East Precinct. This would reduce the cost of Essential Works by \$475,218. 55

## Criterion 6: Consultation

IPART must assess whether the council has conducted appropriate community liaison and publicity in preparing the contributions plan

We found that the council has conducted appropriate community liaison and publicity by exhibiting CP22 over the period 26 June 2012 to 23 July 2012. The supporting documentation was also publicly exhibited prior to the drafting of CP22.

## Criterion 7: Other matters

IPART may assess whether the plan complies with other matters IPART considers relevant.

We found that the plan did not contain enough information for stakeholders. We found that the information provided in the plan complies with the EP&A Act and the *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation). However to make the plan clearer and more transparent, we consider that CP22 should contain more detailed information. This includes the underlying assumptions of the plan, the capacity of existing local facilities, the anticipated development yield and the anticipated timeframe for development of Area 20.

## Recommendations

- 29 The council should include in CP22 a schedule of the indicative contributions rates for different types of developments and dwelling types. 59
- 30 CP22 should contain more detailed information, including about the underlying assumptions, the capacity of existing local facilities, the anticipated development yield and the anticipated population growth rates for the development of Area 20. 59



### 1.3 Structure of this report

The remainder of this report explains our assessment in more detail:

- ▼ Chapter 2 summarises CP22
- ▼ Chapter 3 explains our assessment of CP22 against the criteria in the Practice Note in detail
- ▼ Appendix A is IPART's Terms of Reference
- ▼ Appendix B is the Draft Contributions Plan No 22 – Area 20
- ▼ Appendix C is a report by WorleyParsons, commissioned by IPART, on the transport and stormwater management aspects of CP22.

## 2 Summary of Draft Contributions Plan No 22

CP22 has been prepared by Blacktown City Council for the Area 20 Precinct.

The Area 20 precinct is approximately 245 hectares and is located in Sydney's North West Growth Centre. When fully developed, the precinct is expected to accommodate 6,400 residents in a mix of low, medium, and high density dwellings (2,500 dwellings in total). The precinct also contains a small light industrial area and a village centre.<sup>6</sup>

The total cost of the plan is \$93.5m, of which 34.8% is for land acquisition, 64.7% is for construction of facilities and 0.5% is for administration costs.

The council estimates that in the absence of the contributions cap<sup>7</sup> the residential contributions that would be levied under the plan range from \$18,007 to \$74,326 per dwelling.<sup>8</sup>

### 2.1 Status of the plan

Blacktown City Council submitted CP22 to IPART for review as a draft contributions plan. At that time it had not been publically exhibited, but has since been placed on public exhibition. The 4-week public exhibition period ended on 23 July 2012.

Following our assessment, the Minister for Planning and Infrastructure will consider our recommendations and may ask the council to amend the plan prior to its adoption.

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<sup>6</sup> Department of Planning and Infrastructure, see website: <http://www.gcc.nsw.gov.au/area20-55.html>.

<sup>7</sup> See footnote 2.

<sup>8</sup> Blacktown City Council, Correspondence with IPART, 13 February 2012.

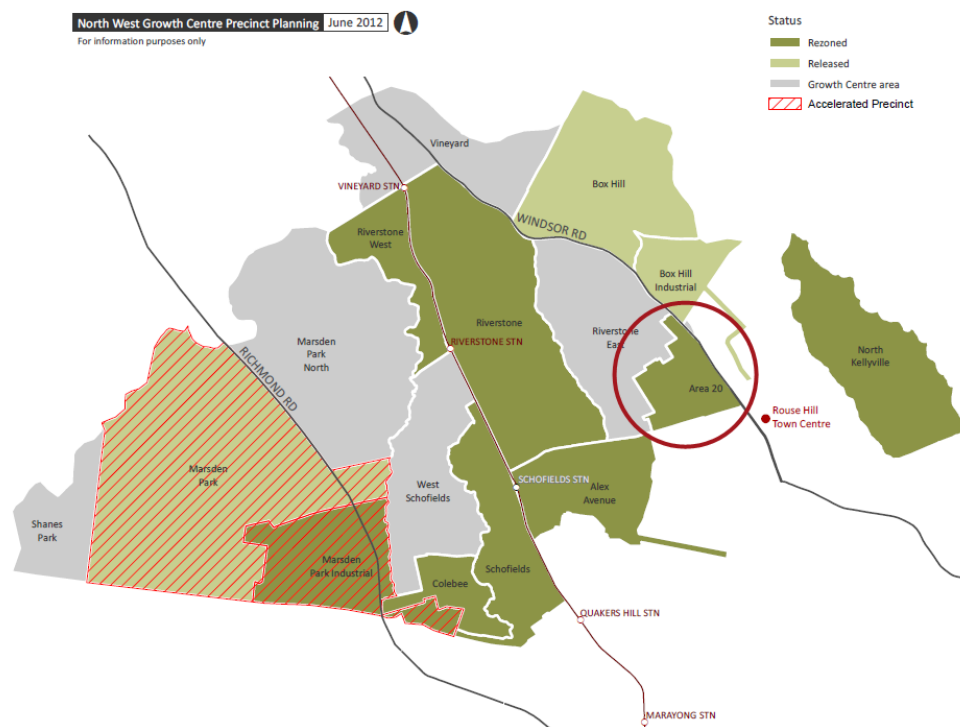
## 2.2 Area 20 Precinct

Area 20 is located within the Blacktown Local Government Area and is a precinct within the North West Growth Centre<sup>9</sup> (see Figure 2.1). The precinct was rezoned to allow urban development in October 2011.

The precinct covers around 245 ha and is bordered by Windsor Road, Schofields Road and the yet-to-be-released Riverstone East Precinct. Second Ponds Creek runs in a north-south direction through the middle of the precinct. The proposed North West rail link runs through the southern end of the precinct, with plans for a station in the south west corner (Figure 2.2).

Existing uses in the precinct include rural living and agricultural activities, Rouse Hill Anglican College, a council-operated quarry, a Sydney Water reservoir and a caravan park. Land in the precinct is owned by multiple owners of small lots.<sup>10</sup>

**Figure 2.1 Location of Area 20 in the North West Growth Centre**



**Source:** Department of Planning and Infrastructure, June 2012.

<sup>9</sup> In 2005 the NSW Government identified the North West and South West Growth Centres to accommodate 500,000 people over the next 30 years. It established the Growth Centres Commission to be responsible for streamlining the release and planning of greenfield land for urban development and coordinating the delivery of infrastructure. The functions of the Growth Centres Commission are now undertaken by the Department of Planning and Infrastructure. See Figure 2.1.

<sup>10</sup> Department of Planning, *Area 20 Precinct – Precinct Planning Report*, November 2010, p 9.

## 2.3 Future development within the precinct

The Indicative Layout Plan for Area 20 shows the anticipated mix of land uses in the precinct (Figure 2.2). The area covered by the Indicative Layout Plan is 204 hectares (excluding Rouse Hill Regional Park and Rouse Hill House Estate).<sup>11</sup>

When fully developed, Area 20 is expected to accommodate 6,400 residents in a mix of low, medium, and high density dwellings (2,500 dwellings in total). With an average residential density of 25 dwellings per hectare, the area will achieve some of the highest average residential densities of any precinct in the Growth Centres.<sup>12</sup>

The precinct also contains around 6 ha of light industrial land surrounding the stabling yard for the North West rail line and a 4 ha village centre with 12,500 m<sup>2</sup> of retail floor space.<sup>13</sup>

Blacktown City Council estimates it will take 25 to 30 years to complete development in the Area 20 Precinct.<sup>14</sup>

**Table 2.1 Area 20 - Land use mix**

Land use	Area (ha)
Residential net developable area	98
Non-developable area <sup>a</sup>	69
Open space and conservation areas	19
Drainage	5
Village centre and mixed use zones	4
Employment land	6
<b>Total</b>	<b>201</b>

<sup>a</sup> Non-developable area includes the North West rail corridor, station and car parking, schools, switching station, water reservoir, Feeder 9JA electrical easement, proposed s 94 and collector roads, and existing local and classified roads.

**Note:** Numbers may not add to the total gross site area of 204 ha due to rounding.

**Source:** Department of Planning and Infrastructure, *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Area 20 Precinct 2011)*, September 2011, p 2.

<sup>11</sup> Department of Planning and Infrastructure, *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Area 20 Precinct 2011)*, September 2011, p 2.

<sup>12</sup> Department of Planning and Infrastructure, *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Area 20 Precinct 2011)*, September 2011, pp 2 and 15.

<sup>13</sup> Department of Planning and Infrastructure, *State Environmental Planning Policy (Sydney Region Growth Centres) Amendment (Area 20 Precinct 2011)*, September 2011, p 2.

<sup>14</sup> Blacktown City Council, *Application for assessment of contributions plan*, submitted 19 January 2012, p 12.

**Area 20 Precinct**  
Indicative Layout Plan

**Legend:**

- Precinct Boundary
- Land to which Precinct Plan Applies
- Cudgegong Station Area
- Preferred Location for Neighbourhood Services
- Medium to High Density Residential
- Medium Density Residential
- Low Density Residential
- Very Low Density Residential
- School
- Parks
- Sporting Fields
- Conservation Area
- Drainage
- Utilities
- Bio-Retention Raingarden
- Riparian Corridor
- North West Rail Link Corridor
- Major Road
- Local Road
- Existing Transmission Easement
- Creek Line

**Scale:** 1:5,000 and 1:10,000  
18 August 2011

**Map Labels:** EAST, CUDGEONG ROAD, SYDNEY WATER RESERVOIR SITE, EXISTING OVAL, EXISTING ANGLICAN SCHOOL, CUDGEONG RESERVE, DCP PROVISIONS - SUBJECT TO REVIEW, PROPOSED STERLING YARD, ROUSE HILL HOUSE & ESTATE, ROUSE HILL REGIONAL PARK, ROUSE HILL, WINDSOR ROAD, SCHOIELDS ROAD, MILE END RD, COMMERCIAL, WINDSOR ROAD, ROUSE RD, POTENTIAL SCHOOL SITE, ELEC. SUBST.

**Source:** Department of Planning and Infrastructure, attachment to Post Exhibition Planning Report, September 2011.



## 2.4 Contributions rates in CP22

The base contributions rates in CP22 are set out in Table 2.2. They are levied on either a per hectare basis or a per person basis, depending on the category of infrastructure.

The base rates are shown in 2010/11 dollars, and will be indexed by the council using the Australian Bureau of Statistics' Consumer Price Index – Sydney Housing.<sup>15</sup>

The council has not used a net present value model to calculate the contribution rates.

**Table 2.2 CP22 - Base contributions rates (\$)**

Infrastructure category	Cost per hectare	Cost per person
Stormwater management - quantity	129,753	
Stormwater management - quality	328,421	
Transport management	210,348	
Open space		6,859
Community facilities		54
Combined precinct facility		270

**Source:** Blacktown City Council, Draft Section 94 Contributions Plan No 22 – Area 20 Precinct, January 2012, p 40.

The indicative contributions that the council proposes to levy will depend on the characteristics of the development, that is, the type of dwelling and the size of the lot. Table 2.3 provides some indicative contributions rates for different types of development.

**Table 2.3 CP22 - Indicative residential contributions**

Density (dwellings per hectare)	Occupancy (people per dwelling)	Contribution per dwelling(\$)
12.5	2.9	74,326
15	2.9	65,412
20	2.9	54,269
25	2.9	37,730
45	1.2	18,007
45	1.9	23,039
45	2.7	28,788

**Source:** Blacktown City Council, Correspondence with IPART, 13 February 2012.

<sup>15</sup> Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, p 22.

## 2.5 Land and facilities in CP22

The plan outlines the infrastructure that the council will provide, including transport stormwater management infrastructure, open space, land for community services and a combined precinct facility.

The land and facilities included in CP22 are classified into 5 groups. We have assessed the plan against the Essential Works List and for the purposes of our assessment we have adopted the terminology of the Essential Works List, where this is possible (see Table 2.4).

**Table 2.4 Terminology used in this report and CP22**

Terminology used in this report	Terminology used in CP22
Transport	Traffic and transport management facilities
Stormwater management	Water cycle management facilities
Open space	Open space and recreation facilities
Community services	Land for community facilities
Combined precinct facility	Combined precinct facilities

The total cost of land and facilities in the plan is \$93.5m. Of this total, 34.8% is for land acquisition, 64.7% for construction of facilities and 0.5% for administration costs.

The provision of open space contributes the largest cost, making up 46.7% of the total cost. Stormwater management and transport provisions contribute 27.5% and 23.1% respectively. A breakdown of these costs is provided in Table 2.5.

**Table 2.5 CP22 - Total costs (\$)**

	Land	Facilities	Total
Transport	1,654,000	19,940,000	21,594,000
Stormwater management	7,722,000	17,978,200	25,700,200
Open space	21,640,000	22,042,000	43,682,000
Community services	344,000	0	344,000
Combined precinct facility	1,172,649	546,000	1,718,649
Administration costs			465,194
<b>Total</b>	<b>32,532,649</b>	<b>60,506,200</b>	<b>93,504,043</b>

**Source:** Blacktown City Council, *Draft contributions plan No 22 Area 20 Precinct*, January 2012 p 39, and IPART calculations.

### 3 | Assessment of Draft Contributions Plan No 22

We have assessed CP22 and Blacktown City Council's application for review of CP22 against the criteria in the Practice Note. This chapter summarises our assessment of the plan against the criteria.

We also engaged WorleyParsons (engineering consultants), to provide advice on the transport and stormwater management facilities in the plan. A copy of WorleyParsons' final report is attached at Appendix C.

We consider that while CP22 meets most of the criteria in the Practice Note, some aspects of the plan should be revised or updated. We assessed the council's application for CP22, and found that:

- ▼ The public amenities and services in the plan are on the Essential Works List, except for:
  - public art works
  - bush regeneration works
  - plans of management
  - administration costs
  - the combined precinct facility.
- ▼ There is nexus between the expected demand arising from the development and most of the public amenities and services in the plan. We found no evidence in the technical study identifying the need for the combined precinct facility (Reserve 867). However, the Department of Planning and Infrastructure has previously agreed to its inclusion in the plan.
- ▼ Most of the land and facility costs are reasonable, however we have recommended that the estimates for tip fees and some landscaping should be changed, and the contingency and some design allowances for transport facilities should be reduced. Additionally, we found that there is a significant amount of excavated material being disposed at a commercial tip and we strongly encourage the council to reduce the disposal costs of excavated material by seeking other methods of disposal (eg, as fill on worksites) during the course of development.



- ▼ The council's approach to prioritising land and facilities is reasonable. However, we are unable to assess the reasonableness of the specific timeframes allocated to each item because CP22 does not include information about the expected development patterns of the precinct or population thresholds allocated to infrastructure provisions.
- ▼ The council's apportionment of the costs is reasonable, with the exception of Cudgegong Reserve. We have recommended the costs of this facility be shared with the neighbouring Riverstone East Precinct on the basis of the anticipated population of each precinct.
- ▼ The community consultation undertaken by the council is reasonable. However, some additional information could be helpful to stakeholders.

Table 3.1 shows our assessment of the reasonable cost of essential works in CP22. We found that the council's total cost of infrastructure in CP22 of \$93,504,000 should be reduced by around \$5,812,000 (or 6.2%) to around \$87,692,000.

We note that the impact of some of our recommendations have not been quantified at this stage because we consider that the cost impact would be minor. This includes:

- ▼ Our recommendation for the council to use the CPI All Groups for Sydney to inflate the cost of land already acquired.
- ▼ Our recommendation to use the CPI All Groups for Sydney to inflate all costs that are currently inflated by the CPI Housing.
- ▼ Our recommendations to update the base costs to be consistent and in June 2011 dollars.

**Table 3.1 Total cost of CP22 and IPART's assessment of the total reasonable cost of essential works for CP22 (\$)**

Component		Cost in plan	IPART adjustment	IPART-assessed reasonable cost
Transport	Land	1,654,000	0	1,654,000
	Facilities	19,940,000	- 149,975 (tip fees) - 429,635 (contingency) - 150,000 (design fees)	19,210,390
Stormwater management	Land	7,722,000	0	7,722,000
	Facilities	17,978,200	- 1,077,078 (tip fees) - 252,417 (landscaping) - 547,091 (jute mesh and maintenance)	16,101,614
Open space	Land	21,640,000	0	21,640,000
	Facilities	22,042,000	- 422,763 (public art) - 268,421 (plans of management) - 33,553 (cricket pitches) - 1,540,217 (bush regeneration) - 475,218 (Cudgegong Reserve apportionment)	19,301,828
Community services	Land	344,000	0	344,000
	Facilities	0	0	0
Combined precinct facility	Land	1,172,649	0	1,172,649
	Facilities	546,000	0	546,000
Administration costs		465,194	- 465,194	0
<b>Total</b>		<b>93,504,043</b>	<b>- 5,811,562</b>	<b>87,692,482</b>

**Source:** Blacktown City Council, *Draft contributions plan No 22 Area 20 Precinct*, and IPART calculations.

### 3.1 Criterion 1: Essential Works List

IPART must advise whether the public amenities and public services in the plan are on the Essential Works List (see Box 3.1).

#### Box 3.1 Essential Works List

The Essential Works List includes:

- ▼ land and facilities for transport (eg, road works, traffic management and pedestrian and cycle facilities), not including carparking
- ▼ land and facilities for stormwater management
- ▼ land for open space (eg, parks and sporting facilities) including base level embellishment (see below)
- ▼ land for community services (eg, childcare centres and libraries).

For the purposes of assessing land for open space, base level embellishment may include:

- ▼ site regrading
- ▼ utilities servicing (water, sewer, electricity and gas supply)
- ▼ basic landscaping (turfing, asphalt and other synthetic playing surfaces, planting, paths and cycle ways)
- ▼ drainage and irrigation
- ▼ basic park structures and equipment (park furniture, toilet facilities and change rooms, shade structures and play equipment)
- ▼ security lighting and local sports field floodlighting
- ▼ sports fields, tennis courts, netball courts and basketball courts.

Base level embellishment does not include infrastructure such as skate parks and BMX tracks.

**Note:** In correspondence dated 23 March 2011, the Department of Planning advised us that asphalt includes car parks to the extent that they service the recreation area only and does not include multi-storey car parks – that is, they are to be at ground level.

**Source:** Department of Planning, Local Development Contributions Practice note for assessment of contributions plans by IPART, November 2010, p 7, and letter to IPART dated 23 March 2011.

Table 3.2 summarises our assessment of the land and facilities in CP22 against the Essential Works List. Most items in CP22 are on the Essential Works List. The exceptions are:

- ▼ some open space embellishment (\$691,184)
- ▼ administration costs (\$465,194)
- ▼ the Combined Precinct Facility (Reserve 867).

We note that the Department of Planning and Infrastructure is currently reviewing the Practice Note. The revised Practice Note will contain more detail about the items on the Essential Works List, including an updated definition of base level embellishment.

**Table 3.2 Summary of assessment against the Essential Works List**

	<b>Facilities on the Essential Works List</b>	<b>Facilities not on the Essential Works List</b>
Transport	Collector roads Bridges Bus shelters Local roundabouts Pedestrian bridges Some local road construction	
Stormwater management	Culverts and channels Bio retention areas Gross pollutant traps	
Open space	Sports fields, with amenities, and car park Cycleways Playgrounds Landscaping, fencing and pathways Seating and BBQ areas	Public art Plans of Management Bush regeneration works
Community services	Land for a Community Resource and Recreation Hub	
Combined precinct facility <sup>a</sup>		Land Bush regeneration Conservation works
Administration costs		Administration costs

<sup>a</sup> The purchase of land for Reserve 867 and associated embellishment can only be considered essential works if the reserve is required for open space purposes. This issue is discussed further under our assessment of the nexus criterion.

**Source:** Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, pp 29, 31, 33, and 35, and correspondence with Blacktown City Council, 9 March 2012.

### 3.1.1 Open space embellishment

CP22 levies contributions towards the following open space embellishment that is not on the Essential Works List:

- ▼ 7 pieces of public art for 6 parks/reserves (\$422,763)
- ▼ plans of management for 8 parks/reserves (\$268,421)
- ▼ bush regeneration works for Cudgegong Reserve (\$1,540,217).

IPART sought and received clarification from the Department of Planning and Infrastructure regarding bush regeneration and Plans of Management. The Department of Planning and Infrastructure advised that:

- ▼ Plans of Management are a requirement under the *Local Government Act 1993* and are therefore a core responsibility of the council.
- ▼ Bush regeneration works are considered environmental works rather than base level embellishment to cater for the open space needs of new development.<sup>16</sup>

However, we consider that where land serves the dual purposes of environmental protection and open space (or other categories of essential works), it is reasonable to include the environmental works as essential works.

Cudgegong Reserve is an example of where environmental works serve a dual purpose with open space. The Elton Study (see Table 3.3 for the technical studies that have informed CP22) identifies Cudgegong Reserve as a passive open space asset for Area 20. The reserve is zoned E3 Environmental Management. The E3 zoning means that the land has special ecological, scientific, cultural or aesthetic attributes or environmental hazards/processes that require careful consideration/management. Therefore, we consider that it is reasonable for the council to include the cost of environmental works for Cudgegong Reserve in CP22. In contrast, we do not consider that the combined precinct facility (Reserve 867) serves a dual purpose. This is further discussed under the nexus criterion.

#### Findings

- 1 Public art, plans of management and bush regeneration works are not on the Essential Works List.
- 2 Where land serves the dual purposes of environmental protection and open space (or other categories of essential works), it is reasonable to include the environmental works as essential works.

#### Recommendations

- 1 The council should remove public art and Plans of Management from the cost of essential works in the plan. This will reduce the cost of essential works by \$691,184.
- 2 The revised Practice Note should clarify that where land serves the dual purposes of environmental protection and open space (or other categories of essential works), it is reasonable to include the environmental works as essential works.

<sup>16</sup> The Department of Planning and Infrastructure, Correspondence with IPART, 27 June 2012.

- 3 In the absence of changes to the Practice Note described in recommendation 2, the council should remove environmental works from the cost of essential works in the plan. This will reduce the cost of essential works by \$1,540,217.

### 3.1.2 Administration costs

Administrative activities help to ensure that contributions plans are well managed, kept current and responsive to any changes which might arise over the period of development. Councils incur administration costs:

- ▼ in preparing the contributions plan, including the preparation of studies to identify the land and infrastructure needed for the proposed development
- ▼ in reviewing and updating contributions plans and managing contributions receipts and expenditures.

CP22 includes administration costs of \$465,194. The council acknowledges that these costs are not on the Essential Works List. However, it considers that they should be classified as essential works.

In our 2011 assessments of contributions plans we recommended that the Minister for Planning and Infrastructure should consider amending the Essential Works List to allow development contributions to include administration costs incidental to the items on the existing Essential Works List.<sup>17</sup> To date, the Essential Works List does not include administration costs. Therefore, at this stage administration costs should be removed from the cost of essential works in CP22.

We understand that the Department of Planning and Infrastructure is preparing a revised practice note. We consider that administration costs should be included on the Essential Works List in the revised Practice Note.

#### Finding

- 3 Administration costs are not on the Essential Works List.

#### Recommendations

- 4 The revised Practice Note should be amended to include administration costs on the Essential Works List.
- 5 Administration costs should be defined to include:
  - councils' costs in preparing the contributions plan, including preparation of studies to identify the needs of the proposed development
  - councils' costs in reviewing and updating contributions plans and managing contributions receipts and expenditures.

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<sup>17</sup> For these reports, see IPART's website,  
[http://www.ipart.nsw.gov.au/Home/Industries/Local\\_Govt](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt).

- 6 In the absence of changes to the Practice Note to include administration costs on the Essential Works List, the council should remove these costs from the cost of essential works in the plan. This will reduce the cost of essential works by \$465,194.

### 3.1.3 Combined precinct facility

CP22 levies contributions towards a 'combined precinct facility'. The facility is a conservation area of around 23 hectares, located in the Riverstone Precinct. The conservation area is known as Reserve 867.<sup>18</sup> The total costs are apportioned amongst all of the Blacktown City Council's residential precincts within the North West Growth Centre.

The cost in CP22 of land and embellishment associated with Reserve 867 is \$1,716,649 (excluding administration costs). This represents 5.6% of the total costs (\$31m) associated with Reserve 867.

The Practice Note does not specifically include conservation areas as Essential Works. As a result, the acquisition of land for Reserve 867 and associated embellishment cannot be classified as essential works.

IPART considers that the works for environmental purposes should only be classified as essential works for the purpose of our assessment in certain circumstances. The circumstances we consider reasonable are when it can be demonstrated that the land (where the works will be undertaken) serves a dual purpose with one or more of the existing categories of essential works ie, transport, open space, stormwater management or community services.

The relevant question in assessing whether the acquisition of land for Reserve 867 and associated embellishment can be classified as essential works is therefore whether the reserve is required to meet the demand for transport, stormwater management, open space or community services generated by development of Area 20. We do not consider that the combined precinct facility (Reserve 867) serves a dual purpose. This is an issue of nexus and is discussed further in section 3.2.5.

### Findings

- 4 The Practice Note does not specifically include conservation areas as Essential Works. As a result, the acquisition of land for Reserve 867 and associated embellishment cannot be classified as essential works.
- 5 We consider that land, if the land for Reserve 867 is required to also meet the demand for transport, stormwater management, open space or community services, the associated environmental works could be classified as Essential Works.

<sup>18</sup> This reserve was previously designated as Reserve 906 in earlier contributions plans.

This issue is discussed further in the next section under the nexus criteria of IPART's assessment.

### 3.2 Criterion 2: Nexus

IPART must advise whether there is nexus between the demand arising from new 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 plans and increased demand for facilities generated by the anticipated development.

The council used the technical studies listed in the Table 3.3 in helping to determine the types and quantity of public amenities and public services that are included in CP22.

**Table 3.3 Technical studies used to establish nexus in CP22**

Essential works categories	Report/s
Transport	UrbanHorizon Pty Ltd, <i>The Area 20 Transport &amp; Access Study</i> , 2010
Stormwater management	J Wyndham Prince, <i>Area 20 Precinct, Rouse Hill – Water Cycle Management Strategy Report Incorporating Water Sensitive Urban Design Techniques</i> , July 2011 GHD, <i>Rouse Hill Stage 1 Area Trunk Drainage – Strategy Review</i> , 1998
Open space	Elton Consulting, <i>Social Infrastructure and Open Space Report – Area 20</i> , 2010 Elton Consulting, <i>Area 20 Precinct Social Infrastructure and Open Space Report Addendum</i> , 15 November 2010
Community services	Elton Consulting, <i>Social Infrastructure and Open Space Report – Area 20</i> , 2010 Macroplan, <i>Riverstone and Alex Avenue Precincts Demographic Profile &amp; Community Infrastructure Report</i> , 2007

We found there is nexus between the land and facilities in CP22 and the anticipated development in Area 20 with the exception of the combined precinct facility (Reserve 867).

Although we have not seen evidence demonstrating nexus for the Reserve 867, we consider that the cost of the combined precinct facility should remain in the plan because of an agreement between the Department of Planning and Infrastructure and the council for its inclusion in contributions plans which predates the Practice Note and the preparation of CP22.



### 3.2.1 Transport

The responsibility for transport land and facilities in Area 20 is shared between Roads and Maritime Services, private developers and Blacktown City Council.

The technical study by UrbanHorizon indicates that existing facilities will not be adequate to cater for demand arising from the new development. The study considered local and regional level infrastructure.

Arterial roads will be provided by Roads and Maritime Services. Local roads fronting private land will be provided by developers.

The transport land and facilities provided by the council and included in CP22 are:

- ▼ local road improvements where there is no development frontage
- ▼ additional secondary and major local road carriageways (collector roads)
- ▼ pedestrian paths and bridges
- ▼ cycle paths.<sup>19</sup>

In total, around 1.2 hectares of land will be acquired for these facilities.<sup>20</sup>

We engaged WorleyParsons to assist in our assessment of nexus between the transport infrastructure in CP22 and the needs of the anticipated development. Specifically, we asked WorleyParsons to assess the reasonableness of any adjustments the council had made to the design of transport facilities compared with the technical studies. We also asked WorleyParsons to recommend amendments to the council's design where the council's adjustments were found to be unreasonable.

WorleyParsons noted several changes made by the council to the original designs by UrbanHorizon. These include road widening and the addition of several roundabouts.<sup>21</sup>

WorleyParsons considers that the changes made by the council are reasonable and has not recommended any changes to the design of transport facilities in CP22.<sup>22</sup>

<sup>19</sup> Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, pp 10, 33.

<sup>20</sup> Blacktown City Council, *Application for assessment of contributions plan*, submitted 19 January 2012, p 11.

<sup>21</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 –CP22: Stormwater and Transport*, 15 August 2012, pp 5-6.

<sup>22</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 –CP22: Stormwater and Transport*, 15 August 2012, p 15.

On the basis of WorleyParsons' advice, we are satisfied that there is nexus between the transport land and facilities in CP22 and the expected development in Area 20.

#### Finding

- 6 There is nexus between transport land and facilities in CP22 and the expected development in Area 20.

### 3.2.2 Stormwater management

The responsibility for stormwater management in the Area 20 Precinct is shared between Sydney Water, private developers, and Blacktown City Council.

Sydney Water will provide trunk drainage facilities, and is responsible for the drainage corridor up to the 100 year ARI flood boundary.<sup>23</sup> Private developers will be required to provide some at-source pollution control measures for industrial, commercial and medium density residential areas.

Blacktown City Council is responsible for public stormwater management facilities outside of the 100 year ARI flood boundary, and will provide stormwater quantity and stormwater quality management<sup>24</sup>:

- ▼ Stormwater *quantity* management facilities by means of 4 drainage channels and 2 culverts under future roads.
- ▼ Stormwater *quality* management facilities by means of 12 'raingardens'. These each comprise of a stand-alone bio-retention basin and gross pollutant trap. They will be provided within the public reserves and adjacent to the riparian corridors.<sup>25</sup>

The stormwater management strategy was informed by 2 technical studies:

- ▼ *Area 20 Precinct, Rouse Hill – Water Cycle Management Strategy Report Incorporating Water Sensitive Urban Design Techniques*, by J Wyndham Prince, July 2011.
- ▼ *Rouse Hill Stage 1 Area Trunk Drainage – Strategy Review*, by GHD, 1998.

<sup>23</sup> The ARI (Average Recurrence Interval) flood boundary designates that level of flooding that has a 1% chance of occurring in any one year. Sydney Water owns and manages the trunk drainage system as well as 256ha of flood-prone land in the Rouse Hill Development Area (RHDA). This is part of an integrated water cycle management program designed to help protect the Hawkesbury Nepean River system. Parts of Second Ponds Creek (which bisects Area 20 Precinct) fall within the RHDA.

<sup>24</sup> Stormwater quantity measures are about controlling the volumes of stormwater, whereas stormwater quality measures are about removing pollutants from the stormwater before it enters the natural environment.

<sup>25</sup> Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, pp 29, 31.

As noted previously, we engaged WorleyParsons to assist in our assessment of nexus between the provisions for stormwater in CP22 and the needs of the anticipated development. Specifically, we asked WorleyParsons to assess the reasonableness of any adjustments the council has made to the design of stormwater facilities compared with the technical studies. We also asked WorleyParsons to recommend amendments to the council's design where the council's adjustments were found to be unreasonable.

WorleyParsons noted several changes made by the council to the original designs by J Wyndham Prince. Specifically, this relates to the width of landscaped channels.<sup>26</sup>

Blacktown City Council explained that it has included an allowance for safe egress and maintenance access along the top of the banks of the proposed channel, whilst the original design had only allowed for the hydraulic requirements for flow conveyance.<sup>27</sup>

WorleyParsons considered the council's explanation, and concluded that the adjustments are reasonable.<sup>28</sup>

On the basis of WorleyParsons' advice, we are satisfied that there is nexus between the stormwater management land and facilities in CP22 and the expected development in Area 20.

#### Finding

- 7 There is nexus between stormwater management land and facilities in CP22 and the expected development in Area 20.

### 3.2.3 Open space

Blacktown City Council is responsible for open space facilities in Area 20.

CP22 provides for 19.98 ha of land for open space purposes which will support local parks, passive recreation, sportsgrounds, and netball and tennis court facilities. Embellishment includes amenities buildings, car parking, field lighting, playground equipment, footpaths and cycleways. The open space land provisions listed in the plan include some areas that are planned for dual use, that is, stormwater management and open space.

<sup>26</sup> WorleyParsons, Review of Blacktown City Council Contributions Plan Area 20 - CP22: Stormwater and Transport, 15 August 2012, pp 2-4.

<sup>27</sup> Blacktown City Council, Correspondence with IPART, 6 July 2012.

<sup>28</sup> WorleyParsons, Review of Blacktown City Council Contributions Plan Area 20 - CP22: Stormwater and Transport, 15 August 2012, pp 2-4.

Nexus between the expected development and provisions in the plan is established by 2 technical studies (see Table 3.3). These studies took into account participation rates in the Blacktown Local Government area and the demographic profile of the expected population, Blacktown City Council policies, and guidelines developed by the Growth Centres Commission.<sup>29</sup>

The provisions for open space in CP22 are generally consistent with those in the technical studies, with minor exceptions relating to the provision of playgrounds and cricket pitches.

CP22 provides for 9 playgrounds. This exceeds the number of playgrounds recommended in the technical study, and in the Department of Planning and Infrastructure's Area 20 Public Domain and Landscape Strategy:<sup>30</sup>

- ▼ the technical study used population benchmarks to determine that 3 playgrounds should be provided
- ▼ the Public Domain and Landscape Strategy for Area 20 recommends 5 playgrounds would be a more appropriate provision.<sup>31</sup>

The council explained that it had considered proximity and accessibility of playgrounds to residential areas to determine the number of playgrounds to include in CP22. In particular, it noted that:

- ▼ natural barriers (being Second Ponds Creek and the railway line) limit walking access within the precinct, and so more playgrounds were deemed necessary
- ▼ playgrounds additional to those included in the Department of Planning and Infrastructure's Area 20 Public Domain and Landscape Strategy were included to:
  - meet the council's practice of having a playground at each sports field
  - ensure accessibility of playgrounds within 400m walking distance for all residents (2 playgrounds)
  - ensure increased demand from high density residential areas is met.<sup>32</sup>

We consider that the council's approach to determining the number of playgrounds is reasonable, and that no adjustment to the number of playgrounds in the plan is required. While standards of provisions based on population benchmarks are useful guides, other factors such as accessibility are also important.

<sup>29</sup> Growth Centres Commission, *Growth Centres Development Code*, October 2006.

<sup>30</sup> Department of Planning and Infrastructure, *Area 20 Precinct Public Domain and Landscape Strategy*, p 48, appendix to the DCP for the precinct.

<sup>31</sup> Department of Planning and Infrastructure, *Area 20 Precinct Public Domain and Landscape Strategy*, p 48, appendix to the DCP for the precinct.

<sup>32</sup> Blacktown City Council, Correspondence with IPART, 22 August 2012.

During our review, we found a small modelling error which meant that costing for 3 cricket pitches, rather than 1, is included in the plan. These costs will need to be removed from the plan.

We also note that land designated as open space in the south eastern corner of the precinct is likely to be affected by the proposed North West Rail Link alignment. The railway is now intended to be built above ground rather than below ground as was reflected in the Indicative Layout Plan. We consider that the council should review CP22 when the alignment of the North West Rail Link is finalised and amend the plan if changes are required.

#### Finding

- 8 There is nexus between the land and embellishment for open space in CP22 and the anticipated development, with the exception of 2 additional cricket pitches which were mistakenly included in the council's costing workbook.

#### Recommendations

- 7 The council should remove 2 cricket pitches from the cost of essential works in the plan to correct an error in the council's costing workbook. This will reduce the cost of essential works by \$33,553.
- 8 The council should review the open space provisions in CP22 when the alignment of the North West Rail Link is finalised and amend the plan if changes are required.

### 3.2.4 Community services

The community services for the Area 20 population will be provided through a Community Resource Hub (CRH) to be located in Riverstone Town Centre, in the Riverstone Precinct.

The council intends that the CRH in Riverstone will offer neighbourhood centre and community development facilities, youth centres, informal indoor recreational facilities, an arts centre, library facilities, children and family services and facilities, outdoor areas and parking for the facility.

The council's CRH model involves combining district-wide community services across a number of precincts. It replaces the traditional model of providing the facilities at a local level, and has been shown by the council to be more cost effective than the traditional model. The CRH proposed in Riverstone will service 4 new precincts – Riverstone, Alex Avenue, Area 20 Precinct, and Riverstone East Precinct.

Table 3.4 provides a breakdown of the floor space allocated to certain services that will be provided in the facility.

**Table 3.4 Community Resource and Recreation Hub for CP22**

Type of Facility	Gross floor area (sqm)
Youth centre	1020
Shared youth/ community facilities	785
Children and family services	490
Library	1920
Foyer/shared facilities	180
<b>Total floor space</b>	<b>4,395</b>

**Source:** Blacktown City Council, Correspondence with IPART, 28 February 2012.

The technical studies found that the expected population for Area 20 does not meet the threshold levels that would have justified the provision of most types of facilities at the local level (traditional model). They found that demand for community services could be adequately met by the existing and planned district level facilities.<sup>33</sup>

The CRH at Riverstone will provide the appropriate services for the Area 20 population and has been designed to account for this. We note that the Area 20 population will also have access to other facilities in surrounding precincts, including those at Rouse Hill. These other facilities were not designed with consideration for the additional population in Area 20, and we cannot conclude that there is additional capacity to adequately provide services for this population. Additionally, some cross-precinct use of facilities can reasonably be expected.

#### Finding

- 9 There is nexus between the land for community services in CP22 and the anticipated development in Area 20.

### 3.2.5 Combined precinct facility (conservation zone)

The technical studies commissioned during the precinct planning process for Area 20 did not find that Reserve 867 is required to meet the demand for essential works resulting from development of the precinct. That is, there is no nexus for the reserve as an essential work.

However, we note that the Department of Planning and Infrastructure and the council have previously agreed to the inclusion of the conservation area in several of the council's contributions plans. This occurred prior to the section 94 policy changes in 2010, which included the introduction of an Essential Works List and IPART's review function.

<sup>33</sup> Elton Consulting, *Social Infrastructure and Open Space Report – Area 20*, 2010, p 30.

The Department of Planning and Infrastructure has confirmed that, in the circumstances, it considers it is appropriate for the council to retain the costs associated with Reserve 867 in CP22 and other contributions plans.<sup>34</sup> Although the pre-existing agreement was not explicit in relation to the embellishment of Reserve 867, the Department of Planning and Infrastructure has also advised IPART that it supports the inclusion of base level embellishment for Reserve 867.<sup>35</sup>

#### Finding

- 10 Reserve 867 is not required to meet the demand for essential works generated by the anticipated development of Area 20. However, in light of an agreement that pre-dates the drafting of C22, the Department of Planning and Infrastructure considers that it is appropriate that the council retain the costs associated with Reserve 867 in the plan. We consider that the costs can remain in the plan on the basis of this agreement.

### 3.3 Criterion 3: Reasonable costs

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 with the costs required to deliver similar land and facilities in other areas.

The council has used a number of resources to estimate costs, including recent tender prices, quantity survey estimates, and land valuers' advice.

We engaged WorleyParsons to review the costs for transport and stormwater management works.<sup>36</sup> WorleyParsons' findings were provided to Blacktown City Council for comment and we have considered its response in making our assessment.<sup>37</sup>

CP22 includes costs for land acquisition and the construction of facilities. We have assessed these separately. We found the council's approach to estimating land acquisition costs is generally reasonable. We found that the base costs for all facilities are reasonable, with the exception of some of the transport and stormwater cost estimates.

<sup>34</sup> Department of Planning and Infrastructure, Correspondence with IPART, 29 June 2012.

<sup>35</sup> Department of Planning and Infrastructure, Correspondence with IPART, 13 July 2012.

<sup>36</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012.

<sup>37</sup> Blacktown City Council, correspondence with IPART, 6 July 2012 and 16 August 2012.

For transport, we found that the tip fees for road works are high and should be reduced.

For stormwater facilities, we found that:

- ▼ tip fees for culvert works are low and should be increased, while tip fees for channel and raingarden works are high and should be reduced
- ▼ landscaping costs for raingardens are high and should be reduced
- ▼ landscaping costs for open channels should be reduced due to some double-counting of items.

We found that the allowances for contingencies and professional fees are mostly reasonable, with the exception of:

- ▼ the 10% contingencies added to transport facilities which we recommend should be reduced to 5%
- ▼ the fixed component of professional fees added to transport facilities which we recommend should be reduced from \$50,000 to \$20,000.

We also noted several issues regarding indexation:

- ▼ The base contribution rates in the plan are in June quarter 2011 dollars. However, the cost estimates for land, transport facilities and stormwater management facilities are not in June quarter 2011 dollars.
- ▼ The indexation of the cost of land already acquired is not consistent with the EP&A Regulation. The cost of land already acquired should be indexed by the CPI All Groups for Sydney rather than the CPI Housing for Sydney.
- ▼ The plan proposes to index the base contributions rates by the CPI Housing for Sydney. We consider that the base contributions rates should be indexed by the CPI All Groups for Sydney.

Notwithstanding our finding that Reserve 867 is not required to meet the demand for essential works resulting from development of the precinct we have provided commentary on the reasonableness of the cost estimates for the reserve. We have done so because the Department of Planning and Infrastructure considers that it is appropriate that the council retain the costs associated with Reserve 867 in the plan. The costs include land acquisition (land already acquired and land yet to be acquired) and embellishment.

### 3.3.1 Cost of land

The plan contains 2 categories of land acquisitions for CP22 – land already acquired by the council and land yet to be acquired. Of the land yet to be acquired, most is in private ownership, and some is owned by the council.



### Cost of land already acquired

The only land that is classified as land already acquired in CP22 is for the combined precinct facility (Reserve 867).

The land acquired comprises 2 parcels of land purchased in 2008 and 2 parcels purchased in 2011.<sup>38</sup> The purchase of all 4 parcels of land occurred after rezoning of the land for a public purpose in 2006.

The value of this land that is included in the contributions plan is the purchase price indexed by the CPI (Housing) for Sydney. IPART considers that the value of this land that is included in the contributions plan should instead be the purchase price indexed by the CPI (All Groups) for Sydney.

This valuation method should be adopted because the council is required to comply with clause 25I of the *Environmental Planning and Assessment Regulation 2000* when it levies contributions towards recouping the cost of public amenities or public services that have been provided in preparation for or to facilitate the carrying out of development in the area.<sup>39</sup>

### IPART finding

- 11 The use of the CPI Housing for indexing the cost of land already acquired is not reasonable.

### Recommendation

- 9 The council should use the CPI (All Groups) for indexing the cost of land already acquired by the council that is included in CP22.

### Cost of land yet to be acquired

The cost of land yet to be acquired for public amenities or public services in CP22 is estimated at \$32.5m, about one third of the total costs in the plan.

Land yet to be acquired for the plan includes land that the council owned prior to 2006. Although the land will be used for the combined precinct facility, it was not acquired for this purpose. Instead, it was acquired for reasons including default in payment of council rates, and at the request of some owners.<sup>40</sup> The council has included this land in the contributions plan as land 'yet to be acquired' for the purpose of providing open space for the new development because the council needs to transfer the land from a 'non-public' to

<sup>38</sup> Blacktown City Council, Correspondence with IPART, 9 March 2012.

<sup>39</sup> This regulation requires that the costs of providing public amenities or public services is indexed in accordance with movements in the Consumer Price Index (All Groups Index) for Sydney issued by the Australian Statistician.

<sup>40</sup> Blacktown City Council, Correspondence with IPART, 9 March 2012.

a 'public' use. IPART's 2011 assessment of CP20 (Riverstone and Alex Avenue) found this approach to be reasonable.<sup>41</sup>

The cost of land yet to be acquired for transport, stormwater management, community services, and the combined precinct facility in CP22 has been estimated by the council's valuer using an averaging technique for particular land use types. Each parcel of land to be acquired will be subject to detailed valuation at the time of its acquisition.

The council has used a method of averaging land valuations to estimate the cost of land yet to be acquired in CP22. This is the same method that it used for CP20 (Riverstone and Alex Avenue). An independent valuation report commissioned by the Department of Planning considered the method to be reasonable.<sup>42</sup> Specifically, the valuation report states that an averaging technique is the most effective way of estimating the likely acquisition costs until individual valuations are carried out on required parcels or individual allotments.

We consider that, given the early stage of development in Area 20, it is not feasible for the council to have conducted individual valuations. Given this, and the independent advice provided about the land valuation method used for CP20, we consider that the land valuation method used for CP22 for all works categories is reasonable.

The average rates applied are shown in Table 3.5. We note that the rate per hectare for land for community services in CP22 is higher than for other categories. This is because the lots to be acquired for this purpose are located close to the existing commercial town centre, within an existing residential area, and are improved with dwellings. Other land in the contributions plan designated for acquisition is generally unimproved and is therefore less expensive.

The value of land to be acquired for the combined precinct facility is also low compared with other land in Area 20. This is because most of the land is within the Riverstone Scheduled Lands area and some lots are flood affected or affected by transmission lines.<sup>43</sup>

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<sup>41</sup> IPART, *Assessment of Blacktown City Council's Section 94 Contributions Plan No 20 – Riverstone and Alex Avenue Precincts*, October 2011, p 35.

<sup>42</sup> MJ Davis Valuations, *Alex Avenue and Riverstone Contributions Plan – Land Valuation Issues*, 26 February 2010.

<sup>43</sup> Blacktown City Council, Correspondence with IPART, 20 July 2012.

**Table 3.5 Average land values used to estimate the cost of land yet to be acquired in CP22**

	Land to acquire (ha)	Rate per ha (\$)	Cost of land to acquire (\$)
Transport	1.2073	1,370,000	1,654,001
Stormwater management	5.1827	1,490,000	7,722,223
Open space	14.822	1,460,000	21,640,120
Community services	not specified	6,350,000	344,000
Combined precinct facility	not specified	970,000	1,157,000

**Source:** Blacktown City Council, *Application for assessment of contributions plan*, submitted 19 January 2012, p 11, and IPART calculations.

The base contribution rates in the plan are in June quarter 2011 dollars. The average rates for land acquisition were current for the November quarter 2011.<sup>44</sup> For consistency across the categories of land and facilities in CP22, the cost of land yet to be acquired should be in June quarter 2011 dollars.

#### Finding

- 12 The land valuation method used for CP22 to estimate the cost of land yet to be acquired is reasonable. However, the costs are not in June quarter 2011 dollars.

#### Recommendation

- 10 To improve consistency of cost estimates in CP22, the council should index the cost of land yet to be acquired to June quarter 2011 dollars.

#### Contingency allowances for land acquisition

Contingency allowances for land acquisition may include legal expenses, valuations, solatium and other potential costs of acquisition payable under the *Land Acquisition (Just Terms Compensation) Act 1991*.

With the exception of land for community services, the council has not included contingency allowances for land acquisition in CP22. This was done to reduce the total cost of the plan. The council said that the matter can be reconsidered on a review of the plan when actual costs are known.<sup>45</sup>

The council has included a 6% allowance for additional acquisition costs associated with acquisition of land for the CRH located in the Riverstone Precinct. This facility will be shared by residents of several precincts in the North West Growth Centre including residents of Area 20. The cost of acquiring the land component was estimated for CP20 (Riverstone and Alex Avenue) and was not revised when the council estimated the bulk of land acquisition costs in CP22.

<sup>44</sup> Blacktown City Council, Correspondence with IPART, 31 May 2012.

<sup>45</sup> Blacktown City Council, Correspondence with IPART, 16 May 2012.

The council has decided that the 6% allowance should remain in CP22 as it is also in CP20.<sup>46</sup>

The council also advised that because the land for the CRH is improved with existing dwellings, the additional acquisition costs are more certain.<sup>47</sup> In contrast, the bulk of the land to be acquired in Area 20 is unimproved and it is less clear whether additional costs will be incurred.

We consider that it is reasonable for the council to include contingency allowances for land acquisition. However, we note that the council has included contingency allowances only for those land acquisition costs associated with the Community Resources Hub.

#### Finding

- 13 It is reasonable for the council to include contingency allowances for land acquisition. However, we note that the council has included contingency allowances only for those land acquisition costs associated with the Community Resources Hub.

### 3.3.2 Cost of facilities

#### Transport

The total cost of transport facilities in CP22 is \$19,940,000. Most of the costs are for 2 bridges, and improvements to Rouse, Cudgegong, and Terry Roads.

The costs for transport facilities in CP22 were estimated by the council using recent tender prices. The total cost of transport facilities also includes:

- ▼ contingency allowances of 10% of the base costs
- ▼ design fees of 5% of the base costs plus \$5,000 to \$50,000 fixed charges.

IPART commissioned WorleyParsons to review the council's unit cost rates and the council's allowances for contingencies and professional fees.

WorleyParsons reviewed the unit cost rates by comparing the council's unit cost estimates with the figures in the Rawlinsons Australian Construction Handbook 2012 and WorleyParsons' industry experience.<sup>48</sup> Table 3.6 shows some of the cost items which were more than 10% higher or lower than WorleyParsons' estimate or where the impact on the total cost is greater than \$10,000.

<sup>46</sup> Blacktown City Council, Correspondence with IPART, 16 May 2012 and 23 April 2012.

<sup>47</sup> Blacktown City Council, Correspondence with IPART, 29 June 2012

<sup>48</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 8.

**Table 3.6 Selected cost items where the cost difference is greater than 10% or has a major impact on total cost of transport facilities**

Item	Blacktown City Council's estimate (\$/unit)	WorleyParsons' estimate (\$/unit)	Quantity	Cost difference (\$)
Cartage roadwork (m3)	26.60	13.20	4,391	-58,839
375mm dia. RCP class 2 (lin.m)	72.43	136	2,920	185,624
Tip fees (road works) (tonne)	136.50	120.00	7,903	-130,413
150mm kerb and gutter (lin.m)	66.68	146.00	3,243	257,235
125mm Thick Slab (lin.m)	129.15	285.00	3,938	613,659
AC20, 100mm layer (m2)	39.20	44.90	17,253	98,339
Contingency (Transport) (%)	10%	5%		-563,025
Design fee (survey, geotech & design)	\$50,000 + 5%	\$20,000 + 5%	5	-150,000

**Source:** WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 8, 17-18.

The council has advised that it bases most of its cost estimates on a competitive tender process.<sup>49</sup> While Rawlinson's estimates are a useful benchmark, we consider that estimates based on a tender process provide a more realistic estimate of the council's costs in the current market.

In the most part, we have accepted the council's estimates where they have been based on based on a competitive tender process. However, we consider that the unit cost estimates for tip fees should be adjusted based on WorleyParsons' findings. WorleyParsons' estimate of \$120 per tonne for tip fees is based on a direct enquiry with the tip (Eastern Creek Landfill).<sup>50</sup> We recommend that the council adjust tip fees for road works to reflect WorleyParsons' estimate of \$120 per tonne because this estimate is current and was sourced directly from the service provider.<sup>51</sup> This will decrease the cost of essential works in the plan by \$149,975.<sup>52</sup>

WorleyParsons found that the council's 10% allowance for some transport facility contingencies is high, given the straightforward nature of works and stage of the design.<sup>53</sup> Specifically, these are roads designated R1.1, R1.2, R1.3, R2.1, R2.2 in

<sup>49</sup> Blacktown City Council, Correspondence with IPART, June 6, 2012.

<sup>50</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 14.

<sup>51</sup> The rate of \$120 per tonne is based on WorleyParsons' inquiries with the council's tip over the course of its review. We note that the tip fees may have changed by a small amount since WorleyParsons' inquiries.

<sup>52</sup> Our estimated impact of reducing the tip fees differs from that of WorleyParsons. This is because we have included the impact it will have on the contingency and design allowances, whereas WorleyParsons considers just the changes to the base rates.

<sup>53</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 13.

the plan. WorleyParsons recommended that a 5% allowance should be used instead. On the basis of WorleyParsons' advice, we recommend that the council reduce the contingency allowance for these transport facilities from 10% to 5%. This will reduce the cost of essential works in the plan by \$429,635.<sup>54</sup>

WorleyParsons found that the \$50,000 fixed fee for professional costs for transport (geotechnical) designs is high, and recommended that the fixed fee should be reduced to \$20,000 for all designs.<sup>55</sup> On the basis of WorleyParsons' advice, we consider that the \$50,000 fixed component of professional fees should be reduced to \$20,000 per basin. This will reduce the cost of essential works in the plan by \$150,000.

We also note that although the base contribution rates in the plan are in June quarter 2011 dollars, the cost of transport facilities is in September quarter 2011 dollars.<sup>56</sup> For consistency across the categories of land and facilities in CP22, the cost of transport facilities should be in June quarter 2011 dollars.

#### Findings

14 The cost of transport facilities in CP22 is reasonable except for:

- tip fees for road works
- the allowance for contingencies for all transport facilities
- professional fees for transport works geotechnical designs.

15 The cost of transport facilities is in September quarter 2011 dollars.

#### Recommendations

- 11 The council should revise the tip fees for road works from \$136.50 per tonne to around \$120 per tonne. This will decrease the cost of essential works in the plan by around \$149,975.
- 12 The council should reduce the contingency allowance for transport facilities from 10% to 5% of base costs. This will reduce the cost of essential works in the plan by around \$429,635.
- 13 The council should reduce the fixed fee component of transport design costs from \$50,000 to \$20,000. This will reduce the cost of essential works in the plan by \$150,000.

<sup>54</sup> Our estimated impact of reducing the contingency fee from 10% to 5% differs from that of WorleyParsons. This is because WorleyParsons based its reduction on its estimated costs of the works using its own unit rates. As we have not recommended the council adopt WorleyParsons' unit rates, we have based our calculations on the council's cost estimate and included the impact of first changing the tip fees to be \$120/tonne, in line with Recommendation 14.

<sup>55</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 13.

<sup>56</sup> Blacktown City Council, Correspondence with IPART, 24 July 2012.

- 14 To improve consistency of cost estimates in CP22, the council should index the cost of transport facilities to June quarter 2011 dollars.

### Stormwater management

The total cost for stormwater management facilities in CP22 is \$17,978,200. The major cost items are landscaped open channels and bio-retention basins.

The costs for stormwater management facilities in CP22 were estimated by the council using recent tender prices. The cost of stormwater facilities in CP22 includes 5% of the base cost (excluding fill disposal costs) for contingencies and 5% for professional fees.

IPART commissioned WorleyParsons to review the council's unit cost rates and the council's allowances for contingencies and professional fees.

WorleyParsons reviewed the unit cost rates by comparing the council's unit cost estimates with the figures in the Rawlinsons Australian Construction Handbook 2012 and WorleyParsons' industry experience.<sup>57</sup> Table 3.7 shows some of the cost items which were more than 10% higher or lower than WorleyParsons' estimate or where the impact on the total cost is greater than \$10,000.

**Table 3.7 Selected cost items in CP22 where the cost difference is greater than 10% or have a major impact on total cost of stormwater facilities**

Item	Blacktown City Council's estimate (\$/unit)	WorleyParsons' estimate (\$/unit)	Quantity	Cost difference (\$)
Landscaping (m2)	40.00	15.00	24,536	-613,400
Jute mesh on landscaped areas (m2)	13.35	0.80	24,536	-307,927
Tip fees (channel and raingarden works) (tonne)	136.50 (channel and raingarden works)	120.00	61,939 tonnes (raingarden and culvert works)	-1,021,994
Trimming and compaction (channels and raingardens)	1.37	5.90	44,630	202,174
Cartage (allow 20 km off site) (m3)	30.00	13.20	34,411	-578,096

**Source:** WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 –CP22: Stormwater and Transport*, 15 August 2012, pp 8, 15 and 16.

<sup>57</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 8.

The council has advised that it bases most of its cost estimates on a competitive tender process.<sup>58</sup> While Rawlinson's estimates are a useful benchmark, we consider that estimates based on a tender process provide a more realistic estimate of the council's costs in the current market.

However, we consider that the unit cost estimates should be adjusted based on WorleyParsons' findings for:

- ▼ tip fees
- ▼ landscaping for channels and raingardens.

In addition to the above adjustments, we have some concerns about the indexation of the base contribution rates.

### **Tip fees and the disposal of excavated material**

As for transport facilities, we recommend that the council adjust tip fees for culvert, channel and raingarden works to reflect WorleyParsons' estimate of \$120 per tonne because this estimate is current and was sourced directly from the service provider. We note that for some works, the council has used a lower estimate of \$103.70, which we consider could be increased to the more current rate. Adjusting all tip fees to \$120 per tonne will decrease the cost of essential works in the plan by \$1,077,078.<sup>59</sup>

We note that the Department of Planning and Infrastructure considers that the council could make further savings by reducing the amount of excavated material taken to the tips. The Department of Planning and Infrastructure considers that the council has adopted a risk averse approach to disposal of excavated materials. An alternative approach would be to use a larger amount of excavated material as 'fill', either in the same area it was excavated from, or at other council or private developer worksites. We note that the disposal of material is a large contributor to the cost of stormwater works, and contributes to a lesser degree for transport works.

Blacktown City Council has adopted a low risk approach. Given the uncertainty regarding utilising the excavated material on site, this approach is reasonable. While we consider that Blacktown City Council's approach is reasonable, there may be more efficient ways of disposing of the excavated material than disposing the bulk of it at the tip. We strongly encourage the council to seek such opportunities during the development period and revise the contributions plan accordingly.

<sup>58</sup> Blacktown City Council, Correspondence with IPART, June 6, 2012.

<sup>59</sup> Our estimated impact of reducing the tip fees differs from that of WorleyParsons. There are 2 differences in our calculations: we have included the impact of adjusting some of the estimates upwards, and the impact that the adjustments will have on the contingency and design allowances. Comparatively, WorleyParsons considered just the tip fee (base cost) that would be adjusted down from \$136.50.



We further understand that the issue of disposal of excavated materials has previously been discussed at length between the Department of Planning and Infrastructure and Blacktown City Council, and it also arose in our previous review of the council's CP20 (Riverstone and Alex Avenue Precincts). In recent discussions, the Department of Planning and Infrastructure has indicated to us that it is reviewing the reasonable ratios to be estimated as fill and disposal of excavated material, and we encourage it to finalise this review and resolve the issue as quickly as possible. We consider that Urbangrowth NSW<sup>60</sup> may be able to provide some expertise in resolving this issue.

### Landscaping costs

With regard to landscaping, we are concerned that the council's cost estimate is based on a standard of landscaping which exceeds the requirement for stormwater management purposes. Landscaping costs for channels and raingardens accounts for \$1,568,446 of the cost of stormwater facilities in CP22. WorleyParsons estimate that the landscaping costs should be considerably lower, at a rate of \$15/m<sup>2</sup>, noting that the council's unit rate of \$40/m<sup>2</sup> is high given the low intensity of planting usually required.<sup>61</sup>

The council responded that it would reduce the cost estimates of landscaping applied to raingardens (currently at \$30/m<sup>2</sup>) to WorleyParsons' recommended rate of \$15/m<sup>2</sup>. We recommend that the costs of landscaping applied to raingardens be reduced to \$15/m<sup>2</sup>, (a reduction of \$252,417). However, it added that the level of landscaping for the channels (at \$40/m<sup>2</sup>) is required due to the heavy water flows expected. In the course of this discussion, the council has advised us that its cost estimate of \$40/m<sup>2</sup> includes the provision of jute mesh and 12-month maintenance costs. The estimates in CP22 had also included separate costs for these items. We therefore recommend that the costs of jute mesh and maintenance costs to the value of \$547,091 be removed from CP22.<sup>62</sup>

### Indexation

We also note that although the base contribution rates in the plan are in June quarter 2011 dollars, the cost of stormwater management facilities are in September quarter 2011 dollars.<sup>63</sup> For consistency across the categories of land and facilities in CP22, the cost of stormwater management facilities should be in June quarter 2011 dollars.

<sup>60</sup> Recently the NSW Government established Urbangrowth NSW by amalgamating Landcom and the Sydney Metropolitan Development Authority. Urbangrowth NSW is responsible for driving the Government's approach to housing delivery.

<sup>61</sup> WorleyParsons, *Review of Blacktown City Council Contributions Plan Area 20 – CP22: Stormwater and Transport*, 15 August 2012, p 9.

<sup>62</sup> Our estimated impact of reducing the cost of landscaping includes the follow-on impact on the contingency and design allowances after the base rates are reduced.

<sup>63</sup> Blacktown City Council, Correspondence with IPART, 24 July 2012.

## Findings

- 16 The cost of stormwater facilities in CP22 is reasonable except for:
  - tip fees for culvert, channel and raingarden works
  - landscaping costs for raingardens and channels.
- 17 The cost of stormwater management facilities is in September quarter 2011 dollars.

## Recommendations

- 15 The council should amend the tip fees for culvert, channel and raingarden works from \$103.70 and \$136.50 per tonne, to around \$120 per tonne. This will decrease the cost of essential works in the plan by around \$1,077,078.
- 16 The council should continue to seek alternative sites to dispose of excavated material and further refine its cost estimates as it reviews CP22.
- 17 The Department of Planning and Infrastructure should, with the assistance of Urbangrowth NSW, prioritise the development of guidelines for councils to use when determining the quantity of excavated material that needs to be deposited at landfill.
- 18 The council should reduce the landscaping cost for raingardens from \$30/m<sup>2</sup> to \$15/m<sup>2</sup>. This will reduce the cost of essential works in the plan by \$252,417.
- 19 The council should remove the cost of jute mesh and 12 months of maintenance applied to landscaping of channels due to double counting. This will reduce the cost of essential works by \$547,091.
- 20 To improve the consistency of cost estimates in CP22, the council should index the cost of stormwater management facilities to June quarter 2011 dollars.

## Open space

The total cost of open space facilities in CP22 is \$22,042,000. The costs of open space embellishment in CP22 include 15% of base costs for contingencies and 10% for professional fees. The construction costs for open space embellishment are based on cost estimates provided by Rider Levitt Bucknell, and the council's recent experience.

We are satisfied that the cost estimate for open space land, facilities and embellishment is reasonable. The cost estimates are based on the same methodology as CP20 (Riverstone and Alex Avenue), which we have previously found to be reasonable.

We are also satisfied that the allowances for contingencies and professional fees are reasonable. The council stated that the contingency rate is based on standard allowances for embellishment works and covers unknown costs during the construction phase and remediation works for contaminated land. The council also stated that the design fee rate is based on standard fees for master

planning/designing of embellishment and is consistent with the rates used in CP20 (Riverstone and Alex Avenue).<sup>64</sup>

We also note that the council is using CPI Housing for Sydney to inflate open space costs. We do not consider that the CPI Housing is suitable for adjusting the costs because the items in the index are not similar to the open space works in CP22 (see also section 3.3.4). We consider that the council should adjust costs by the PPI Non-residential Building Construction for NSW.

#### Findings

- 18 The base costs, contingencies and design fees for open space facilities in CP22 are reasonable.
- 19 The CPI Housing Index is not suitable for adjusting the costs of open space embellishment.

#### Recommendation

- 21 The council should adjust the cost of open space embellishment to June 2011 dollars using the PPI Non-residential Building Construction for NSW.

#### Combined precinct facility

Blacktown City Council estimates that the total cost of embellishment of Reserve 867 is \$9,749,000. Of this, \$546,000 (5.6%) is apportioned to Area 20.

The proposed embellishment comprises:

- ▼ bush regeneration (including site preparation and seed collection and propagation)
- ▼ boundary fencing
- ▼ waste removal
- ▼ monitoring and reporting
- ▼ preparation of a Plan of Management.

The unit rates used to calculate the total cost of embellishment are based on past orders made by the council and quotations received from professional bush regeneration companies in 2010.

The unit rates have been adjusted to June quarter 2011 dollars using the CPI Housing for Sydney. A contingency allowance of 15% of base costs and a design fee of 10% of base costs has been included in the total cost.

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<sup>64</sup> Blacktown City Council, Correspondence with IPART, 28 March 2012.

IPART considers that the council's approach to costing the proposed embellishment is reasonable, with 2 exceptions:

- ▼ We do not consider that it is reasonable to include an allowance for design fees for monitoring and reporting and preparation of a Plan of Management. These expenses are of an administrative nature and no project design is required.
- ▼ We do not consider that CPI Housing is a suitable index for adjusting the costs because the items in the index are not similar to the activities required for embellishment of Reserve 867. We consider that the council should adjust the cost of bush regeneration, boundary fencing and waste removal by the PPI Non-residential Building Construction for NSW. We consider that the council should adjust the cost of monitoring and reporting and preparation of a Plan of Management by the Labour Price Index.

#### Findings

- 20 It is not reasonable to include design fees for monitoring and reporting and preparation of a Plan of Management.
- 21 The CPI Housing Index is not suitable for adjusting the costs of embellishment of the combined precinct facility (Reserve 867).

#### Recommendations

- 22 The council should adjust the cost of embellishment of the combined precinct facility (Reserve 867) to June 2011 dollars using the PPI Non-residential Building Construction for NSW and the Labour Price Index.

### 3.3.3 Administration costs

As noted in section 3.1, IPART has previously recommended that the Minister for Planning and Infrastructure should consider amending the Essential Works List to allow development contributions to recoup administration costs incidental to the items on the Essential Works List.

If the Practice Note is amended, the council could include administration costs as essential works. However, we consider that the council should adopt a more robust method of calculating these costs.

Administration costs in CP22 are estimated to be 0.5% of the cost of all land and facilities in the plan. The council has advised us that a 2% administrative component is considered to be around the average for NSW administration costs in contributions plans. Even so, it has chosen to use 0.5% to make the contributions rates as affordable as possible.<sup>65</sup>

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<sup>65</sup> Blacktown City Council, Correspondence with IPART, 13 February 2012.

We do not consider that 0.5% of the cost of land and facilities is an excessive amount. However, the method used by the council suggests the cost of administering the plan bears a relationship to the quantum of, and movements in, land and construction prices. This is not necessarily the case. Therefore, we do not consider that the council's methodology is sufficiently robust.

An alternative method to calculating administration costs would be to estimate the cost of consultants and staff to prepare, maintain and administer the contributions plan.

#### Finding

- 22 The council's method of calculating administration costs is not sufficiently robust since its calculations bear a direct relationship with the total cost of land and facilities in the plan rather than the actual costs of administration.

#### Recommendation

- 23 Consistent with IPART's definition of administration costs in Recommendation 5, the council should adopt a more robust method of calculating administration costs, for example by estimating the consultancy fees incurred for the technical studies in preparing the contributions plan and staffing costs to prepare, maintain and administer the contributions plan.

### 3.3.4 Indexation of base contributions

Section 8.3 of CP22 states that the base contribution rates in the plan will be indexed quarterly in accordance with the "Consumer Price Index – Sydney – Housing (CPI)". This section also says that the contributions payable will not fall below the base contributions rates.

The indexing of contribution rates is important because it helps to ensure that the contributions revenue that a council receives increases (or decreases) in line with the cost of items purchased with the revenue.

We have identified 2 issues regarding section 8.3 of the plan:

- ▼ the reasonableness of using the CPI Housing index in the way proposed
- ▼ the flexibility for contributions rates to fall below the base rates in the plan.

### Choice of index

The *Environmental Planning and Assessment Regulation 2000* permits changes to the rates of monetary contributions set out in the plan without the need to prepare a new contributions plan.<sup>66</sup> In accordance with the Regulation, changes may be made to reflect quarterly or annual variations to:

- ▼ readily accessible index figures adopted by the plan (such as a Consumer Price Index), or
- ▼ index figures prepared by, or on behalf of, the council from time to time that are specifically adopted by the plan.

The CPI Housing index is a readily accessible index and its use complies with the Regulation. However, the sub-groups in the index do not align with the land and facilities in the contributions plan. The sub-groups for the CPI Housing index are more reflective of more general costs of living and maintaining a house. They include:

- ▼ rents
- ▼ new dwelling purchases by owner-occupiers
- ▼ other housing (maintenance and repair of dwelling and property rates and charges)
- ▼ utilities (water and sewerage, electricity and gas and other household fuels).

Therefore, we do not consider that it is reasonable for contribution rates in the plan to be adjusted in accordance with the CPI Housing index.

We consider that the council should apply the Consumer Price Index (CPI All Groups) for Sydney because:

- ▼ it is an accepted and standardised index that is widely used across all sectors of the economy
- ▼ the index can be applied to both land and capital works
- ▼ the approach is simple and transparent
- ▼ the approach is consistent with IPART's approach to the adjustment of fixed period price caps in other industries.

### Finding

**23 It is not reasonable for the base contribution rates in the plan to be adjusted in accordance with the CPI Housing index.**

<sup>66</sup> *Environmental Planning and Assessment Regulation 2000*, clause 32(3)(b).

#### Recommendation

- 24 The council should amend the plan so that the base contribution rates will be adjusted in accordance with the Consumer Price Index (All Groups) for Sydney.

#### Flexibility for contributions rates to fall below the base rates in the plan

Although it is unusual for prices to fall, they may do so from time to time. If the council does not allow the contributions rates to fall below the base rates in the plan then it could be collecting more revenue than it needs to cover the expenses that it is incurring. Therefore, we consider that CP22 should permit the contributions payable to fall below the base contributions rates if this is the result of the consistent application of the chosen index.

#### Finding

- 24 It is not reasonable for the contribution rates to be restricted from falling below the base contributions rates.

#### Recommendation

- 25 The plan currently prevents the contributions payable from falling below the base rates as a result of a decrease in the Consumer Price Index (All Groups) for Sydney. The plan should permit the contributions payable to fall below the base contributions rates if this is the result of the consistent application of the Consumer Price Index (All Groups) for Sydney.

### 3.4 Criterion 4: Timing

IPART must advise whether the proposed public amenities and public services can be provided within a reasonable timeframe.

The timing of the proposed public amenities and services is important as it:

- ▼ determines the timing of the council's expenditure
- ▼ demonstrates that the council has the capacity to provide the public amenities and services
- ▼ demonstrates that the council can provide the public amenities and services to meet the demand for those services within a reasonable timeframe.

The council has indicated that the caps on development contributions create a risk that the council will not recover all of the costs of providing essential infrastructure. To offset this risk, the council has prioritised the timing of particular categories of works in section 1.13 of CP22. This implies that some works in the plan may go unfunded if contributions caps continue to be applied. The priority of works is:

1. water cycle management facilities
2. traffic and transport management facilities
3. open space facilities
4. community facilities and combined precinct facility.

We understand that there is a revenue risk associated with the development contributions cap which may lead to some works being unfunded by development contributions. We recognise that the council's approach to the timing of the provision of public amenities and services is designed to manage this risk.

Section 1.14 of CP22 sets out the council's proposed timing for providing works. In describing its approach to the timing of works for CP22, the council considered:

- ▼ existing development trends eg, the provision of parks in faster growing areas will have higher priority than the provision in slower growing areas
- ▼ the existing funds available to each of the catchment areas and their projected income.

The plan does not provide further details of the expected lot production or the development pattern in the precinct to allow us to assess whether the actual timing of works is reasonable. We recommend that the council revise CP22 to include the expected lot/population thresholds that will trigger the provision of the different categories of works.

CP22 indicates that the infrastructure is intended to be provided in 3 tranches, with all infrastructure proposed to be in place by 2030. Comparatively, the council expects precinct development to be completed in 25 to 30 years.<sup>67</sup> Generally:

- ▼ stormwater facilities will be completed first, with most expenditure expected early in the development period
- ▼ transport works are expected in the later end of the development period
- ▼ open space land and facilities will be spread over the whole period
- ▼ no timing is given for the provision of community services.

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<sup>67</sup> Blacktown City Council, *Application for assessment of contributions plan*, submitted 19 January 2012, p 12.



We consider that it is reasonable to present the indicative timing of provision in tranches. However, the council should be able to provide an indicative timing for the purchase of land for the community services. In light of the funding gap created by the contributions plan, and the council's priorities, we recognise the difficulty in suggesting a year in which the community services will be provided. An alternative would be to provide a threshold population which, when reached, will require the council to seek to acquire the land for community services.

CP22 also does not include a timeframe for the combined precinct facility (Reserve 867). We recommend that the council provide the timeframe for providing this facility.

It is implied in CP22 that the land for all categories of works will be acquired prior to the provision of the facilities. We note that the timing for the acquisition of land might be accelerated under owner-initiated acquisition in cases of hardship.

#### Finding

- 25 The suggested timing of provision of the infrastructure as provided in CP22 is reasonable, with the exception of the community services, for which no indicative timing has been provided.

#### Recommendations

- 26 CP22 should provide an indicative timeframe for the purchase of land for community services. This could be when a population threshold is reached rather than an indicative year.
- 27 The council should also include an indicative timeframe for providing the combined precinct facility (Reserve 867).

### 3.5 Criterion 5: Apportionment

IPART must advise whether the proposed development contribution is based on a reasonable apportionment between existing demand and new demand for the public amenities and public services.

Apportionment refers to the share of the relevant costs of public amenities and services that is borne by the future development. 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 by ensuring that costs are shared appropriately between new and existing developments.

Apportionment should take into account and quantify:

- ▼ the demand generated by different types of development covered by a contributions plan, including residents in new dwellings, workers in new employment floor space and visitors in tourist accommodation
- ▼ the capacity of existing infrastructure
- ▼ the proportional needs of the existing population, if any
- ▼ demand for infrastructure in the plan arising from existing or expected development outside the development area.

The majority of the infrastructure being provided through CP22 is wholly charged to the incoming development of Area 20, with the exception of the community services. We found the apportionment of costs is reasonable for all items in the plan except Cudgegong Reserve.

### 3.5.1 Transport

The cost of transport land and facilities has been apportioned between residential and non-residential development, with the cost allocation based on the land area of each development. By this method, the developer will make a contribution based on the lot size that is utilised, and this will apply to residential as well as non-residential development.

The council has limited the contribution payable for low density residential development to apply to a maximum lot area of 800 sqm (compared to actual lot sizes of 2,000 sqm and greater).<sup>68</sup>

We consider that the council's approach to apportioning transport costs is reasonable.

#### Finding

26 The apportionment of the cost of transport land and facilities in CP22 is reasonable.

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<sup>68</sup> Blacktown City Council, Correspondence with IPART, 28 August 2012. We note that this has not been made clear in the plan, and encourage the council to insert a statement explaining the treatment of low density residential lots for the purposes of calculating contributions payable.

### 3.5.2 Stormwater management

Stormwater facilities have been apportioned to residential and non-residential development. As with transport costs, the contributions are allocated based on the land area of each development.

Stormwater management is required because development changes ground cover into impervious surfaces, and generally leads to increased pollutant loads entering the environment. The works in CP22 are classified as either stormwater quantity, or stormwater quality works.<sup>69</sup>

The contribution rate for a specific development will depend on the size (area) of the site proposed to be developed. Stormwater quantity costs are shared equally amongst all development on this basis, whereas the stormwater quality costs are divided differently depending on the type of development.

We note that medium and high density residential development and non-residential development will be levied much lower contribution rates for stormwater quality than low density development. We consider this is reasonable because medium and high density residential development and non-residential development is required to address stormwater quality issues on-site at the developer's own expense and is not a council responsibility. In particular, we note that in medium density residential, high density residential, and non-residential areas, the council is only responsible for the treatment of road runoff. In contrast, the council is responsible for *all* stormwater quality management in low density residential areas (ie, road runoff and runoff from development sites).

As low residential development generally creates a lesser ratio of impervious surfaces (for example, through incorporating backyards), the council has limited the contribution payable for low density residential development to apply to a maximum of 800 sqm (compared with actual lot sizes of 2,000 sqm and greater).<sup>70</sup>

We consider that the council's approach to apportioning stormwater management costs is reasonable.

#### Finding

**27 The apportionment of the cost of stormwater management land and facilities in CP22 is reasonable.**

<sup>69</sup> See footnote 24 in section 3.2.2 for further explanation.

<sup>70</sup> Blacktown City Council, Correspondence with IPART, 28 August 2012. We note that this has not been made clear in the plan, and encourage the council to insert a statement explaining the treatment of low density residential lots for the purposes of calculating contributions payable.

### 3.5.3 Open space

The cost of open space land and embellishment is apportioned wholly to residential development in the Area 20 Precinct. The costs will be charged to development based on a per person basis.<sup>71</sup>

We have established under the nexus criterion that the works are provided to cater for a projected population (see section 3.2.3), and the quantum is calculated on a population benchmark basis. We consider the apportionment methodology used by the council to be reasonable.

We also consider it reasonable to exclude non-residential development, because the council's Development Control Plan (DCP) requires that industrial and commercial areas contain adequate provisions for on-site communal areas to cater for the open space needs of non-residential development. The DCP's provisions include minimum standards for communal areas:

- ▼ 5% of total site area zoned as Business Park
- ▼ 1% of total site area zoned as General Industrial
- ▼ 3% of total site area zoned as Business Development and Light Industrial.<sup>72</sup>

We do, however, consider it likely that Cudgegong Reserve will also be used for passive recreation by future residents of the neighbouring precinct – Riverstone East. Cudgegong Reserve is located in Area 20 precinct, at its border with Riverstone East Precinct. The Riverstone East Precinct is yet to be released for urban development. We expect that precinct planning for Riverstone East will take into account the availability of Cudgegong Reserve for passive open space. This would reduce the need to provide additional passive open space facilities in the Riverstone East precinct. The ability to share the reserve across the precinct boundary reduces the cost for developers in both Area 20 and the Riverstone East precinct.

We consider that the costs should be apportioned to Riverstone East Precinct due to the accessibility and likelihood that future residents of Riverstone East will receive benefit from this reserve.

The council has suggested that apportionment of the costs will lead to an undersupply of open space in Area 20. However, we consider that apportionment of some embellishment costs will not reduce the amount of open space accessible to residents of Area 20. The costs relate only to embellishments, as the land is already in council ownership.

<sup>71</sup> Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, p 14.

<sup>72</sup> Department of Planning and Infrastructure, *BCC Growth Centre Precincts Development Control Plan*, 2010, p 118.

We recommend the costs of embellishment for Cudgegong Reserve should be apportioned according to the rates shown in Table 3.8, based on proportional populations in the precincts.

**Table 3.8 Apportionment of Cudgegong Reserve between Area 20 and Riverstone East Precincts**

Precinct	Expected population	Apportionment (%)	Current cost (\$)	Cost allocation after apportionment (\$)
Area 20	6,400	45	865,140	389,922
Riverstone East	7,800	55	0	475,218

**Note:** the current cost of \$865,140 is IPART's calculation of the cost excluding the value of public art, Plans of Management and bush regeneration works which are not on the Essential Works List.

**Source:** Blacktown City Council, Correspondence with IPART, 13 February 2012 for costs, and IPART calculations.

#### Finding

28 With the exception of Cudgegong Reserve, the apportionment of the cost of open space land and embellishment in CP22 is reasonable.

#### Recommendation

28 The council should apportion some of the costs associated with Cudgegong Reserve to the Riverstone East Precinct. This would reduce the cost of Essential Works by \$475,218.

### 3.5.4 Community services

The cost of land for community services is apportioned to residential development in the four precincts for which the CRH has been designed. The costs are apportioned on a per person basis as shown in Table 3.9.

We consider this is a reasonable methodology, given that the estimated demand for community services is based on the projected population numbers.

**Table 3.9 Blacktown City Council's apportionment of the cost of the Riverstone CRH**

Precinct	Expected Population	% cost apportioned
Riverstone	26,229	44.9
Alex Avenue	17,999	30.8
Riverstone East	7,800	13.3
Area 20	6,400	11.0

**Source:** Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, p 17.

## Finding

29 The apportionment of the cost of land for community services in CP22 is reasonable.

### 3.5.5 Combined precinct facility

The agreement between the Department of Planning and Infrastructure and the council about levying costs associated with the combined precinct facility (Reserve 867) includes the method of apportionment. It was agreed that the total costs should be apportioned amongst all residential precincts within the Blacktown Local Government Area component of the North West Growth Centre (see Table 3.10).

We have recommended that the costs associated with Reserve 867 only remain in the plan on the basis of the agreement. Therefore, we consider that the apportionment of costs should be consistent with this agreement.

As shown in Table 3.10, the cost of Reserve 867 that is apportioned to Area 20 is \$1,718,649 (5.6% of the total cost).

**Table 3.10 Blacktown City Council's apportionment of the cost of the combined precinct facility**

Precinct	Expected population	Population, and costs share (%)
Riverstone	26,229	23.0%
Alex Avenue	17,999	15.8%
Riverstone East	7,800	6.8%
Area 20	6,400	5.6%
Marsden Park Industrial (MPIP)	3,205	2.8%
Marsden Park	30,800	27.0%
Future Release Precincts	21,830	19.1%
<b>Total</b>	<b>114,263</b>	<b>100.0%</b>

**Source:** Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct*, January 2012, p 19.

## Finding

30 The method for apportioning the costs of the combined precinct facility (Reserve 867) was agreed by the Department of Planning and Infrastructure and the council.

### 3.6 Criterion 6: Consultation

IPART must advise whether the council has conducted appropriate community liaison and publicity in preparing the contributions plan.

The Practice Note does not require councils to have publicly exhibited a draft contributions plan before it is submitted to IPART. Accordingly, CP22 was not publicly exhibited prior to IPART commencing its review.

However, during the course of IPART's review of the plan, the Department of Planning and Infrastructure advised that councils will now be required to publicly exhibit their plans and make any changes in response to submissions received before submitting plans to IPART.<sup>73</sup> We expect that the revised practice note will incorporate this direction.

Blacktown City Council exhibited CP22 from 26 June 2012 to 23 July 2012. The plan was published on the council's website and copies were available for inspection at the Blacktown City Information Centre. The council received 1 submission on the plan.<sup>74</sup>

The council has not formally advised IPART about how it will respond to the submissions.

We consider that the council has conducted appropriate community liaison and publicity by publicly exhibiting the plan.

We also note that the technical studies used in the development of the draft Indicative Layout Plan, and subsequently used to inform the provision of land and facilities in CP22, were publicly exhibited by the Department of Planning as part of the precinct planning process from 6 December 2010 to 11 February 2011.<sup>75</sup> Comments from stakeholders on the draft Indicative Layout Plan were addressed prior to finalisation of the Indicative Layout Plan.

#### Finding

- 31 The council has conducted appropriate community liaison and publicity by exhibiting the plan.

<sup>73</sup> Department of Planning and Infrastructure, Correspondence with IPART, 23 July 2012.

<sup>74</sup> Blacktown City Council, Correspondence with IPART, 2 August.

<sup>75</sup> Department of Planning and Infrastructure, *Post-Exhibition Planning Report*, September 2011, p 3.

### 3.7 Criterion 7: Other matters

IPART must advise whether the plan complies with other matters IPART considers relevant.

Our reviews of contributions plans to date show that additional information should be provided in the plans to improve transparency. This is also the case with CP21 (MPIP) which we have assessed in parallel with CP22.

#### 3.7.1 Information presented in contributions plans

There are 3 documents that set out what councils should include in a contributions plan. These are:

- ▼ the *Environmental Planning and Assessment Act 1979* which states that plans are to be made in accordance with the Regulation
- ▼ the *Environmental Planning and Assessment Regulation 2000* (the EP&A Regulation) which lists the particulars that must be included in contributions plans (Section 26)
- ▼ the Development Contributions Practice Note (2005)<sup>76</sup>.

CP22 generally meets the requirements in the EP&A Regulation and the Practice Note. However, we note that the EP&A Regulation requires that the plan should include contributions rates for different types of development.<sup>77</sup> CP22 does not show the contributions rates for different types of development or dwelling types, for example low-density residential and high-density residential. The council should incorporate such a schedule in the plan. The contributions payable by developers under the plan will vary according to the size of the applicant's lots and the anticipated occupancy (if residential). Therefore, it is only possible to show indicative contributions rates.

Further we consider that the plan should be amended to make it easier to understand as a stand-alone document. The plan has no information on the assumptions used in developing the plan but refers the reader to other source documents. Including this information in the plan would allow stakeholders to understand the need for the infrastructure within the development without having to work their way through multiple documents. This would increase transparency of the council's plans.

<sup>76</sup> The Department of Planning, *Development contributions practice notes*, July 2005.

<sup>77</sup> *Environmental Planning and Assessment Regulation 2000*, Part 4, clause 27 (1).



We suggest that the following information should be included:

- ▼ A brief statement of whether the existing facilities have the capacity to meet the demand for infrastructure created by new development.
- ▼ Information about the projected mix of land uses in the precinct. This could include the Indicative Layout Plan or Land Zoning Map.
- ▼ Information about the projected development yield (eg, population, dwellings, non-residential floorspace, jobs) and how the yield was calculated (eg, occupancy rates used). This could be presented in a table format.
- ▼ Information about the anticipated population growth rates for the precinct and how they have been calculated.
- ▼ Assumptions, benchmarks and standards (such as environmental standards) that have been used in the plan.

#### Finding

- 32 The information in CP22 meets the requirements of the *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2000*. However, some additional information could be helpful to stakeholders.

#### Recommendations

- 29 The council should include in CP22 a schedule of the indicative contributions rates for different types of developments and dwelling types.
- 30 CP22 should contain more detailed information, including about the underlying assumptions, the capacity of existing local facilities, the anticipated development yield and the anticipated population growth rates for the development of Area 20.

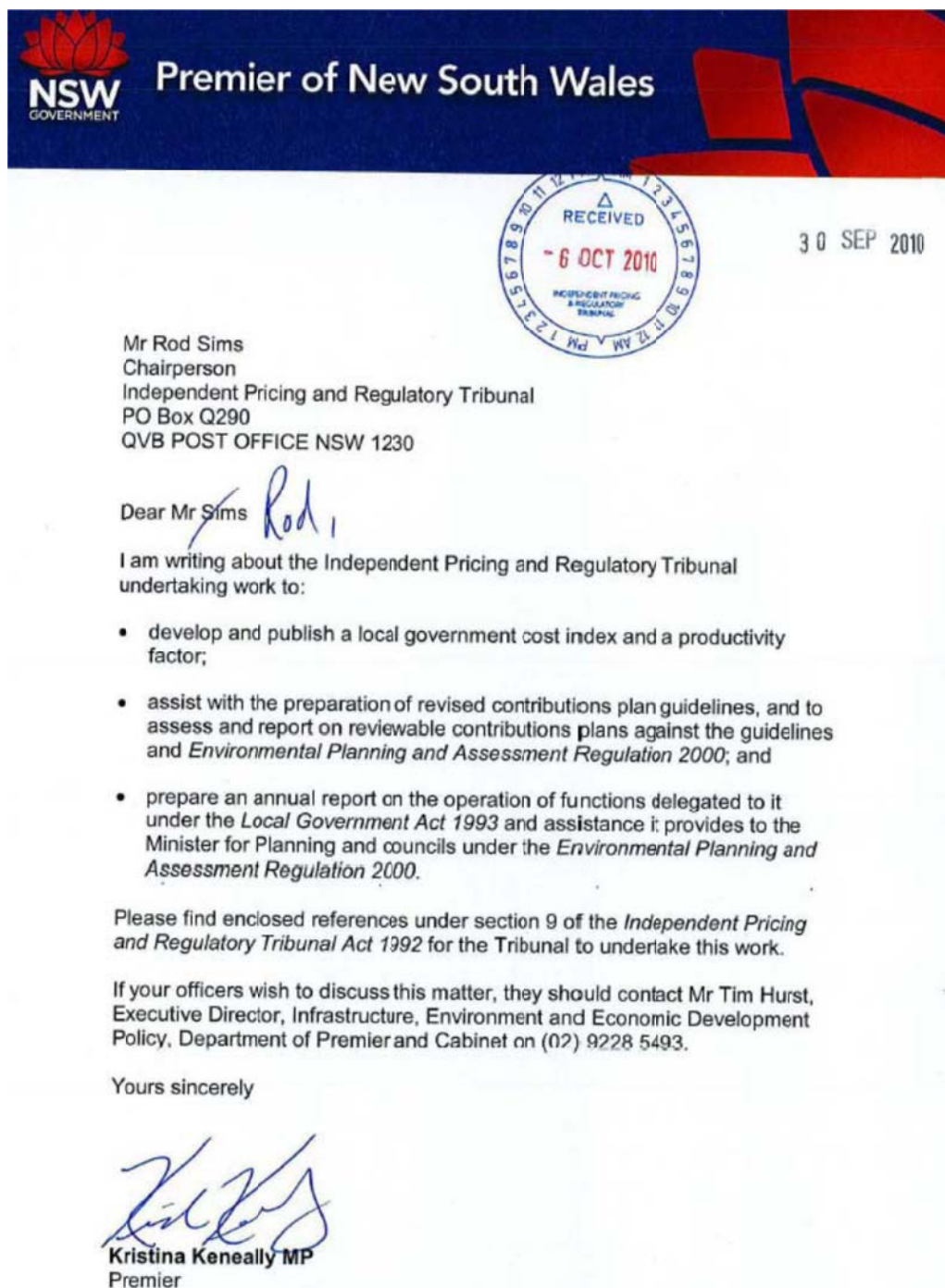




## Appendices



## A Terms of Reference



## B Draft Section 94 Contributions Plan No 22 – Area 20

draft contributions plan

*No.22*

# section 94

Area 20 Precinct

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## **1. Introduction and Administration of the Plan**

### **1.1 Name of the Plan**

This Contributions Plan is called 'Section 94 Contributions Plan No.22 – Area 20 Precinct'.

### **1.2 Purpose of Plan**

This Contributions Plan outlines Council's policy regarding the application of Section 94 (S.94) of the Environmental Planning and Assessment Act, 1979 in relation to the provision of local infrastructure and baseline facilities within the Area 20 Precinct.

Within the Area 20 Precinct S.94 contributions are levied for the following amenities and services:

- Water Cycle Management Facilities;
- Traffic & Transport Management Facilities;
- Open Space and Recreation Facilities; and
- Community Facilities (land only) & Combined Precinct Facilities.

This Plan has been prepared in accordance with:

- The Environmental Planning and Assessment Act, 1979 (EPA Act);
- The Environmental Planning and Assessment Regulation, 2000; (EPA Regulation);
- In conjunction with the Indicative Layout Plan for the Area 20 Precinct; and
- Having regard to the Practice Notes issued by the NSW Department of Planning (2005) in Accordance with clause 26(1) of the EPA Regulation.

The S.94 contributions contained in this Plan have been determined on the basis of "Contribution Catchments". This is the area over which a contribution for a particular item is levied. Within each catchment there is an identifiable "list" of works, which are scheduled for provision.

Council applies contribution formulae to each catchment for the purpose of calculating the contribution rate applicable to that catchment. The formulae take into account the cost of works to be undertaken, the cost to Council of providing land for a public purpose on which to undertake these works and the size of the catchment area. The total cost of providing these works is distributed over the total catchment on an equitable basis.

### **1.3 Commencement of this Plan**

This plan takes effect from the date on which public notice was published, pursuant to clause 31 (4) of the EPA Regulation.

### **1.4 Principles of Section 94**

Section 94 permits Council to require persons or entities developing land to pay monetary contributions, provide capital works (works in kind), and/or dedicate land in order to help fund the increased demand for public amenities and public services (amenities and services) generated through their developments.

The three general principles in applying Section 94 contributions are:

1. A contribution must be for, or relate to, a planning purpose;
2. A contribution must fairly and reasonably relate to the subject development; and
3. The contribution must be such that a reasonable planning authority, duly applying its statutory duties, could have properly imposed.

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Council may either:

- Require a dedication of land;
- A monetary contribution;
- Material public benefit (works in kind); or
- A combination of some or all of the above.

One of the fundamental responsibilities of any Council in imposing S.94 contributions is to ensure that the contributions levied are reasonable. That is, the works and facilities to be provided must be as a direct consequence of the development on which the contributions are levied. In keeping with this responsibility, S.94 contributions levied on development as a result of this Plan are limited to providing amenities and services to the minimum level necessary to sustain an acceptable form of urban development.

### **1.5 Aims and Objectives**

The aims and objectives of this Plan are to:

- Ensure that S.94 contributions levied on development within the Area 20 Precinct are reasonable;
- Ensure that the method of levying S.94 contributions is practical;
- Ensure that an appropriate level of local infrastructure provision occurs within the Area 20 Precinct;
- Employ a user pays policy for the funding of infrastructure within the Area 20 Precinct so that the existing residents of the City are not subsidising new urban development;
- Ensure that the amenities and services provided are not for the purpose of making up shortfalls in other areas;
- Ensure infrastructure is provided in an orderly manner; and
- Make clear Council's intentions regarding the location and timing of infrastructure provision within the Area 20 Precinct.

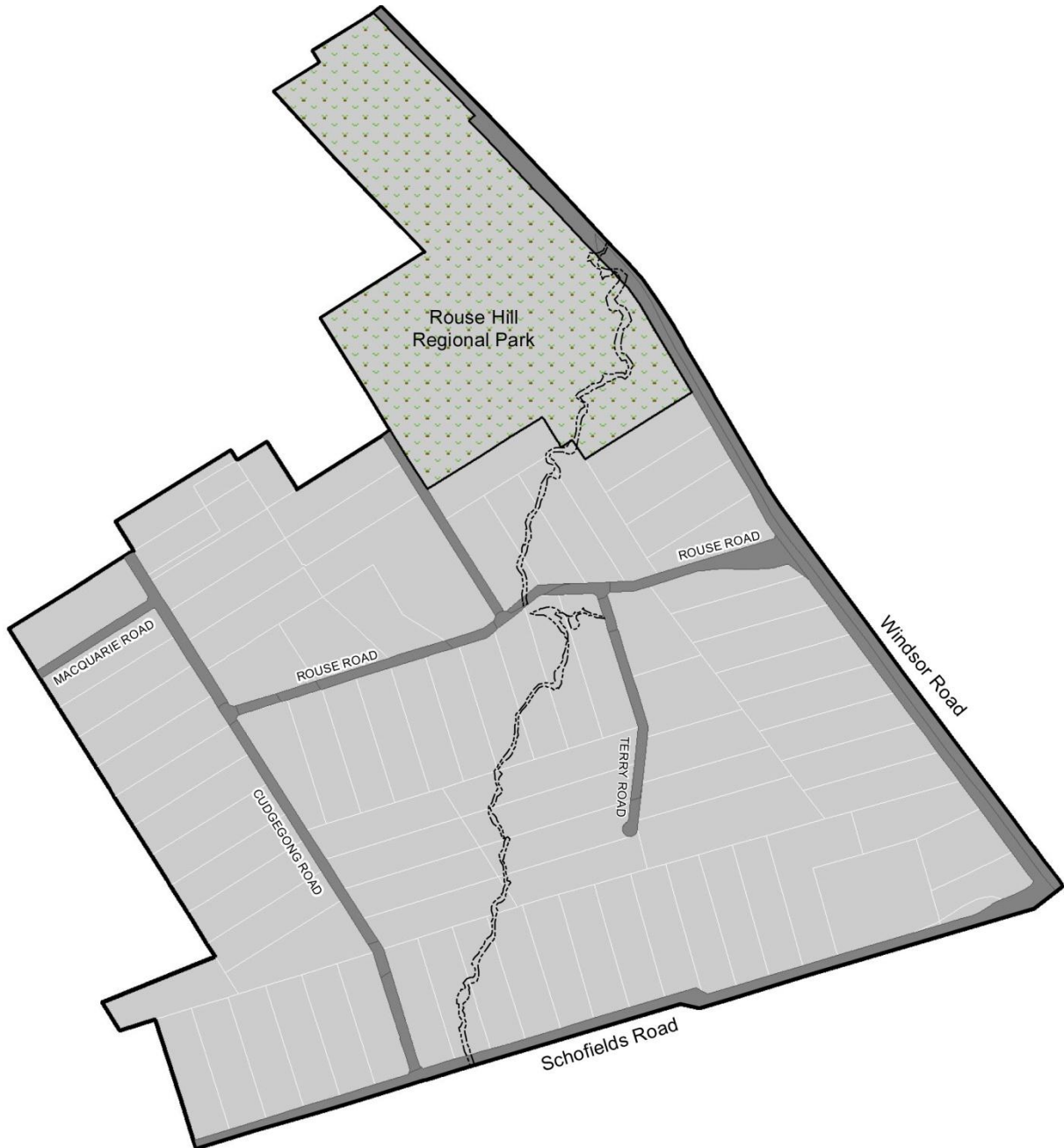
### **1.6 Land to Which the Plan Applies**

This Contributions Plan applies to land within the Area 20 Precinct which is one of the first release precincts in the North West Growth Centre.

The Area 20 Precinct is bounded by Windsor Road to the east, Schofields Road to the south, and the ridge line to the west. A map showing the location of the Area 20 Precinct **is shown on the following page**.

The boundaries of the specific contribution catchments are detailed in Appendices "A" to "E".

## Area 20 Precinct



### 1.7 Development to which the Plan Applies

This Plan applies to all developments occurring within the precinct catchment areas that require the submission of a development application or an application for a complying development certificate, including the intensification of use of a site involving expansion of area occupied by a development and/or the addition of population.

### **1.8 Construction Certificates and the Obligation of Accredited Certifiers**

In accordance with section 94EC of the *EP&A Act* and Clause 146 of the *EP&A Regulation*, a certifying authority must not issue a construction certificate for building work or subdivision under a development consent unless it has verified that each condition requiring the payment of monetary contributions has been satisfied.

In particular, the certifier must ensure that the applicant provides a receipt(s) confirming that Contributions have been fully paid and copies of such receipts must be included with copies of the certified plans provided to Council in accordance with clause 142(2) of the *EP&A Regulation*. Failure to follow this procedure may render such a certificate invalid.

The only exceptions to the requirement are where a works in kind, material public benefit, dedication of land or deferred payment arrangement has been agreed by Council. In such cases, Council will issue a letter confirming that an alternative payment method.

### **1.9 Complying Development and the Obligation of Accredited Certifiers**

In accordance with S94EC(1) of the *EP&A Act*, accredited certifiers must impose a condition requiring monetary contributions in accordance with this Contributions Plan, which satisfies the following criteria.

The conditions imposed must be consistent with Council's standard section 94 consent conditions and be strictly in accordance with this Contributions Plan. It is the professional responsibility of accredited certifiers to accurately calculate the contribution and to apply the section 94 condition correctly.

### **1.10 Relationship to Other Plans**

Environmental Planning Instruments and controls apply to the Area 20 Precinct. These include:

- State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (Appendix No.6);
- BCC Growth Centre Precincts DCP 2010; and
- BCC Growth Centre Precincts DCP 2010 (Schedule 4).

### **1.11 Relationship to Special Infrastructure Contributions**

This Plan does not affect the determination, collection or administration of any special infrastructure contribution (SIC) levied under Section 94EF of the *EPA Act* in respect to development on land to which this Plan applies.

Applicants should refer to the most recent SIC Practice Notes issued by the Department of Planning and Infrastructure for details on the application of special infrastructure contributions to the Growth Centres Precincts.

### **1.12 The Monitoring and Review of this Plan**

This Plan will be subject to regular review by Council. Council's Section 94 Finance Committee considers the need for Reviews of all of Council's Contributions Plans when they meet monthly. Council generally aims to have Contributions Plans reviewed annually in fast-growing release areas.

The purpose of any review is to ensure that:

- Contribution levels reflect current land and construction costs;
- The level of provision reflects current planning and engineering practice and likely population trends; and
- Work schedules are amended if development levels and income received differ from current expectations.

Any changes to the Plan must be prepared in accordance with the Act and Regulation and placed on public exhibition for a minimum period of 28 days. The nature of any changes proposed and the

reasons for these will be clearly outlined as part of the public participation process. Council welcomes the comments of interested persons in relation to this Plan at any time.

### **1.13 Priority of works and facilities**

The Minister for Planning issued a direction to Council under S.94E of the Environmental Planning and Assessment Act 1979 (**EPA Act**) effective from 16 October 2010.

The Minister's direction has the effect of preventing Council from making a s94 contributions plan that authorises the imposition of conditions of consent requiring monetary s94 contributions for certain residential development in excess of the monetary cap specified by or under the Direction.

This provision aside, this Plan would authorise contributions in excess of the monetary cap.

For that reason, and for so long as the Direction or any similar replacement direction (**Direction**) remains in place, it is not possible to fund all of the works and facilities identified in this Plan.

Accordingly, the categories of works for which contributions are to be sought in respect of the relevant residential development under this Plan have been prioritised.

The order of priority of the categories of works (from highest to lowest) is as follows:

1. Water Cycle Management Facilities;
2. Traffic & Transport Management Facilities;
3. Open Space and Recreation Facilities; and
4. Community Facilities & Combined Precinct Facilities.

Based on the above priorities:

- In the event that the contributions imposed under this Plan are greater than the monetary cap referred to above, the contributions will be allocated in accordance with the above order of priorities with the contribution for the lowest priority category is reduced commensurately in order to not exceed the monetary cap.
- In the unlikely event that the contributions imposed under this Plan are less than the monetary cap referred to above, the base rates in Appendix G are applicable.

The categories of works and facilities for which contributions are sought in accordance with the priorities shall be specified in the s94 condition.

### **1.14 Timing of Provision of Items**

The provision of the individual items contained in this plan has been prioritised.

The priority attached to providing each item has been determined having regard for:

- Existing development trends. For example, the provision of parks in faster growing residential areas will have a higher priority than slower growing areas.
- Anticipated revenue. Council's ability to forward fund Section 94 works is limited. As such the timing of works is very much dependant on the receipt of adequate S94 funds. The work schedules in the appendices of this plan have been formulated having regard for existing funds available to each of the catchment areas and projected income.

As noted in Section 1.12 above, regular reviews of this plan are undertaken. Development trends are monitored and revenue estimates are revised as part of the review process and as a result, the priority of works can change.

**1.15 Pooling of funds**

This Plan authorises monetary Section 94 contributions paid for different purposes to be pooled and applied progressively for those purposes. The priorities for the expenditure of pooled monetary section 94 contributions under this Plan are the priorities for works as set out in the works schedules to this Plan.

**1.16 Financial Information**

A separate annual statement is prepared by Council following the end of each financial year. This accounting record contains details of total contributions received, total contributions expended and total interest earned for each plan and is available for inspection free of charge from Council's Corporate Finance Section.

**1.17 Enquiries regarding this Plan**

Enquiries in relation to this or any other Contributions Plan can be made either by phoning Council's Information Centre on 9839 6000 between 8.30 am and 4.30 pm Monday to Friday or by visiting the Information Centre on the Ground Floor of the Civic Centre in Flushcombe Road, Blacktown between 8.30 am to 4.30 pm Monday to Friday.

**1.18 Contributions Register**

A copy of the Contributions Register is also available for inspection free of charge, and can be viewed at the Information Centre. As this register spans many years, persons wishing to view the whole register (rather than details in relation to a particular property) will need to contact Council's Co-ordinator Contributions & Economic Development or S.94 Officer in advance to ensure suitable arrangements can be made to view this information.



## 2 Water Cycle Management Facilities

### 2.1 Nexus

In order to levy S.94 contributions Council must be satisfied that development, the subject of a Development Application, will or is likely to require the provision of, or increase the demand for amenities and services within the area. This relationship or means of connection is referred to as the nexus.

The nexus between development and the increased demand for water cycle management works is based on the community held expectation that urban land, especially residential land, should be satisfactorily drained and flood free. Development produces hard impervious areas and this results in increased stormwater runoff and greater flows occurring in the natural drainage system. If these flows are not controlled by an appropriate drainage system, inundation from floodwaters may occur both within the area being developed and further downstream. The increased flows can also result in damage to downstream watercourses through increased erosion and bank instability. An appropriate drainage system may include pipes, channels, culverts and detention basins.

A nexus also exists between urban development and increased pollutant loads entering the stormwater system. Therefore, in order to protect receiving waters from the effects of urban development, stormwater quality improvement measures are required.

The Water Cycle Management objectives and criteria are detailed in the Growth Centres Commission State Environmental Planning Policy (SEPP) and Development Code.

### 2.2 Water Cycle Management including Water Sensitive Urban Design (WCM WSUD)

The report by J. Wyndham Prince on “Area 20 Precinct, Rouse Hill – Water Cycle Management Strategy Report Incorporating Water Sensitive Urban Design Techniques” dated July 2011, identifies that there are a number of opportunities for management of stormwater quality, quantity and flooding in the Area 20 Precinct area. This management would benefit from the implementation of Water Sensitive Urban Design (WSUD) practices.

WCM WSUD encompasses all aspects of urban water cycle management including water supply, wastewater and stormwater management that promotes opportunities for linking water infrastructure, landscape design and the urban built form to minimize the impacts of development upon the water cycle and achieve sustainable outcomes.

A stormwater management strategy was also prepared for the Area 20 Precinct as part of the wider Rouse Hill Infrastructure Consortium (RHIC) development area. This scheme developed a stormwater management strategy that addressed stormwater quantity and quality management. The responsibility for this scheme now rests with Sydney Water as the trunk drainage authority. A review of the RHIC scheme indicated that the overall stormwater detention strategy is generally consistent with current standards. However, the water quality standards are not in accordance with current standards. Therefore, the strategy developed for Area 20 Precinct primarily addresses water quality management, local trunk drainage and water way stability required to satisfy the current standards.

A WSUD strategy for management of stormwater quality, quantity and flooding has been developed for the Area 20 precinct, that nominates vegetated swales, bio-retention basins, and gross pollutant traps at key locations.

The use of rainwater tanks is recommended. However, in areas where reticulated recycled water is provided, these would not be feasible. The use of additional swales within the local road network is recommended together with minimising the extent of impervious area directly connected to the subdivision pipe systems. These measures are not included in this Contributions Plan as they will be provided as part of individual developments.

In keeping with WSUD principles of at source control, while not unduly placing financial imposts on individual lots, regional stormwater treatment measures are generally only provided for low density residential areas. Medium and high density residential and commercial and industrial areas are required to provide full stormwater treatment on lot to comply with the specified pollutant reduction targets. Provision has been made in the regional stormwater quality measures for treatment of runoff from all existing and future local public roads. Based on an assessment of the current ILP, local public roads generally account for approximately 25% of the gross area of land use other than low density residential. Costs for water quality measures have been apportioned on this basis.

For flood management, habitable floor levels of new residences, commercial and industrial developments should be above the flood planning level, and trunk drainage channels are provided where catchments generally exceed 15 hectares.

Sydney Water is the agency responsible for regional stormwater detention basins and for flood information on Second Ponds Creek. Sydney Water levies for the construction and management of the regional trunk drainage measures.

The J. Wyndham Prince report states that the proposed WCM WSUD strategy together with the flood plain management can satisfy the requirements of the Growth Centres Development Code (GCC, 2006), Blacktown City Council Engineering Guideline for Development (BCC, 2005), Blacktown Development Control Plan 2006 (BCC, 2006), and the NSW Floodplain Development Manual for management of stormwater quantity, quality and flooding in or at the precincts. Development will also need to comply with Blacktown City Council's IWCM & WSUD DCP Part R - IWCM & WSUD 2011.

Blacktown City Council (BCC) has used the WCM WSUD strategy and current available information to form the basis of the Area 20 precinct stormwater drainage infrastructure works. Concept designs for drainage basins and channels have been prepared by J. Wyndham Prince on behalf of the Department of Planning & Infrastructure. These concept designs have generally been used as the basis for the stormwater infrastructure cost estimates with some amendment by Council to suit local site conditions and engineering standards.

There is generally no allowance within this Contributions Plan for rehabilitation and management of riparian land other than that directly impacted by the proposed drainage works. Acquisition of riparian land has, however, been included as per the gazetted land acquisition maps. The majority of riparian land will remain under Sydney Water ownership and control.

As outlined within the objectives of the Growth Centres Development Code, integration of stormwater management and water sensitive urban design with networked open space is supported. Further, the Development Code outlines the objective to provide a balance of useable and accessible open space with neighbourhood and district stormwater management. Accordingly, where land has a dual drainage and open space function, separate costings associated with reserve embellishments have been outlined. These costings are identified within the respective sections of this Contributions Plan and have been calculated to provide optimal community outcome without unnecessary duplication.

Certain Reserves provide a dual drainage and open space function. Costs associated with open space embellishments are outlined within the respective section of this Plan and are not duplicated.

### **2.3 Contribution Catchment**

The Area 20 Precinct contains one Contributions Catchment. The Precinct has one primary drainage catchment of Second Ponds Creek. There are some small areas of land on the eastern and western fringes of the Precinct that do not drain to Second Ponds Creek. The area to the east is included in the catchment as precinct scale water quality measures are provided. The area on the western fringe is excluded as full on lot treatment and On Site Detention will be required or this area could be included in the future Riverstone East Precinct scheme. A map showing the location of the drainage contribution catchments is contained in Appendix "A".

When considering the size of contribution catchments for Water Cycle Management Facilities, Council took the approach that the catchments should be of a sufficient size to promote efficiency in the timing of the provision of infrastructure. Generally, the smaller the catchment, the greater the difficulty in accumulating sufficient contributions to enable works to proceed. Additionally, small catchments create the potential for increased complexity in the management of any internal borrowing. This approach is supported by the Department of Planning Practice Notes for Development Contributions (2005). It is proposed in this Contributions Plan to levy stormwater management contributions on the basis of a single catchment namely Second Ponds Creek. Additional sub-catchments are introduced for water quality infrastructure to account for the different approach applied to low density residential and other land use types.

In order to determine actual provision levels and, ultimately, contribution rates, the developable area of each drainage catchment are calculated. The developable area is the area over which the cost of providing the works has been distributed and is explained further in Section 7.4.

There is a small catchment where it is not practical to provide regional scale stormwater management facilities nor offset their requirements in adjoining facilities. The current strategy proposed on site stormwater detention and treatment for these catchments. These areas have been excluded from the water cycle management contributions.

The developable area of the drainage catchments is stated in Appendix “F”.

## 2.4 Contribution Formula

The following formula is used to calculate the contribution rate for Trunk Drainage:

$$\text{CONTRIBUTION RATE} = \frac{(\text{L1} + \text{L2} + \text{C1} + \text{C2})}{\text{A}} + \text{B}$$

(\$/HECTARE)

- WHERE:
- L1 = The actual cost to Council to date of providing land for a Water Cycle Management public purpose indexed to current day values.
  - L2 = The estimated cost of land yet to be provided for Water Cycle Management public purpose.
  - C1 = The actual cost to Council to date of works constructed for Water Cycle Management Facilities indexed to current day values.
  - C2 = The estimated cost of future Water Cycle Management Facilities.
  - A = The total developable area the contribution catchment (hectares)
  - B = The administrative component. This is 0.5% of the total cost of providing the Water Cycle Management Facilities.

A more detailed explanation of the components in the contribution formula, ***including the method of indexing to current day values*** is provided in Section 7.

A schedule of works for the contribution catchments is provided in Appendix "A" together with a map of the catchment indicating the location of the works.

The values of the components of the contribution formula are contained in the Schedule being Appendix “F”.

The resultant contribution rates are contained in the Schedule being Appendix “G”.

## **3 Traffic & Transport Management Facilities**

### **3.1 Nexus (Local Roads)**

Generally local roads are provided by the developments that front them when subdivision occurs. Under the environmental planning instrument for the Precinct, increased development potential is permitted adjoining and or opposite public land. Developers are required to meet the full cost of providing each of these streets.

However, where there are sections of existing public roads with no developer frontage or where local roads occupy full lots resulting in no development potential, the cost of these half and or full width local roads has been included in this Contributions Plan to facilitate the ILP road network.

The nexus between development and the increased demand for local roads is based on the accepted practice that efficient traffic management is facilitated best by a hierarchy of roads from local roads which are characterised by low traffic volumes, slow speeds and serve a small number of residential units up to arterial roads which are characterised by large volumes of traffic travelling at higher speeds.

In establishing new residential communities it is desirable for Council to provide for local roads to allow for the large volumes of relatively high-speed traffic. It would be unreasonable to require the developments that adjoin these roads to be responsible for their total construction as the standard of construction is greater than that required for subdivisional roads and direct access is not permitted to these roads. It is reasonable that all development in a particular area share the cost of providing the local roads, as all development will benefit from the provision of these roads.

### **3.2 Traffic Requirements**

A regional infrastructure levy has been determined under Section 94EE of the Environmental Planning & Assessment Act by the Minister for Planning for the Growth Centres in December 2006. The levy is defined as the Special Infrastructure Contribution (SIC). The levy, when originally calculated, represented 75% of the total estimated cost of future regional infrastructure works in the following eight categories.

- Major Roads
- Railways
- Bus Services
- Emergency Services
- Health Services
- Education Facilities
- Open Space
- Planning and Delivery of Works

The SIC has been calculated to fund (in the Major Roads category of Works) all the required regional road infrastructure upgrades (as defined by items NR1 to NR22 of the regional road infrastructure plan).

The SIC will also fund a range of regional rail and bus service improvements and infrastructure upgrades, including the Richmond Rail Line Duplication, new commuter car parking at rail stations, new bus depots, new bus rail interchanges, new bus stops and shelters and an initial 5 year operating subsidy for bus routes serving the new areas.

It is intended that the rate per hectare of net developable land contained in the SIC Practice Note be indexed each year and that the Schedule of Nominated works be reviewed every 4 years. However, any significant new regional road infrastructure or public transport service upgrades that are now retrospectively identified cannot reasonably be used to retrospectively inflate the real cost of the SIC. The SIC is currently under review.

Within the Area 20 Precinct boundaries, the funding of additional secondary and major local road carriageways and drainage works and pedestrian and cyclist paths that are not included in the SIC can be funded by means of a precinct level Section 94 Contributions Plan.

These works must be included in a Section 94 Contributions Plan as they are of a local nature and were never intended to be identified or included in the “regional level” program of Transport Infrastructure Works, which are the subject of the SIC.

The Section 94 Contributions Plan approach is arguably more equitable than funding of works by adjacent landowners and is also likely to lead to a more consistent overall design approach and standard of the finished works.

In the Area 20 Precinct Council will levy S.94 contributions to fund the full construction of the Section 94 roads to the standard nominated in the schedule. Generally, only roads classified as sub-arterial, or local and collector roads where horizontal and vertical alignments and fragmented ownership preclude effective road construction by developers, have been included in the S.94 contributions. The Area 20 Transport & Access Study (2010) by Urbanhorizon Pty Ltd is the current available traffic information.

Where sub-arterial roads are proposed within the Precincts that are not included in the SIC, the cost of the road works assigned to this Contributions Plan is that of a local collector standard commensurate with the Precinct traffic volume generation.

Where roads cross environmentally sensitive areas and bridges are required, the cost of the bridge construction has been included in the local road S.94 contributions.

In relation to roads crossing the proposed railway corridor, the approach adopted is that for existing roads bridges will be provided as part of the railway project. However, for new roads the bridge cost is included in the local road S.94 contributions.

### 3.3 Contribution Catchment

There is one contribution catchment for Traffic and Transport Traffic Management Facilities. A Map showing the location of the Traffic and Transport Management Facilities contribution catchment is contained in Appendix "B".

In order to determine contribution rates, the developable area of the Traffic and Transport Management Facilities contribution catchment has been calculated. The developable area is the area over which the cost of providing the works has been distributed and is explained further in Section 7.4. The developable area of the contribution catchment is stated in Appendix "F".

### 3.4 Contribution Formula

The following formula is used to calculate the contribution rate for Local Roads:

$$\text{CONTRIBUTION RATE} = \frac{(\text{L1} + \text{L2} + \text{C1} + \text{C2})}{\text{A}} + \text{B}$$

(\$/HECTARE)

- WHERE:
- L1 = The credit granted by Council to date of land dedicated for Traffic and Transport Management purposes adjusted to current day values.
  - L2 = The estimated s.94 credit for land to be dedicated for Traffic and Transport Management purposes.
  - C1 = The actual cost to Council to date of Traffic and Transport Management Facilities that have been constructed up to the appropriate standard adjusted to current day values.

- C2 = The estimated cost of Traffic and Transport Management Facilities yet to be constructed up to the appropriate standard.
- A = The total developable area in the contribution catchment (hectares).
- B = The administrative component. This is 0.5% of the total cost of providing the Traffic and Transport Management Facilities.

A more detailed explanation of the components in the contribution formula, ***including the method of indexing to current day values*** is provided in Section 7.

Standards of local road construction are:

- Sub-Arterial – 2 x 6.5m divided carriageway (26m wide reserve)
- Industrial Collector – 15.5m carriageway (23m wide reserve)
- Industrial Road – 13.5m carriageway (20.5m wide reserve)
- Major Collector – 12m carriageway (20m wide reserve)
- Collector - 11m wide carriageway (20m wide reserve)
- Collector - widened - 11m wide carriageway (23m wide reserve)
- Subdivision Road - 9m wide carriageway (16m wide reserve)
- Access street - 5m wide (minimum) carriageway (13m wide reserve)

(Note: None of the access streets are s.94 infrastructure items)

A schedule of works for the contribution catchment is provided in Appendix "B".

The values of the components of the contribution formula are contained in the Schedule being Appendix "F".

The resultant contribution rates are contained in the schedule being Appendix "G".

## 4 Open Space & Recreation Facilities

### 4.1 Nexus

The provision of adequate open space and recreational areas by Council is an integral component of Council's framework that contributes to the long term wellbeing of the community. Providing for clean, green open spaces ensures that all residents receive the opportunity to partake in the many health benefits derived from open space.

Open space, whether in the form of playing fields, civic spaces or parks and public places are considered a crucial ingredient in the creation of new communities and in the ongoing engagement of existing communities.

Council has a varied yet vast provision of open space areas across the LGA and all future provision is a valued addition to this integrated network where a hierarchical structure reflects the rational provision in an equitable manner. Demand for open space is high in Blacktown reflecting the value the community places on this asset.

Planning context for this precinct has occurred via:

- North West Subregional Strategy (NSW Government, 2007)
- Growth Centre Development Code (Growth Centres Commission, 2006)
- Review of existing Outdoor Recreational Open Space Planning Guidelines for Local Government (Department of Planning, 1992)

State planning is also given a more detailed local context by Council and the Nexus is further influenced by research and detail included in the following:

- Blacktown City 2025 – Delivering the Vision (Blacktown City Council, 2008)
- Elton Consulting – Social Infrastructure and Open Space Report – Area 20 (2009)
- Northwest Growth Centres Recreational Framework (Blacktown City Council, 2009)
- Wellness Through Physical Activity Policy (Blacktown City Council, 2008)
- Blacktown City Council Social Plan (2007)
- Recreation and Open Space Strategy (Blacktown City Council, 2009)

Collectively, these studies contribute information towards the rational basis for a set of baseline recreation planning benchmarks which service as a guide to the provision of the suitable level of open space and recreational opportunities in the release areas. While providing for future communities, Council has considered the existing demand on current facilities and what impact these facilities will have on the growing region.

Council has applied a demographic / needs based approach to provision levels rather than a land-use approach. Comparative standards based approaches were also reviewed within the studies. Noting that a large percentage of open space in the North West has a limited recreation use due to its topography, susceptibility to flooding, proximity of sensitive bushland and rugged linear nature, focus on provision has been on what "demand" will require. This "needs-based" approach has involved comparative benchmarks both within and outside of the LGA, coupled with input from other influences including State Sporting Associations, Local Councils, State Government Departments and major interest stakeholders.

The resultant provision of open space varies throughout the release area; a reflection in most cases of land constraints, dwelling establishments and drainage functions. Acknowledging that in the absence of any alternatively acceptable industry benchmark, the standard Open Space provision outlined in the GCC Development Code of 2.83 hectares of usable open space per 1,000 persons has been applied. The spread and distribution of passive parks ensures that residents are within a 400-500 metre walking distance from open space. The open space network reflects a hierarchy of provision and allows for character and diversity in provision while also incorporating the natural features of the area.

Council has also attempted to meet the identified playing field demand by provision of 1 full field per 1,850 persons which has been established via a needs analysis that has examined the Blacktown LGA current provision, participation rates, previous studies, analysis of suburbs with similar demographics to that forecasted in the new release precincts, review of provision in other new release areas, information provided by peak bodies as well as forecasted trends in sport participation.

As outlined within the objectives of the Growth Centres Development Code, integration of stormwater management and water sensitive urban design with networked open space is supported. Further, the Development Code outlines the objective to provide a balance of useable and accessible open space with neighbourhood and district stormwater management. Accordingly, where land has a dual drainage and open space function, separate costings associated with reserve embellishments have been outlined. These costings are identified within the respective sections of the plan and have been calculated to provide optimal community outcome without unnecessary duplication.

Certain reserves provide a dual drainage and open space function. Costs associated with drainage embellishments are outlined within the respective section of this plan and are not duplicated.

#### **4.2 Aquatic Facilities**

Riverstone Swimming Centre is the only swimming pool situated within the North West Growth Centre. It is a small rural outdoor pool and will not be able to accommodate the leisure needs of the incoming population of the North West Precincts. Funds are required to develop the existing site to provide a modern leisure / aquatic facility to an acceptable standard to meet the recreational demands of the incoming population.

The full cost to develop this facility was apportioned between the anticipated precinct populations of Alex Avenue, Riverstone, Riverstone East and Area 20. However, as this facility is not included in the scope of the Department of Planning & Infrastructure's "Essential Infrastructure List" it has not been included in this Contributions Plan.

#### **4.3 Contribution Catchment**

There is one open space & recreation contribution catchment. This corresponds to the boundaries of the Area 20 Precinct. A map showing the open space contribution catchment is contained in Appendix "C".

In order to determine actual provision levels and, ultimately, the contribution rate, the potential population of the open space contribution catchment has been calculated. The potential population is the number of people over which the cost of providing the open space has been distributed and is explained further in Section 7.4.

The potential population of the open space contribution catchment is stated in Appendix "F".

#### **4.4 Contribution Formula**

The following formula is used to calculate the contribution rate for Open Space and Recreation Facilities:

$$\text{CONTRIBUTION RATE} = \frac{(\text{L1} + \text{L2} + \text{C1} + \text{C2}) + \text{B}}{\text{P}}$$

(\$/PERSON)

WHERE: L1 = The actual cost to Council to date of land provided for a open space & recreation public purpose adjusted to current day values.

L2 = The estimated cost of land yet to be provided for a public open space & recreation purpose.

C1 = The actual cost to Council to date of open space embellishments that have been constructed to the appropriate standard adjusted to current day.



- C2 = The estimated cost of future open space embellishments.
- P = The estimated eventual population in the Area 20 Precinct.
- B = The administrative component. This is 0.5% of the total cost of providing the works.

A more detailed explanation of the components in the contribution formula, ***including the indexation to current day values*** is provided in Section 7.

A schedule of works for the contribution catchment is provided in Appendix "C" together with a map of the catchment indicating the location of the works.

The values of the components of the contribution formula are contained in the Schedule being Appendix "F".

The resultant contribution rates are contained in the Schedule being Appendix "G".

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## **5 Land for Community Facilities**

### **5.1 Nexus**

A Community Infrastructure Report (Social Infrastructure and Open Space Report Area 20 Precinct 2010 and Riverstone and Alex Avenue Precincts Demographic Profile & Community Infrastructure Report 2007), undertaken by the Growth Centres Commission, sought to assess the future demographic profile of the precincts and to develop a plan for appropriate levels of community facilities and social infrastructure.

In addition, an Informal Indoor Recreation Needs Assessment along with a Section 94 Community Facilities Report, undertaken by Council, has informed the development of Council's "Community Resource Hub Model".

These studies identified that Council's role in the development of community services and facilities in the Alex Avenue, Riverstone, Riverstone East and Area 20 Precincts encompasses the provision of a range of activities and functions. Resulting from this work the following facilities are proposed:

- Community Resource Hub (including possible activities and functions of the following)
  - Neighbourhood Centre and Community Development
  - Youth Centre
  - Arts Centre Function
  - Informal Indoor Recreational Centre Library Children and Family Services and Facilities

### **5.2 Community Resource Hub (Land only)**

Community Resource Hubs (CRHs) are local, multipurpose community facilities. They provide a focus for local communities to come together for social, lifelong learning and human service activities and services.

CRHs are usually a larger building form than existing neighbourhood centres. This increased critical mass (size) will provide opportunities for increased co-location of agencies (and thus improved delivery of services and programs). One Community Resource Hub, located in the Riverstone Precinct will serve the precincts of Alex Avenue, Riverstone, Riverstone East and Area 20.

### **5.3 Library**

As Council is responsible for the provision of local public library services, a branch library is to be provided in the Riverstone Precinct. The library is to be centrally located within the Riverstone town centre Community Resource Hub site so as to ensure optimal access.

### **5.4 Children and Family Services and Facilities**

The provision of child and family service facilities based on detailed modelling, to establish specific or generic needs may be co-located within a Community Resource Hub. Services could include:

- Long Day Child Care Centres
- Pre-School Centres
- Family Day Care Schemes
- Before and After School Care Programmes
- Vacation Care Programs

### **5.5 Levels of Provision**

The types of community facilities were identified in the Community Infrastructure Reports (Social Infrastructure and Open Space Report Area 20 Precinct 2010 and Riverstone and Alex Avenue

Precincts Demographic Profile & Community Infrastructure Report 2007), undertaken by the Growth Centres Commission, The Informal Indoor Recreation Needs Assessment and the Section 94 Community Facilities Report, undertaken by Council

## 5.6 Essential Infrastructure

However, as Community Facilities are not listed by the State Government as “Essential Infrastructure” only the land acquisition for the Community Resource Hub in the Riverstone Precinct will be levied under this Plan.

## 5.7 Contribution Catchment

There is one community facilities contribution catchment and this corresponds to the boundaries of the Area 20 Precinct. A map showing the location of the community facilities contribution catchment is contained in Appendix “D”.

In order to determine actual provision levels and, ultimately, the contribution rate, the potential population of the community facilities contribution catchment has been calculated. The potential population is the number of people over which the cost of providing the works has been distributed and is explained further in Section 7.4. The population of the community facilities catchment is stated in Appendix “F”.

## 5.8 Land for Community Facilities (apportioned)

A number of facilities were identified that on their own, could service a number of precincts within the North West Growth Centre. The facilities are:

- Community Resource Hub (Located in the Riverstone Precinct)
- Upgrade to Riverstone Aquatic Facility (Located in the Riverstone Precinct) (refer Section 4.2)

The total costs for the Community Resource Hub and the Riverstone Aquatic Facility have been apportioned over the four precincts of Area 20, Riverstone, Alex Avenue and Riverstone East. 11% of these costs are attributed to the Area 20 Precinct as shown below:

Precinct	Expected Population	% Apportioned
Riverstone	26,229	44.9%
Alex Avenue	17,999	30.8%
Riverstone East	7,800	13.3%
Area 20	6,400	11.0%
<b>Total</b>	<b>58,428</b>	<b>100.0%</b>

## 5.9 Contribution Formula

The following formula is used to calculate the contribution rate for Community Facilities & Combined Precinct Facilities:

$$\text{CONTRIBUTION RATE} = \frac{(L1 + L2)}{P} + B$$

(\$/PERSON)

- WHERE:
- L1 = The actual cost to Council to date of land provided for a public community facilities purpose, adjusted to current day values.
  - L2 = The estimated cost of land yet to be provided for a public community facilities & combined precinct facilities purpose.

P = The estimated eventual population in the contribution catchment.

B = The administrative component. This is 0.5% of the total cost of providing the works.

#### **5.10 Community Facilities Costs and Works Schedules**

A more detailed explanation of the components in the contribution formula, ***including the indexation to current day values*** is provided in Section 7.

A map indicating the location of the Aquatic Facility (not funded under this Plan) and Community Resource Hub (land only) is provided in Appendix “D”.

The values of the components of the contribution formula are contained in the Schedule being Appendix “F”.

The resultant contribution rate is contained in the Schedule being Appendix “G”.

## 6 Combined Precinct Facilities

### 6.1 Nexus

The Conservation Zone located in the Riverstone Precinct services a number of precincts within the North West Growth Centre.

The total costs for the Conservation Zone have been apportioned amongst all residential precincts within the Blacktown LGA component of the North West Growth Centre. 2.8% of these costs are to the Area 20 Precinct.

Precinct	Expected Population	% Apportioned
Riverstone	26,229	23.0%
Alex Avenue	17,999	15.8%
Riverstone East	7,800	6.8%
Area 20	6,400	5.6%
Marsden Park Industrial	3,205	2.8%
Marsden Park	30,800	27.0%
Future Release Precincts	21,830	19.1%
<b>Total</b>	<b>114,263</b>	<b>100.0%</b>

### 6.2 Contribution Formula

The following formula is used to calculate the contribution rate for Combined Precinct Facilities:

$$\text{CONTRIBUTION RATE} = \frac{(L1 + L2 + C1 + C2)}{P} + B$$

(\$/PERSON)

- WHERE:
- L1 = The actual cost to Council to date of land provided for public combined precinct facilities purposes indexed to current day values.
  - L2 = The estimated cost of land yet to be provided for public combined precinct facilities purposes.
  - C1 = The actual cost to Council to date of constructing combined precinct facilities to the appropriate standard indexed to current day values.
  - C2 = The estimated cost of constructing future combined precinct facilities.
  - P = The estimated eventual population in the contribution catchment.
  - B = The administrative component. This is 0.5% of the total cost of providing the works.

### 6.3 Combined Precinct Facilities Costs and Works Schedules

A more detailed explanation of the components in the contribution formula, including the indexation to current day values is provided in Section 7.

A schedule of works for the contribution catchment is provided in Appendix "E" together with a map of the catchment indicating the location of the works.

The values of the components of the contribution formula are contained in the Schedule being Appendix "F".

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The resultant contribution rate is contained in the Schedule being Appendix "G".

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## **7 Explanation of Contribution Formula Components**

### **7.1 Introduction**

This Section provides an explanation of the various components of the contribution formulae detailed in Sections 2 to 6.

### **7.2 Explanation of the Land Components**

Before Council can construct amenities and services it must first provide the land on which the amenities and services are to be constructed. The land to be provided is often zoned for the specific purpose of the works to be constructed. For example, in the case of open space, the land to be acquired will be zoned RE1 - Public Recreation.

In the contribution formulae:

- L1 - Represents land that has previously been provided by Council for the purpose of providing the particular works. This amount reflects the actual cost to Council of acquiring these parcels (including valuation and conveyancing charges), indexed to current day \$ values using the Consumer Price Index.
- L2 - Represents the estimated average cost to Council of providing the lands required for the purpose of providing works. As this figure is an estimated average total cost of acquisition, the amount adopted does not necessarily reflect the value of any individual property. Each parcel of land to be acquired is subject to detailed valuation at the time of its acquisition. The "L2" figure is supplied by Council's Valuer and takes into account the following matters:
  - Acquisitions are undertaken in accordance with the provisions of the Land Acquisition (Just Terms Compensation) Act, 1991, which requires that land is to be acquired for an amount not less than its market value (unaffected by the proposal) at the date of acquisition.
  - That one of Council's objectives is to ensure that the funds Council receives for land acquisition from Section 94 Contributions in a particular catchment are equivalent to the amount required to fund the purchase of all land Council must acquire in that catchment. Therefore, valuation and conveyancing charges incurred by Council when acquiring land are taken into account.

Council has calculated the total value of L1 and L2 in the contribution formulae. These values are detailed in Appendix "F".

### **7.3 Explanation of the Capital Components**

Schedules of works to be provided for the various items are detailed in Appendices "A" to "E" together with maps of each catchment showing the location of the works.

In the contribution formula:

- C1 - Represents the actual cost to Council of constructing works already provided in the catchment indexed to current day values using the Consumer Price Index (CPI).
- C2 - Represents the estimated cost to Council of constructing works, which have yet to be provided in the catchment and are based on the most detailed designs that were available at the time of preparing the estimates.

### **7.4 Explanation of the Catchment Areas**

The area of the catchment is the total "developable area" in the catchment. In calculating the "developable area", land, which will never be required to pay a contribution, has been excluded. These "exclusions" include, amongst others, existing roads and roads which are themselves Section 94 items, but not subdivisional roads, land zoned for open space or drainage purposes and uses

which existed prior to the land being rezoned for urban development and which are unlikely to be redeveloped. The purpose of identifying these exclusions is to ensure that only the new development (which is generating the need for the amenities and services) pays for their provision.

The catchment area for Open Space & Recreation, Community and Combined Precinct Facilities, are based on the estimated potential population of the Area 20 Precinct.

### **7.5 Explanation of the Administrative Component**

The administration of S.94 is an expensive task. Council employs a number of staff that work on planning, designing and constructing works to be funded from S.94 contributions. In addition, consultant studies are often commissioned in order to determine design and costings of S.94 funded works. These may require revision on a regular basis. Also reviews of the demand for services and amenities, particularly the population based items, are conducted approximately every five years.

Council considers that the costs involved with administering S.94 are an integral and essential component of the efficient provision of amenities and services in Area 20 Precinct. Therefore, some of the costs of full-time staff and studies should be recouped from S.94 contributions.

"B" in the contribution formulae is the administrative component. It represents 0.5% of the cost of acquiring land and constructing works. Council considers that this small on-cost to recover part of the costs involved in administering S.94 is not unreasonable.

### **7.6 Indexation**

In the formulae, previous land provisions (L1) and capital expenditures (C1) are indexed to current day values using the Consumer Price Index - Sydney - Housing (CPI). This index is published by the Australian Bureau of Statistics on a quarterly basis.

The reason for indexing past expenditure is that every developer pays for a small proportion of the cost of providing each individual item identified in the Plan. This means that if/when items are constructed prior to all contributions within a catchment being collected, then "borrowing" (between items) occurs. If retrospective contributions are not indexed this "borrowing" will have occurred without any interest having been paid. This will result in a shortfall of funds when future items are constructed using the "paid back" contributions. What indexing effectively does is to make up the lost interest on the funds that have been borrowed between individual items.

The CPI is one of the indices recommended for use by the Department of Planning and Infrastructure.

### **7.7 Assumed Occupancy Rates**

For the purpose of calculating open space and community facility contributions, occupancy rates have been determined for different types of development. These are as follows:

<b>Dwelling houses</b>	2.9 Persons / Dwelling
------------------------	------------------------

#### **Dual Occupancy**

1 Bedroom	1.2 Persons / Dwelling
2 Bedroom	1.9 Persons / Dwelling
3+ Bedroom	2.9 Persons / Dwelling

#### **Integrated Housing**

1 Bedroom	1.2 Persons / Dwelling
2 Bedroom	1.9 Persons / Dwelling
3+ Bedroom	2.9 Persons / Dwelling



**Other Medium density**

1 Bedroom Dwelling	1.2 Persons / Dwelling
2 Bedroom Dwelling	1.9 Persons / Dwelling
3 Bedroom Dwelling	2.7 Persons / Dwelling

For the purpose of this plan medium density includes all residential development other than that separately defined above, including but not limited to residential flat buildings and shop top housing.

Note: A bedroom is a room designed or intended for use as a bedroom or any room capable of being adapted to or used as a separate bedroom.

---

## 8 Payment of Contributions

### 8.1 Methods of payment

There are 3 possible methods of payment of S.94 Contributions - monetary contribution, dedication of land and works-in-kind agreements.

#### **Monetary Contribution**

This is the usual method of payment. When development consent is issued that involves the payment of a S.94 contribution, it contains a condition outlining the amount payable in monetary terms subject to indexation by the CPI. See section 7.6 for more details on indexation.

#### **Dedication of Land**

Where appropriate Council will permit S.94 public zoned land to offset the monetary contribution payable. The land that is to be provided must be in accordance with the zonings indicated on Council's planning instruments for the area. The assessment of the suitability of land for such an offset occurs at the development or subdivision application stage.

If consent is issued for a development, and it requires the creation of the S.94 public zoned land then the applicant needs to negotiate the value of the S.94 public zoned land with Council. Upon agreement being formally reached as to the land's value, Council will offset the value of the land against the monetary contribution payable.

It should be noted that Council will not release the final (linen) plan of subdivision which creates the land to be dedicated until a contract for the sale of the land (which confirms the purchase price/amount of compensation) has been entered into.

#### **Works-in-kind Agreements**

Council may accept the construction of works listed in the schedules to this plan to offset the monetary contribution payable. The applicant will need to initiate this option by providing Council with full details of the work proposed to be undertaken. Council will then consider the request and advise the applicant accordingly.

The applicant will need to provide Council with suitable financial guarantees (normally by way of a Bank Guarantee) for 1.25 times the amount of the works in addition to a maintenance allowance and any GST amounts applicable. Upon completion of the works to Council's satisfaction the guarantee will be discharged by Council.

Approval of any Works-In-Kind is conditional upon the developer paying all Council's legal costs incurred in the preparation of the Works-In-Kind (Deed of) Agreement. Cost estimates for works include a component for supervision (equivalent to 3% of the cost of the works being undertaken). Where Works In Kind are undertaken Council requires that the supervision fee be in the form of a cash payment. Thus this particular part of the cost of the works is included as an offset against contributions.

### 8.2 Timing of Payment

Council's policy regarding the timing of payment of S.94 contributions is as follows:

#### **Approved under the EP & A Act as it existed pre July 1998 –**

- Development Applications involving subdivisions  
Prior to the release of the "linen plan" of subdivision.

- Development Applications involving building work - Prior to release of the Building Permit.

Note: Applications for combined building and subdivision approval are required to pay contributions upon whichever of these events occurs first.

- Development Applications where no building approval is required - Prior to occupation.

Approved under the EP & A Act as amended on and from July 1 1998 –

- Development Applications involving subdivisions  
Prior to release of the Subdivision Certificate
- Development Applications involving building work  
Prior to release of Building Construction Certificate.
- Development Applications where no building approval is required  
Prior to occupation or use of the development.

Note: Applications for combined building and subdivision approval are required to pay contributions upon whichever of these events occurs first.

### **8.3 Indexation of Contributions**

Contribution rates are indexed quarterly in accordance with the Consumer Price Index - Sydney - Housing (CPI).

The method of indexing the contribution rates is to multiply the base contribution rate by the most recently published CPI at the time of payment and in the case of this version of the Plan, divide it by the June 2011 CPI (173.4). **At all times the contributions payable will not fall below the base rates listed at Appendix G.**

### **8.4 Discounting of Contributions**

Council does not discount contributions both for equity and financial reasons, as it would be inequitable to recoup a discount from remaining development. Discounting would also compromise Council's ability to provide the facilities and would place an additional burden on existing residents to subsidise new development.

### **8.5 Deferred Payment of Contributions**

Council has a policy for the deferred payment of S.94 contributions as follows:

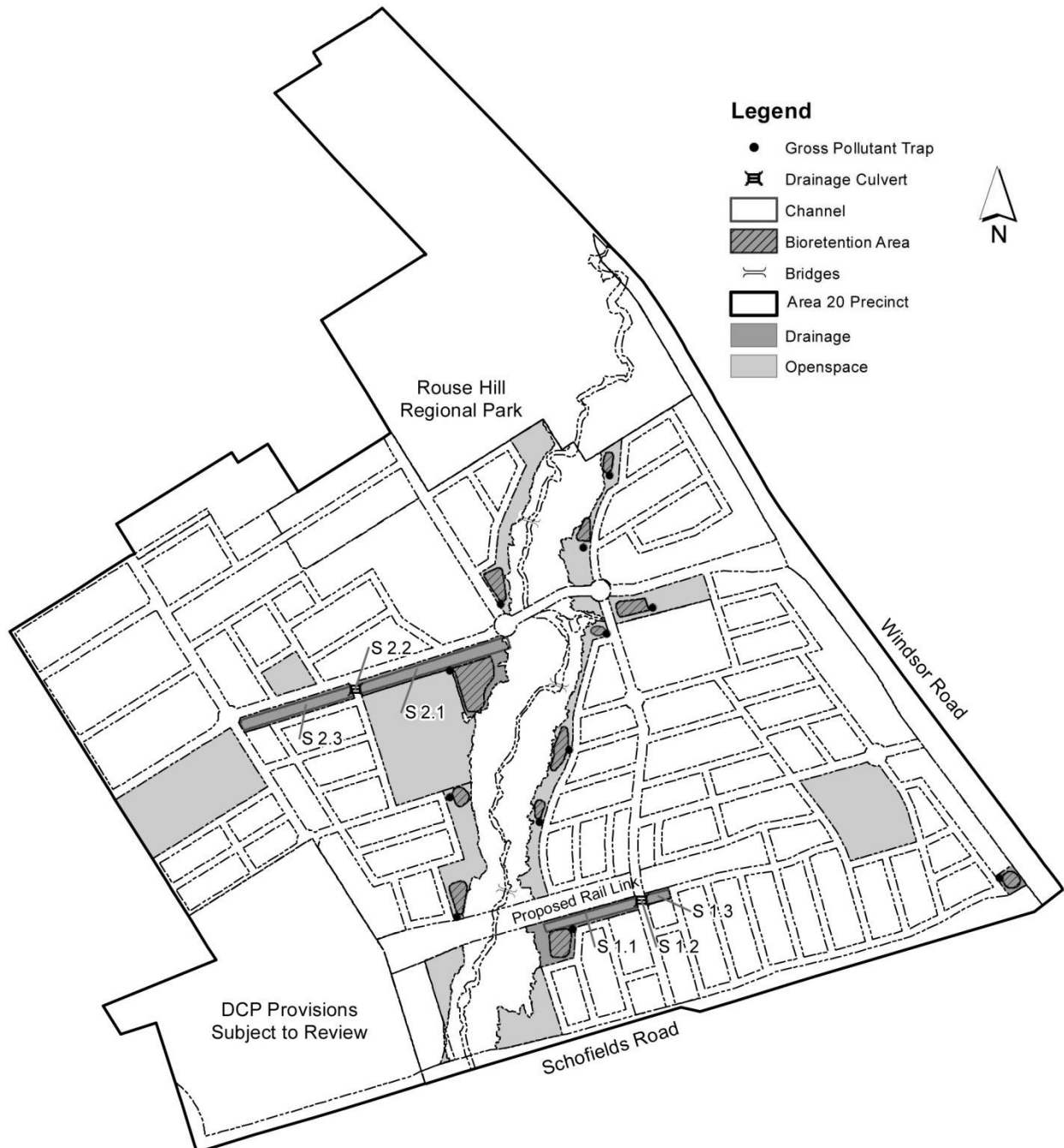
- An applicant requesting deferred payment needs to apply in writing to Council. All requests are considered on their merits having regard to (but not exclusively) the type of work for which the contribution is sought, the rate of development occurring within the area and the impending need to construct the works for which S.94 Contributions are being levied.
- Where deferred payment is approved by Council the period of time for deferring payment will generally be limited to 12 months.
- If Council approves of the request for deferred payment it is conditional upon the applicant providing a suitable Bank Guarantee and Deed of Agreement.
- Interest is charged on deferred contributions. Council also charges an administrative fee for deferred payment. The interest rate and administrative fee levied for the deferred payment of contributions are reviewed annually and appear in Council's Schedule of Fees. A copy of this Schedule is available from Council's Development Services Unit.

- 
- The amount of the bank guarantee shall be the sum of the amount of contributions outstanding at the time of deferring payment plus the expected "interest" accrued over the deferral period. This amount will also represent the amount payable at the end of the deferral period.
  - The Deed of Agreement is to be prepared by one of Council's Solicitors at full cost to the applicant. In this regard the applicant is to pay Council's Solicitor's costs direct to the Solicitor and not through Council.
  - Should contributions not be paid by the due date, the bank guarantee will be called up by Council.
  - Council has a separate deferral policy specifically for dual occupancies, which are to be occupied by elderly and/or disabled persons (i.e. traditional granny flats).
  - Enquiries regarding deferred payment can be made through contacting the relevant Council office dealing with the application.

# Appendices

**APPENDIX A 1 of 4**

**AREA 20 PRECINCT  
WATER CYCLE MANAGEMENT FACILITIES  
SECOND PONDS CREEK CONTRIBUTIONS CATCHMENT**



**Catchment Area indicative only**

Map information is not necessarily up-to-date or correct and Blacktown City Council accepts no responsibility in that regard. As such no reliance on these maps should be made without reference to Council's GIS mapping of catchment zones.

CONTRIBUTION ITEM  
**Stormwater Quantity  
Management**

CATCHMENT AREA  
**Second Ponds Creek**

**APPENDIX A 2 of 4**

**AREA 20 PRECINCT  
WATER CYCLE MANAGEMENT FACILITIES  
SECOND PONDS CREEK STORMWATER QUANTITY**

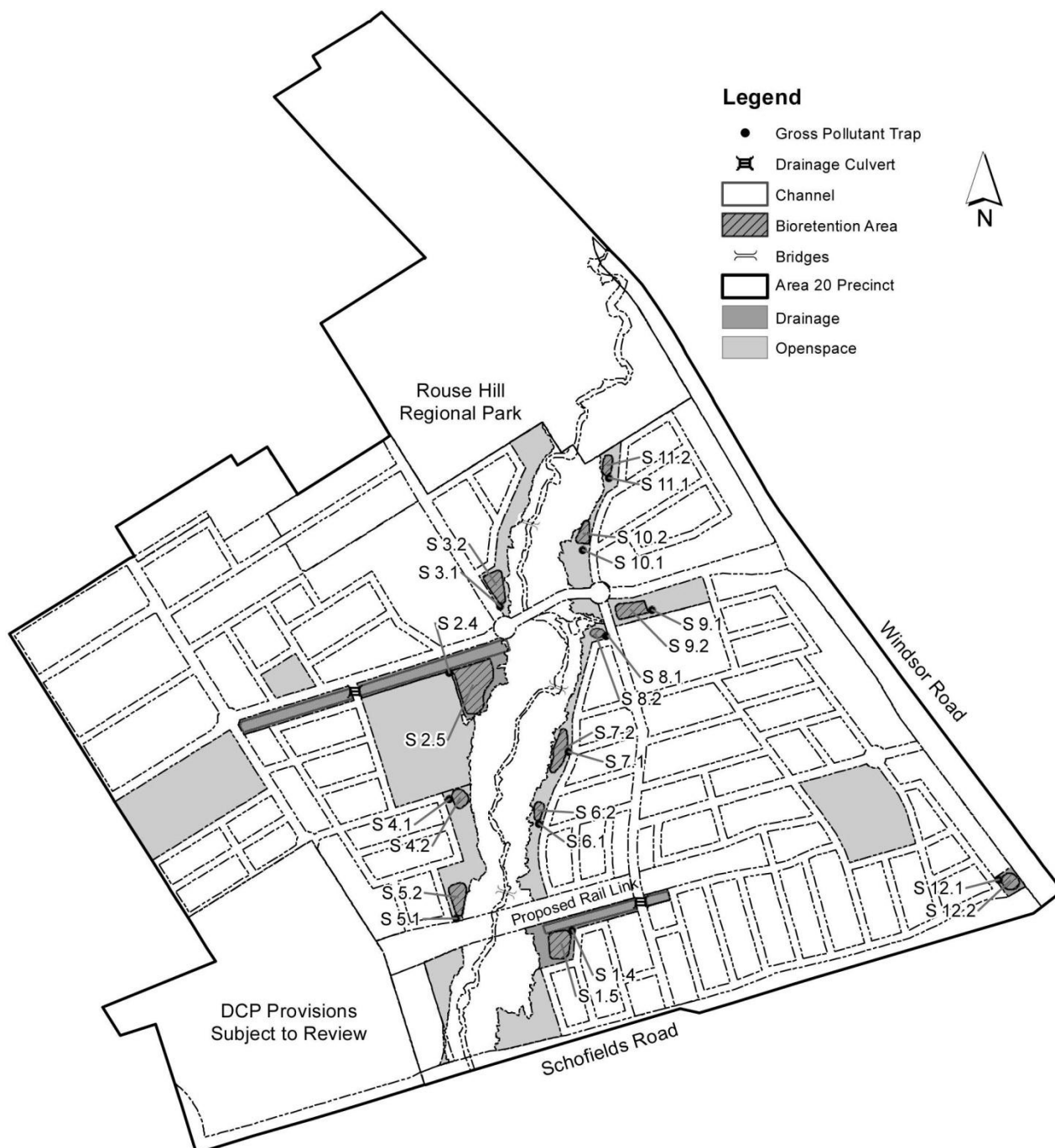
Site No.	Description of Works	Estimated Cost			Total
		July 2013 to June 2018	July 2018 to June 2023	July 2023 to June 2028	
S1.1	28m Wide landscaped open channel	\$1,126,000			<b>\$1,126,000</b>
S1.2	2x2100x1200 Culvert under future road	\$126,200			<b>\$126,200</b>
S1.3	20m Wide landscaped open channel	\$646,000			<b>\$646,000</b>
S2.1	34m Wide landscaped open channel		\$2,712,000		<b>\$2,712,000</b>
S2.2	3x3600x900 Culvert under future road		\$273,000		<b>\$273,000</b>
S2.3	34m Wide landscaped open channel		\$2,369,000		<b>\$2,369,000</b>
		<b>\$1,898,200</b>	<b>\$5,354,000</b>	<b>\$0</b>	<b>\$7,252,200</b>

CONTRIBUTION ITEM  
Stormwater Quantity  
Management

CATCHMENT AREA  
Second Ponds Creek

**APPENDIX A 3 of 4**

**AREA 20 PRECINCT  
WATER CYCLE MANAGEMENT FACILITIES  
SECOND PONDS CREEK CONTRIBUTIONS CATCHMENT**



**Catchment Areas indicative only**

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CONTRIBUTION ITEM  
**Stormwater Quality  
Management**

CATCHMENT AREA  
**Second Ponds Creek**



**APPENDIX A 4 of 4**

## AREA 20 PRECINCT

### WATER CYCLE MANAGEMENT FACILITIES

### SECOND PONDS CREEK STORMWATER QUALITY

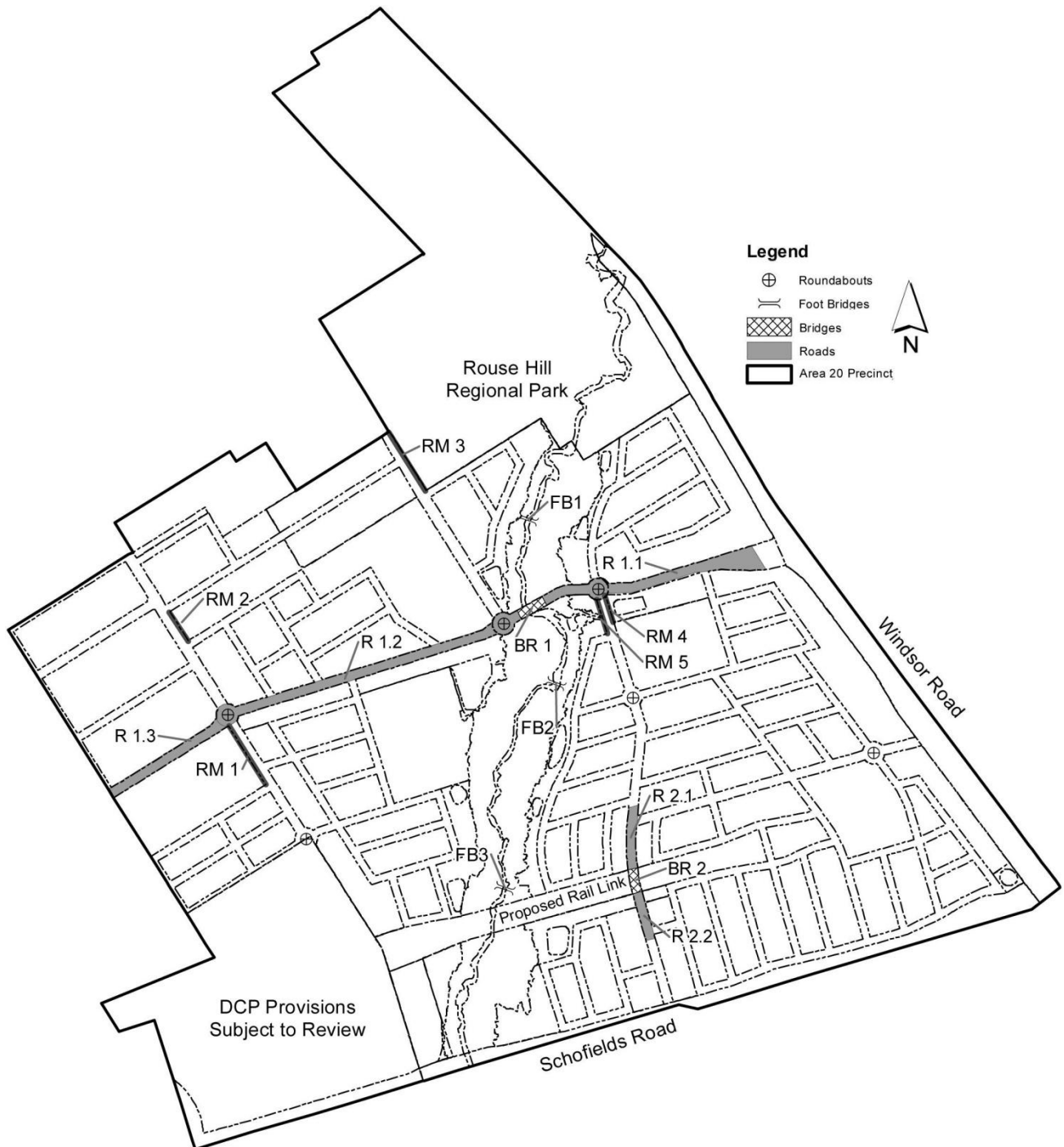
Site No.	Description of Works	Estimated Cost			Total
		July 2013 to June 2018	July 2018 to June 2023	July 2023 to June 2028	
S1.4	Gross pollutant trap at inlet to bio-retention	\$120,000			\$120,000
S1.5	Stand alone Bio-retention	\$1,400,000			\$1,400,000
S2.4	Gross pollutant trap at inlet to bio-retention		\$150,000		\$150,000
S2.5	Stand alone Bio-retention		\$2,843,000		\$2,843,000
S3.1	Gross pollutant trap at inlet to bio-retention	\$65,000			\$65,000
S3.2	Stand alone Bio-retention	\$1,119,000			\$1,119,000
S4.1	Gross pollutant trap at inlet to bio-retention		\$65,000		\$65,000
S4.2	Stand alone Bio-retention		\$334,000		\$334,000
S5.1	Gross pollutant trap at inlet to bio-retention		\$65,000		\$65,000
S5.2	Stand alone Bio-retention		\$534,000		\$534,000
S6.1	Gross pollutant trap at inlet to bio-retention		\$65,000		\$65,000
S6.2	Stand alone Bio-retention		\$317,000		\$317,000
S7.1	Gross pollutant trap at inlet to bio-retention		\$120,000		\$120,000
S7.2	Stand alone Bio-retention		\$996,000		\$996,000
S8.1	Gross pollutant trap at inlet to bio-retention	\$65,000			\$65,000
S8.2	Stand alone Bio-retention	\$279,000			\$279,000
S9.1	Gross pollutant trap at inlet to bio-retention		\$120,000		\$120,000
S9.2	Stand alone Bio-retention		\$722,000		\$722,000
S10.1	Gross pollutant trap at inlet to bio-retention		\$65,000		\$65,000
S10.2	Stand alone Bio-retention		\$762,000		\$762,000
S11.1	Gross pollutant trap at inlet to bio-retention			\$65,000	\$65,000
S11.2	Stand alone Bio-retention			\$208,000	\$208,000
S12.1	Gross pollutant trap at inlet to bio-retention			\$65,000	\$65,000
S12.2	Stand alone Bio-retention			\$182,000	\$182,000
		<b>\$3,048,000</b>	<b>\$7,158,000</b>	<b>\$520,000</b>	<b>\$10,726,000</b>

CONTRIBUTION ITEM  
Stormwater Quality  
Management

CATCHMENT AREA  
Second Ponds Creek

**APPENDIX B 1 of 2**

**AREA 20 PRECINCT  
TRAFFIC AND TRANSPORT MANAGEMENT FACILITIES**



**Catchment Areas indicative only**

Map information is not necessarily up-to-date or correct and Blacktown City Council accepts no responsibility in that regard. As such no reliance on these maps should be made without reference to Council's GIS mapping of catchment zones.

CONTRIBUTION ITEM  
**Traffic & Transport  
Management**

CATCHMENT AREA  
**Area 20 Precinct**

**APPENDIX B 2 of 2**

## AREA 20 PRECINCT TRAFFIC AND TRANSPORT MANAGEMENT FACILITIES

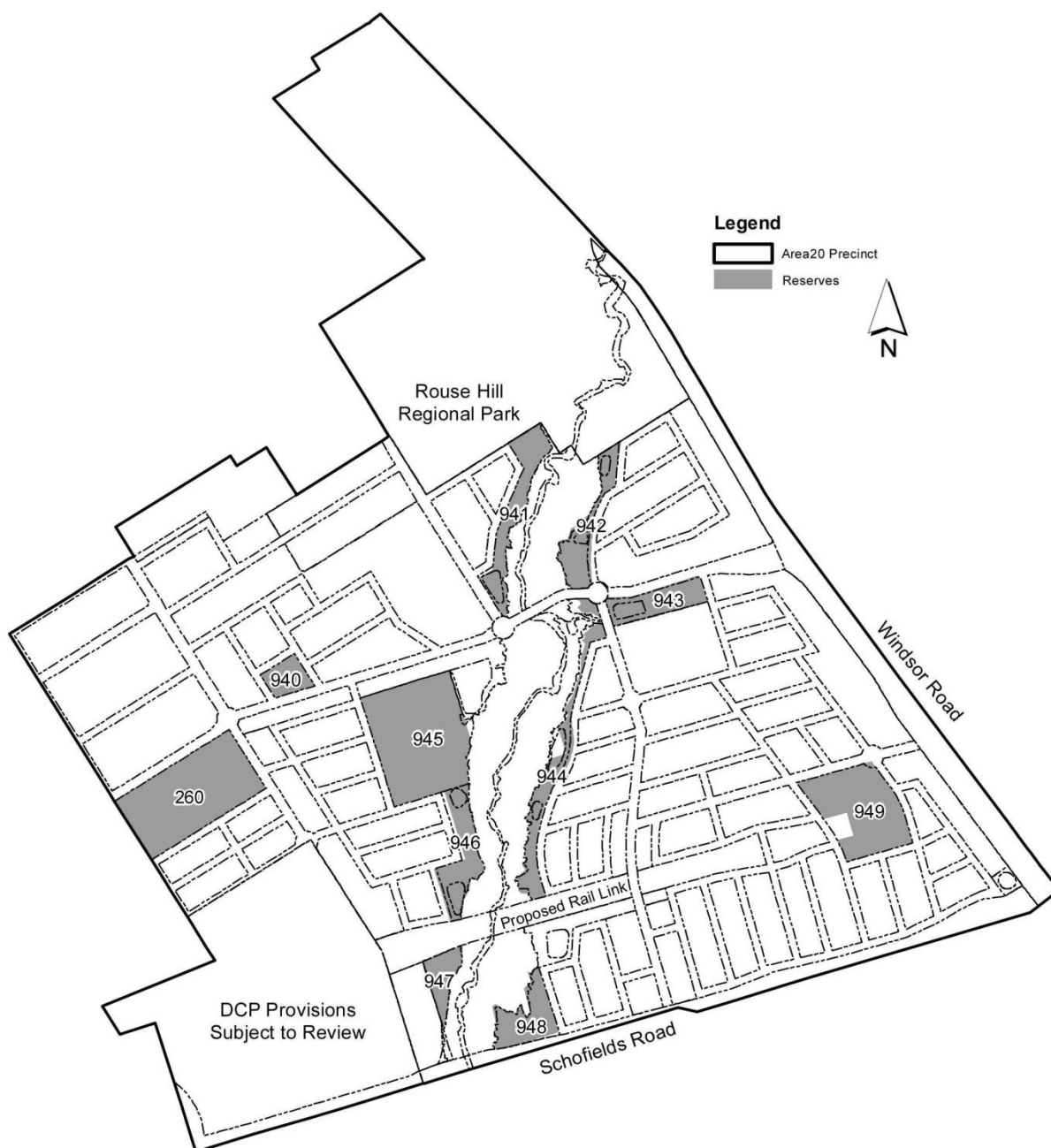
Site No.	Location	Description of Works	Estimated Cost & Indicative Timing of Delivery			Total
			2013-2017	2018-2022	2023-2027	
R 1.1	ROUSE ROAD	Major collector road. Second Ponds Creek to Windsor Road. Roundabout at Terry Road	\$2,182,000			<b>\$2,182,000</b>
R 1.2	ROUSE ROAD	Major collector road. Second Ponds Creek to Cudgegong Road. Roundabouts at Worcester and Cudgegong Roads		\$4,001,000		<b>\$4,001,000</b>
R 1.3	ROUSE ROAD	Major collector road. West of Cudgegong road			\$1,652,000	<b>\$1,652,000</b>
R 2.1	TERRY ROAD	Collector road, Northern Railway bridge approach			\$1,378,000	<b>\$1,378,000</b>
R 2.2	TERRY ROAD	Collector road, Southern Railway bridge approach			\$1,069,000	<b>\$1,069,000</b>
<b>MISCELLANEOUS</b>						
	BUS SHELTERS	Allow for shelters near schools, neighbourhood centres and transport hubs (approx 6)		\$90,000		<b>\$90,000</b>
	LOCAL TRAFFIC MANAGEMENT ROUNDABOUTS	3 x Additional roundabouts for local area traffic management		\$600,000		<b>\$600,000</b>
RM 1	CUDGEGONG ROAD	Existing Road - Half width construction fronting reserves		\$340,000		<b>\$340,000</b>
RM 2	CUDGEGONG ROAD	Existing Road - Half width construction fronting schools		\$170,000		<b>\$170,000</b>
RM 3	WORCESTER ROAD	Existing Road - Half width construction fronting reserves		\$342,000		<b>\$342,000</b>
RM 4	TERRY ROAD	Existing Road - Half width construction fronting reserves		\$141,000		<b>\$141,000</b>
RM 5	TERRY ROAD	Existing Road - Half width construction fronting reserves		\$176,000		<b>\$176,000</b>
<b>Bridges</b>						
BR 1	ROUSE ROAD	Second Ponds Creek	\$3,040,000			<b>\$3,040,000</b>
BR 2	TERRY ROAD	Proposed Railway Corridor			\$3,967,000	<b>\$3,967,000</b>
FB 1	FOOT BRIDGE	Second Ponds Creek North of Rouse Road			\$216,000	<b>\$216,000</b>
FB 2	FOOT BRIDGE	Second Ponds Creek South of Rouse Road			\$216,000	<b>\$216,000</b>
FB 3	FOOT BRIDGE	Second Ponds Creek North of Railway corridor			\$360,000	<b>\$360,000</b>
			<b>\$5,222,000</b>	<b>\$5,860,000</b>	<b>\$8,858,000</b>	<b>\$19,940,000</b>

CONTRIBUTION ITEM  
Traffic & Transport  
Management

CATCHMENT AREA  
Area 20 Precinct

**APPENDIX C 1 of 2**

**AREA 20 PRECINCT  
OPEN SPACE & RECREATION FACILITIES**



**Catchment Areas indicative only**

Map information is not necessarily up-to-date or correct and Blacktown City Council accepts no responsibility in that regard. As such no reliance on these maps should be made without reference to Council's GIS mapping of catchment zones.

CONTRIBUTION ITEM  
**Open Space &  
Recreation**

CATCHMENT AREA  
**Area 20 Precinct**

**APPENDIX C 2 of 2**

## AREA 20 PRECINCT OPEN SPACE & RECREATION FACILITIES

Reserve No.	Approximate Area of Embellishment (Ha)	Description of Works	Estimated Cost & Indicative Timing of Delivery			Total
			2013- 2018	2019- 2024	2025-2030	
940	0.3914	Local Park including playground and landscaping	\$569,000			<b>\$569,000</b>
941	1.5061	Corridor Park including playground, cycleway, bridge and landscaping		\$1,376,000		<b>\$1,376,000</b>
942	1.1860	Corridor Park including playground, cycleway and landscaping		\$1,312,000		<b>\$1,312,000</b>
943	0.9549	Neighbourhood Park including playground, pathway and landscaping	\$1,032,000			<b>\$1,032,000</b>
944	1.6426	Corridor Park including playground, cycleway, bridges and landscaping		\$1,934,000		<b>\$1,934,000</b>
945	4.4373	Neighbourhood Park including playing field, amenities, lighting, car park, playground, pathway, fencing and landscaping		\$9,973,000		<b>\$9,973,000</b>
946	1.3216	Corridor park including pathway, cycleway and landscaping	\$777,000			<b>\$777,000</b>
947	0.6576	Landscaping works and fencing			\$212,000	<b>\$212,000</b>
948	1.1490	Corridor Park including playground, cycleway and landscaping	\$792,000			<b>\$792,000</b>
949	2.6856	Neighbourhood park including playgrounds, pathway, fencing and landscaping works			\$1,505,000	<b>\$1,505,000</b>
260	4.0460	Cudgegong Reserve including cycleway, fencing and landscaping			\$2,560,000	<b>\$2,560,000</b>
	<b>19.9781</b>		<b>\$3,170,000</b>	<b>\$14,595,000</b>	<b>\$4,277,000</b>	<b>\$22,042,000</b>

CONTRIBUTION ITEM  
**Open Space &  
Recreation**

CATCHMENT AREA  
**Area 20 Precinct**

**APPENDIX D 1 of 1**

**AREA 20 PRECINCT  
COMMUNITY FACILITIES (Riverstone Precinct)**



**Catchment Areas indicative only**

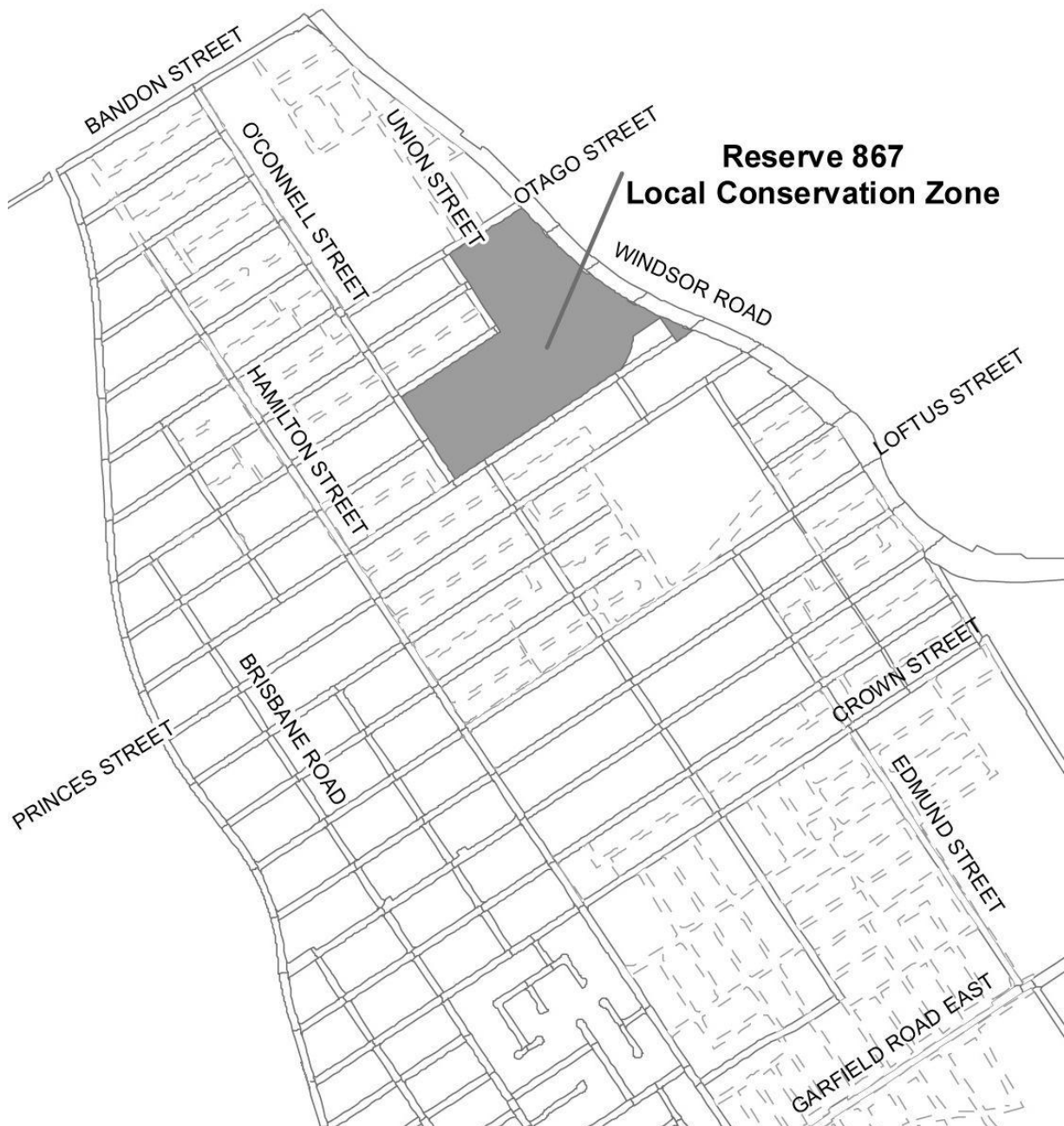
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CONTRIBUTION ITEM  
**Community Facilities**  
(CRH land only)

CATCHMENT AREA  
**Area 20**

**APPENDIX E 1 of 2**

**AREA 20 PRECINCT  
COMBINED PRECINCT FACILITIES (Riverstone Precinct)**



**Catchment Areas indicative only**

Map information is not necessarily up-to-date or correct and Blacktown City Council accepts no responsibility in that regard. As such no reliance on these maps should be made without reference to Council's GIS mapping of catchment zones.

CONTRIBUTION ITEM  
**Combined Precinct  
Facilities**

CATCHMENT AREA  
**Area 20**

**APPENDIX E 2 of 2**

**COMBINED PRECINCT FACILITIES  
FULL FACILITY CONSTRUCTION COSTS**

Reserve No.	Area (hectares)	Description of Works	Estimated Cost	Total
867	20.3719	Conservation Zone	\$9,749,000	\$9,749,000
			<b>\$9,749,000</b>	<b>\$9,749,000</b>

**COMBINED PRECINCT FACILITIES  
APPORTIONED FACILITY CONSTRUCTION COSTS FOR THE  
AREA 20 PRECINCT**

Reserve No.	Area (hectares)	Description of Works	Estimated Cost	Total
867	20.3719	Conservation Zone	\$546,000	\$546,000
			<b>\$546,000</b>	<b>\$546,000</b>

CONTRIBUTION ITEM  
Combined Precinct  
Facilities

CATCHMENT AREA  
Area 20



**APPENDIX F**
**SCHEDULE OF VALUES IN THE CONTRIBUTION FORMULAE**

CATCHMENT	SIZE OF CATCHMENT	LAND ACQUIRED L1 (\$)	YET TO ACQUIRE L2 (\$)	ITEMS CONSTRUCTED C1 (\$)	YET TO CONSTRUCT C2 (\$)	TOTAL L1+L2+C1+C2 (\$)
<b>WATER MANAGEMENT</b>	<b>Hectares</b>					
<b>STORMWATER QUANTITY</b>						
SECOND PONDS CREEK	103.1715		\$6,068,000		\$7,252,200	\$13,320,200
<b>STORMWATER QUALITY</b>						
SECOND PONDS CREEK	37.8840		\$1,654,000		\$10,726,000	\$12,380,000
<b>TRAFFIC MANAGEMENT</b>	<b>Hectares</b>					
AREA 20	103.1715		\$1,654,000		\$19,940,000	\$21,594,000
<b>OPEN SPACE</b>	<b>Population</b>					
AREA 20	6400		\$21,640,000		\$22,042,000	\$43,682,000
<b>COMMUNITY FACILITIES</b>	<b>Population</b>					
AREA 20	6400		\$344,000			\$344,000
<b>COMBINED PRECINCT FACILITIES</b>	<b>Population</b>					
AREA 20	6400	\$15,649	\$1,157,000		\$546,000	\$1,718,649
<b>TOTAL</b>		<b>\$15,649</b>	<b>\$32,517,000</b>	<b>\$0</b>	<b>\$60,506,200</b>	<b>\$93,038,849</b>

**APPENDIX G**
**BASE CONTRIBUTION RATES**
**(Base CPI June 2011 - 173.4)**

<b>CATCHMENT</b>	<b>CONTRIBUTION RATE (\$)</b>
<b>WATER MANAGEMENT</b>	<b>\$ Per Ha</b>
<b>STORMWATER QUANTITY</b>	
SECOND PONDS CREEK	\$129,753
<b>STORMWATER QUALITY</b>	
SECOND PONDS CREEK	\$328,421
<b>TRAFFIC MANAGEMENT</b>	<b>\$ Per Ha</b>
AREA 20	\$210,348
<b>OPEN SPACE</b>	<b>\$ Per Person</b>
AREA 20	\$6,859
<b>COMMUNITY FACILITIES</b>	<b>\$ Per Person</b>
AREA 20	\$54
<b>COMBINED PRECINCT FACILITIES</b>	<b>\$ Per Person</b>
AREA 20	\$270

**INDEXATION METHOD**

The method of indexing the base contribution rate is to multiply the most recently published CPI at the time of payment and divide it by the June 2011 CPI. At all times the contributions payable will not fall below the base rates listed in the table.

**APPENDIX H****SUPPORTING TECHNICAL DOCUMENTS AND REPORTS**

The following identifies technical documents, studies, relevant legislation, and reports which have been used for researching this contributions plan:

- J. Wyndham Prince Area 20 Precinct, Rouse Hill – Water Cycle Management Strategy Report Incorporating Water Sensitive Urban Design Techniques dated July 2011.
- The Area 20 Transport & Access Study (2010) by Urbanhorizon Pty Ltd.
- Blacktown City 2025 – Delivering the Vision (Blacktown City Council, 2008).
- Elton Consulting – Social Infrastructure and Open Space Report – Area 20 (2010), undertaken by the Growth Centres Commission.
- Northwest Growth Centres Recreational Framework (Blacktown City Council, 2009).
- Wellness Through Physical Activity Policy (Blacktown City Council, 2008).
- Blacktown City Council Social Plan (2007).
- Recreation and Open Space Strategy (Blacktown City Council, 2009).
- Community Infrastructure Report (Social Infrastructure and Open Space Report Area 20 Precinct 2010, undertaken by the Growth Centres Commission.
- Riverstone and Alex Avenue Precincts Demographic Profile & Community Infrastructure Report 2007), undertaken by the Growth Centres Commission.
- The Informal Indoor Recreation Needs Assessment and the Section 94 Community Facilities Report, undertaken by Council.

## C | WorleyParsons' Report



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INDEPENDENT PRICING AND REGULATORY TRIBUNAL

# **Review of Blacktown City Council Contributions Plan**

## **Area 20 - CP22: Stormwater and Transport**

301015-03028 – 0001

15 August 2012

**Infrastructure & Environment**

Level 12, 141 Walker Street,

North Sydney NSW 2060

Australia

Telephone: +61 2 8923-6866

Facsimile: +61 2 8923-6877

[www.worleyparsons.com](http://www.worleyparsons.com)

ABN 61 001 279 812

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### PROJECT 301015-03028 - REVIEW OF BLACKTOWN CITY COUNCIL CONTRIBUTIONS PLAN

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REV	DESCRIPTION	ORIG	REVIEW	WORLEY- PARSONS APPROVAL	DATE	CLIENT APPROVAL	DATE
3	Updated to address client comments	BA	DS	DS	31 July 2012	N/A	
4	Updated to address client comments	BA	DS	DS	1 August 2012		
5	Updated to address further comments	BA	DS	DS	10 August 2012		N/A
6	Updated to address further comments	BA	DS	DS	15 August 2012		N/A

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## **1 INTRODUCTION**

WorleyParsons (WP) has been engaged by the Independent Pricing and Regulatory Tribunal (IPART) to undertake a review of Blacktown City Council's (BCC) Draft Section 94 Contribution Plan No. 22 – Area 20 Precinct (CP22) specifically in relation to transport and stormwater management facilities.

The objective of this study is to:

- assess the reasonableness of BCC's adjustments to the design as originally proposed in the technical reports provided
- assess the reasonableness of BCC's costing of the proposed facilities
- recommend amendments to the design and cost of facilities where these are found to be unreasonable
- provide a revised cost estimate based on recommended amendments

As part of this review process, WorleyParsons has been provided with the following primary documentation:

1. Draft Section 94 Contribution Plan No. 22 – Area 20 Precinct (BCC – January 2012)
2. CP22 Area 20 Stormwater Cost Estimate (BCC – September 2011)
3. CP22 Road Bridges Cost Estimate (BCC – August 2011)
4. CP22 Road R1-1 (BCC – August 2011)
5. CP22 Road R1-2 (BCC – August 2011)
6. CP22 Road R1-3 (BCC – August 2011)
7. CP22 Road R2-1 (BCC – August 2011)
8. CP22 Road R2-2 (BCC – August 2011)
9. Footbridge Concepts Sketch (J. Wyndham Prince – April 2011)

WorleyParsons has also been provided with the following support documentation:

10. Area 20 Precinct, Rouse Hill Water Cycle Management Strategy Report Incorporating Water Sensitive Urban Design Techniques (July 2011)
11. Area 20 Transport and Access Study Final Report (Urbanhorizon – October 2010)





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## 2 STORMWATER MANAGEMENT FACILITIES

### 2.1 General Review

Following the review of all the available stormwater facilities documentation, WP believes the concepts behind the current design, as outlined by JWP, are reasonable given the proposed developable area and usage. A review of the design and an outline of the amendments made by BCC are provided in the following sections of this report.

### 2.2 Review of Design Amendments

Following the review of the documentation supplied by IPART and a meeting with BCC held on 15 June 2012, WP's comments, based on the adjustments made by BCC, are provided in **Table 2-1** below. For ease of reference, the JWP drawing number references and the BCC naming conventions are provided.

**Table 2-1: Design Adjustments Summary**

BCC Site No.	JWP Drawing No.	JWP Design	BCC Design	WP Comments and Recommendations
S1.1	Raingarden 1	20.4m wide landscaped channel	28m wide landscaped channel	BCC has advised the change to the widths of the channel include an allowance for safe egress and maintenance access along the top of banks. WP agrees that upgrades are reasonable.
S1.2	Raingarden 1	2x un-sized culverts	2x2100x1200 culverts	This is not a change; it is a sizing of the proposed culverts.
S1.3	Raingarden 1	15.6m wide landscaped channel	20m wide landscaped channel	BCC has advised the change to the widths of the channel include an allowance for safe egress and maintenance access along the top of banks. WP agrees that upgrades are reasonable.



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BCC Site No.	JWP Drawing No.	JWP Design	BCC Design	WP Comments and Recommendations
S2.1	Raingarden 6	30m wide landscaped channel	34m wide landscaped channel	BCC has advised the change to the widths of the channel include an allowance for safe egress and maintenance access along the top of banks. WP agrees that upgrades are reasonable.
S2.2	Raingarden 6	4x un-sized culverts	3x3600x900 culverts	This is not necessarily a change; it is a sizing of the proposed culverts.
S2.3	Raingarden 6 Drainage Reserve No.2 (Section 1 West)	17.5m wide landscaped channel	34m wide landscaped channel	BCC has advised the change to the widths of the channel include an allowance for safe egress and maintenance access along the top of banks. WP agrees that upgrades are reasonable.
S2.3	Raingarden 6 Drainage Reserve No.2 (Section 1 Centre)	25.5m wide landscaped channel	34m wide landscaped channel	BCC has advised the change to the widths of the channel include an allowance for safe egress and maintenance access along the top of banks. WP agrees that upgrades are reasonable.
	Raingarden 9	2x GPTs at inlet to Basin S2 5	1x GPTs at inlet to Basin S2 5	Given that no results are provided by JWP in their report relating to gross pollutant reduction, WP cannot comment on whether two GPTs are required. However, WP does not see it as unreasonable to assume only one GPT is required per raingarden.



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BCC Site No.	JWP Drawing No.	JWP Design	BCC Design	WP Comments and Recommendations
	Raingarden 5	2x GPTs at inlet to Basin S7.2	1x GPTs at inlet to Basin S7.2	Given that no results are provided by JWP in their report relating to gross pollutant reduction, WP cannot comment on whether two GPTs are required. However, WP does not see it as unreasonable to assume only one GPT is required per raingarden.

## 2.3 Proposed Design Amendments

Following on from WP's review and meeting with BCC, WP is of the belief that the current design of the Water Cycle Management System, which incorporates BCC changes, is reasonable



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## 3 TRANSPORT FACILITIES

### 3.1 General Review

Following the review of all the available transport facilities documentation, WP believes the current design, as outlined by Urbanhorizon, is reasonable given the proposed developable area and usage. In addition to this, BCC's outlined assumptions on the required widths of the proposed carriageways for the proposed roads are reasonable based on the 2002 Aus-Spec Design Development Specification Series. A review of the design and an outline of the amendments made by BCC are provided in the next section of this report.

WP has also noted a difference in the predicted population for Area 20 Precinct. Urbanhorizon has estimated the population at 'about 7,000', while BCC has estimated 6,400 which is in line with the Department of Planning & Infrastructure's estimates for Area 20. It is unclear whether this has had an effect on the transport design recommendations as the modelling is not available, but it is assumed that, given Urbanhorizon has assumed a high population figure, the proposed infrastructure is sufficient.

### 3.2 Review of Design Amendments

CP22 advises that only the roads which fall within the designation of Sub-Arterial, Collector or Major Local have been estimated by BCC. Based on the Urbanhorizon report a summary of the road designations and proposed works as well as WP's recommendations and comments are provided in **Table 3-1** below:

**Table 3-1: Intersection Recommendations and Comments**

BCC Road Name and Number		Urbanhorizon Designation	BCC Proposed works	WP Comments and Recommendations
Rouse Road	R1.1	Collector	Widening and addition of a roundabout	WP agrees that roundabouts and upgrades are reasonable given the intersections of Rouse Rd with Worchester Rd and Terry Rd. The roundabouts with control the flows, while not stopping the flows as a signalised intersection would. The widening of Rouse Rd is also reasonable given the meeting with Windsor Rd. WP agrees that upgrades are reasonable.



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BCC Road Name and Number		Urbanhorizon Designation	BCC Proposed works	WP Comments and Recommendations
	R1.2	Collector	Widening and addition of two roundabouts	WP agrees that a roundabout and upgrades are reasonable given the intersection of Rouse Rd with Cudgegong Rd. The roundabout with control the flows, while not stopping the flows as a signalised intersection would. WP agrees that upgrades are reasonable.
	R1.3	Collector	Widening	Given that this will be the 'start' of the collection along Rouse Rd, WP agrees that upgrades are reasonable.
Terry Road	R2.1 & R2.2	Major Local	Widening around proposed rail bridge	WP agrees that widening in this area is required given the construction of the proposed rail bridge. This allows for future demands. WP agrees that upgrades are reasonable.
	RM4 & RM5	Major Local	Widening in and around intersection with Rouse Rd Upgrades in and around intersection	WP agrees that a roundabout and upgrades are reasonable given the intersections of Rouse Rd with Terry Rd. The roundabout with control the flows, while not stopping the flows as a signalised intersection would. Also, given that this will be the proposed frontage of the playing fields and Worchester Rd is seen as a Major Local Road, WP agrees that upgrades are reasonable.
Cudgegong Road	RM1	Major Local	Widening fronting playing fields	WP agrees that this area should be widened given that this will be the proposed frontage of the playing fields. WP agrees that upgrades are reasonable.
	RM2	Major Local	Widening between Rouse and Macquarie Rds.	WP agrees that this area should be widened given that this will be the proposed frontage of the school. WP agrees that upgrades are reasonable.



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BCC Road Name and Number		Urbanhorizon Designation	BCC Proposed works	WP Comments and Recommendations
Worcester Road	RM3	Major Local	Widening fronting playing fields	WP agrees that this area should be widened given that this will be the proposed frontage of the playing fields. WP agrees that upgrades are reasonable.

Upgrades to Schofields and Windsor Road will not be undertaken as part of this development stage. Given that this is the case, WP believes the current design is reasonable given the proposed developable area and usage.

Given this, WP feels that the cost provided as part of the 'Miscellaneous' section of BCC's CP22 documentation is reasonable. WP agrees with council regarding the requirement for bus shelters and feels the estimate provided for this is reasonable. These modifications have been reflected in the WP cost estimate.

WP also feels that the cost provided as part of the 'Bridges' section of BCC's CP22 documentation is reasonable

### 3.3 Proposed Design Amendments

Following on from WP' review and meeting with BCC, WP is of the belief that the current transport design is adequate given the proposed developable area and usage.



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## **4 REASONABLENESS OF COSTING**

WP has undertaken a review of the costing undertaken by BCC. This process included review of BCC's Bill of Quantities (BOQ), which included both quantities and rates for all construction materials and activities.

### **4.1 Quantities**

For the purpose of assessing the quantities used, WP was issued the design drawings in PDF format. These files were then imported into AutoCAD to check the measurements. This ensured a more precise calculation compared to hand measuring from the printed PDF file, but is still not as precise as working from the AutoCAD drawings themselves.

All of BCC's measurements were able to be confirmed as being reasonable.

### **4.2 Rates**

A detailed review of the rates used by BCC in the cost estimate was undertaken using Rawlinsons Australian Construction Handbook (an industry wide standard for cost estimating), 2012, with first quarter costing, as well as WP's extensive industry experience and previous works as a basis for the review. BCC advised that their cost estimates were derived from tenderer rates that Council is required to use as part of its standard operations.

In general, the numbers were relatively close for each line item. Items with a discrepancy of less than 10% or less than \$10,000 impact on cost were not considered significant. Items with a discrepancy greater than 10% and having a material impact on costs are outlined in **Table 4-1** (Stormwater) and



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**Table 4-2** (Transport) below, with comments being provided throughout.

**Table 4-1: Summary of Rate Differences – Stormwater**

Item	BCC Estimate	WP Estimate	Comments
Trim and Compact Subgrade	\$1.34-1.37/m <sup>3</sup>	\$5.90/m <sup>3</sup>	The rate given by council seems low. It may be for trimming only.
Excavate to Culvert Design Levels (Assume 1/2 Clay, 1/2 Shale)	\$26.43/m <sup>3</sup>	\$184.00/m <sup>3</sup>	The rate which BCC has supplied is low based on the soil type given and the proposed depths.
Supply and Install 2mm HDPE Liner (Bio Area +1m Overlap)	\$16.50/m <sup>2</sup>	\$7.35/m <sup>2</sup>	Rate seems high given the material and discussion with suppliers.
De-water, desilt and dispose of existing dams (0.5m deep x surface area of dam)	\$267.00/m <sup>3</sup>	\$246.20/m <sup>3</sup>	The rate is reasonable; the scale of work creates a large discrepancy.
Spread topsoil from stockpile (100mm thick over channel area)	\$0.55/m <sup>3</sup>	\$2.75/m <sup>3</sup>	The rate is low based on the soil type given and the proposed depths.
Remove existing trees	\$800.00 each	\$985.00 each	Rate seems low based on review of tree sizes.
Landscaping	\$40.00/m <sup>2</sup>	\$15.00/m <sup>2</sup>	Landscaping rate is high given the low intensity of planting. Council provided further information that their rate included an establishment period. The WP rate includes 6 months of maintenance/ establishment. Should a longer establishment period be required (this depends on the timing of planting), the fee would increase, but not more than an estimated 50% (or an additional \$7.50/m <sup>2</sup> ).
Jute mesh on landscaped areas	\$13.35/m <sup>2</sup>	\$0.80/m <sup>2</sup>	Rate seems high given the material and discussion with suppliers.





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Item	BCC Estimate	WP Estimate	Comments
Grass seeding disturbed area (5m either side of channel)	\$1.00/m <sup>2</sup>	\$7.85/m <sup>2</sup>	The rate given by council seems low.
Scour protection - rock & geotextile filter (area detailed on plans)	\$136.00/m <sup>2</sup>	\$157.87/m <sup>2</sup>	The rate given by council seems low.
Clearing and grubbing (plan area of basin + 20%)	\$1.37/m <sup>2</sup>	\$0.48/m <sup>2</sup>	This rate is high and inconsistent with other council areas of works.
Bulk Cut (to design levels)	\$6.30/m <sup>3</sup>	\$7.35/m <sup>3</sup>	The rate given by council seems slightly low.
Supply and Install Geotextile (Bio Area)	\$4.83/m <sup>2</sup>	\$3.82/m <sup>2</sup>	The rate given by council seems slightly high.
Supply and Install Subsoil Drainage (6m Ctrs)	\$40.50/lin.m	\$34.50/lin.m	The rate given by council seems high.
Stabilise Basin with Gypsum (Area of Basin)	\$2.50/m <sup>2</sup>	\$4.90/m <sup>2</sup>	The rate given by council seems low.
Concrete Base Slab for Culverts (300mm) (incl. Nom. Steel, Formwork etc.)	\$1,093.43/m <sup>3</sup>	\$445.00/m <sup>3</sup>	The rate is high given WP assumption is a 32Mpa concrete slab, water treated and including reinforcement bars.
Backfill to Design Road Levels	\$19.12/m <sup>3</sup>	\$7.70/m <sup>3</sup>	This rate is high given the fill will be from the site.
GPTs (S3.1, S4.1, S5.1, S6.1, S8.1, S9.1, S10.1, S11.1 and S12.1)	\$65,000/unit	\$36,300/unit	WP rate based on information received from Rocla based on the catchment information as part of the BCC cost estimate.
GPTs (S1.4 and S7.1)	\$120,000/unit	\$61,600/unit	
GPTs (S2.4)	\$150,000/unit	\$80,300/unit	
Tip Fees (channel and raingarden works)	\$136.50/tonne	\$120.00/tonne	BCC rate is higher based on liaison with SITA Australia



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Item	BCC Estimate	WP Estimate	Comments
Cartage (allow 20 km off site)	\$30.00/m <sup>3</sup>	\$13.20/m <sup>3</sup>	Rate is high. WP rate is haulage only.



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**Table 4-2: Summary of Rate Differences – Transport**

Item	BCC Estimate	WP Estimate	Comments
Trim and Compaction	\$1.37/m <sup>3</sup>	\$5.90/m <sup>3</sup>	The rate given by council seems low. It may be for trimming only.
Cartage roadwork	\$26.60/m <sup>3</sup>	\$13.20/m <sup>3</sup>	Rate is high. WP rate is haulage only.
Excavation of Non-Recyclable Material (road excavation), using an excavator.	\$14.26/m <sup>3</sup>	\$17.95/m <sup>3</sup>	Rate is slightly low given the recycled material may need to be stockpiled for future use.
Dense Graded Pavement	\$10.38/m <sup>2</sup>	\$15.50/m <sup>2</sup>	Rate given by BCC seems low given the grading of the pavement.
Fell, grub and dispose of significant trees	\$800.00 each	\$985.00 each	Rate seems low. Potentially assumes smaller trees.
375mm dia. R.C.P. Class 2	\$72.43/lin.m	\$136/lin.m	Rate is low unless the price assumes bulk purchase.
DGS20 Lime Treated, 100mm Layer	\$13.60/m <sup>2</sup>	\$15.00/m <sup>2</sup>	The rate is reasonable; the scale of work creates a large discrepancy
Tip Fees (road works)	\$136.50/tonne	\$120.00/tonne	BCC rate is higher based on liaison with SITA Australia
150mm Kerb & Gutter	\$66.68/lin.m	\$146.00/lin.m	The rate given by council seems low. It may be for concrete only and not include formwork.
125mm Thick Slab	\$129.15/lin.m	\$285.00/lin.m	The rate given by council seems low.
Filling Sand for Pipe Trenches & Around Drainage Structures	\$66.68/m <sup>3</sup>	56.00/m <sup>3</sup>	Rate seems high given the material and discussion with suppliers.
Recovered fill from on site	\$17.85/m <sup>3</sup>	\$12.30/m <sup>3</sup>	The rate given by council seems high.



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Item	BCC Estimate	WP Estimate	Comments
Supply, Excavate 300mm Wide x 450mm Deep Trench	\$42.00/m <sup>3</sup>	\$31.75/m <sup>3</sup>	The rate given by council seems high.
DGS20 Lime Treated, 100mm Layer	\$14.40/m <sup>2</sup>	\$15.00/m <sup>2</sup>	Rates are relatively close (<10% difference). Volume of works creates a discrepancy.
AC20, 100mm Layer	\$39.20 m <sup>2</sup>	\$44.90m <sup>2</sup>	Rate seems low given the material and discussion with suppliers.
Supply and install concrete block masonry retaining wall	\$772.90/m <sup>2</sup>	\$510.00/m <sup>2</sup>	Rate seems high given discussions with suppliers.
Temporary Traffic Signals (set of two traffic heads)	\$971.25	\$1,775	Rate is low.
Contingency (Transport)	10%	5%	Contingency seems high given the stage of works.
Design Fee Contingency (survey, geotech & design)	\$50,000 + 5%	\$20,000 + 5%	Contingency seems high given the stage of works.

## 4.3 Contingency and Design Fees

A 5% contingency has been added to all stormwater management facility costs. This is considered reasonable. BCC advised that a 10% contingency has been placed on roundabouts and bridges. Given these items are in early design stages, this is considered reasonable. The 10% contingency for all other transport facility costs seems slightly high based on the stage of the design and the relatively straight forward nature of the works. The reduction in contingency would reduce the fee from \$12,386,550 (WP fee including 10% contingency), to \$11,823,525 (WP fee including 5% contingency). This leads to a reduction of \$563,025 or a 4.55% reduction from the 10% contingency fee. WP believes that based on the contingency for the other components of the work, the contingency for the transport facilities should be reduced to 5%.

Design fees in general were considered reasonable. However, it was noted that a blanket \$50,000 + 5% fee was placed on survey, geotechnical and design within the 'risk' breakdown of the cost estimate. WP believes that a \$20,000 + 5% design fee (similar to channels) is reasonable, although this would only have a minor effect on the WP transport infrastructure cost (approximately 0.8%).



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## **4.4 Fill Disposal Cost**

In the BCC cost estimate, a relatively high rate of \$136.50/tonne has been applied for tipping fees of material for the roads, channels and basins, and a relatively low rate of \$103.70/tonne for the culvert works. WP is unsure why BCC has separated out the tip fees based on the excavation type, it does not seem reasonable. Also, WP believes that the tip fee may be slightly low (for the culvert works) given the fees provided in Rawlinsons and those provided by SITA Australia, who is the current rights holder of the Eastern Creek Landfill (also known as Wallgrove Road) site which BCC provide as their assumed tip site. WP believes that the fee for the fill disposal is in the vicinity of \$120/tonne.



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## 4.5 Summary

Following the analysis of quantities and rates, the individual line total cost difference for the rate differences outlined in **Table 4-1** (stormwater) and **Table 4-2** (transport) were collated and are summarised in **Table 4-3** (stormwater) and **Table 4-4** (transport) below.

**Table 4-3: Summary of Cost Differences – Stormwater**

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Excavate to Culvert Design Levels (Assume 1/2 Clay, 1/2 Shale)	\$26.43/m <sup>3</sup>	\$184.00/m <sup>3</sup>	253.44m <sup>3</sup>	\$39,935
Supply and Install 2mm HDPE Liner (Bio Area +1m Overlap)	\$16.50/m <sup>2</sup>	\$7.35/m <sup>2</sup>	10,295m <sup>2</sup>	-\$94,199
De-water, desilt and dispose of existing dams (0.5m deep x surface area of dam)	\$267.00/m <sup>3</sup>	\$246.20/m <sup>3</sup>	1,956m <sup>3</sup>	-\$40,685
Remove existing trees	\$800.00 each	\$985.00 each	161	\$15,355
Bulk cut (to design surface)	\$6.30/m <sup>3</sup>	\$7.35/m <sup>3</sup>	28,643m <sup>3</sup>	\$15,500
Spread topsoil from stockpile (100mm thick over channel area)	\$0.55/m <sup>3</sup>	\$2.75/m <sup>3</sup>	35,815 m <sup>3</sup>	\$78,793
Stabilise base with Gypsum (area of basin)	\$2.50/m <sup>2</sup>	\$4.90/m <sup>2</sup>	19,256 m <sup>2</sup>	\$46,214
Landscaping	\$40.00/m <sup>2</sup>	\$15.00/m <sup>2</sup>	24,536 m <sup>2</sup>	-\$613,400.00
Jute mesh on landscaped areas	\$13.35/m <sup>2</sup>	\$0.80/m <sup>2</sup>	24,536 m <sup>2</sup>	-\$307,927
Clearing and grubbing (plan area of basin + 20%)	\$1.37/m <sup>2</sup>	\$0.48/m <sup>2</sup>	24,113m <sup>2</sup>	-\$21,461
Supply and Install Geotextile (Bio Area)	\$4.83/m <sup>2</sup>	\$3.82/m <sup>2</sup>	10,295m <sup>2</sup>	-\$10,398



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Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Supply and Install Subsoil Drainage (6m Ctrs)	\$40.50/lin.m	\$34.50/lin.m	2,229lin.m	-\$13,374
Concrete Base Slab for Culverts (300mm) (incl. Nom. Steel, Formwork etc.)	\$1,093.43/m <sup>3</sup>	\$445.00/m <sup>3</sup>	90m <sup>3</sup>	-\$58,359
Backfill to Design Road Levels	\$19.12/m <sup>3</sup>	\$7.70/m <sup>3</sup>	1,377m <sup>3</sup>	-\$15,725
GPTs (S3.1, S4.1, S5.1, S6.1, S8.1, S9.1, S10.1, S11.1 and S12.1)	\$65,000/unit	\$36,300/unit	9 units	-\$258,300
GPTs (S1.4 and S7.1)	\$120,000/unit	\$61,600/unit	2 units	-\$116,800
GPTs (S2.4)	\$150,000/unit	\$80,300/unit	1 unit	-\$69,700
Trimming and Compaction (channels and raingardens)	\$1.37/m <sup>3</sup>	\$5.90/m <sup>3</sup>	44,630m <sup>3</sup>	\$202,174
Cartage (allow 20 km off site)	\$30.00/m <sup>3</sup>	\$13.20/m <sup>3</sup>	34,411m <sup>3</sup>	-\$578,096
Tip Fees (channel and raingarden works)	\$136.50/tonne	\$120.00/tonne	61,939 tonne	-\$1,021,994



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**Table 4-4: Summary of Cost Differences – Transport**

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Cartage roadwork	\$26.60/m <sup>3</sup>	\$13.20/m <sup>3</sup>	4,391m <sup>3</sup>	-\$58,839
Excavation of Non-Recyclable Material (road excavation), using an excavator.	\$14.26/m <sup>3</sup>	\$17.95/m <sup>3</sup>	6,360m <sup>3</sup>	\$23,468
Dense Graded Pavement	\$10.38/m <sup>2</sup>	\$15.50/m <sup>2</sup>	17,253m <sup>2</sup>	\$88,333
Fell, grub and dispose of significant trees	\$800.00 each	\$985.00 each	87 each	\$16,095
375mm dia. R.C.P. Class 2	\$72.43/lin.m	\$136/lin.m	2,920lin.m	\$185,624
DGS20 Lime Treated, 100mm Layer	\$14.40/m <sup>2</sup>	\$15.00/m <sup>2</sup>	48,959/m <sup>2</sup>	\$29,375
Tip Fees (road works)	\$136.50/tonne	\$120.00/tonne	7,903 tonne	-\$130,413
150mm Kerb & Gutter	\$66.68/lin.m	\$146.00/lin.m	3,243lin.m	\$257,235
125mm Thick Slab	\$129.15/lin.m	\$285.00/lin.m	3,938lin.m	\$613,659
Filling Sand for Pipe Trenches & Around Drainage Structures	\$66.68/m <sup>3</sup>	\$56.00/m <sup>3</sup>	4,208m <sup>3</sup>	-\$44,937
Recovered fill from on site	\$17.85/m <sup>3</sup>	\$12.30/m <sup>3</sup>	2,080m <sup>3</sup>	-\$11,544
Trimming and compaction of subgrade	\$1.37/m <sup>3</sup>	\$5.90/m <sup>3</sup>	19,584m <sup>3</sup>	\$88,713
Supply, Excavate 300mm Wide x 450mm Deep Trench	\$42.00/m <sup>3</sup>	\$31.75/m <sup>3</sup>	1,475m <sup>3</sup>	-\$15,119
AC20, 100mm Layer	\$39.20/m <sup>2</sup>	\$44.90/m <sup>2</sup>	17,253m <sup>2</sup>	\$98,339
Supply and install concrete block masonry retaining wall	\$772.90/m <sup>2</sup>	\$510.00/m <sup>2</sup>	200m <sup>2</sup>	-\$52,580





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Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Temporary Traffic Signals (set of two traffic heads)	\$971.25	\$1,775	53.45	\$42,960
Contingency (Transport)	10%	5%		-\$563,025
Design Fee (survey, geotech & design)	\$50,000 + 5%	\$20,000 + 5%		-\$150,000

Based on the project investigation, which includes the information in **Table 4-3** and **Table 4-4**, WP has determined the variation in the price between BCC and WP and these findings are shown in **Table 4-5** below.

**Table 4-5: Total Cost Comparison Summary**

Item	BCC Estimate	WP Estimate	Price Variation
Stormwater Management	\$17,978,200	\$15,305,600	-14.9%
Transport	\$19,940,000	\$21,890,131	+9.8%



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## **5 FINDINGS AND RECOMMENDATIONS**

### **5.1 Stormwater Management**

The overall review of the design and costing of stormwater infrastructure has determined that both the design and costing for the proposed infrastructure is reasonable.

Although there are several differences in the rates of some of the items, in general the estimate undertaken by BCC and the estimate undertaken by WP as a review are very close. A price variation of approximately 15% between the estimates is a good outcome given the scope and scale of the project.

The only item which has a material impact on the total cost of stormwater infrastructure is Tip Fees (combined for culvert, channel and raingarden) with a net impact of +\$1,026,432.

WorleyParsons is satisfied that, given the stage of the design, the contingencies and breakdown of the costing are satisfactory, apart from those which have been outlined previously in the report, and that the general design of the stormwater infrastructure is also satisfactory.

Overall, WP is satisfied that, following the review undertaken, BCC's cost estimate for stormwater infrastructure is reasonable.

### **5.2 Transport**

The overall review of the design and costing of transport infrastructure has determined that both the design and costing for the proposed infrastructure is reasonable.

Although there are several differences in the rates of some of the items, in general the estimate undertaken by BCC and the estimate undertaken by WP as a review are very close. A price variation of approximately 10% between the estimates is a good outcome given the scope and scale of the project.

There are no individual items which are considered to have a material impact on the total cost of transport infrastructure.

WorleyParsons is satisfied that, given the stage of the design, the contingencies and breakdown of the costing are satisfactory, apart from those which have been outlined previously in the report, and that the general design of the transport infrastructure is also satisfactory.

An area which may be looked at in greater detail should IPART not be satisfied with the findings would be the blanket \$50,000 + 5% design fee placed on geotechnical designs. WP believes that a blanket \$20,000 + 5% design fee is sufficient, although this would only have a minor effect on the price (approximately 0.8%).



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Overall, WP is satisfied that, following the review undertaken, BCC's cost estimate for transport infrastructure is reasonable.

## Glossary

ABS	Australian Bureau of Statistics
Base contributions rate	The rate used to calculate the total contributions payable by the developer for different infrastructure categories
Contributions caps	The maximum contribution payable by a developer for local infrastructure per residential lot
Contributions plan	A plan that a council uses to impose a contribution on new development to help fund the cost of providing new public infrastructure and services to support that development
CPI	Consumer Price Index
CP12	<i>The Hills Shire Council's Contributions Plan No 12 – Balmoral Road Release Area</i>
CP13	<i>The Hills Shire Council's Contributions Plan No 13 – North Kellyville Precinct</i>
CP20	<i>Blacktown City Council's Contributions Plan No 20 – Riverstone and Alex Avenue Precincts</i>
CP21	<i><u>Blacktown City Council's</u> Draft Contributions Plan No 21 – Marsden Park Industrial Precinct</i>
CP22	<i><u>Blacktown City Council's</u> Draft Contributions Plan No 22 – Area 20</i>
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	<i>Environmental Planning and Assessment Regulation 2000</i>

Essential Works List	<p>The Essential Works List includes:</p> <ul style="list-style-type: none"> <li>land and facilities for transport (eg, road works, traffic management and pedestrian and cycle facilities), not including carparking</li> <li>land and facilities for stormwater management</li> <li>land for open space (eg, parks and sporting facilities) including base level embellishment (see below)</li> <li>land for community services (eg, childcare centres and libraries)</li> </ul>
Greenfield	Undeveloped land that is suitable for urban development, usually located in the fringe areas of existing urban development and requiring significant provision of new infrastructure and services to facilitate development
Housing Acceleration Fund (HAF)	A \$481 million funding initiative introduced in the 2012-13 NSW Budget for investing in new infrastructure and to assist housing development in NSW
Indicative Layout Plan	A plan setting out the framework for different zoned areas, main road pattern, infrastructure requirements, urban connections, activity centres, landscape corridors and stormwater management measures for a precinct
IPART	Independent Pricing and Regulatory Tribunal
MPIP	Marsden Park Industrial Precinct
Nexus	The connection between the demand created by the new development, and the public facilities provided, which is assessed to ensure that equity exists for those funding the facilities
North West Growth Centre	A group of 16 greenfield development precincts in north west Sydney across 3 local government areas – The Hills Shire Council, Blacktown City Council and Hawkesbury Council
Practice Note	<i>Practice Note for the assessment of Local Contributions Plan by IPART, November 2010 (supplemented by advice from the Department of Planning regarding base embellishment)</i>

Precinct acceleration protocol	An initiative endorsed by the NSW Government in 2006, which allows precinct releases within the growth centres to be accelerated where there is no cost to Government
Priority Infrastructure Fund	A \$50m fund established by the Minister for Planning in 2011 to enable Councils to recover the difference (from the NSW Government) between the contributions amount contained in a contributions plan (that is assessed as being reasonable by IPART) and the relevant cap
Special rate variation	The percentage amount by which a council is granted approval to increase its maximum general income in a single year (under section 508(2) of the <i>Local Government Act 1993</i> ) and for 2 to 7 years (under section 508A of the Act)
Voluntary Planning Agreement	An agreement entered into by a planning authority (eg, a council) and a developer to provide or fund public amenities and services, affordable housing and infrastructure whereby developers dedicate land, works in kind or monetary contributions