IPART
New South Wales

Independent Pricing and Regulatory Tribunal

Assessment of Blacktown City Council's Draft Section 94 Contributions Plan No 21

Marsden Park Industrial Precinct

Local Government — Assessment
September 2012

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ISBN 978-1-922127-25-9 ACP04

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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 City Council has submitted Draft Contributions Plan No 21 – Marsden Park Industrial Precinct (CP21) to IPART for assessment. The Marsden Park Industrial Precinct (MPIP) is within Sydney's North West Growth Centre.

The maximum residential contribution payable under the plan is around $48,000 per lot.[1] This is above the maximum contribution cap of $30,000 per lot set by the Government that applies to the plan.[2] As a result, IPART is required to assess the plan and report our findings to the Minister for Planning and Infrastructure and the council (see Box 1.1). 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).[3]

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1 Blacktown City Council, Correspondence with IPART, 13 February 2012.

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

3 Department of Planning, *Local Development Contributions Practice Note for assessment of contributions plans by IPART*, November 2010. We note that the Practice Note is being revised by the Department of Planning and Infrastructure.

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.

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,[a] 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 2010 by the 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.

Councils are also able to apply for a special rate variation 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 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.

a 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.

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 CP21, we have also assessed Blacktown City Council's Draft Contributions Plan No 22 for the development area known as Area 20.[4]

1.2 Breakdown of costs in CP21

The majority of the land and facilities in CP21 are for the MPIP. However, CP21 also includes some costs for infrastructure in the adjoining Marsden Park Precinct and the combined precinct facility (Reserve 867) in the Riverstone Precinct. Specifically, the cost of open space, land for community services and associated administration costs are shared between MPIP and the Marsden Park Precinct (predominantly residential development). The cost of the combined precinct facility servicing the MPIP and the Marsden Park Precinct is shared across Blacktown City Council's residential precincts within the North West Growth Centre.

Table 1.1 summarises the land and facilities in CP21 and their cost, according to the plan. It also shows the total cost of land and facilities apportioned to the MPIP. We estimate that around 9% of the total cost of open space and community services and 57% of administration costs have been apportioned to the MPIP.

4 Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Area 20 Precinct,* January 2012.

Table 1.1 CP21 - Total cost of land and facilities ($)

	Land acquisition	Facilities	Total
Transport	12,445,000	26,476,000	38,921,000
Stormwater management	36,607,000	89,346,000	125,953,000
Open space	72,948,206	75,925,684	148,873,890
Community services	2,408,000	0	2,408,000
Combined precinct facility	586,837	273,000	859,837
Administration costs			1,585,079
Total cost	**124,995,043**	**192,020,684**	**318,600,806**
Total cost apportioned to the MPIP	**56,741,223**	**123,251,060**	**180,892,244**

Source: Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 56, and IPART calculations.

1.3 Our findings and recommendations

This section summarises our assessment of the council's application against the criteria in the Practice Note.[5]

Our findings and recommendations against each criteria are set out below. Table 1.2 summarises our assessment of the reasonable cost of essential works in CP21 and the cost apportioned to the MPIP.

We have assessed CP21 based on the information provided by Blacktown City Council as well as advice from our consultants, WorleyParsons, for transport and stormwater infrastructure.

As a result of our assessment, we consider that the total reasonable cost of essential works in CP21 should be around $315,552,000, which is around $3,049,000 (or 1.0%) less than the cost of the plan submitted to IPART. The total reasonable cost apportioned to the MPIP in CP21 is around $178,528,000, which is around $2,364,000 (or 1.3%) less than the cost estimate submitted to IPART.

We have not quantified the impacts of some recommendations because they are minor or not yet quantifiable.

5 *Local Development Contributions Practice Note for assessment of contributions plans by IPART*, November 2010.

Table 1.2 Total cost of CP21 and IPART's assessment of the total reasonable cost of essential works for CP21 ($)

Component		Cost in plan	IPART adjustment		IPART assessed reasonable cost
Transport	Land	12,445,000			12,445,000
	Facilities	26,476,000	+550,029	(tip fees)	
			-1,354,414	(contingencies)	25,671,615
Stormwater management	Land	36,607,000	0		36,607,000
	Facilities	89,346,000	-594,000	(raingarden)	
			-270,000	(professional fees)	
			+4,647,216	(tip fees)	
			-3,052,253	(landscaping)	
			-1,220,761	(jute mesh and maintenance)	
			-170,000	(gross pollutant traps)	88,686,203
Open space[a]	Land	72,948,206	0		72,948,206
	Facilities	75,925,684	0		75,925,684
Community services[a]	Land	2,408,000	0		2,408,000
	Facilities	0	0		0
Combined precinct facility	Land	586,837	0		586,837
	Facilities	273,000	0		273,000
Administration costs		1,585,079	-1,585,079	(CP21)	0
		899,961	-899,961	(MPIP)	0
Total cost of CP21		**318,600,806**	**-3,049,261**		**315,551,545**
Total cost apportioned to the MPIP[a]		**180,892,244**	**-2,364,143**		**178,528,101**

a The total cost of open space and land for community services includes both the MPIP and the Marsden Park Precinct. We estimate that around 9% of the total cost of open space and community services has been apportioned to the MPIP.

Criterion 1: Essential Works List

IPART must assess whether the public amenities and services included in the plan are on the Essential Works List.

Nearly all of the public amenities and public services in CP21 are on the Essential Works List except administration costs and the combined precinct facility (Reserve 867). Administration costs are $1,585,079 for CP21 and $899,961 for the MPIP.

Although administration costs are not on the Essential Works List, we consider that it is reasonable to include these costs in CP21. 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.

The Practice Note does not specifically include conservation areas as Essential Works. As a result, the 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. This is considered under criterion 2 below.

Recommendations

1 The revised Practice Note should be amended to include administration costs on the Essential Works List. 26

2 Administration costs should be defined to include: 26

- councils' costs in preparing the contributions plan, including preparation of studies to identify the needs of the proposed development 26
- councils' costs in reviewing and updating contributions plans and managing contributions receipts and expenditures. 26

3 In the absence of changes to the Practice Note to include administration costs on the Essential Works List, the council should remove these from the cost of essential works in the plan. This will reduce the cost of essential works in the plan by $1,585,079. 26

4 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. 27

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.

There is nexus between the land and facilities for all categories of works in CP21 and the development of the MPIP, except for one stand-alone raingarden and the combined precinct facility (Reserve 867).

However, in light of an agreement that pre-dates the drafting of CP21 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 found that a stand-alone raingarden is not required to meet the stormwater quality standards. For the combined precinct facility, we found no evidence supporting its provision to meet the demand for open space generated by the development of the MPIP.

Recommendation

5 The council should remove a stand-alone raingarden (item B5.1) from the cost of essential works in the plan. This will reduce the cost of essential works by $594,000. 32

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.

The cost of land in CP21 is reasonable. Most of the base cost of facilities for all works categories are also reasonable. However, some of the cost estimates for stormwater and transport facilities should be revised.

For transport facilities, we found that the allowance for contingencies for all transport facilities is high and should be reduced. We also found that tip fees for road works are low and should be increased.

For stormwater facilities, we found that:

- professional fees for stormwater basin designs are high and should be reduced
- tip fees for pipe, culvert, channel and basin works are low and should be increased
- landscaping costs for detention basins are high and should be reduced
- the cost for jute mesh and maintenance for landscaped channels have been double counted and should be removed
- the cost of some gross pollutant traps are high and should be reduced.

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 cost of these facilities.

We also noted several issues regarding indexation:

- some unit costs and land values are not 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

16 The council should reduce the landscaping cost rate of stormwater basins from 30/m^2 to \$15/m^2. This will reduce the cost of essential works in the plan by \$3,052,253. 49

17 The council should reduce the cost of gross pollutant traps from \$1,690,000 to \$1,520,000. This will reduce the cost of essential works in the plan by \$170,000. 49

18 The council should remove the cost of jute mesh and 12 month maintenance applied to landscaping of channels due to double counting. This will reduce the cost of essential works in the plan by \$1,220,761. 49

19 To improve the consistency of cost estimates in CP21, the council should index the cost of stormwater management facilities to June quarter 2011 dollars. 49

20 The council should update the costs for open space facilities in CP21 when the planning for the adjacent Marsden Park Precinct is complete. 51

21 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. 52

22 Consistent with IPART's definition of administration costs in Recommendation 2; 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. 53

23 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. 55

24 The plan currently prevents the contributions rate payable from falling below the base rate. 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. 55

Criterion 4: Timing

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

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 CP21 does not include information about the expected development patterns of the precinct.

Recommendations

25 The council should update the plan, once planning for the adjacent Marsden Park Precinct is complete, to indicate the timeframe for providing open space public amenities and services, and land for community services. 57

26 The council should include in the plan the indicative timeframe for providing the combined precinct facility (Reserve 867). 57

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.

The council's apportionment of the cost of works is reasonable. However, we recommend that the council update the apportionment of costs for open space and land for community services and the combined precinct facility to reflect the revised population estimate for the MPIP when planning for the adjacent Marsden Park Precinct is complete.

Recommendations

27 The council should revise the apportionment of open space costs to reflect the latest population estimate for the MPIP. 61

28 The council should revise the apportionment of the cost of land for community services to reflect the latest population estimate for the MPIP. 61

29 The council should revise the apportionment of the combined precinct facility costs to reflect the latest population estimate for the MPIP. 62

Criterion 6: Consultation

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

The council has conducted appropriate community liaison and publicity by exhibiting CP21 over the period 26 June 2012 to 23 July 2012. The supporting documentation was also publicly exhibited prior to drafting CP21.

Criterion 7: Other matters

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

We found that the information provided in the plan complies with the *Environmental Planning & Assessment Act 1979* and the *Environmental Planning & Assessment Regulation 2000* (EP&A Regulation). However, to make the plan clearer and more transparent, we consider CP21 should contain more detailed information. This includes the indicative contributions rates for different lot densities and sizes, underlying assumptions, the capacity of existing local facilities, the anticipated development yield, and also the anticipated timeframe for the development of the MPIP and the adjacent Marsden Park Precinct.

Recommendations

30 The council should, where possible, include in CP21 a schedule of the indicative contributions rates for different types of developments and dwelling types. 65

31 CP21 should contain more detailed information, including on the underlying assumptions, the capacity of existing local facilities, the anticipated development yield and the anticipated timeframe for the development of the MPIP. 65

1.4 Structure of this report

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

- Chapter 2 summarises CP21
- Chapter 3 explains our assessment of CP21 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 21 – Marsden Park Industrial Precinct
- Appendix C is a report by WorleyParsons commissioned by IPART on transport and stormwater management aspects of CP21.

2 Summary of Draft Contributions Plan No 21

CP21 has been prepared by Blacktown City Council for the Marsden Park Industrial Precinct (MPIP).

The MPIP contains around 550 ha of land in the North West Growth Centre. Most of the development in the precinct will be non-residential. This comprises 207 ha of land zoned for industrial uses and 110 ha of land zoned for business parks and business development uses. The MPIP is expected to accommodate 10,000 jobs once the area is fully developed.

The residential component of the precinct is expected to accommodate 3,504 residents in 1,228 dwellings (46.6 hectares).

The total cost of the plan is around $319m, comprising 39.4% for land acquisition, 60.6% for construction of facilities and 0.5% for administration costs. The total cost includes provisions for open space and community services that will be located in the Marsden Park Precinct (adjacent to the MPIP) and shared by residents of both the MPIP and Marsden Park Precinct.

The council estimates that the maximum residential contribution that would be levied under CP21 in the absence of the contributions cap is around $48,000 per residential dwelling.[6]

2.1 Status of the plan

Blacktown City Council submitted CP21 to IPART for review as a draft contributions plan. At that time CP21 had not been publicly 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.

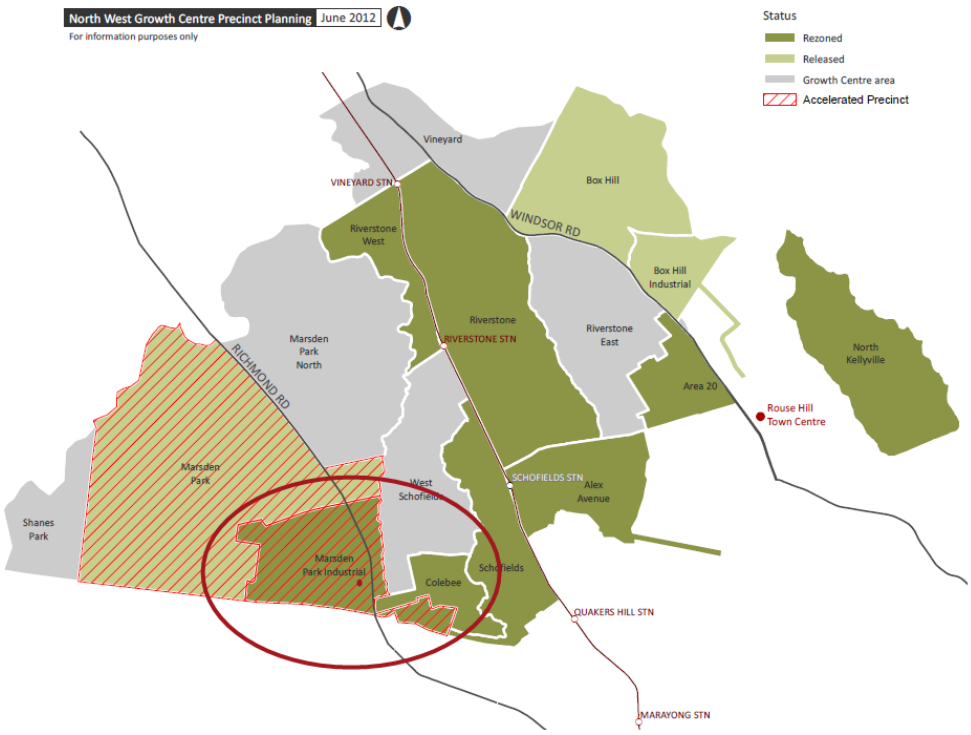
6 Blacktown City Council, Correspondence with IPART, 13 February 2012.

2.2 Marsden Park Industrial Precinct

MPIP is located within the North West Growth Centre (see Figure 2.1),[7] within the Blacktown Local Government Area.

The MPIP is bordered by the Marsden Park Precinct to the north and west. To the east, the MPIP is bordered by the Colebee Precinct (rezoned in 2005) and West Schofields Precincts (yet to be released). The southern boundary of the MPIP is the proposed M7 extension.

Figure 2.1 Location of Marsden Park Industrial Precinct in the North West Growth Centre



Source: Department of Planning and Infrastructure, June 2012.

Most of the land within the precinct is currently used for grazing or quarrying and landfill. There are a number of rural-residential properties, a caravan park at Hollinsworth Road and a mosque in the south eastern corner fronting Richmond Road.

7 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.

The precinct was rezoned for industrial and urban development on 18 November 2010. The rezoning process was undertaken in accordance with the Government's Precinct Acceleration Protocol (see Box 2.1).

Accelerated precincts have a developer who is willing to provide state level infrastructure for the precinct at no cost to the government in order to fast track the rezoning of the precinct.

Box 2.1 Precinct Acceleration Protocol (PAP)

The precinct acceleration protocol was endorsed by the NSW Government in 2006, around the time it announced the first release precinct areas in the North West and South West Growth Centres. The purpose was to enable development of a precinct to proceed earlier than the order of release of the 38 precincts proposed by the Growth Centres Commission. A key condition to accelerate a precinct was that there would be no cost to government.

Proponents wishing to accelerate a precinct (only an entire precinct could be accelerated) are subject to a 2 stage approval process in which they are:

1. Required to show the ability and commitment to finance and deliver the full estimated infrastructure for the Precinct and any connecting infrastructure linking the Precinct to existing urban areas. This includes the extent of monetary contributions of works-in-kind they intend to provide. A 'Precinct Acceleration Control Group' was set up to assess stage 1.
2. Required to work closely with the Growth Centres Commission (now 'Sydney's Growth Centres' in the Department of Planning and Infrastructure). The Growth Centres Commission provides a 'requirements package' and oversees projects in stage 2.

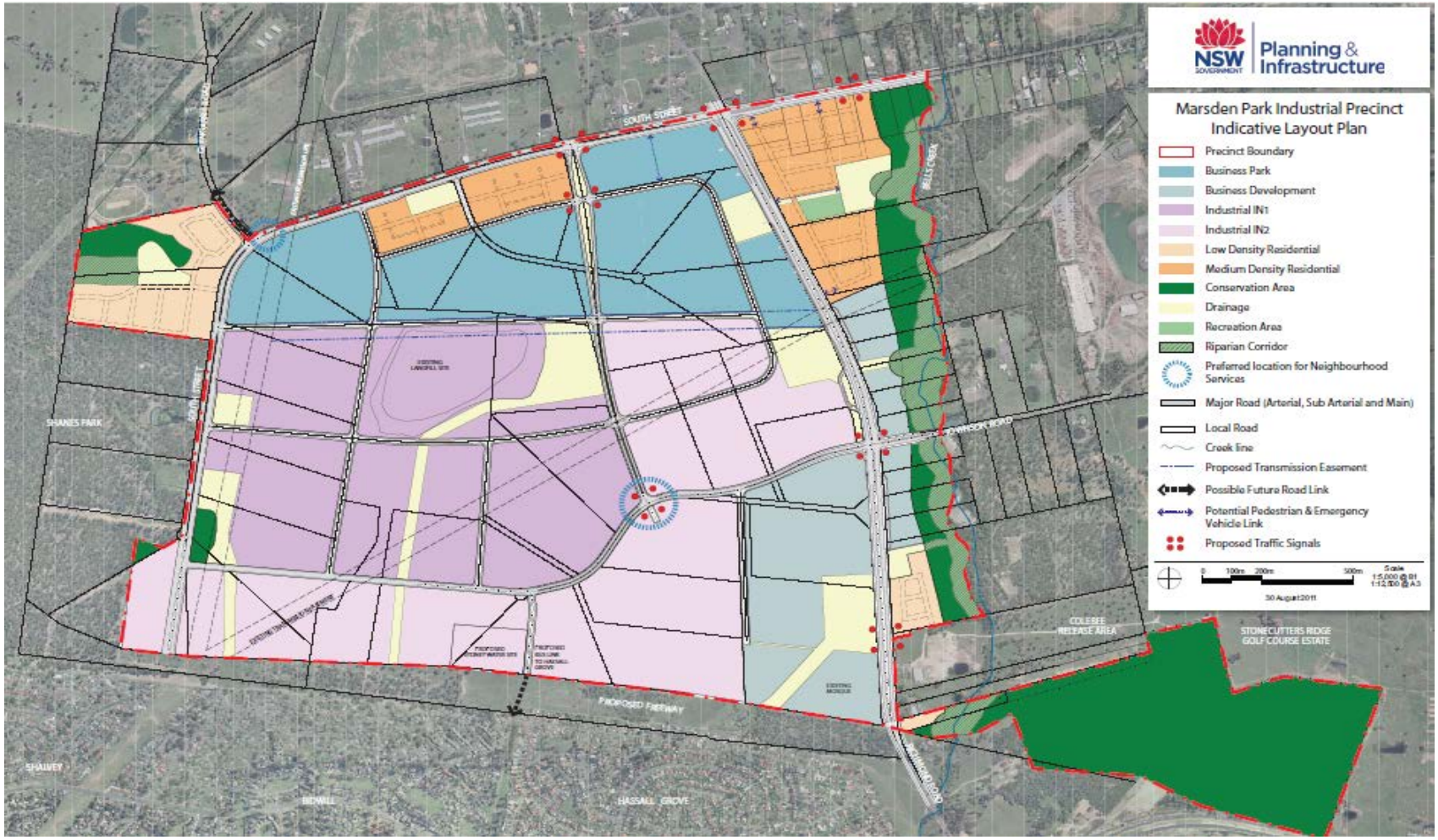
The Marsden Park Industrial Precinct was rezoned in November 2010 and was the first precinct rezoned under the PAP. Planning commenced in July 2011 for the neighbouring Marsden Park Precinct under the PAP.

2.3 Future development within the precinct

The Indicative Layout Plan for the MPIP shows the anticipated mix of land uses in the precinct (Figure 2.2). The area covered by the Indicative Layout Plan is around 550 hectares. Most of the developable area will be for non-residential uses such as business parks, bulky goods, general and light industrial developments.

Residential-zoned land accounts for less than 10% of the developable area and is located on the northern and eastern edges of the precinct. Table 2.1 shows the land use mix for the MPIP.

Figure 2.2 Marsden Park Industrial Precinct – Indicative Layout Plan



Source: Department of Planning and Infrastructure, 30 August 2011.

Table 2.1 Marsden Park Industrial Precinct – Land use mix

Land use	Area (ha)
Detached residential	17.2
Attached residential	29.4
Business park	70.6
Bulk goods retailing	39.8
General industrial	99.3
Light industrial	107.3
Drainage	35.9
Conservation and open space	63.6
Road reserves	59.9
Deferred land (Bells Creek)	27.5
Total	**550.3**

Source: Department of Planning, *SEPP (Sydney Region Growth Centres) Amendment (Marsden Park Industrial Precinct - Post-Exhibition Planning Report)*, 28 October 2010, p 2.

When fully developed, the MPIP is expected to accommodate around 3,500 residents in a mix of medium and low density dwellings (1,228 dwellings).[8] This is based on the final Indicative Layout Plan for the precinct. However, CP21 has been drafted using an assumed population of 3,205 residents (1,121 dwellings) based on the draft Indicative Layout Plan. The MPIP is also expected to provide around 10,000 jobs when fully developed.[9]

Blacktown City Council estimates that it will take 25 to 30 years to fully develop the MPIP.[10] No details have been supplied to IPART regarding the timeframes for developing specific areas in the precinct.

2.4 Contributions rates in CP21

Depending on the category of infrastructure, the base contributions rates in CP21 are levied on a per hectare basis and on a per person basis (see Table 2.2 below). The actual contribution for a specific development will depend on the characteristics of the development (eg, size of dwelling or lot) and the location of the development within the precinct (ie, which contributions catchment it falls within).

8 Department of Planning, *SEPP (Sydney Region Growth Centres) Amendment (Marsden Park Industrial Precinct - Post-Exhibition Planning Report*), 28 October 2010, p 2.

9 Ibid, p 7.

10 Blacktown City Council, *Application for assessment of contributions plan,* January 2012, p 13.

The base rates in Table 2.2 are shown in 2010/11 dollars, and the council will index them using the Australian Bureau of Statistics' Consumer Price Index – Sydney Housing.[11]

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

Table 2.2 Base contributions rates in CP21

Infrastructure categories /catchment and sub-catchment	Levied for residential development	Cost per hectare ($)	Cost per person ($)
Stormwater management-quantity			
Bells Creek	Yes	241,505	
Marsden Creek	No	340,683	
Little Creek	Yes	375,206	
Stormwater management – quality			
Bells Creek – SWQ1	Yes	42,242	
Bells Creek – SWQ2	No	187,890	
Marsden Creek – SWQ3	Yes	45,464	
Little Creek – SWQ4	Yes	130,188	
Little Creek – SWQ5	No	12,447	
Little Creek – SWQ6	No	23,112	
Traffic management	No	123,779	
Open space	Yes		4,400
Community services	Yes		71
Combined precinct facility	Yes		270

Source*:* Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 57.

The council estimates that the maximum contribution rate in CP21 that is applicable to residential development is about $48,000 per lot.[12] This represents the contribution rate for a low-density dwelling located in the Little Creek catchment. Residential lots in the MPIP do not have to contribute to the cost of local transport infrastructure in CP21. A breakdown of the maximum contribution rate, by infrastructure category, is in Table 2.3. Most of the cost is for providing stormwater management infrastructure.

11 Blacktown City Council, *Draft Section 94 Contributions Plan No 22 – Marsden Park Industrial Precinct*, January 2012, p 26.

12 Blacktown City Council, Correspondence with IPART, 19 March 2012.

Table 2.3 Maximum contribution rate per residential lot in CP21 (S)

Infrastructure category	
Stormwater	
Stormwater quantity management	25,537
Stormwater quality management	8,861
Open space	12,760
Community facilities	206
Combined precinct facility	783
Total	**48,147**

Note: Residential lots do not have to contribute to the cost of local transport infrastructure in CP21.
Source: Blacktown City Council, Correspondence with IPART, 13 February 2012.

2.5 Land and facilities in CP21

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

The land and facilities included in CP21 are classified into 5 groups. We have assessed CP21 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 CP21

Terminology used in this report	Terminology used in CP21
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 CP21 is around $319m, including administration costs. This includes the costs of open space and land for community services in both the MPIP and the Marsden Park Precinct. A breakdown of these costs is provided in Table 2.5.

Table 2.5 CP21 - Total costs ($)

	Land acquisition	Facilities	Total
Transport	12,445,000	26,476,000	38,921,000
Stormwater management	36,607,000	89,346,000	125,953,000
Open space	72,948,206	75,925,684	148,873,890
Community services	2,408,000	0	2,408,000
Combined precinct facility	586,837	273,000	859,837
Administration costs			1,585,079
Total	**124,995,043**	**192,020,684**	**318,600,806**

Source: Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 56, and IPART calculations.

As previously noted, CP21 includes open space and community services located in the Marsden Park Precinct that is to be used jointly by the residents of the Marsden Park Precinct and the Marsden Park Industrial Precinct. We estimate that around 91% of the total cost of open space and community services is for infrastructure that will service the Marsden Park Precinct while the remaining 9% is for the Marsden Park Industrial Precinct.

Excluding Marsden Park Precinct's share, the total cost of land and facilities apportioned to the MPIP is around $183m, including administration costs. Table 2.6 shows the total cost of land and facilities for the MPIP in CP21.

Table 2.6 CP21 - Total costs apportioned to the MPIP ($)

	Land acquisition	Facilities	Total
Transport	12,445,000	26,476,000	38,921,000
Stormwater management	36,607,000	89,346,000	125,953,000
Open space[a]	6,875,430	7,156,060	14,031,490
Community services[a]	226,956	0	2,408,000
Combined precinct facility	586,837	273,000	859,837
Administration costs[a]			899,961
Total	**56,741,223**	**123,251,060**	**183,073,288**

[a] The total cost of open space and land for community services includes both the MPIP and the Marsden Park Precinct. We estimate that around 9% of the total cost of open space and community services and 57% of administration costs have been apportioned to the MPIP. Accordingly, we have excluded the cost of open space, community services and administration costs that have been apportioned to the Marsden Park Precinct for these works categories.

Source: Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 56, and IPART calculations.

2.5.1 Voluntary planning agreements

We note that 2 Voluntary Planning Agreements (VPAs) relate to CP21.

The Minister for Planning and Infrastructure, the council and Marsden Park Developments Pty Ltd have struck a VPA for the provision and upgrade of major roads (Richmond Road and South Street).

A second VPA has also been struck between the council and a developer for the provision of some local transport land and facilities as well as some local stormwater land and facilities.

We would expect that development of the area covered by the local VPA would occur before the development of other areas in the precinct (as agreed under the VPA). The developer funds the works under the VPA. As the works being provided are also included in the contributions plan (CP21), the value of works will be credited towards the amount that the developer will be levied under the adopted plan. This could mean that the council has to reimburse the developer when sufficient contributions have been collected from other developers.[13]

[13] Marsden Park Industrial Precinct Planning Agreement, Blacktown City Council and Marsden Park Developments Pty Ltd, 13 October 2011, p 11.

3 Assessment of Draft Contributions Plan No 21

We have assessed Blacktown City Council's application for a review of CP21 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 provisions for transport and stormwater management facilities and their costs. A copy of WorleyParsons' final report is attached (Appendix C).

We consider that while CP21 mostly meets the criteria in the Practice Note, some aspects of the plan should be revised or updated. We assessed the council's application for CP21 and found that:

- The public amenities and services in the plan are on the Essential Works List, except for administration costs and the combined precinct facility.
- There is nexus between most of the expected demand arising from the development and 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 approved its inclusion in the plan.
- Most of the land and facility costs are reasonable, however, some of the cost estimates for stormwater and transport facilities should be revised.

  For transport facilities, we found that:
  - the allowance for contingencies for all transport facilities is high and should be reduced
  - the tip fees for road works are low and should be increased.

  For stormwater facilities, we found that:
  - professional fees for stormwater basin designs are high and should be reduced
  - tip fees for pipe, culvert, channel and basin works are low and should be increased
  - landscaping costs for detention basins are high and should be reduced
  - jute mesh and maintenance costs for channels have been doubled counted and should be removed
  - the cost of some gross pollutant traps are high and should be reduced.

- While the council's approach to prioritising land and facilities is reasonable, we are unable to assess the reasonableness of the actual timeframes allocated to each category of works because CP21 does not include details of the expected development patterns or population thresholds.
- The council's approach to the apportionment of the cost of works within the MPIP and for the Marsden Park Precinct is reasonable. However, the costs of open space, land for community services and the combined precinct facility should be apportioned using the latest population estimate for the MPIP.
- The community consultation undertaken by the council is reasonable. However, some additional information could be helpful to stakeholders.

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 cost of these facilities.

Table 3.1 summarises our assessment of the reasonable cost of essential works in CP21 and the cost apportioned to the MPIP. We consider that the total reasonable cost of essential works in CP21 should be around $315,552,000, which is around $3,049,000 (or 1.0%) less than the cost of the plan submitted to IPART. The total reasonable cost apportioned to the MPIP in CP21 is around $178,528,000, which is around $2,364,000 (or 1.3%) less than the cost estimate submitted to IPART.

We have not quantified the impact of recommendations relating to indexation because we consider that the cost impact would be minor. We also note that the impact of some of our recommendations is not quantifiable. For example, there will be revised costs from:

- updating the cost and timing of open space and land for community services when planning for the Marsden Park Precinct is complete
- removing the contingencies allowance for the Plan of Management for Reserve 867.

Table 3.1 Total cost of CP21 and IPART's assessment of the total reasonable cost of essential works for CP21 ($)

Component		Cost in plan	IPART adjustment		IPART assessed reasonable cost
Transport	Land	12,445,000			12,445,000
	Facilities	26,476,000	+550,029	(tip fees)	
			-1,354,414	(contingencies)	25,671,615
Stormwater management	Land	36,607,000	0		36,607,000
	Facilities	89,346,000	-594,000	(raingarden)	
			-270,000	(professional fees)	
			+4,647,216	(tip fees)	
			-3,052,253	(landscaping)	
			-1,220,761	(jute mesh and maintenance)	
			-170,000	(gross pollutant traps)	88,686,203
Open space[a]	Land	72,948,206	0		72,948,206
	Facilities	75,925,684	0		75,925,684
Community services[a]	Land	2,408,000	0		2,408,000
	Facilities	0	0		0
Combined precinct facility	Land	586,837	0		586,837
	Facilities	273,000	0		273,000
Administration costs		1,585,079	-1,585,079	(CP21)	0
		899,961	-899,961	(MPIP)	0
Total cost of CP21		**318,600,806**	**-3,049,261**		**315,551,545**
Total cost apportioned to the MPIP [a]		**180,892,244**	**-2,364,143**		**178,528,101**

a The total cost of open space and land for community services includes both the MPIP and the Marsden Park Precinct. We estimate that around 9% of the total cost of open space and community services has been apportioned to the MPIP.

3.1 Criterion 1: Essential Works List

IPART must assess whether the public amenities and services included 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).[a]

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.[b]

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

a Department of Planning, Local Development Contributions Practice note for assessment of contributions plans by IPART, November 2010, p 7.

b Department of Planning, Local Development Contributions Practice note for assessment of contributions plans by IPART, November 2010, p 7.
Note: In correspondence with IPART dated 23 March 2011, the Department of Planning and Infrastructure advised 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.

Table 3.2 summarises our assessment of CP21 against the Essential Works List. We found that most of the land and facilities are on the Essential Works List. Administration costs and the combined precinct facility are not on the Essential Works List.

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 the updated definition of base embellishment.

Table 3.2 Summary of assessment of CP21 against Essential Works List

Works category	Land and facilities on the Essential Works List	Not on the Essential Works List
Transport	Sub-arterial and collector roads Bus shelters Local roundabouts Footpaths Cycleways	
Stormwater management	Drainage basin Gross pollutant traps Drainage culverts Drainage pipe line Bio-retention basin	
Open space	Local sports fields Netball courts Tennis courts	
Community services	Land for the Community Resource and Recreation Hubs[a]	
Combined precinct facility[b]		Land Bush regeneration Conservation works
Administration costs		Administration costs

a There are 2 Community Resource and Recreation Hubs which contain youth/recreation services, community services, children and family services, library, active and aquatic centre and neighbourhood centre facilities.

b 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 criterion 2 of IPART's assessment (nexus).

Source: Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, pp 32-55.

3.1.1 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.

CP21 includes administration costs of $1,585,079 of which $899,961 is attributable to the MPIP.[14] The council acknowledges that these costs are not on the Essential Works List. However, it considers that they should be classified as essential works.

[14] This is derived by excluding administration costs for open space and community services that have been apportioned to the Marsden Park Precinct.

In our 2011 assessments of contributions plans for CP20 (Blacktown City Council) and CP12 and CP13 (the Hills Shire Council) 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.[15] 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 CP21.

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

1 Administration costs are not on the Essential Works List.

Recommendation

1 The revised Practice Note should be amended to include administration costs on the Essential Works List.

2 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.

3 In the absence of changes to the Practice Note to include administration costs on the Essential Works List, the council should remove these from the cost of essential works in the plan. This will reduce the cost of essential works in the plan by $1,585,079.

3.1.2 Combined precinct facility

CP21 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.[16] The total costs are apportioned amongst all of the Blacktown City Council's residential precincts within the North West Growth Centre.

The cost in CP21 of land and embellishment associated with Reserve 867 is $859,837. This represents 2.8% of the total costs ($31m) associated with Reserve 867.

15 For these reports, see IPART's website, http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt.

16 This reserve was previously designated as Reserve 906 in earlier contributions plans.

The Practice Note does not specifically include conservation areas as essential works. As a result, the 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 the MPIP. We do not consider that the combined precinct facility (Reserve 867) serves a dual purpose. This raises an issue of nexus and is discussed further in section 3.2.5.

Findings

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

3 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.

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

Recommendation

4 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.

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 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 CP21.

Table 3.3 Technical studies used to establish nexus in CP21

Essential works categories	Reports
Transport	Arup Pty Ltd, *Marsden Park Industrial (Employment) Precinct Transport and Access Study Final Report for ILP Exhibition*, 2009
Stormwater management	GHD Pty Ltd, *Water Cycle Management Assessment: Flooding, Stormwater and Water Sensitive Urban Design*, 2009
	J Wyndham Prince, *Marsden Park Industrial Precinct Post Exhibition Water Cycle Management Strategy Report Including Consideration of Climate Change Impacts*, 2011
	J Wyndham Prince, *Marsden Park Industrial Precinct Bells Creek Corridor Water Cycle Management Strategy*, 2011
Open space	Elton Consulting, *Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*, 2009
Community services	Elton Consulting, *Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*, 2009

We found there is nexus between the land and facilities in CP21 and the anticipated development in the MPIP with the exception of:

- a stand-alone raingarden (item B5.1)
- 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 which predates the Practice Note and the drafting of CP21.

3.2.1 Transport

Responsibility for transport

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

Roads and Maritime Services is responsible for providing land and facilities for arterial roads. The council will be responsible for providing sub-arterial roads and collector roads while the developers will be responsible for providing local subdivisional roads. The transport infrastructure in MPIP will be partly provided by developers under voluntary planning agreements with the Department of Planning and Infrastructure and the council (see section 2.5).

Transport land and facilities in CP21

The Arup study includes plans for the road networks and the hierarchy of roads for the MPIP. This includes the designs of arterial, sub-arterial and collector roads, intersection works and public transport land and facilities.[17]

The transport land and facilities to be provided in CP21 are:

- 2 sub-arterial roads and 1 collector road (including footpaths and cycleways)
- 2 sets of traffic lights
- 8 roundabouts
- 6 bus shelters.

In total, around 8.4 hectares of land will be acquired for these facilities.[18]

Consistency with technical study

We engaged WorleyParsons to assist in our assessment of nexus between the transport infrastructure in CP21 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 transport facilities compared to the Arup study. We also asked WorleyParsons to recommend amendments to the council's design where the council's adjustments were found to be unreasonable.

WorleyParsons found that the current road designs, as outlined in the Arup study, are adequate given the proposed development and usage. However, they also found that some intersections along the roads have been modified compared with the Arup Study's recommendations and designs.[19] These include:

- reclassification of South Street as an arterial road by the Roads and Traffic Authority (now Roads and Maritime Services)
- relocation of a proposed drainage channel running along the northern end of Main North-South Road (identified as R1)
- an additional roundabout at intersection 8.

WorleyParsons found the council's modifications to be reasonable. They also found the requirements for public transport land and facilities to be reasonable.

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17 Arup Pty Ltd, *Marsden Park Industrial (Employment) Precinct Transport and Access Study Final Report for ILP Exhibition*, 2009.

18 Blacktown City Council, *Application for assessment of contributions plan,* January 2012, p 12.

19 WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 1 August 2012, p 7.

On the basis of WorleyParsons' advice, we are satisfied that there is nexus between the transport land and facilities in CP21 and the expected development in the MPIP.

Finding

4 There is nexus between transport land and facilities in CP21 and the expected development in the MPIP.

3.2.2 Stormwater management

Responsibility for stormwater management

The responsibility for stormwater management in the MPIP is shared between Blacktown City Council and private developers. A developer has entered into a voluntary planning agreement with the council to dedicate land and provide stormwater facilities in the Bells Creek catchment. The types of land and facilities that the developer will provide include:

- land and facilities for a detention basin (identified as item B2.2 in the plan)
- facilities for a bio-retention basin (identified as item B2.3 in the plan)
- land and facilities for a channel and culvert (identified as item B2.4 in the plan)
- facilities for a gross pollutant trap and trunk drainage stormwater system (identified as items B2.5 and B2.6 in the plan).[20]

Stormwater land and facilities in CP21

CP21 identifies that water cycle management works are needed to meet the needs of urban land to ensure appropriate drainage and pollutant control. This includes land and facilities for both stormwater quantity and quality. The strategy for managing stormwater *quantity* in the MPIP area includes:[21]

- detention basins
- trunk drainage channels.

20 Marsden Park Industrial Precinct Planning Agreement, Blacktown City Council and Marsden Park Developments Pty Ltd, 13 October 2011, pp 29-33.

21 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.

The strategy for management of stormwater *quality* comprises:

- 'At source' pollution control measures for industrial, commercial and higher density residential areas. The cost of these measures is not included in the contributions plan because these measures will be provided on-site by the developers.
- Precinct scale bio-retention basins (co-located with the detention basins), wetlands and raingardens, and gross pollutant traps at key locations. The cost of these measures is included in the contributions plan and are apportioned on the basis of land use (see section 3.5.2 on apportionment).

Consistency with technical studies

Three technical studies are relevant to stormwater management in the MPIP (see Table 3.3):

- The original 2009 GHD report contains flood modelling used in later studies.
- The 2010 J Wyndham Prince technical study, which expands and refines GHD's 2009 flood modelling, was used for the Draft Indicative Layout Plan.
- The 2011 study by J Wyndham Prince dealt with previously unresolved issues concerning the reach of Bells Creek between South Street and Richmond Road (on the eastern perimeter of the precinct). This study found that land along the Bell's Creek corridor could remain in private ownership and so, the council has not included this land in CP21.

We engaged WorleyParsons to assist in our assessment of nexus between the provisions for stormwater in CP21 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 to 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 that the council made adjustments to the original designs for stormwater facilities. They found no issues with the majority of adjustments made by the council. They also found that most of the current designs are adequate given the proposed development[22] with the exception of a gross pollutant trap and a stand-alone raingarden (identified as items B5.2 and B5.1 respectively).

WorleyParsons stated that the provision of both items B5.2 and B5.1 seems to be excessive for the purpose of maintaining water quality. WorleyParsons found no issues concerning the provision of the gross pollutant trap but considers that the stand-alone raingarden basin may be excessive.

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22 WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 1 August 2012, p 6.

On the basis of WorleyParsons' advice, we consider that the stand-alone raingarden should be removed from CP21. This will reduce the cost of essential works by $594,000.

Finding

5 There is nexus between the stormwater land and facilities in CP21 and the expected development in the MPIP with the exception of a stand-alone raingarden (item B5.2).

Recommendation

5 The council should remove a stand-alone raingarden (item B5.1) from the cost of essential works in the plan. This will reduce the cost of essential works by $594,000.

3.2.3 Open space

CP21 includes provisions for open space to meet demand from development of both the MPIP and the Marsden Park Precinct.

Responsibility for open space

Blacktown City Council is responsible for open space in the MPIP and the Marsden Park Precinct.

Open space land and embellishment in CP21

The open space land and embellishment in CP21 is based on the needs identified in the Elton Study.[23] The Elton Study's findings and recommendations are also based on Blacktown City Council's internal study.[24]

The Elton Study found that existing open space around the MPIP and the Marsden Park Precinct will be too distant and insufficient to service the needs of future residents of the MPIP and the Marsden Park Precinct.[25] In total, CP21 suggests that around 97 hectares of open space land will be provided for residents of both the MPIP and the Marsden Park Precinct. The land and embellishment are said to include:

- precinct-wide and neighbourhood-wide sportsgrounds with amenities
- precinct-wide, neighbourhood and local parks
- tennis and netball courts.

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23 Elton Consulting, *Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*, 2009 ('Elton Study').

24 Blacktown City Council, *North West Growth Centres Recreational Planning Framework – Open Space and Recreation Provision in New Release Areas*, 2009.

25 Elton Study, p 16.

All open space land and embellishment will be located in the Marsden Park Precinct with the exception of 1 local park (Reserve 934). This is because the expected residential population of the MPIP is too small to meet thresholds for most open space facilities.

Consistency with technical study

The level of provision of open space infrastructure is around 97 hectares and is consistent with the needs of the incoming population identified by the Elton Study. However, CP21's estimated cost for open space is not based on providing this quantum of land. This is discussed further in section 3.3 on reasonable costs.

The Elton Study is based on the exhibited Indicative Layout Plan and assumes a population of 3,205 for the MPIP. The population assumption for the MPIP was revised in the post-exhibition Indicative Layout Plan to 3,504.[26] Although this represents an increase of around 10% for MPIP, the impact on the combined population of the MPIP and the Marsden Park Precinct is around 1%. We consider this impact to be minor and will not materially impact on the open space needs of both precincts as identified in the Elton Study.

We are satisfied that there is nexus between the open space land and embellishment and the expected residential development in the precinct as identified in the Elton Study.

Finding

6 There is nexus between the indicative open space land and embellishment in CP21 and the expected development in the MPIP and the Marsden Park Precinct.

3.2.4 Community services

Responsibility for community services

Blacktown City Council is responsible for community services in the MPIP and the Marsden Park Precinct.

[26] Department of Planning, *SEPP (Sydney Region Growth Centres) Amendment (Marsden Park Industrial Precinct - Post-Exhibition Planning Report*), 28 October 2010, p 2.

Community services land in CP21

The Elton Study found there is no existing social and community infrastructure within the MPIP and limited facilities around the Marsden Park Precinct to meet the needs of both precincts.[27] CP21 includes a 1.6 ha parcel of land for 2 Community Resource and Recreation Hubs (CRRHs) which are to be located in the neighbouring Marsden Park Precinct.[28]

The council stated that CRRHs have resulted in a more efficient, cost effective and innovative model that provides greater opportunities for community engagement and outcomes compared to the traditional model of dispersed community services.

The CRRHs will be shared between the residents of the Marsden Park Precinct and the MPIP. This is because the expected residential population of MPIP is too small to meet thresholds for the community services facilities. The types of facilities and their respective floor and land sizes are summarised in Table 3.4.

Table 3.4 Community Resource and Recreation Hubs for CP21 (MPIP)

Type of Facility	Gross floor area (ha)	Land size (ha)
Site 1		
Youth/recreation centre	0.050	0.200
Community service centre	0.120	0.240
Children and family services	0.050	0.225
Library	0.192	0.240
Active centre (aquatic indoor pool)	0.345	0.500
Site 2		
Neighbourhood centre	0.050	0.200
Total	**0.807**	**1.605**

Source: Blacktown City Council, additional Information provided to IPART, 27 April 2012.

Consistency with technical study

The land for community services in CP21 is based on the needs identified in the Elton Study.

The Elton Study is based on the exhibited Indicative Layout Plan and assumes a population of 3,205 for the MPIP. The population assumption for the MPIP was revised to 3,504 in the post-exhibition Indicative Layout Plan.[29] Although this represents an increase of around 10% for MPIP, the impact on the combined

[27] Elton Study, p 15.

[28] Blacktown City Council, *Application for assessment of contributions plan,* January 2012, p 12.

[29] Department of Planning, *SEPP (Sydney Region Growth Centres) Amendment (Marsden Park Industrial Precinct - Post-Exhibition Planning Report*), 28 October 2010, p 2.

population of the MPIP and the Marsden Park Precinct is around 1%. We consider this impact to be minor and that it will not materially impact on the community services needs of both precincts as identified in the Elton Study.

We are satisfied that there is nexus between the land for community services in CP21 and the expected development of the Marsden Park Industrial Precinct. The land in CP21 will accommodate community services which are consistent with the Elton Study.

Whilst it is difficult to determine the exact land area required, we consider that the site area provided for the CRRHs in the Marsden Park Precinct is reasonable. It is less than would be required under the traditional model using the Growth Centre Commission's benchmarks, and the council's site sizes under its traditional model.[30]

Finding

7 There is nexus between the land for community services in CP21 and the expected development in the MPIP and the Marsden Park Precinct.

3.2.5 Combined precinct facility

The technical studies commissioned during the precinct planning process for the MPIP and Marsden Park Precinct did not find that Reserve 867 is required to meet the demand for essential works resulting from development of the precincts. 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.

The Department of Planning and Infrastructure has confirmed that it considers, in the circumstances, it is appropriate for the council to retain the costs associated with Reserve 867 in CP21 and other contributions plans.[31] 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.[32]

Finding

8 Reserve 867 is not required to meet the demand for essential works generated by the anticipated development of the MPIP or Marsden Park Precinct.

30 Blacktown City Council, additional Information provided to IPART, 27 April 2012.
31 Department of Planning and Infrastructure, Correspondence with IPART, 29 June 2012.
32 Department of Planning and Infrastructure, Correspondence with IPART, 13 July 2012.

However, in light of an agreement that pre-dates the drafting of CP21, 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 to 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. WorleyParsons' findings were provided to Blacktown City Council for comment and we have considered its response in making our assessment.[33]

In our assessment we found the estimated cost of land yet to be acquired is reasonable. However, we note that the cost of open space land acquisition is only reasonable as an interim measure, and that it should be updated when planning for the Marsden Park Precinct is complete.

We found the base costs for all facilities are reasonable, with the exception of some of the transport and stormwater cost estimates.

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

For stormwater facilities, we found that:

- tip fees for pipe, culvert, channel and basin works are low and should be increased
- landscaping costs for detention basins are high and should be reduced
- jute mesh and maintenance costs for channels have been double counted and should be removed
- the cost of some gross pollutant traps are high and should be reduced.

[33] Blacktown City Council, correspondence with IPART, 6 July 2012 and 16 August 2012.

Again, we note that the cost of open space embellishment is only reasonable as an interim measure and that it should be updated when planning for the Marsden Park Precinct is complete.

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

- the 11% contingency allowance for transport which we recommend should be reduced to 5%
- the fixed component of professional fees for stormwater basins which we recommend should be reduced from $50,000 to $20,000.

We found that the council's approach to calculating administration costs for CP21 is not sufficiently robust.

We also noted several issues regarding indexation:

- The base contribution rates in the plan are in June quarter 2011 dollars. However, a number of the cost estimates used to calculate the base contributions are in March quarter 2011 dollars. These include the unit costs for transport and stormwater management facilities and the per m^2 land values.
- 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 rather than the CPI Housing for Sydney.
- The plan proposes to index the base contributions rates by the CPI Housing. We consider that the base contributions rates should be indexed by the CPI All Groups.

Notwithstanding our finding that Reserve 867 is not required to meet the demand for essential works resulting from development of the precincts we have provided commentary on the reasonableness of the cost estimates for the reserve included in the plan. 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 two categories of land to be acquired for the MPIP – land already acquired by the council and land yet to be acquired.

Cost of land already acquired

The only land that is classified as 'land acquired' in CP21 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.[34] 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.

Finding

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

Recommendation

6 The council should use the CPI (All Groups) for indexing the cost of land already acquired by the council that is included in CP21.

Cost of land yet to be acquired

The cost of land yet to be acquired for public amenities or public services in CP21 is estimated to be $124,897,206, or about 39% 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.[35] 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 a 'public' use. IPART's 2011 assessment of CP20 (Riverstone and Alex Avenue) found this approach to be reasonable.

34 Blacktown City Council, Correspondence with IPART, 9 March 2012.
35 Blacktown City Council, Correspondence with IPART, 9 March 2012.

The cost of land yet to be acquired for transport, stormwater management, community services, and the combined precinct facility in CP21 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 also used the average land value method for estimating the cost of land yet to be acquired in CP20 (Riverstone and Alex Avenue). An independent valuation report commissioned by the Department of Planning considered the method to be reasonable.[36] 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 the MPIP, 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 valuation method used for transport, stormwater management and community services land in CP21 is reasonable.

The average rates applied are shown in Table 3.5. The rate per hectare for stormwater management land is lower than the rate for other land because some of the stormwater management land is flood affected. The value of land to be acquired for the combined precinct facility is also low compared with other land in the MPIP. 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.[37]

Table 3.5 Average land values used to estimate the cost of land yet to be acquired in CP21

	Land to acquire (ha)	Rate per ha ($)	Cost of land to acquire ($)
Transport	8.409	1,480,000	12,445,000
Stormwater management - Bells Creek	17.3126	820,000	14,196,000
Stormwater management - Marsden Creek	12.9282	970,000	12,540,000
Stormwater management - Little Creek	10.1766	970,000	9,871,000
Community services	1.605	1,500,000	2,408,000
Combined precinct facility	not specified	970,000	579,000

Source: Blacktown City Council, *Application for assessment of contributions plan*, January 2012, p 12. Correspondence with IPART, 16 July 2012.

[36] MJ Davis Valuations, *Alex Avenue and Riverstone Contributions Plan – Land Valuation Issues,* 26 February 2010.

[37] Blacktown City Council, Correspondence with IPART, 20 July 2012.

The base contribution rates in the plan are in June quarter 2011 dollars. The average rates for land acquisition were current for the March quarter 2011.[38] The rates have not been adjusted for price movements between the March quarter 2011 and the June quarter 2011. For consistency across the categories of land and facilities in CP21, the cost of land yet to be acquired should be indexed to June quarter 2011 dollars.

Valuation of open space land

The council has used an approach that is different from the one already described for the valuation of open space land included in CP21.

Most of the open space needs of the MPIP will be met by land and embellishment located in the adjacent Marsden Park Precinct. CP21 states that the 2 precincts will require a notional amount of 97 ha of open space land. However, planning for the Marsden Park Precinct is not yet complete and council is concerned that the cost of open space using the averaging method is overstated. Instead, the council has used an interim estimate based on the base contributions rates for open space in CP20 (Riverstone and Alex Avenue).[39]

Specifically, the council has applied the base contributions rate from CP20 (Riverstone and Alex Avenue), adjusted by the CPI Housing for Sydney to the anticipated population of the MPIP and Marsden Park Precinct. As a result, the total cost of land acquisition for open space in CP21 is $72,948,206. Further detail on this calculation is provided in section 3.3.2.

We are satisfied that the cost estimate for land for open space is reasonable as an interim measure, but we consider that the council should update the costs when planning for the Marsden Park Precinct is complete.

Finding

10 The land valuation method used to estimate the cost of land yet to be acquired for transport, stormwater management, community services and the combined precinct facility is reasonable. However, the costs should be indexed to June quarter 2011 dollars.

11 The estimated cost of acquiring land for open space in CP21 is reasonable as an interim measure.

Recommendation

7 The council should update the estimated cost of land for open space when planning for the adjacent Marsden Park Precinct is complete.

8 To improve consistency of cost estimates in CP21, the council should index the cost of land yet to be acquired to June quarter 2011 dollars.

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38 Blacktown City Council, Correspondence with IPART, 31 May 2012.

39 Blacktown City Council, *Application for assessment of contributions plan,* January 2012, p 18.

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*. The council has not included contingency allowances for land acquisition in CP21. The council said that that this was done to reduce the total cost of the plan and the matter can be reconsidered on a review of the plan when actual costs are known.[40]

We consider that it is reasonable for the council to include contingency allowances for land acquisition. However, we note that the council has not included allowances for contingencies for land acquisition costs in CP21.

Finding

12 It is reasonable for the council to include contingency allowances for land acquisition. However, we note that the council has not included allowances for contingencies for land acquisition costs in CP21.

3.3.2 Cost of facilities

Transport

The total cost of transport facilities in CP21 is $26,476,000. Most of the costs are for the 3 industrial roads in the precinct − Hollinsworth Road, Hollinsworth Extension and the North-South Road − which amount to $25,363,000. The costs for bus shelters and additional roundabouts are $90,000 and $750,000 respectively. The costs for transport facilities in CP21 were estimated by the council using 2009 tender prices, indexed to March 2011.

The total cost of transport facilities also includes 11% of the base cost for contingencies and 5% of the base cost for professional fees.[41]

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.[42] Table 3.6 shows some of the cost items which were more than 10% higher or lower than WorleyParsons' estimate or where the cost difference has a significant impact on the total cost of transport facilities.

40 Blacktown City Council, Correspondence with IPART, 16 May 2012.
41 Blacktown City Council, Correspondence with IPART, 9 May 2012.
42 WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 1 August 2012, p 9.

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 ($)	WorleyParsons' estimate ($)	Quantity	Cost difference ($)
Recovered fill from on site (m^3)	19.59	12.30	35,640	-259,816
Excavation of Recyclable Material (road excavation), Using an excavator (m^3).	14.16	17.95	54,687	207,264
Tip Fees (road works) (tonne)	106.25	120.00	34,485	474,163
Reconstruct Kerb & Gutter (lin.m)	64.30	146.00	7,794	636,770
Trimming & Compaction (m^3)	1.38	5.90	73,478	322,118
AC20, 10mm Layer (m^2)	36.34	44.90	106,391	910,709
Strip minor vegetation and grass and dispose (m^2)	8.80	0.48	23,382	-194,538
DGS20 Lime Treated, 100mm Layer (m^2)	13.60	15.00	215,173	301,242
Dense Graded Pavement (m^2)	9.33	15.50	110,391	681,112
Median kerb (lin.m)	53.63	146.00	5,244	484,388
Construction Concrete Path Paving 75mm Thick (lin.m)	50.21	146.00	1,530	146,559
125mm Thick Slab (lin.m)	232.81	285.00	6,519	340,227
Timber paling (lin.m)	108.00	196.00	2,620	230,560

Source: WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 16 August 2012, pp 14-15.

The council has advised that it bases most of its cost estimates on a competitive tender process. 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). 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.[43] This will increase the cost of essential works in the plan by $550,029.[44]

WorleyParsons found that the council's 11% allowance for transport facility contingencies is high given the straightforward nature of works and stage of the design. 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 all transport facilities from 11% to 5%. We estimate that this will reduce the cost of essential works in the plan by $1,354,414.[45]

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 March quarter 2011 dollars.[46] For consistency across the categories of land and facilities in CP21, the cost of transport facilities should be indexed to June quarter 2011 dollars.

Finding

13 The cost of transport facilities in CP21 is reasonable except for:

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

14 The cost of transport facilities is in March quarter 2011 dollars.

Recommendation

9 The council should revise the tip fees for road works from $106.25 per tonne to around $120 per tonne. This will increase the cost of essential works in the plan by around $550,029.

10 The council should reduce the transport contingency allowance from 11% to 5% of base costs. This will reduce the cost of essential works in the plan by $1,354,414.

11 To improve consistency of cost estimates in CP21, the council should index the cost of transport facilities to June quarter 2011 dollars.

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43 The rate of $120 per tonne is based on WorleyParsons' inquiries with the council's tip. We note that the tip fees may have changed by a small amount since WorleyParsons' inquiries.

44 Our estimate differs from WorleyParsons' estimate because we have included the impact of higher tip fees on the allowance for contingencies (5%) and professional fees (5%).

45 Our estimate differs from WorleyParsons' estimate because WorleyParsons has included the effect of other base cost adjustments on the allowance for contingencies.

46 Blacktown City Council, Correspondence with IPART, 23 July 2012.

Stormwater management

The total cost for stormwater management facilities in CP21 is $89,346,000. The major cost items are the detention and bio-retention basins. The costs for stormwater management facilities in CP21 were estimated by the council using the council's recent tender prices which have been escalated for cost increases.

The cost of stormwater facilities in CP21 includes 5% of the base cost (excluding fill disposal costs) for contingencies. It also includes 5% of the base costs (excluding fill disposal costs) for professional fees plus some fixed fees. Table 3.7 shows the allowances for contingencies and professional fees for different stormwater facilities.

Table 3.7 Stormwater management allowances for CP21

	Contingencies	Professional fees
Detention basins	5% of base costs[a]	$50,000 + 5% of base costs[a]
Bio-retention raingardens basins in detention basins	5% of base costs[a]	5% of base costs[a]
Stand-alone bio-retention raingardens basins	5% of base costs	$5,000 + 5% of base cost
Channels	5% of base costs[a]	$20,000 + 5% of base costs[a]
Culverts	5% of base costs	5% of base costs

a Excluding disposal cost.

Source: Blacktown City Council, Correspondence to IPART, 9 May 2012.

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

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.[47] Table 3.8 shows some of the major cost items which were more than 10% higher or lower than WorleyParsons' estimate or where the cost difference has a significant impact on the total cost of stormwater facilities.

47 WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 1 August 2012, p 9.

Table 3.8 Selected cost items in CP21 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 ($)	WorleyParsons' estimate ($)	Quantity	Cost difference ($)
De-water, desilt, dispose of existing dams (0.5m deep) (m^3)	267.09	246.20	28,488	-594,972
Remove existing trees (each)	800.00	985.00	$1,642 each	303,770
Bulk cut (to design surface) (Channels & Basins) (m^3)	5.63	7.35	208,715m3	358,990
Bulk cut (area of bio-retention) (m^3)	18.54	$7.35/m3	31,790m3	-355,730
Bulk Fill (to design surface) (channels & Basins) (m^3)	5.63	7.70	137,820	285,287
Trim and compact subgrade (surface area of basin) (Basins & Channels) (m^3)	1.38	5.90	389,610	1,761,037
Place imported clay fill(m^3)	20.58	12.30	44,475	-368,253
Stabilise basin with gypsum (area of basin)(m^2)	2.50	4.90	227,860	546,864
Landscaping of detention basin (surface area - bio area-track)(m^2)	30.00	15.00	184,985	-2,774,775
Jute mesh on landscaped areas (m^2)	3.91	0.80	125,418	-390,048
Excavate to Culvert Design Levels (Assume 1/2 Clay, 1/2 Shale) (m^3)	26.43	184.00	9,693	1,527,373
Concrete Base Slab for Culverts (300mm) (incl: Nom. Steel, Formwork etc) (m^3)	1,093.43	445.00	1,517	-983,344
Supply Culverts (lin.m)	2,090.00	1,500.00	1,300.00	-767,000
Gross pollutant traps (M1.17, L3.7) (each)	120,000	94,600	2	-50,800
Gross pollutant traps (M1.13, M1.14, M1.15 and L2.4) (each)	65,000	35,200	4	-119,200

Item	Blacktown City Council's estimate ($)	WorleyParsons' estimate ($)	Quantity	Cost difference ($)
Tip Fees (Basins, Channels & Raingardens) (tonne)	106.25	120.00	286,390	3,937,866
Tip Fees (Culverts)(tonne)	103.70	120.00	12,830	209,136
Tip Fees (Pipes) (tonne)	$97.60	120.00	3,471	77,759
Design Fee Contingency (Basins)	50,000 + 5%	20,000 + 5%	9	-270,000

Source: WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 16 August 2012, p 18-21; WorleyParsons, correspondence with IPART, 24 August 2012.

The council has advised that its cost estimates are based on a competitive tender process. IPART considers that, in general, competitive tendering should provide a more realistic estimate of council's costs than estimates based on broad benchmarks.

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 should be adjusted based on WorleyParsons' findings for:

- tip fees for the disposal of excavated material
- gross pollutant traps
- landscaping, jute mesh and maintenance
- professional costs for stormwater facilities.

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

Tip fees, and the disposal of excavated material

As we did for transport facilities, we recommend that the council adjust tip fees for pipe, culvert, channel and basin works to reflect WorleyParsons' estimate of $120 per m^3 because this estimate is current and was sourced directly from the service provider. This will increase the cost of essential works in the plan by $4,647,216.[48]

[48] Our estimate differs from WorleyParsons' estimate because we have included the impact of higher tip fees on the allowance for contingencies (5%) and professional fees (5%).

We note that the Department of Planning and Infrastructure considers that the council could make further savings by reducing the amount of fill taken to the tips.[49] The Department 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 in 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 to the cost of 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.

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 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[50] may be able to provide some expertise in resolving this issue.

Gross pollutant traps

Similarly, WorleyParsons' estimates for gross pollutant traps are current and were sourced directly from the provider. WorleyParsons found that the council's estimate is high for some gross pollutant traps compared with its own estimate using information from Rocla (a major concrete supplier) and the council's catchment information. On the basis of WorleyParsons' findings, we recommend that the council should reduce the cost of gross pollutant traps from $1,690,000 to $1,520,000. This will reduce the cost of essential works in the plan by $170,000.

49 Department of Planning and Infrastructure, Correspondence to IPART, 20 August 2012.

50 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.

Landscaping, jute mesh and maintenance

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 detention basins. Landscaping accounts for $10,478,150 of the cost of stormwater facilities in CP21. This is based on rates of $40 and $30 per square metre for channels and basins respectively.[51]

WorleyParsons originally estimated that the landscaping cost for the detention basins and channels should be reduced, noting that the council's unit rate is high given the low intensity of planting usually required in such facilities.[52]

The council responded that it would reduce the cost estimates of landscaping applied to basins (currently at $30/m^2) to WorleyParsons' recommended rate of $15/m^2.[53] However, it added that the level of landscaping for the channels (at $40/m^2) is required due to the heavy water flows expected. In the course of this discussion, the council indicated to us that its cost estimate of $40/m^2 includes the existing provision of jute mesh and maintenance costs which are also separately in the worksheets.

We recommend that the costs of landscaping applied to basins be reduced to $15/m^2. This will reduce the cost of the plan by $3,052,253.[54]

For the landscaping applied to channels, we consider that the cost is reasonable, but recommend that the jute mesh and maintenance for landscaped areas be removed because they have been double counted within the landscaping cost rate. This will reduce the cost of the plan by $1,220,761.[55]

Professional fees

WorleyParsons found that the $50,000 fixed fee for professional costs for stormwater basin designs is high. WorleyParsons recommended that the fixed fee should be reduced to $20,000 for all designs. They noted that this amount is reasonable to cover the council's costs associated with reporting on the management of aboriginal heritage items in constructing the basins. 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 $270,000.

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51 WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 16 August 2012, p 19.

52 WorleyParsons, *Review of Blacktown City Council Contributions Plan, Marsden Park Industrial Precinct – CP21: Stormwater and Transport*, 16 August 2012, p 11.

53 Blacktown City Council, Correspondence to IPART, 16 August 2012.

54 Our estimate differs from WorleyParsons' estimate because we have included the impact of lowering the landscaping cost rate on the allowance for contingencies (5%) and professional fees (5%).

55 Our estimate differs from WorleyParsons' estimate because we have included the impact of removing jute mesh and maintenance costs on the allowance for contingencies (5%) and professional fees (5%).

Indexation

Lastly, we note that although the base contribution rates in the plan are in June quarter 2011 dollars, the cost of stormwater facilities is in March quarter 2011 dollars.[56] For consistency across the categories of land and facilities in CP21, the cost of stormwater facilities should be indexed to June quarter 2011 dollars.

Finding

15 The cost of stormwater facilities in CP21 is reasonable except for:

- professional fees for stormwater basin designs
- tip fees for pipe, culvert, channel and basin works
- landscaping costs for detention basins
- gross pollutant traps.

16 The cost of stormwater management facilities is in March quarter 2011 dollars.

Recommendation

12 The council should increase the tip fees for pipe, culvert, channel and basin works from $97.60, $103.70 and $106.25 per tonne, respectively, to around $120 per tonne. This will increase the cost of essential works in the plan by $4,647,216.

13 The council should continue to seek alternative sites to dispose of excavated material and further refine its cost estimates as it reviews CP21.

14 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 as landfill.

15 The council should reduce the fixed fee component of stormwater basin design costs from $50,000 to $20,000. This will reduce the cost of essential works in the plan by $270,000.

16 The council should reduce the landscaping cost rate of stormwater basins from $30/m^2$ to $15/m^2$. This will reduce the cost of essential works in the plan by $3,052,253.

17 The council should reduce the cost of gross pollutant traps from $1,690,000 to $1,520,000. This will reduce the cost of essential works in the plan by $170,000.

18 The council should remove the cost of jute mesh and 12 month maintenance applied to landscaping of channels due to double counting. This will reduce the cost of essential works in the plan by $1,220,761.

19 To improve the consistency of cost estimates in CP21, the council should index the cost of stormwater management facilities to June quarter 2011 dollars.

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56 Blacktown City Council, Correspondence with IPART, 23 July 2012.

Open space

The total cost of open space facilities in CP21 is $75,925,684. Most of the cost is apportioned to the adjacent Marsden Park Precinct and only around $7m (or 9%) of the total cost is apportioned to the MPIP. This is an interim cost estimate since planning for the adjacent Marsden Park Precinct has not been completed.

CP21 does not include a breakdown of the costs for each item of open space infrastructure except for the embellishment of Reserve 934, which is $551,000. This is because Reserve 934 is the only open space item to be provided in the MPIP.

The total cost for open space in CP21 was derived by applying the per person contributions rate in CP20 (Riverstone and Alex Avenue), adjusted by the CPI (Housing) Index for Sydney, to the anticipated population of the MPIP and the Marsden Park Precinct. The CP20 contributions rate was based on the quantities derived by Rider Levitt Bucknall which we found to be reasonable in our assessment of CP20 (Riverstone and Alex Avenue).[57]

IPART has identified 4 issues with the council's approach to estimating the cost of land and facilities for open space in CP21:

- The contributions rate in CP20 (Riverstone and Alex Avenue) does not include administration costs. Therefore, the indexed rate used in CP21 also does not include administration costs. However, the schedule of values on page 56 of CP21 implies that 0.5% of the open space contributions revenue is allocated to administration costs.
- The contributions rate in CP20 (Riverstone and Alex Avenue) includes the cost of public art, plans of management and skate parks which are not on the Essential Works List. Therefore, the indexed rate used in CP21 also includes items that are not on the Essential Works List.
- The council has rounded the adjusted contributions. This reduces the cost in CP21 but it is not clear why the council has done this.
- The council has used the CPI Housing for Sydney to adjust the contributions rate. We consider that the council should adjust the land component of the contributions rate by the CPI All Groups for Sydney and adjust the embellishment component of the contributions rate using the PPI Non-residential Building Construction for NSW.

Addressing these issues would only have a minor impact on the contributions rate.

[57] IPART, *Assessment of Blacktown City Council's Section 94 Contributions Plan No 20*, October 2011, p 29.

We are satisfied that the cost estimate for open space facilities and embellishment is reasonable as an interim measure for the MPIP. We recommend that the council update the costs for open space facilities once planning for the adjacent Marsden Park Precinct is complete. We are also satisfied that the cost estimate for Reserve 934 is reasonable. The costs are the same as those used in CP20 (Riverstone and Alex Avenue), which we found to be reasonable.

Finding

17 The cost estimate for open space land and embellishment is reasonable as an interim measure for the MPIP.

Recommendation

20 The council should update the costs for open space facilities in CP21 when the planning for the adjacent Marsden Park Precinct is complete.

Combined precinct facility

The cost apportioned to the MPIP for the embellishment of the combined precinct facility is $273,000. 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.[58]

58 Blacktown City Council, Correspondence to IPART, 31 July 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 using the PPI 'Non-Residential Building Construction for NSW'. We consider that the council should use the Labour Price Index to adjust the cost of monitoring and reporting and preparation of a Plan of Management.

Finding

18 It is not reasonable to include design fees for monitoring and reporting and preparation of a Plan of Management.

19 The CPI Housing is not suitable for adjusting the costs of embellishment of the combined predict facility (Reserve 867).

Recommendation

21 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 CP21 are estimated to be 0.5% of the total cost of land and facilities. This equates to around $1.6m in CP21. The council has advised us that a 2% administrative component is considered to be around the average for NSW administration costs in contributions plans, and it has chosen to use 0.5% to make the contributions rates as affordable as possible.[59]

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 method 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

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

Recommendation

22 Consistent with IPART's definition of administration costs in Recommendation 2; 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 CP21 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.

[59] Blacktown City Council, Correspondence with IPART, 13 February 2012.

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.[60] 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

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

60 *Environmental Planning and Assessment Regulation 2000*, clause 32(3)(b).

Recommendations

23 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 sometimes do so. 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 CP21 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

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

Recommendations

24 The plan currently prevents the contributions rate payable from falling below the base rate. 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 CP21. 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 facilities.

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 CP21 sets out the council's proposed timing for providing works. In describing its approach to the timing of works for CP21, 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 for us to assess whether the actual timing of works is reasonable. We recommend that the council revise CP21 to include the expected lot/population thresholds that will trigger the provision of the different categories of works.

For transport land and facilities, CP21 indicates that within the first 10 years of development of the MPIP:

- sub-arterial roads R1 and R2 will be provided between 2013 and 2017
- collector road R3, bus shelters and roundabouts will be provided between 2018 and 2022.[61]

For stormwater, CP21 indicates that all stormwater management facilities will be constructed between July 2013 and June 2018.

61 Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 50.

CP21 does not include a timeframe for providing open space land and associated embellishment or land for community services. This is because, with the exception of one park, these items will be located in the Marsden Park Precinct where precinct planning is not yet complete. We expect that the council will include a timeframe for providing open space land and associated embellishment and land for community services when the precinct planning for Marsden Park Precinct is complete.

CP21 also does not include a timeframe for the combined precinct facility (Reserve 867). We recommend that the council indicate in CP21 the timeframe for providing this facility.

It is implied in CP21 that the land for each of the 4 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

23 While the council's approach to the timing of providing public amenities and services is reasonable, we are unable to assess the actual timeframe allocated to each category of works due to the lack of expected population/lot production information for CP21.

Recommendation

25 The council should update the plan, once planning for the adjacent Marsden Park Precinct is complete, to indicate the timeframe for providing open space public amenities and services, and land for community services.

26 The council should include in the plan the 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 workplaces 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.

We consider that CP21 has apportioned the cost of the works in a reasonable manner based on the needs of the residential and non-residential developments within the precinct. However, we note that the population estimate for the MPIP has been increased, and the revised estimate should be reflected in the apportionment calculation for open space and land for community services.

3.5.1 Transport

The cost of transport land and facilities has been apportioned to most of the business and industrial development within the MPIP.

Development contributions for transport land and facilities will not be levied on residential development under CP21. This is because the contributions catchment for transport infrastructure does not encompass the whole MPIP, ie, it excludes all residential and some non-residential development areas.

We consider the apportionment of transport costs in CP21 to be reasonable. The roads and roundabouts in CP21 are industrial roads which will serve non-residential traffic within the interior of the precinct. We also note that bus shelters are located directly adjacent to industrial and business areas inside the precinct.

Finding

24 The apportionment of the cost of transport land and facilities in CP21 is reasonable.

3.5.2 Stormwater management

There are 3 contributions catchments for stormwater management in CP21 – Bells Creek, Marsden Creek and Little Creek. These catchments are further divided into 6 stormwater *quality* catchments – Bells Creek (SWQ1 and SWQ2), Marsden Creek (SWQ3) and Little Creek (SWQ4, SWQ5, SWQ6).

The contributions rates for stormwater quality management vary significantly according to the future land use within each catchment. Contributions rates in catchments which contain medium density residential and/or non-residential land are much lower than the contribution rates for catchments with low density residential land. This is because development in medium density residential and non-residential catchments are required to address stormwater quality issues on site (ie, at the developers expense, not the council's).[62]

The stormwater management facilities will not be shared between the various catchments with the exception of items L1.2 (a bio-retention basin) and L1.4 (a gross pollutant trap) which serve both Little Creek SWQ4 and Little Creek SWQ5 catchments. The cost of these 2 items has been apportioned between the 2 catchments on the basis of the area of land using the facilities, as follows:

- Little Creek SWQ4 – 83% of total cost
- Little Creek SWQ5 – 17% of total cost.[63]

We consider this approach to apportioning the stormwater quality and quantity facilities in CP21 to be reasonable.

Finding

25 The apportionment of the cost of stormwater management land and facilities in CP21 is reasonable.

3.5.3 Open space

The costs for open space in CP21 are for both the MPIP and the Marsden Park Precinct. The costs have been apportioned between the 2 precincts on the basis of the expected residential population of each of the precincts. The costs have not been apportioned to non-residential development of either precincts. The cost apportioned to the MPIP is $14,031,490 or around 9% of the total cost.

The apportionment of open space costs is shown in Table 3.9.

62 Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 10.

63 Blacktown City Council, Correspondence with IPART, 30 March 2012.

Table 3.9 CP21 – Apportionment of open space costs

Precinct	Residential population	Population (%)	Cost ($)
Marsden Park Industrial Precinct	3,205	9.4	14,031,490
Marsden Park Precinct	30,800	90.6	134,842,400
Total	**34,005**	**100**	**148,873,890**

Source: Elton Consulting, *Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*, July 2009, p 21, and IPART calculations.

We consider that the apportionment is reasonable 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, and
- 3% of total site area zoned as Business Development and Light Industrial.[64]

The DCP also provides for specific standards, embellishment and amenities for communal areas:

- the provision of at least 1 communal area for use and enjoyment of employees and visitors, that should be suitably landscaped and accessible
- the provision of landscaping, trees, shade, paving, tables and chairs
- a minimum of 2 hours of direct sunlight exposure.

We consider the apportionment of open space costs in CP21 to be reasonable. We found that it is reasonable to apportion the cost to future residential development only, rather than to non-residential development, because demand generated by employees will be met by on-site communal areas within non-residential lots. Further, the land and facilities to be provided are wholly derived from the needs analysis for the incoming residential population of both MPIP and the adjacent Marsden Park Precinct. As such, it is reasonable to exclude the existing population around the MPIP in the apportionment calculation.

However, we note that the population estimate for MPIP has been revised from 3,205 to 3,504. We recommend that the apportionment of the total cost of open space be updated to reflect the revised population estimate.

Finding

26 The apportionment of the cost of land and embellishment for open space in CP21 is reasonable.

64 Department of Planning and Infrastructure, *BCC Growth Centre Precincts Development Control Plan*, 2010, p 107.

Recommendation

27 The council should revise the apportionment of open space costs to reflect the latest population estimate for the MPIP.

3.5.4 Community services

The costs of land for community services in CP21 are for both the MPIP and the Marsden Park Precinct. The costs have been apportioned between the 2 precincts on the basis of the expected residential population of each of the precincts. The cost apportioned to the MPIP is $226,956 or around 9% of the total cost.

The apportionment of the cost of land for community services is shown in Table 3.10.

Table 3.10 CP21 – Blacktown City Council's apportionment of the cost of the combined precinct facility

Precinct	Residential population	Population (%)	Cost ($)
Marsden Park Industrial Precinct	3,205	9.4	226,956
Marsden Park Precinct	30,800	90.6	2,181,044
Total	**34,005**	**100.0**	**2,408,000**

Source: Elton Consulting, *Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*, July 2009, p 21, and IPART calculations.

CP21 does not apportion any cost of land for the Community Resource and Recreation Hubs to non-residential development in either precinct.

The services and level of provisions are based on the expected residential demand for each precinct and we consider that it is reasonable that the costs are apportioned on the same basis. We also consider that non-residential development will not create demand for community services in the precincts.

However, we note that the population estimate for MPIP has been revised from 3,205 to 3,504. We recommend that the apportionment of the land for community services be updated to reflect the revised population estimate for the MPIP.

Finding

27 The method of apportioning the cost of land for community services in CP21 is reasonable.

Recommendation

28 The council should revise the apportionment of the cost of land for community services to reflect the latest population estimate for the MPIP.

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 be apportioned amongst all residential precincts within the Blacktown Local Government Area component of the North West Growth Centre (see Table 3.11).

Table 3.11 CP21 – Apportionment of combined precinct facility costs

Precinct	Expected population	Population 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	3,205	2.8
Marsden Park	30,800	27.0
Future Release Precincts	21,830	19.1
Total	**114,263**	**100.0**

Source: Blacktown City Council, *Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct*, January 2012, p 23.

We have recommended that the costs associated with the combined precinct facility 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.

However, we note that the population estimate for the MPIP has been revised from 3,205 to 3,504 residents in the post-exhibition Indicative Layout Plan. This will increase the population share of the MPIP within the council's growth centres from around 2.8% to 3.1%. We recommend that the costs apportioned to the MPIP should be revised to reflect the slightly higher population share.

Finding

28 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.

Recommendation

29 The council should revise the apportionment of the combined precinct facility costs to reflect the latest population estimate for the MPIP.

3.6 Criterion 6: Consultation

IPART must assess 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, CP21 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 in future, councils will be required to publicly exhibit their plans and make any changes in response to submissions received before submitting the plans to IPART.[65]

Blacktown City Council exhibited CP21 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.[66]

The council received 2 submissions on the plan and copies of these submissions were provided to IPART. The council has not formally advised IPART on 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 facilities in CP21, were publicly exhibited by the Department of Planning as part of the precinct planning process from 25 November 2009 to 1 February 2010.[67] Comments from stakeholders on the draft Indicative Layout Plan were addressed prior to finalisation of the Indicative Layout Plan.

Finding

29 The council has conducted appropriate community liaison and publicity by publicly exhibiting the plan.

65 Department of Planning and Infrastructure, Correspondence with IPART, 23 July 2012. Note: We expect that the revised practice note will incorporate this direction.

66 Blacktown City Council, Correspondence with IPART, 2 August 2012.

67 Department of Planning, *SEPP (Sydney Region Growth Centres) Amendment (Marsden Park Industrial Precinct - Post-Exhibition Planning Report)*, 28 October 2010, 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 CP22 (Area 20) which we have assessed in parallel with CP21.

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).*[68]

CP21 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.[69] CP21 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.

Furthe 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.

68 The Department of Planning, *Development contributions practice notes*, July 2005.
69 *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 any existing facilities have the capacity to meet the demand for infrastructure created by new development.
- Information on the projected mix of land uses in the precinct. This could include the Indicative Layout Plan or Land Zoning Map.
- Information on 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 on 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

30 The information in CP21 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.

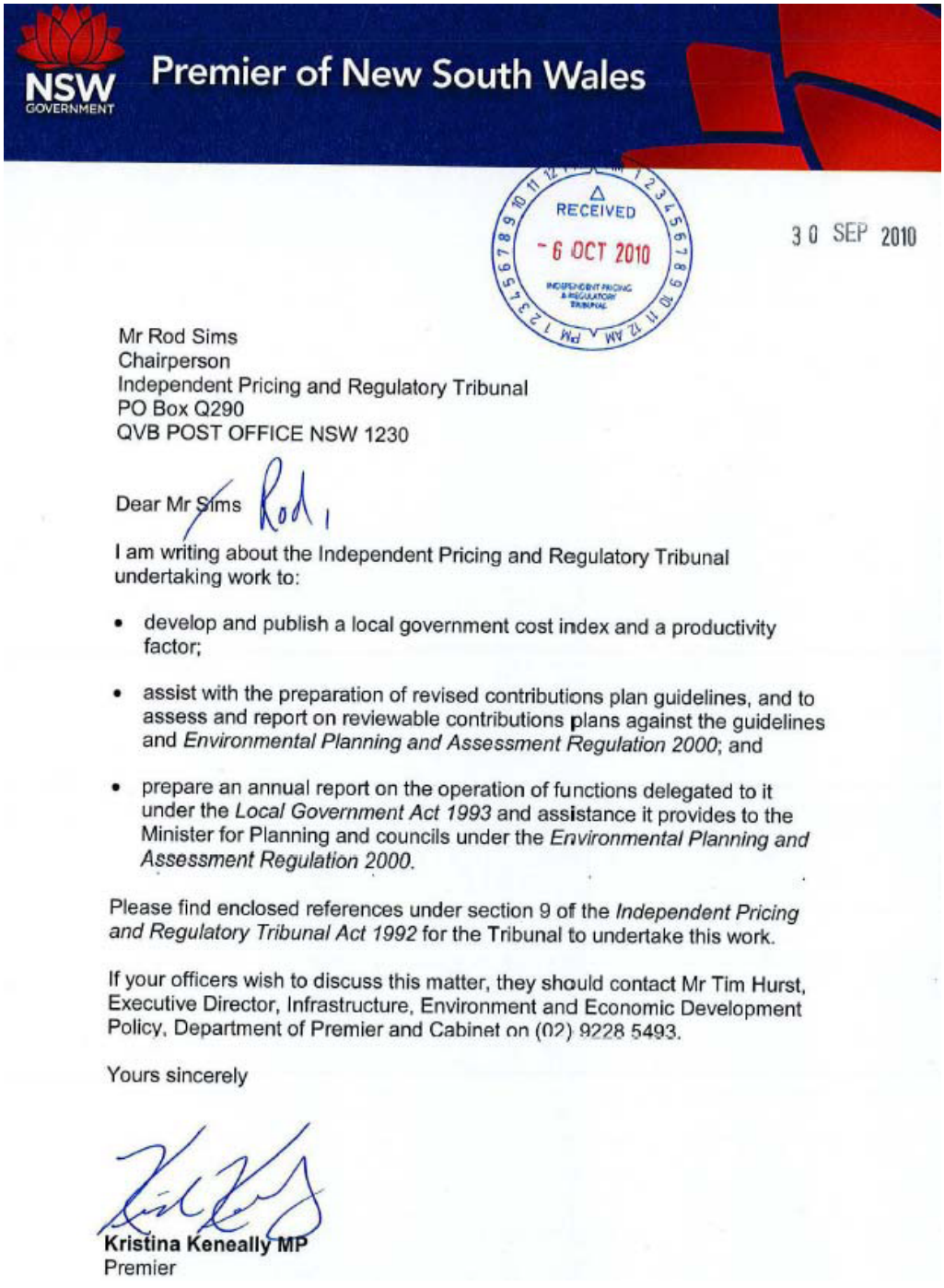
Recommendation

30 The council should, where possible, include in CP21 a schedule of the indicative contributions rates for different types of developments and dwelling types.

31 CP21 should contain more detailed information, including on the underlying assumptions, the capacity of existing local facilities, the anticipated development yield and the anticipated timeframe for the development of the MPIP.

Appendices

A Terms of Reference



Premier of New South Wales

NSW GOVERNMENT

RECEIVED
- 6 OCT 2010
INDEPENDENT PRICING & REGULATORY TRIBUNAL

30 SEP 2010

Mr Rod Sims
Chairperson
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

Dear Mr Sims Rod,

I am writing about the Independent Pricing and Regulatory Tribunal undertaking work to:

- develop and publish a local government cost index and a productivity factor;
- assist with the preparation of revised contributions plan guidelines, and to assess and report on reviewable contributions plans against the guidelines and *Environmental Planning and Assessment Regulation 2000*; and
- prepare an annual report on the operation of functions delegated to it under the *Local Government Act 1993* and assistance it provides to the Minister for Planning and councils under the *Environmental Planning and Assessment Regulation 2000*.

Please find enclosed references under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* for the Tribunal to undertake this work.

If your officers wish to discuss this matter, they should contact Mr Tim Hurst, Executive Director, Infrastructure, Environment and Economic Development Policy, Department of Premier and Cabinet on (02) 9228 5493.

Yours sincerely

Kristina Keneally MP
Premier

B Draft Section 94 Contributions Plan No 21 – Marsden Park Industrial Precinct

Attachment 1

Blacktown City Council

draft contributions plan

No.21

section 94

Marsden Park Industrial Precinct

CONTENTS

LIST OF APPENDICES

1. Introduction and Administration of the Plan

1.1 Name of the Plan

This Contributions Plan is called 'Section 94 Contributions Plan No.21 – Marsden Park Industrial 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 Marsden Park Industrial Precinct.

Within the Marsden Park Industrial 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;
- Community Facilities (Land only) ; and
- Combined Precinct Facility.

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 Marsden Park Industrial 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.

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 Marsden Park Industrial 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 Marsden Park Industrial Precinct;
- Employ a user pays policy for the funding of infrastructure within the Marsden Park Industrial 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 Marsden Park Industrial Precinct.

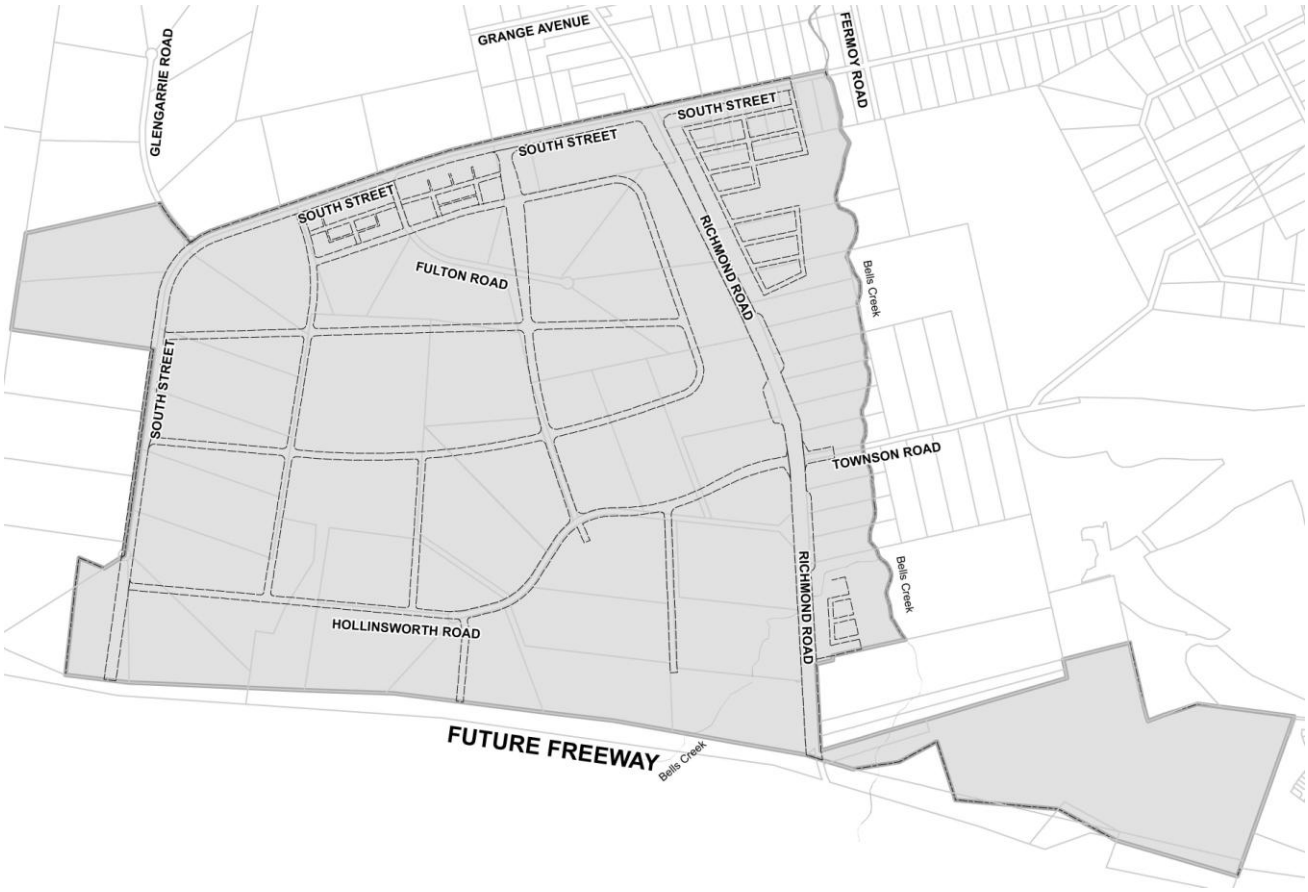
1.6 Land to Which the Plan Applies

This Contributions Plan applies to land within the Marsden Park Industrial Precinct which is one of the release precincts in the North West Growth Centre.

The Marsden Park Industrial Precinct is bounded by South Street to the north and west, Proposed Freeway to the south and Bells Creek to the east. A map showing the location of the Marsden Park Industrial Precinct **is shown on the following page**.

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

Marsden Park Industrial 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 Marsden Park Industrial Precinct. These include:

- State Environmental Planning Policy (Sydney Region Growth Centres) 2006 (Amendments No. 8);
- Marsden Park Industrial Precinct Development Control Plan 2009.

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. Combined Precinct Facility.

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 Contributions & Expenditure Accountant 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 or application for a Complying Development Certificate, 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 State Environmental Planning Policy (SEPP) and Development Code.

2.2 Water Sensitive Urban Design (WSUD)

The draft report by GHD for Marsden Park Industrial Precinct – Water Cycle Management Assessment: Flooding, Stormwater and Water Sensitive Urban Design dated July 2009 identifies that there are a number of opportunities for management of stormwater quality, quantity and flooding at the Marsden Park Industrial Precinct areas. This management would benefit from the implementation of Water Sensitive Urban Design (WSUD) practices.

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 WSUD strategy for management of stormwater quality, quantity and flooding has been developed for the Marsden Park Industrial Precinct, that nominates at source pollution control measures for industrial, commercial and higher density residential areas combined with precinct scale co-located detention/bio-retention basins, wetlands, and gross pollutant traps at key locations. These systems would essentially comprise a dry basin (to provide detention function) combined with bio-retention (to provide water quality treatment function) situated in the invert of the basin. Bio-retention is sized to treat runoff from low density residential areas and the road network of the other proposed landuse areas. Due to the different water quality management principles applied to low density residential land, the precinct is divided into distinct water quality sub-catchments based on landuse.

Rainwater tanks were recommended to be provided where possible, together with the use of additional swales within the local road network. These measures are not included in this contributions plan as they will be provided as part of individual developments.

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.

Numerical modelling was used to test the effectiveness of the WSUD strategy and included modelling of flood peaks and flood levels for the creeks within the Marsden Park Industrial Precinct using RAFTS and TUFLOW. Volumes of detention that responded as best possible to the Indicative Layout Plans (ILPs) and restricted flood peaks to pre-development levels were calculated using RAFTS. Stormwater quality management and Stream Stability requirements were determined using MUSIC.

The results of the numerical modelling has shown that the proposed 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 Water Cycle Management DCP due for adoption in 2009, with a working draft considered at the time the WSUD strategy was developed.

Blacktown City Council (BCC) has used WSUD strategy and associated modelling to form the basis of the regional stormwater drainage infrastructure works. Preliminary sizing only was also undertaken by GHD with some amendments by Blacktown City Council. This enabled the preparation of preliminary quantities and estimates by GHD Pty Ltd that were adjusted by BCC to reflect BCC contract rates.

2.3 Consistency with Precinct Planning Documents

The Precinct Planning for the Marsden Park Industrial Precinct has developed since the original exhibition in 2009. The initial Water Cycle Management technical assessment was conducted by GHD. Post exhibition, this work was developed by J. Wyndham Prince. However, the original flood modelling was not updated by J. Wyndham Prince except for the Bells Creek flood modelling. Therefore, the technical reports prepared for the Precinct are as follows:

- GHD *Draft Report for Marsden Park Industrial Precinct – Water Cycle Management Assessment: Flooding, Stormwater and Water Sensitive Urban Design* dated July 2009.
- J. Wyndham Prince *Marsden Park Industrial Precinct Post Exhibition Water Cycle Management Strategy Report Including Consideration of Climate Change Impacts* dated February 2011.
- J. Wyndham Prince *Marsden Park Industrial Precinct Bells Creek Corridor Water Cycle Management Strategy* dated January 2011.

During the Precinct Plan's post exhibition period, the water cycle management strategy was refined to reduce infrastructure costs and the zoning of Bells Creek was changed to enable it to remain in private ownership. Concept designs for trunk drainage channels and basins were prepared by J. Wyndham Prince and checked and amended by Council as required. Where sizing of drainage infrastructure was not provided as part of the J. Wyndham Prince reports, additional sizing was conducted by Council's Asset Design Services staff based on the numerical modelling available.

The Precinct planning documents relevant to the water cycle management are as follows:

- Department of Planning and Infrastructure *Bells Creek Corridor Indicative Layout Plan* dated 8 December 2010.
- Department of Planning and Infrastructure *Draft Marsden Park Industrial Precinct Indicative Layout Plan* dated 16 December 2010.

- Department of Planning and Infrastructure *Blacktown City Council Precincts Development Control Plan 2010* including Schedule 3 Marsden Park Industrial Precinct.
- Department of Planning and Infrastructure current version of SEPP Maps.
- Department of Planning and Infrastructure *Growth Centres Development Code* dated October 2006.

The sizing and location of the water cycle management infrastructure was generally acceptable. However, there are several areas where changes are required and these are identified by reference to the infrastructure items in Appendix A. There are also some minor items that have been added to facilitate the proposed water cycle management strategy. These include:

Bells Creek Catchment

Item B3.2 The basin concept design was amended to suit Council standards. However, the required land area was the same.

Item B4.1 Was sized by Council as no sizing details were provided. Based on the existing topography, it is possible that the design catchment area will be greater than that allowed for the J. Wyndham Prince reports. Costs are based on Council's sizing.

Marsden Creek Catchment

Items M1.2 and M1.4 trunk drainage channels. The land zoned for drainage purposes is not consistent with the sizing provided as the width tapers from zero to the required width over the length of the channels. It is not physically possible to maintain the channel capacity with this arrangement. Also Council does not accept the location of the drainage channel in the median of the proposed sub-arterial road due to operational grounds. The costs in the Contributions Plan allow for the open channel to run parallel with the sub-arterial road and includes additional land to facilitate this outcome.

Little Creek Catchment

Item 3.2 Detention Basin. The J. Wyndham Prince reports have an option for providing OSD for part of this catchment west of South Street. There is also the potential option to offset these flows in the basin as indicated in previous versions of the J. Wyndham Prince reports. This basin is also located on an area of existing native vegetation to be retained. In order to maintain the existing ground levels in the native vegetation retention area, the concept design provided needed to be amended. The costs included in this Contributions Plan allow for offsetting of flows for the bypass catchment and reconfiguring the basin to suit the existing native vegetation retention area. This includes an allowance for additional land.

2.4 Contribution Catchments

The Marsden Park Industrial Precinct contains three drainage catchments, Bells Creek Catchment, Marsden Creek Catchment and Little Creek Catchment. The areas of the catchments were determined having regard for the natural watershed and the proposed local road layout which will impact upon drainage flows. Generally, the Marsden Park Industrial Precinct drains to the Bells Creek, Marsden Creek or Little Creek catchments. 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. This approach is supported by the Department of Planning and Infrastructure Practice Notes for Development Contributions (2005). The proposed Stormwater

Management Strategy for the Marsden Park Industrial Precinct provides for both stormwater quantity (flow) management and quality management.

The **stormwater quantity** management requirements for the various land uses proposed in the Precinct are similar, therefore it is proposed to levy stormwater quantity contributions on the basis of the three main catchments.

For **stormwater quality** management, there are two different approaches depending on land use. For low density residential land use, it is proposed to provide treatment measures on a regional scale particularly for nutrient removal as it is not practical to provide on individual lots. For higher density residential, commercial and industrial land uses, it is proposed that stormwater treatment measures are provided on lot with minor additional regional measures to treat stormwater from precinct roads. Therefore to equitably levy contributions for stormwater quality, six catchments are proposed to account for different land use types and are shown in Appendix “A”.

To account for the different demand assigned to different land use types in terms of stormwater quality measures, different contribution rates are required. In this precinct, the only regional stormwater quality facilities that serve low density residential and other land use types are located in the Little Creek Catchment. In this instance the stormwater quality costs have been apportioned over 100% of low density residential land plus 15% of the other developable land zone areas. The 15% represents the future public roads that are not serviced by on lot stormwater treatment.

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.

The developable area (Size of Catchment) of the drainage catchments is stated in Appendix "F".

2.5 Contribution Formula

Given that different strategies apply to stormwater quality management separate costs are required for Stormwater Quantity and Quality management measures. Therefore different cost items and developable areas will apply and the total rate will be the sum the quantity and quality rates.

The following formula is used to calculate the contribution rate for Water Cycle Management Works:

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

WHERE:

L1 = The actual cost to Council to date of providing land for water cycle management public purposes indexed to current day values.

L2 = The estimated cost of land yet to be provided for water cycle management purposes.

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 catchments 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 (Major Roads)

The nexus between development and the increased demand for 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 land release precincts it is desirable for Council to provide for major 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 Major Roads, as all development will benefit from the provision of these roads.

3.2 Consistency with Precinct Planning Documents

The overall road network layout has remained similar since the exhibition of the Precinct Planning Documents. The only notable change is the classification of South Street as an arterial road with the RTA as the acquisition authority. The technical reports prepared for the Precinct are as follows:

- Arup *Marsden Park Industrial (Employment) Precinct Transport and Access Study Final Report for ILP Exhibition* dated August 2009 prepared for the Department of Planning and Infrastructure.
- J. Wyndham Prince *Marsden Park Draft S94 Basin Review Road No 1 Plan and Longitudinal Sections* 3 sheets 8955/SK19-A, 8955/SK20-A, 8955/SK21-A dated 08/06/10.

Planning documents are as listed in Section 2.3.

South Street is not included in this Contributions Plan as it is now proposed as a classified road under RTA control.

The realignment and extension of the existing Hollinsworth Road has been included and will form a significant traffic link and facilitate connectivity to South Street and is designated as Road No 1 in the J Wyndham Prince plans. Some minor adjustment of the Road No 1 concept design was undertaken by Council to suit updated drainage basin levels and the north south sub-arterial road.

The north south sub-arterial road was designed and estimated by Council's Asset Design Services to run parallel to the proposed drainage channel on the western side. Having a drainage channel in the centre of the sub-arterial road as shown in the Development Control Plan Schedule 3 is not acceptable to Council.

The Development Control Plan Schedule 3 does not include an industrial sub-arterial road standard without a drainage channel in the median which is required for sections of both Road No 1 (Hollinsworth) and the north south road. The main body of the Development Control Plan does contain a typical sub-arterial road detail. However, this is primarily applicable to residential areas. As industrial roads have a higher proportion of heavy vehicles, additional lane widths are required. The Development Code has a sub-arterial road occupying a 35m reserve and comprising two 3.5m travel lanes and 1.8m on road cycleways in each direction separated by a 7.2m wide median. This width was considered excessive and as part of the Precinct planning process the proposed sub-arterial standard

was modified to dual minimum 7m wide carriageways separated by 4.5m wide median and minimum 2.5m wide off road shared paths within a 27m road reserve.

The transport report also identifies a bus-only connection to the adjoining urban areas to facilitate access to the main western railway line. This item has not been included in this Contributions Plan as it is assumed that it will be provided by state level transport agencies responsible for bus services.

3.3 Contribution Catchment

There are three contribution catchments for Traffic and Transport Traffic Management Facilities. Maps showing the location of the Traffic and Transport Management Facilities contribution catchments are contained in Appendix "B".

In order to determine contribution rates, the developable area of the Traffic and Transport Management Facilities contribution catchments 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 (Size of Catchment) of the contribution catchments are stated in Appendix "F".

3.4 Contribution Formula

The following formula is used to calculate the contribution rate for Traffic and Transport Traffic Management Facilities:

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

WHERE:

L1 = The actual cost to Council to date of land provided for Traffic and Transport Management purposes indexed to current day values.

L2 = The estimated cost of land to be provided 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 indexed 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 works.

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 road construction are:

- Sub-Arterial – 2 x 7m divided carriageway (27m wide reserve)
- Industrial Collector – 15.5m carriageway (23m wide reserve)

- Industrial Road – 13.5m carriageway (20.5m wide reserve)
- Collector - 11m wide carriageway (18m 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 catchments 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” Traffic & Transport Management Facilities.

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 – Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct.(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)

The future resident population of 3,205 for the Marsden Park Industrial Precinct (MPIP) will be too small to meet thresholds for most local and district active open space provision and the fragmentation of residential areas across the site will further reduce the feasibility of addressing anything other than local access to open space. The findings of the *Community Facilities and Open Space Assessment - MPIP as*sessment is that planning for MPIP needs to take account of future development projections and policies for the Marsden Park Precinct. Together these areas are expected to house more than 34,000 residents in more than 12,100 dwellings.

Due to the largely industrial and business nature of the MPIP, the immediate provision of open space is limited to one open space park area of approximately .68 hectares serving the passive recreational needs of the small residential population within the northern and eastern boundaries. The identification of this local park is contained in Appendix "C".

This park will provide playground, seating, landscaping, picnic area and pathway connections for the local community. It is intended to levy the incoming population for their contribution towards the provision of this passive park.

Due to the nature and size of this Precinct, it is considered unnecessary, impractical and inefficient to attempt to meet all open space and recreation provision levels within the Precinct itself. Notwithstanding this, it is reasonable to assume and plan for the future MPIP population to have access to a full range of open space and recreation opportunities extending to such things as playing fields, aquatic/leisure centre access, cycle and pathways and areas of natural bushland as identified in *Community Facilities and Open Space Assessment - Marsden Park Industrial Precinct (MPIP) (July 2009).*This principle would also apply to community facilities.

At the time of planning, Marsden Park Industrial Precinct sits alongside the 'yet-to-be-released' Marsden Park Precinct. Accordingly, open space and recreation Precinct planning should not be done in isolation and in order to achieve the best planning outcome for all stakeholders and meet the prescribed provision levels, access to amenities in the adjacent Marsden Park Precinct will be required. On this basis it is reasonable to assume that residents in Marsden Park Industrial Precinct will utilise and therefore be required to contribute towards the provision of open space and recreation amenities within the Marsden Park Precinct (off-site). Furthermore, it is supported that the contribution catchment for such amenities includes both precincts and the rate apportioned equally amongst the identified residential lots in the relevant Contributions Plans.

Estimates of open space and recreation needs for the wider Marsden Park Precinct will need to be revised when more detailed planning is undertaken and the dwelling thresholds are confirmed.

For planning purposes, the indicative open space requirements for Marsden Park Industrial Park and Marsden Park are as follows:

Type of facility	**Benchmark (Number per population)**	**MPIP (Population 3,205) (Dwelling 1,121)**	**Marsden Park Precinct (Population 30,800) (Dwellings 11,000)**	**Total**
Overall Open Space	2.83ha:1,000 people	9.2ha	87.2ha	96.4ha
High quality useable parks within walking distance	1.9ha:1,000 people	6.1 ha	58.5 ha	64.6 ha with minimum park size of 0.3ha each
Local Sports field	1:1,850 people	1.73 fields	16.6 fields	9.3 double playing fields of a minimum 4.5ha each
Netball courts	1:3,500 people	0.9 courts	8.8 courts	9.7 courts
Tennis courts	1:4,000 people	0.8 courts	7.7 courts	8.5 courts

In working with increased land pressures of precincts that have many land constraints and in the absence of any alternatively acceptable industry benchmark, Council has adopted the historical benchmark (outlined in the GCC development code) of 2.83ha of high quality, unconstrained and useable open space. This includes the provision of both active and passive space with all residents being within a 400-500m walking distance from open space.

The benchmarks for the provision of sporting facilities are based on 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.

4.2 Contribution Catchment

There is one open space & recreation contribution catchment. This corresponds to the boundaries of the Marsden Park Industrial Precinct and the recently released Marsden Park 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".

4.3 Contribution Formula

As mentioned in 4.1 above, Open Space & Recreation facilities for the recently released Marsden Park Precinct have not yet been master-planned. Initial cost estimates for the Marsden Park and Marsden Park Industrial Precincts Open Space and Recreation facilities revealed a significant quantum per person in the Base Contribution Rates when compared to the first release Precincts of Riverstone and Alex Avenue.

In the absence of any detailed information on the future Marsden Park Precinct that can be used to estimate an Open Space & Recreation Contribution Rate, Council considers that the assumption of using the indexed Base Contribution Rate for Open Space in *Contributions Plan No.20 – Riverstone & Alex Avenue Precincts* to be reasonable.

Estimates of Open Space and Recreation costs for the wider Marsden Park Precinct will need to be revised when more detailed planning is undertaken and the dwelling thresholds are confirmed. This will result in the requirement to review the Open Space and Recreation Base Rates for the Marsden Park Industrial Precinct.

This Open Space & Recreation Contribution Rate is contained in Appendix "G".

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. (Marsden Park Industrial Precinct only)

5 Land for Community Facilities

5.1 Nexus

Planning in the context for this Precinct has occurred via state government documentation in the form of:

- North West Sub regional Strategy (NSW Government, 2007)
- Growth Centre Development Code (Growth Centres Commission, 2006)

More detailed local planning and context has been provided by Council and consultants through the following:

- Elton Consulting – Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*.(2009)*
- Blacktown City 2025 – Delivering the Vision *(Blacktown City Council 2008)*
- 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)*
- Northwest Growth Centres Recreation Planning Framework *(Blacktown City Council, 2009)*
- The *Section 94 Community Facilities Report (May 2008)*

The *Community Facilities and Open Space Assessment - Marsden Park Industrial Precinct (MPIP) (April 2009)* outlined the nexus for community, recreation and open space facilities required for the Precinct.

These studies identified that Council's role in the development of community and recreation services and facilities in the MPIP and Marsden Park Precincts encompasses the provision of a range of activities and functions. Resulting from this work the following facilities were recommended:

- Community Resource & Recreation Hub (including the activities and functions of the following)
  - Neighbourhood centre, community and cultural development facilities
  - Youth Centre
  - Arts Centre
  - Active Centre encompassing aquatics, recreation, health and fitness
- Library
- Children and Family Services and Facilities
- 2nd Community Resource Hub
  - Neighbourhood centre

The *Community Facilities and Open Space Assessment - MPIP* found no existing social or recreation infrastructure within MPIP itself, and limited facilities in the adjacent Marsden Park Precinct, to meet the needs generated by a new residential and workforce population. In addition the capacity of existing services and facilities in adjacent areas to meet the needs of the future MPIP population was examined. It was concluded that services are not easily accessible and are full to capacity. There is no district or regional level social infrastructure with capacity to cater for those living in the MPIP or Marsden Park Precinct.

The provision of appropriate community and recreation facilities is an important requirement to ensuring MPIP is developed appropriately. The future resident population of 3,205 for MPIP will be too small to meet thresholds for most local and district facilities and the fragmentation of residential areas across the site will further reduce the size of neighbourhood populations. The findings of the *Community Facilities and Open Space Assessment - MPIP a*ssessment is that planning for MPIP needs to take account of future development projections and policies for the Marsden Park Precinct. Together these areas are expected to house more than 34,000 residents in more than 12,100 dwellings.

The Assessment examines what community and recreation facilities would be required to service the new population of MPIP and Marsden Park Precinct and refers to the Growth Centres Commission (2006) Structure Plan - Community Infrastructure Standards as well as Council's Community Resource Hub model. The table below indicates the community facilities required to meet the needs of MPIP, the larger Marsden Park Precinct and the combined populations.

Table **: Local / District Community Facility Requirements, MPIP and Marsden Park

Type of facility	Benchmark (Number per population)	MPIP (Population 3,205) (Dwelling 1,121)	Marsden Park Precinct (Population 30,800) (Dwellings 11,000)	Total
Youth Centres	1:20,000 people	0.2	1.5	1.7
Community Service Centre	1:60,000	0.1	0.5	0.6
Childcare facility	1 place:5 children 0-4 years	58	554	612 places
After school care facility	1 place:25 children 5-12 years	17	148	165
Branch library	1:33,000 people	0.1	0.9	1.0
District Library	1:40,000 people	0.1	0.8	0.9
Performing Arts/Cultural Centre	1:30,000 people	0.1	1.0	1.1
Community Services Local	1:6,000 people	0.5	5.1	5.6
Community Services District	1:20,000 people	0.2	1.5	1.7
Community Aquatic Facility	1: 10,000 (Local) 1:40,000 (District)	0.32	0.77	1.09
Indoor sports court (Co-located at the aquatic centre)	1:25,500 people	0.12 court	1.21 courts	1.3 courts (rounded up: 2)

Source: *Community Facilities and Open Space Assessment - Marsden Park Industrial Precinct July 2009, Elton Consulting*

The *Section 94 Community Facilities Report (May 2009),* identified a new model for delivery of community facilities – the Community Resource Hub Model (CRHs). CRHs will be local, multipurpose community facilities. They will provide a focus for local communities to come together for social, life-long learning and human service activities and services.

Further research and development of this concept has resulted in a more efficient, cost effective and innovative model that provides greater opportunities for community engagement and outcomes proposed for these precincts. This model encompasses an Active recreation component that includes community water areas, health and fitness facilities and indoor recreation space.

5.2 Community Resource & Recreation Hub (Land only)

A Community Resource & Recreation Hub (CRRH) is proposed to have a larger building form then existing neighbourhood / community centres. This increased critical mass (size) will provide opportunities for increased co-location of agencies (and thus improved delivery of services and programs).

A CRRH located in the Marsden Park Precinct would enable the range of services and community facility requirements identified above to be co-located to meet the needs of the future MPIP and Marsden Park Precinct residents. This would include, but not be limited, to the following defined functions.

- **Library**

As Council is responsible for the provision of district public library services, indicative requirements are that a district library is to be provided in the Marsden Park Precinct to meet the needs of the future MPIP and Marsden Park Precinct residents. The library is to be centrally located within the Marsden Park Precinct Community Resource & Recreation Hub site so as to ensure optimal access.

- **Children and Family Services and Facilities**

The provision of child and family service facilities based on detailed modelling to establish specific or generic needs including co-location with Community Resource & Recreation Hub. Services could include:

  - Child care facility
  - After school care facility

- **Active Centre encompassing aquatics, recreation, health and fitness**

The provision of Active Centre including the following key recreational facilities:

  - Aquatics: Recreational water spaces designed for structured as well as general and informal recreation use by the community.
  - Health and Fitness: The provision of indoor recreational components inclusive of gymnasium area, program room and indoor sports courts.

5.3 Site Location

In other release areas Council has not specifically zoned land for community facilities and had difficulty in locating suitable land for open space and recreation. This has led to problems in finding suitable locations for community facility sites due to resident objections. By zoning land specifically for community and recreation facility purposes the incoming population is aware at the time they purchase their property that community and recreation facilities will be provided on the nominated sites. Also Council can proceed with acquisition of each parcel of land when it is needed.

The location of community and recreation facilities is anticipated to be in the Marsden Park Precinct Town Centre with a specific site to be identified when a full assessment of community and recreation facilities is undertaken for the Marsden Park Precinct.

Possible locations for the identification of the land required for community facilities are contained in Appendix "D". However, it is noted that no locations associated with Marsden Park are possible at this stage pending further detailed planning.

5.4 Levels of Provision

The types of community facilities and the number of items required by the incoming population in the release area were identified in the *Community Facilities and Open Space Assessment - Marsden Park Industrial Precinct April 2009* undertaken by Elton Consulting for APP as well as the *Section 94 Community Facilities Report May 2008*, undertaken by Council.

5.5 Essential Infrastructure

However, as Community Facilities are not listed by the State Government as “Essential Infrastructure” only the land acquisition for these facilities will be levied under this Plan.

5.6 Contribution Catchment

There is one community facilities contribution catchment and this corresponds to the boundaries of the MPIP and Marsden Park Precincts. 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".

5.7 Contribution Formula

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

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

WHERE:

- L1 = The actual cost to Council to date of land provided for public community facilities purposes indexed to current day values.
- L2 = The estimated cost of land yet to be provided for public community facilities purposes.
- P = The estimated eventual population in the contribution catchment.
- B = The administrative component. This is 0.5% of the total cost of providing the community facilities.

5.8 Community Facilities Costs and 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 of the catchment indicating possible locations of the Community Facilities 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 Facility

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 haves been apportioned amongst all residential precincts within the Blacktown LGA component of the North West Growth Centre. 2.8% of these costs are attributed to the MPIP.

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%
Total	**114,263**	**100.0%**

6.2 Contribution Formula

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

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

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 combined precinct facilities.

6.3 Combined Precinct Facility 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".

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

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 and Community Facilities are based on the estimated potential populations of the Marsden Park and Marsden Park Industrial Precincts.

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 the MPIP and Marsden Park Precincts. 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:

Dwelling houses	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 March 2011 CPI (171.9). **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.

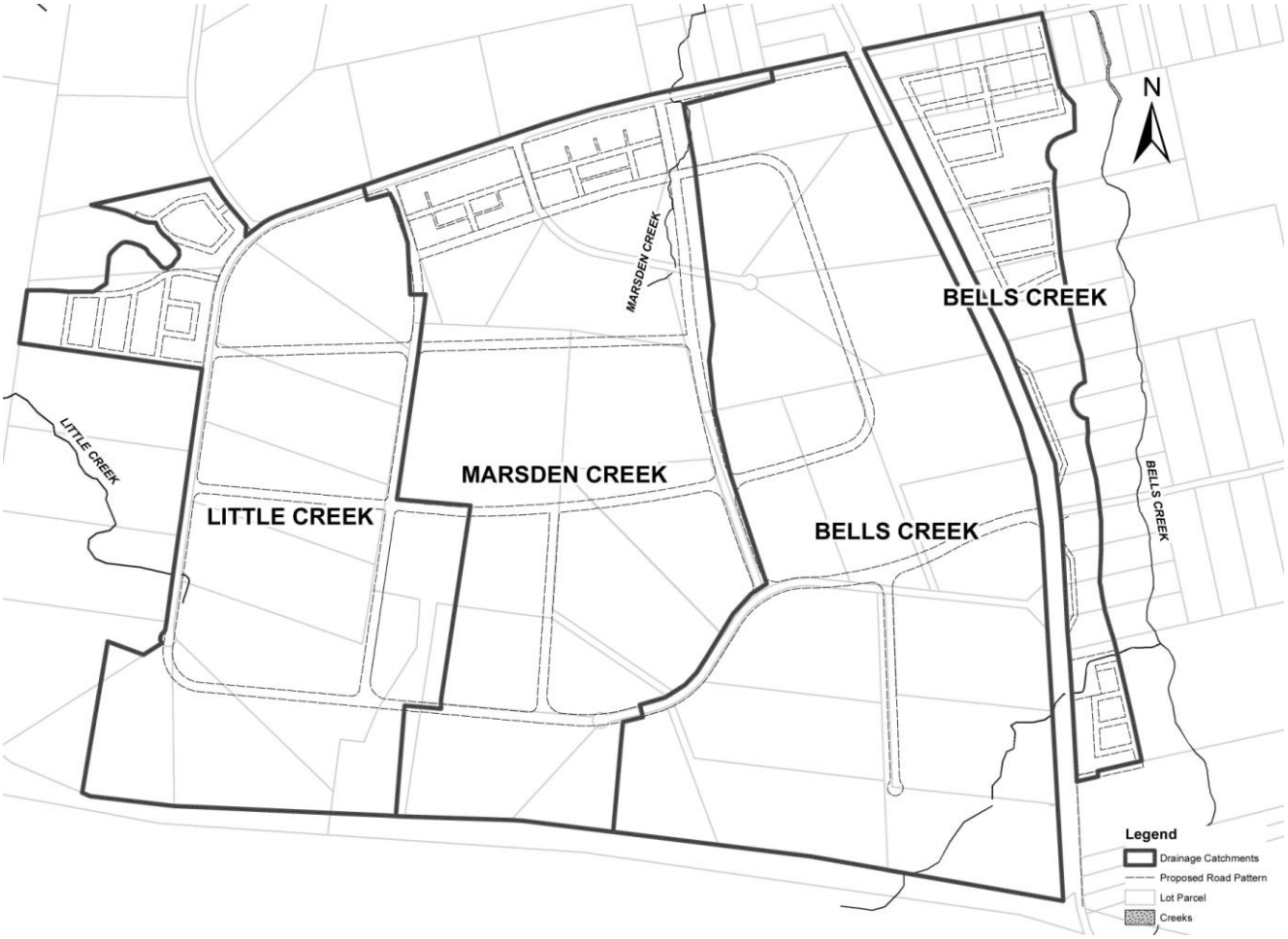
- Council has a separate deferral policy specifically for dual occupancies, which are to be occupied by elderly and/or disabled persons (i.e. traditional granny flats).

- Enquiries regarding deferred payment can be made through contacting the relevant Council office dealing with the application.

Appendices

APPENDIX A 1 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES



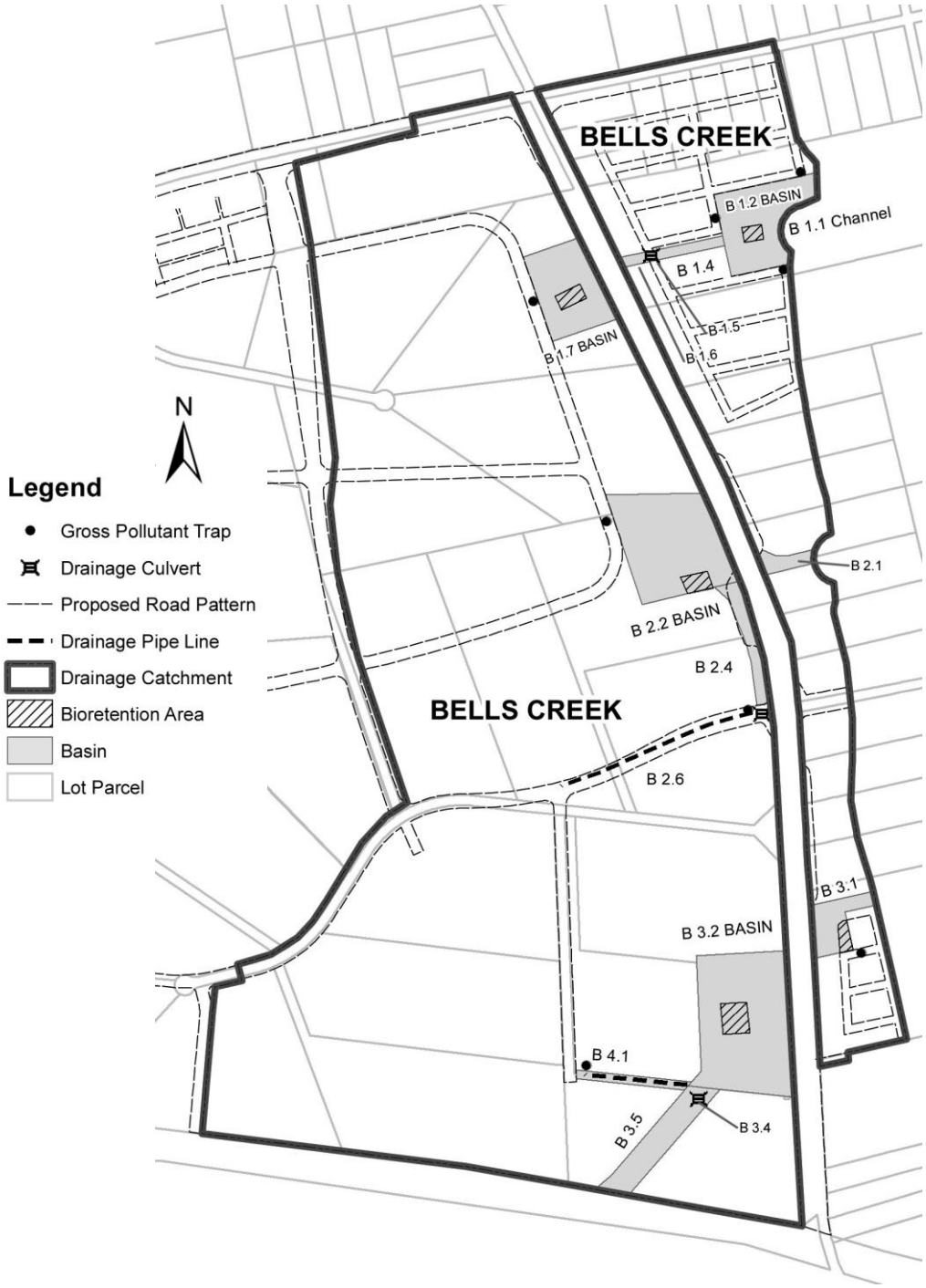
Catchment Areas indicative only

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	CATCHMENT AREA
Water Cycle Management	**Marsden Park Industrial Precinct**

APPENDIX A 2 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
BELLS CREEK STORMWATER QUANTITY



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quantity Management	**Bells Creek**

APPENDIX A 3 of 17

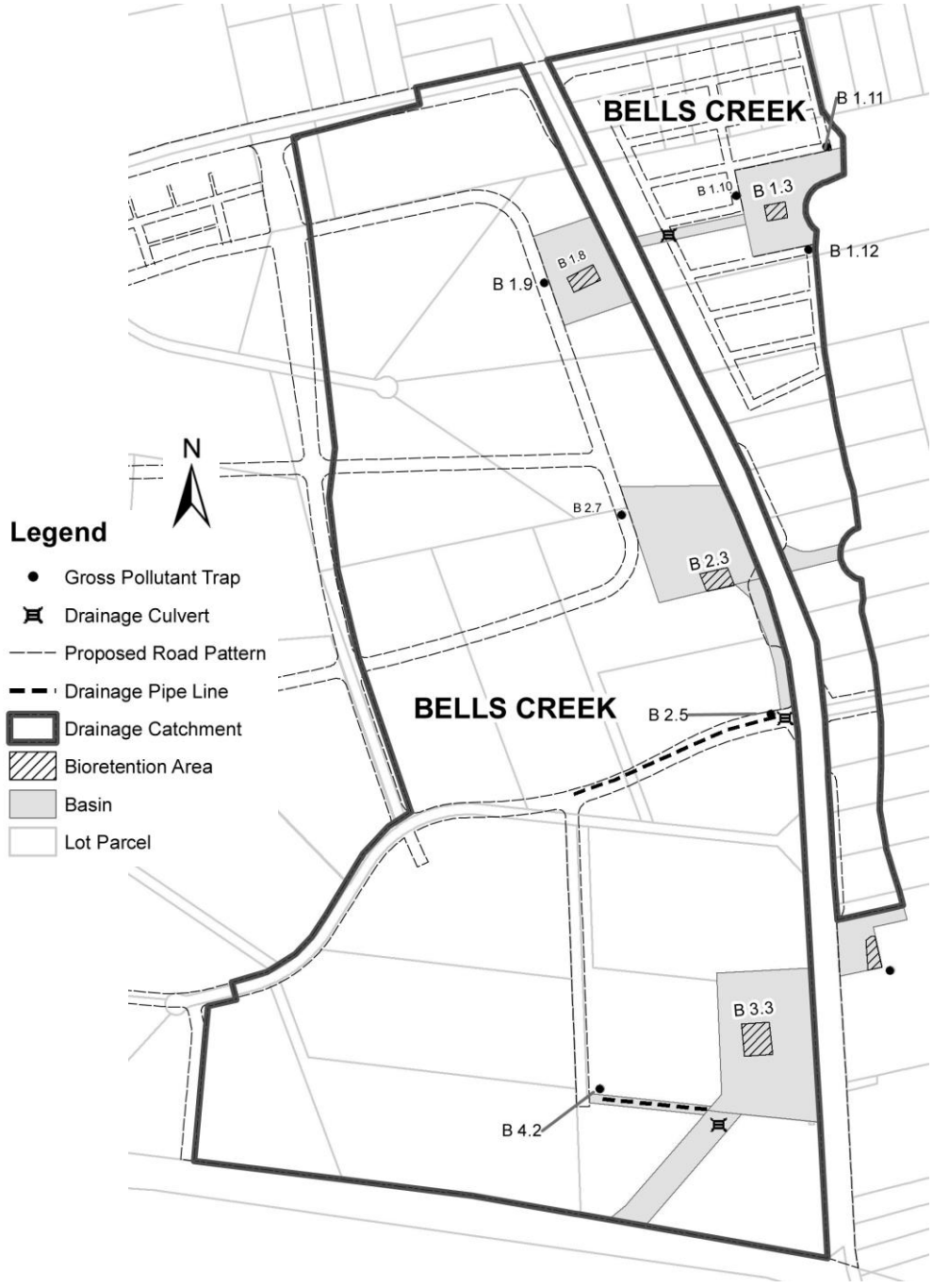
MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
BELLS CREEK STORMWATER QUANTITY

Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Bells Creek Catchment - Quantity					
B1.1	Landscaped tail out drain, variable width		$446,000		$446,000
B1.2	Detention basin	2.3960	$892,000		$892,000
B1.4	20.5m Wide landscaped open channel	0.4080	$412,000		$412,000
B1.5	4200x1200 Culvert under future road		$156,000		$156,000
B1.6	20.5m Wide landscaped open channel	Included in B1.4	$300,000		$300,000
B1.7	Detention basin	2.1860	$1,668,000		$1,668,000
B2.1	26.6m Wide landscaped open channel	0.3320	$466,000		$466,000
B2.2	Detention basin	3.8250	$4,843,000		$4,843,000
B2.4	26.6m Wide landscaped open channel	0.7140	$1,447,000		$1,447,000
B2.6	1350mm Trunk drainage line		$917,000		$917,000
B3.1	Variable width channel stabilisation	0.8990	$1,194,000		$1,194,000
B3.2	Detention basin	4.7960	$6,606,000		$6,606,000
B3.4	5x3900x1200 Culvert under existing access		$333,000		$333,000
B3.5	52.5m Wide landscaped open channel	1.3860	$5,978,000		$5,978,000
B4.1	1x3600x900 Culvert and 16.5m overland flow path	0.3710	$1,432,000		$1,432,000
		17.3130	**$27,090,000**	**$0**	**$27,090,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quantity Management	**Bells Creek**

APPENDIX A 4 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
BELLS CREEK STORMWATER QUALITY



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Bells Creek SWQ1**

APPENDIX A 5 of 17

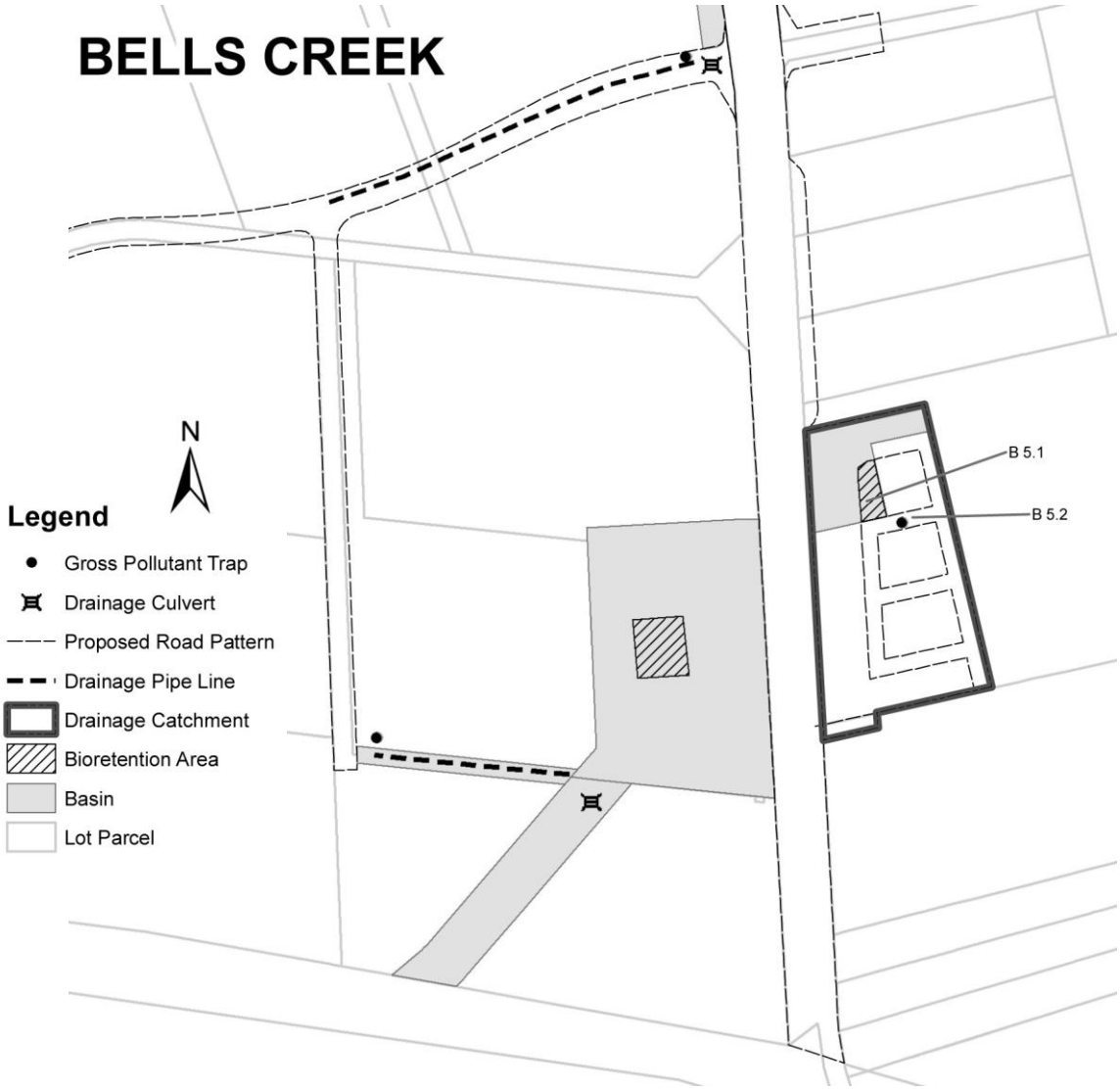
MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
BELLS CREEK STORMWATER QUALITY

Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Bells Creek Catchment - Quality SWQ1					
B1.3	Bio-retention located in detention basin		$1,315,000		$1,315,000
B1.8	Bio-retention located in detention basin		$1,295,000		$1,295,000
B1.9	Gross pollutant trap at inlet to basin		$120,000		$120,000
B1.10	Gross pollutant trap at inlet to basin		$120,000		$120,000
B1.11	Gross pollutant trap		$65,000		$65,000
B1.12	Gross pollutant trap		$65,000		$65,000
B2.3	Bio-retention located in detention basin		$2,148,000		$2,148,000
B2.5	Gross pollutant trap at inlet to channel		$150,000		$150,000
B2.7	Gross pollutant trap at inlet to basin		$150,000		$150,000
B3.3	Bio-retention located in detention basin		$2,530,000		$2,530,000
B4.2	Gross pollutant trap at inlet to basin		$120,000		$120,000
			$8,078,000	**$0**	**$8,078,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Bells Creek SWQ1**

APPENDIX A 6 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
BELLS CREEK STORMWATER QUALITY



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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Bells Creek SWQ2**

APPENDIX A 7 of 17

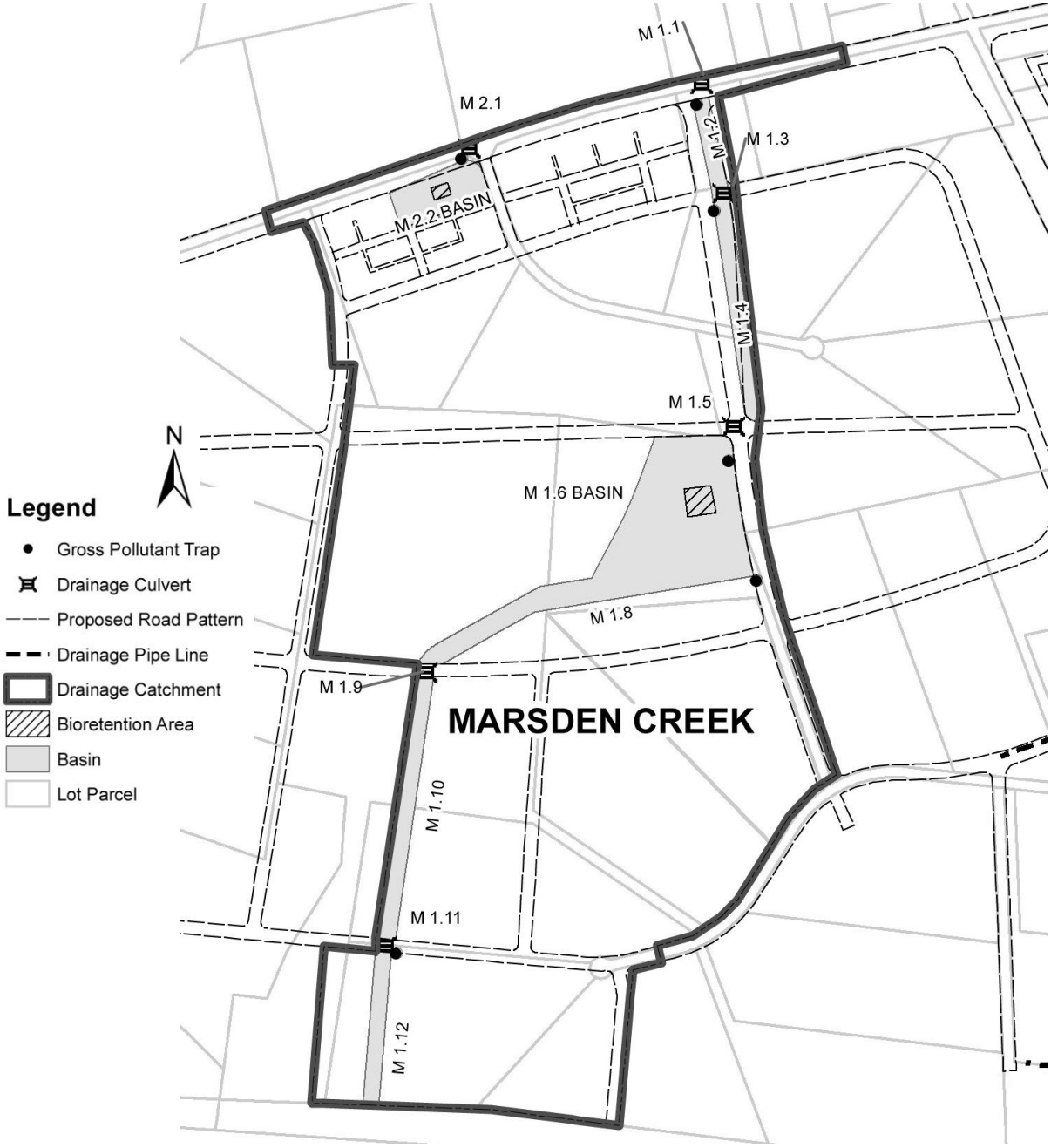
MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
BELLS CREEK STORMWATER QUALITY

Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Bells Creek Catchment - Quality SWQ2					
B5.1	Stand alone Bio-retention		$594,000		$594,000
B5.2	Gross pollutant trap at inlet to bio-retention		$65,000		$65,000
			$659,000	**$0**	**$659,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Bells Creek SWQ2**

APPENDIX A 8 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
MARSDEN CREEK STORMWATER QUANTITY



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quantity Management	**Marsden Park Creek**

APPENDIX A 9 of 17

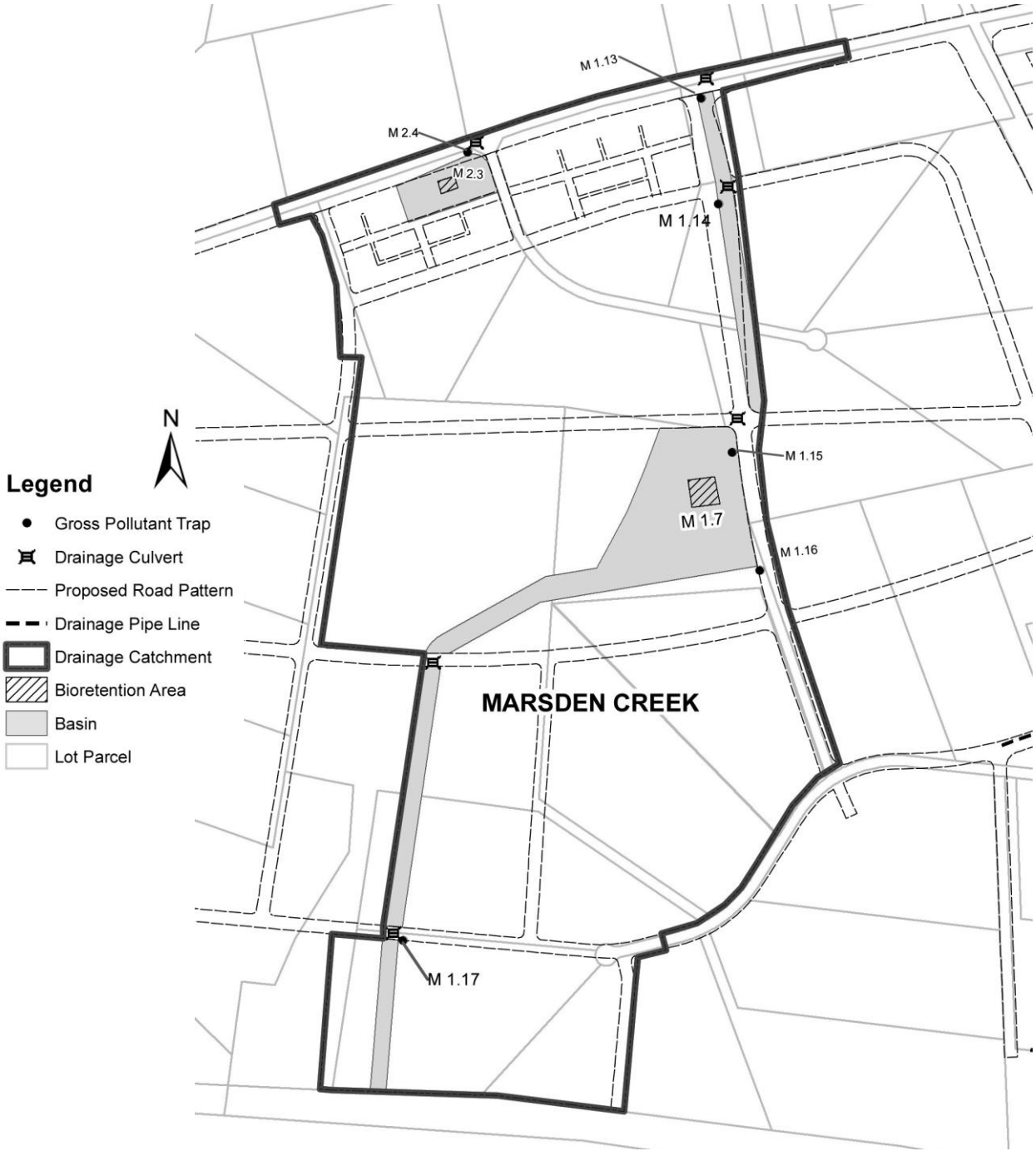
MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
MARSDEN CREEK STORMWATER QUANTITY

Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Marsden Creek Catchment - Quantity					
M1.1	3x2700x1200 Culvert under future road		$605,000		$605,000
M1.2	30.5m Wide landscaped open channel	1.7810	$647,000		$647,000
M1.3	3x2700x1200 Culvert under future road		$346,000		$346,000
M1.4	30.5m Wide landscaped open channel	Included in M1.2	$2,271,000		$2,271,000
M1.5	3x2700x1200 Culvert under future road		$967,000		$967,000
M1.6	Detention basin	7.3700	$4,869,000		$4,869,000
M1.8	36.5m Wide landscaped open channel	Included in M1.6	$1,562,000		$1,562,000
M1.9	3x3600x1200 Culvert under future road		$455,000		$455,000
M1.10	35m Wide landscaped open channel	1.6950	$2,067,000		$2,067,000
M1.11	2x2700x1200 Culvert under future road		$318,000		$318,000
M1.12	29m Wide landscaped open channel	0.8160	$3,195,000		$3,195,000
M2.1	900mm Drainage line		$37,000		$37,000
M2.2	Detention Basin	1.3300	$1,661,000		$1,661,000
		12.9920	**$19,000,000**	**$0**	**$19,000,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quantity Management	**Marsden Park Creek**

APPENDIX A 10 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
MARSDEN CREEK STORMWATER QUALITY



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Marsden Park Creek SWQ3**

APPENDIX A 11 of 17

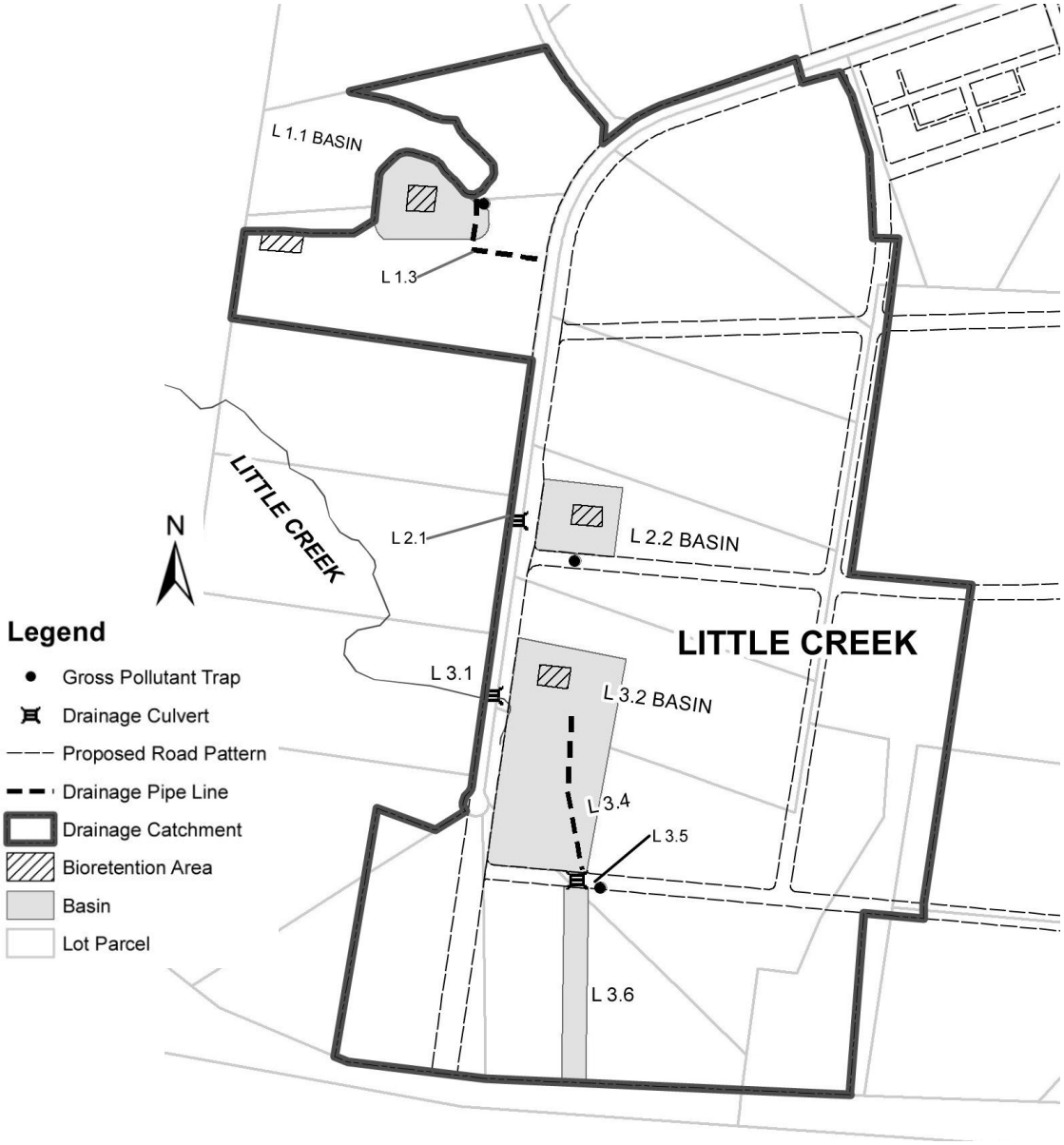
MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
MARSDEN CREEK STORMWATER QUALITY

Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Marsden Creek Catchment - Quality SWQ3					
M1.7	Bio-retention located in detention basin		$3,095,000		$3,095,000
M1.13	Gross pollutant trap at inlet to channel		$65,000		$65,000
M1.14	Gross pollutant trap at inlet to channel		$65,000		$65,000
M1.15	Gross pollutant trap at inlet to channel		$65,000		$65,000
M1.16	Gross pollutant trap at inlet to basin		$120,000		$120,000
M1.17	Gross pollutant trap at inlet to channel		$120,000		$120,000
M2.3	Bio-retention located in detention basin		$614,000		$614,000
M2.4	Gross pollutant trap at inlet to basin		$65,000		$65,000
			$4,209,000	**$0**	**$4,209,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Marsden Park Creek SWQ3**

APPENDIX A 12 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
LITTLE CREEK STORMWATER QUANTITY



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quantity Management	**Little Creek**

APPENDIX A 13 of 17

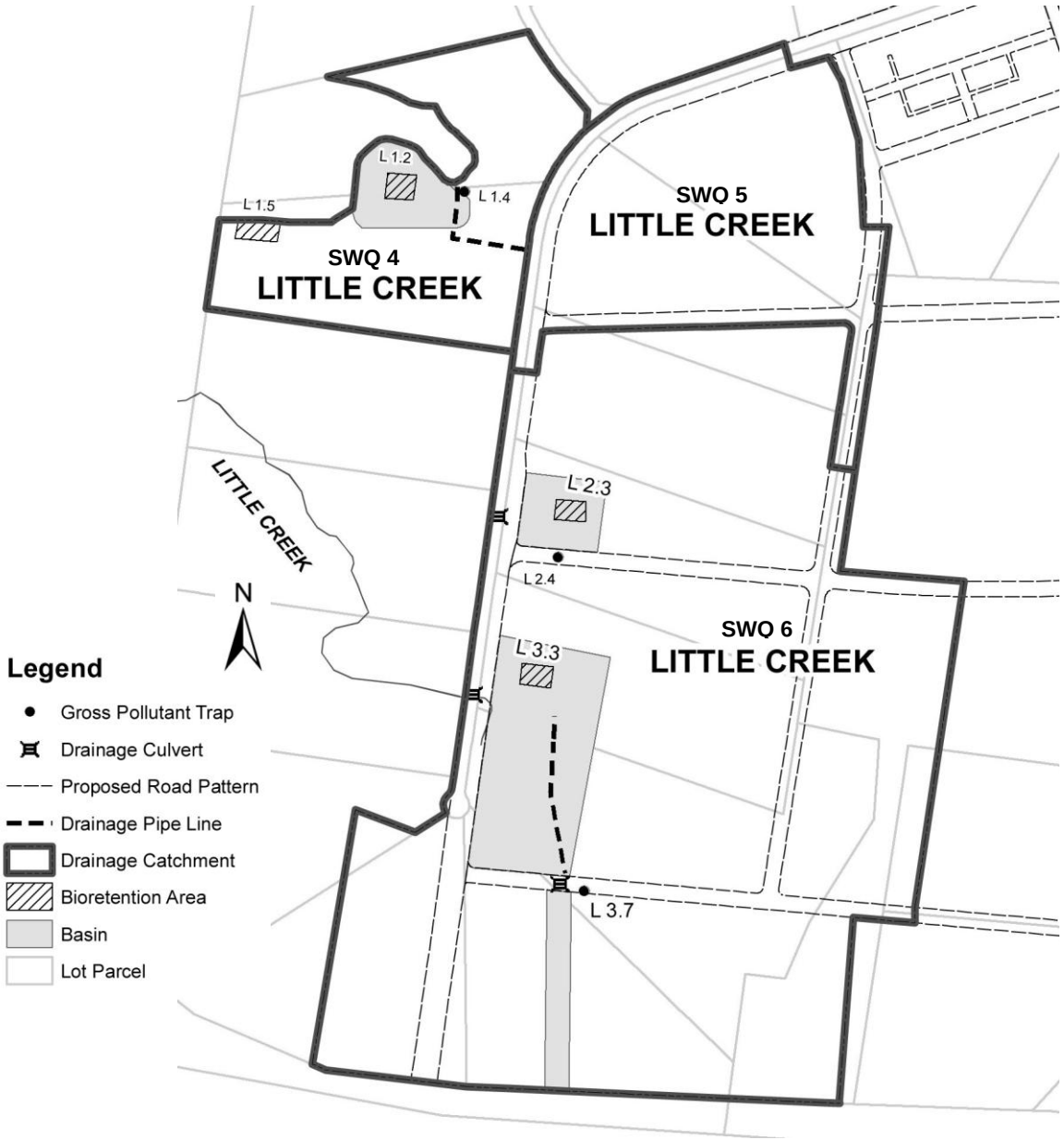
MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
LITTLE CREEK STORMWATER QUANTITY

Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Little Creek Catchment - Quantity					
L1.1	Detention basin	1.8440	$3,408,000		$3,408,000
L1.3	3000x900mm Drainage line from South St to Basin L1.1		$794,000		$794,000
L2.1	1800x900 Culvert under South Street		$175,000		$175,000
L2.2	Detention basin	1.3840	$5,440,000		$5,440,000
L3.1	4x3300x1200 Culvert under South Street		$706,000		$706,000
L3.2	Detention basin	5.7950	$14,049,000		$14,049,000
L3.4	900mm Drainage line		$162,000		$162,000
L3.5	4x3000x1200 Culvert under future road		$822,000		$822,000
L3.6	37.5m Wide landscaped open channel	1.1530	$1,281,000		$1,281,000
		10.1760	**$26,837,000**	**$0**	**$26,837,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quantity Management	**Little Creek**

APPENDIX A 14 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
LITTLE CREEK STORMWATER QUALITY



Catchment Areas indicative only

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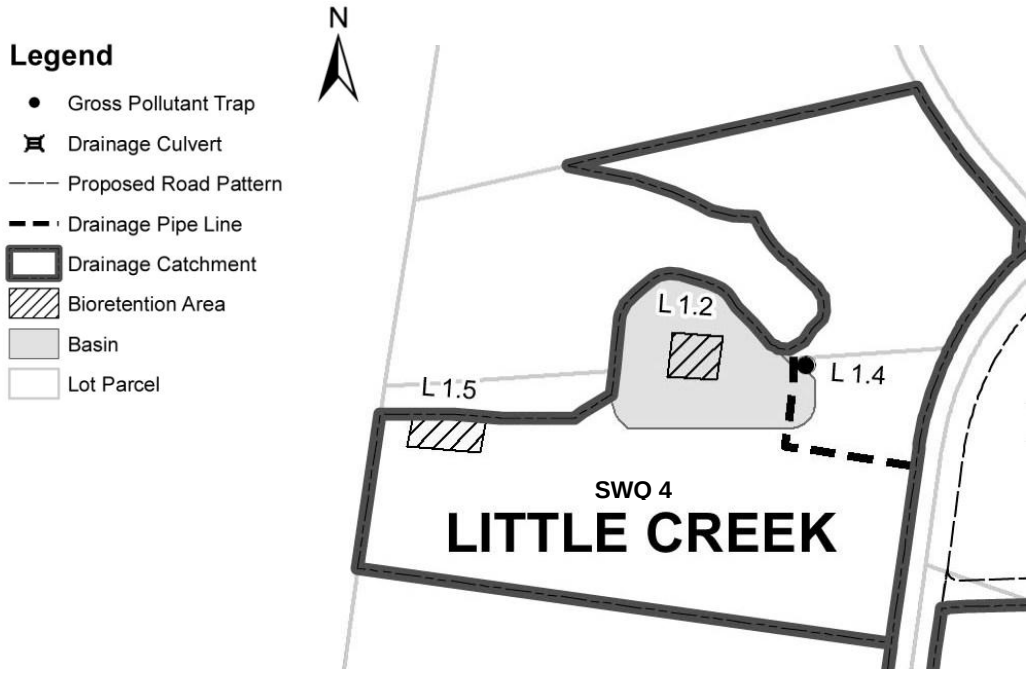
CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Little Creek**

APPENDIX A 15 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
LITTLE CREEK STORMWATER QUALITY



Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Little Creek Catchment - Quality SWQ4					
L1.2	Bio-retention located in detention basin (83% of total cost)		$914,660		$914,660
L1.4	Gross pollutant trap at inlet to basin (83% of total costs)		$124,500		$124,500
L1.5	Stand alone Bio-retention		$656,000		$656,000
			$1,695,160	**$0**	**$1,695,160**

Catchment Areas indicative only

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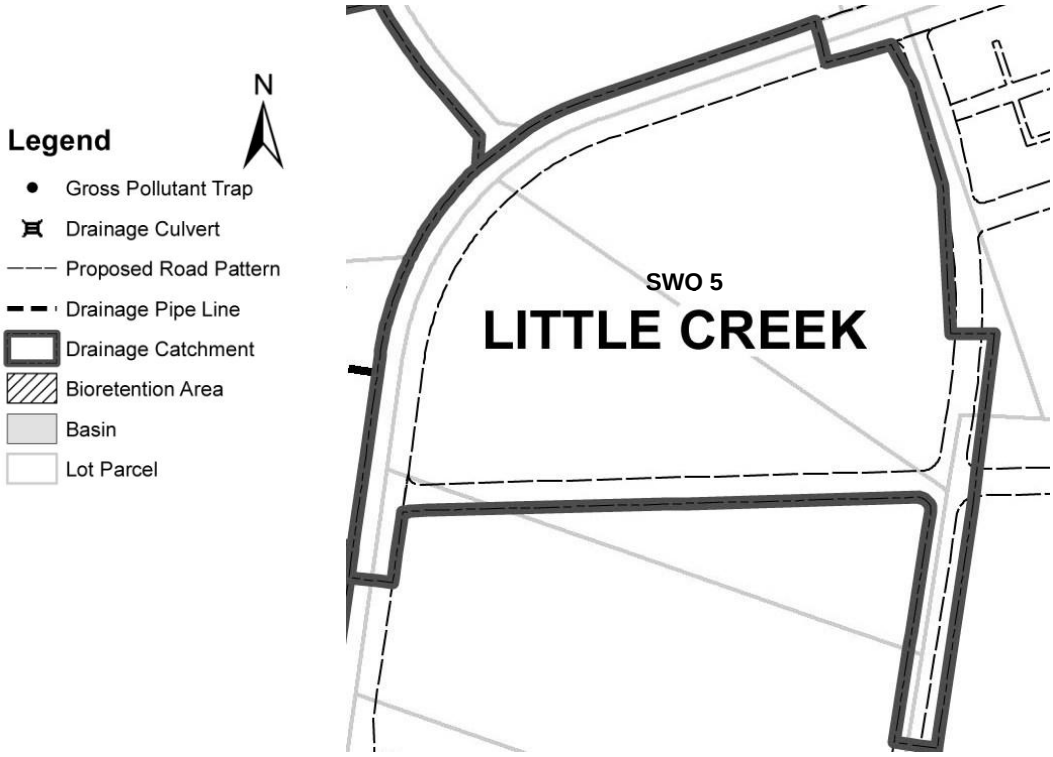
CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Little Creek SWQ4**

APPENDIX A 16 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
LITTLE CREEK STORMWATER QUALITY



Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Little Creek Catchment - Quality SWQ5					
L1.2	Bio-retention located in detention basin (17% of total cost)		$187,340		$187,340
L1.4	Gross pollutant trap at inlet to basin (17% of total cost)		$25,500		$25,500
			$212,840	**$0**	**$212,840**

Catchment Areas indicative only

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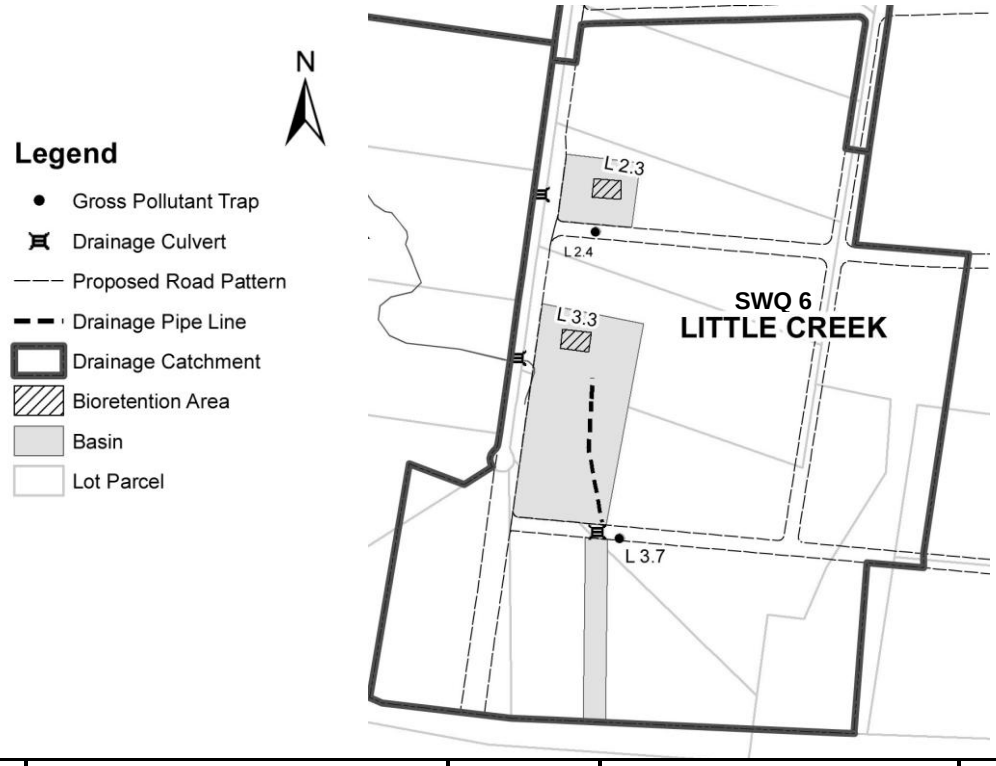
CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Little Creek SWQ5**

APPENDIX A 17 of 17

MARSDEN PARK INDUSTRIAL PRECINCT
WATER CYCLE MANAGEMENT FACILITIES
LITTLE CREEK STORMWATER QUALITY



Site No.	Description of Works	Land Area (ha)	Estimated Cost		Total
			July 2013 to June 2018	July 2018 to June 2023	
Little Creek Catchment - Quality SWQ6 (Residential)					
L2.3	Bio-retention located in detention basin		$486,000		$486,000
L2.4	Gross pollutant trap at inlet to basin		$65,000		$65,000
L3.3	Bio-retention located in detention basin		$894,000		$894,000
L3.7	Gross pollutant trap at inlet to basin		$120,000		$120,000
			$1,565,000	**$0**	**$1,565,000**

Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Stormwater Quality Management	**Little Creek SWQ5**

APPENDIX B 1 of 2

MARSDEN PARK INDUSTRIAL PRECINCT
TRAFFIC AND TRANSPORT MANAGEMENT FACILITIES
MAJOR ROADS

Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Traffic & Transport Management	**Major Roads Marsden Park Industrial Precinct**

APPENDIX B 2 of 2

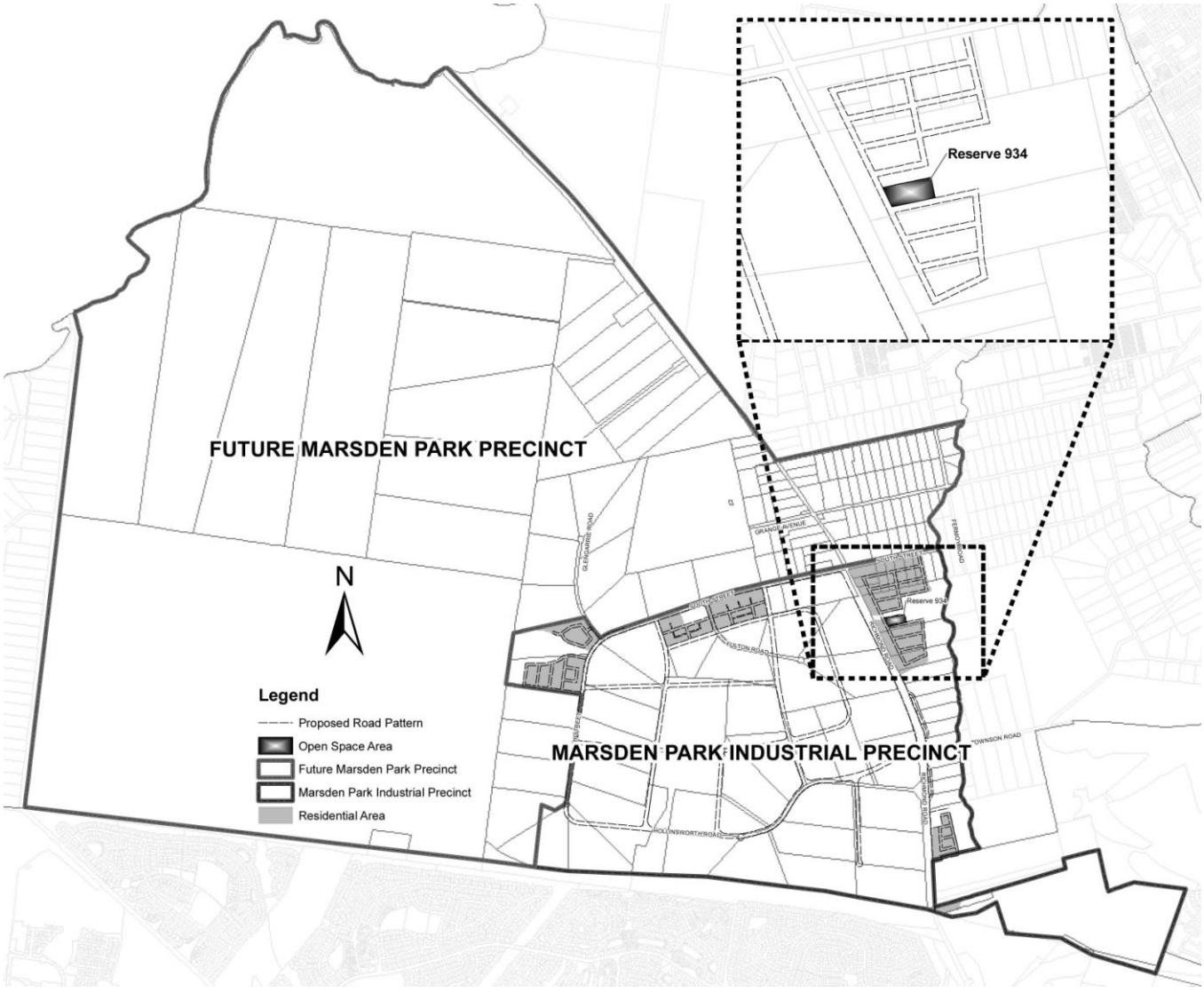
MARSDEN PARK INDUSTRIAL PRECINCT
TRAFFIC AND TRANSPORT MANAGEMENT FACILITIES
MAJOR ROADS

Site No.	Location	Description of Works	Estimated Cost & Indicative Timing of Delivery			Total
			2013-2017	2018-2022	2023-2027	
R1	MAIN NORTH SOUTH ROAD	Industrial Sub-arterial road full width from South Street to Hollinsworth Road.	$8,108,000			**$8,108,000**
R2	HOLLINSWORTH ROAD	Industrial Sub-arterial road full width from Richmond Road	$11,404,000			**$11,404,000**
R3	HOLLINSWORTH ROAD EXTENSION	Industrial collector full width from end of existing Hollinsworth Road to South Street		$6,124,000		**$6,124,000**
MISCELLANEOUS						
	BUS SHELTERS	Allow for shelters near locations designated in DCP Schedule 3 (approx 6)		$90,000		**$90,000**
	LOCAL TRAFFIC MANAGEMENT ROUNDABOUTS	3 x Additional roundabouts for local area traffic managment		$750,000		**$750,000**
			$19,512,000	**$6,964,000**	**$0**	**$26,476,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Traffic & Transport Management	**Major Roads Marsden Park Industrial Precinct**

APPENDIX C 1 of 2

MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT OPEN SPACE & RECREATION FACILITIES



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Open Space & Recreation	**Marsden Park Industrial & Future Marsden Park Precinct**

APPENDIX C 2 of 2

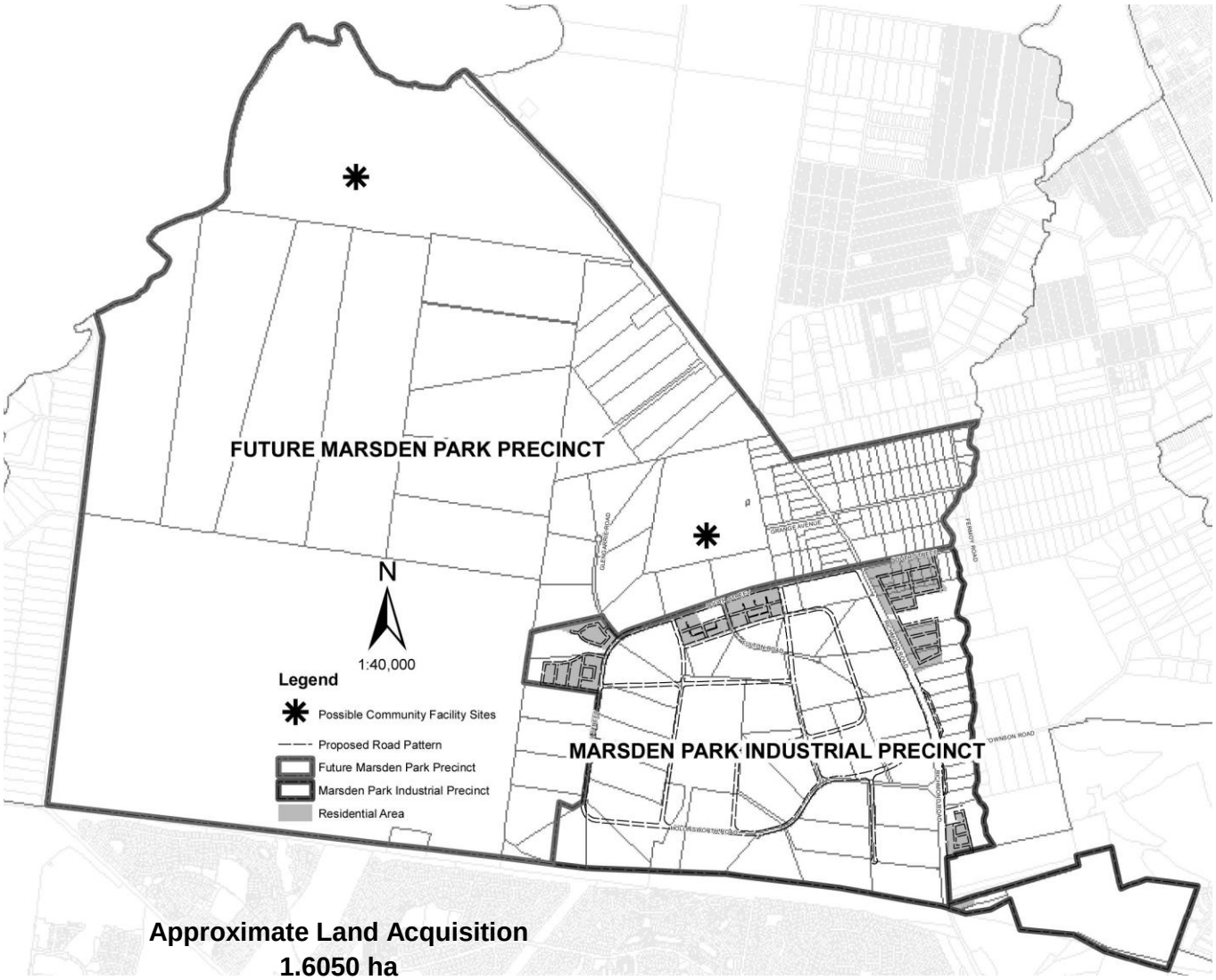
MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT OPEN SPACE & RECREATION FACILITIES

Number of Proposed Reserves	Description	Area (hectares)	Estimated Cost Timing of Infrastucture to be Determined	Total
1	Reserve 934 - MPIP Local Park including playground and landscaping	0.6840	$551,000	**$551,000**
INDICATIVE OPEN SPACE REQUIREMENTS FOR MARSDEN PARK PRECINCT (Refer section 4 for further explanation)				
1	Precinct wide sportsground, 3 illuminated multipurpose double playing fields with changeroom amenities, complimentary playgrounds, picnic facilties and all weather pedestrian access	12.0000	$75,374,684	**$75,374,684**
2	Neighbourhood sportsground A, 2 illuminated multipurpose double playing fields with changeroom amenities, complimentary playgrounds, picnic facilities and all weather pedestrian access	16.0000		
2	Neighbourhood sportsground B, illuminated multipurpose double playing field with changeroom amenities, complimentary playgrounds, picnic faciltities and all weather pedestrian access	8.0000		
1	Precinct wide park, including amenities, complimentary playground, picnic facilities and all weather pedestrian access	4.5000		
8	Neighbourhood parks, including compimentary playgrounds, all weather pedestrian access and landscaping	12.0000		
34	Local parks, providing informal recreational opportunities	34.0000		
1	Tennis facility, including 9 courts with amenities and playground	4.5000		
1	Netball facility, including 10 courts with amenities and playground	5.0000		
		96.6840	**$75,925,684**	**$75,925,684**

CONTRIBUTION ITEM	CATCHMENT AREA
Open Space & Recreation	**Marsden Park Industrial & Future Marsden Park Precinct**

APPENDIX D 1 of 1

MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT LAND FOR COMMUNITY FACILITIES



Approximate Land Acquisition
1.6050 ha

Catchment Areas indicative only

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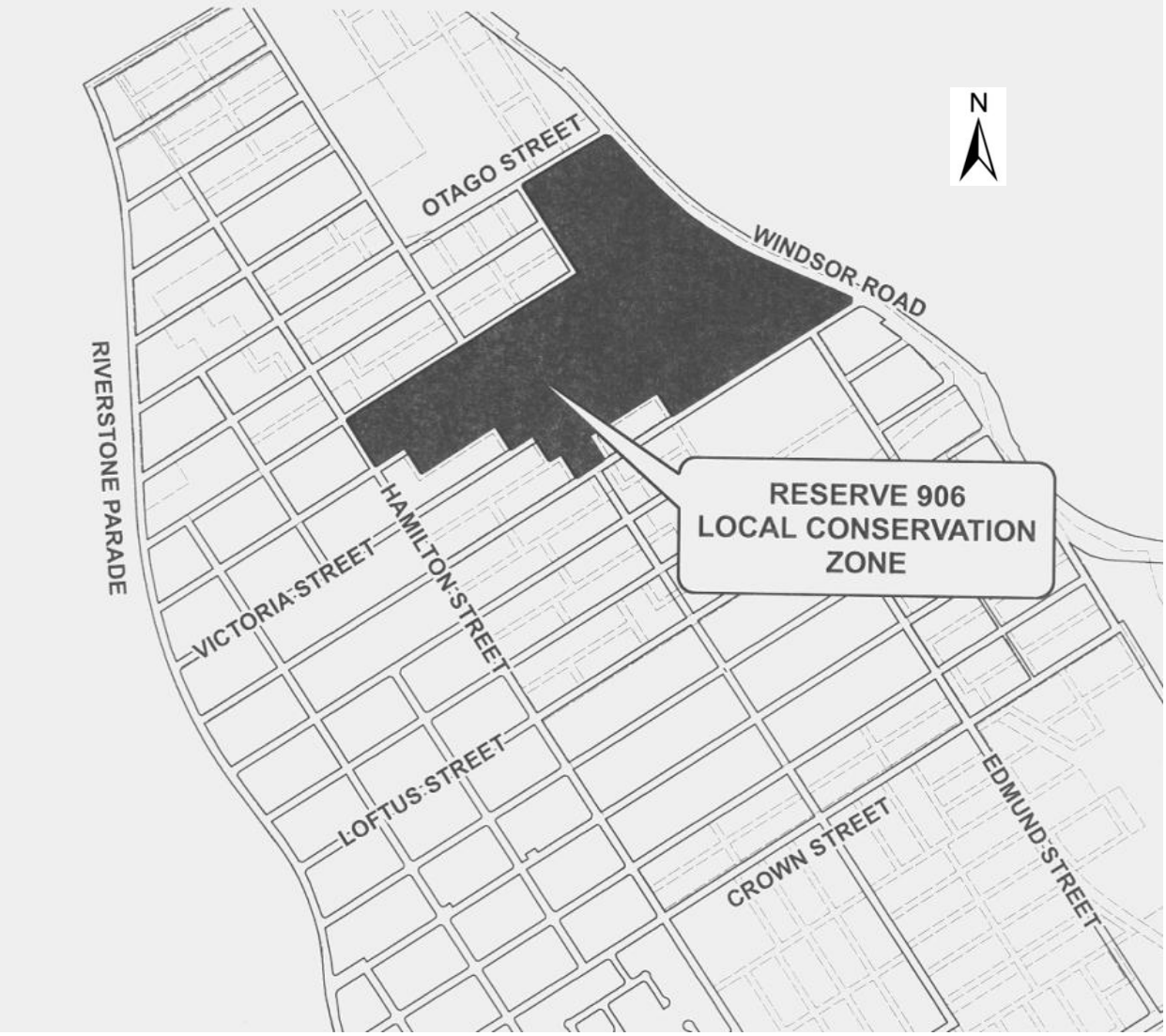
CONTRIBUTION ITEM	CATCHMENT AREA
Land for Community Facilities	**Marsden Park Industrial & Future Marsden Park Precinct**

APPENDIX E 1 of 2

MARSDEN PARK INDUSTRIAL PRECINCT
COMBINED PRECINCT FACILITY
(Servicing Blacktown's Residential Growth Centre Precincts)



Catchment Areas indicative only

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CONTRIBUTION ITEM	CATCHMENT AREA
Combined Precinct Facility	**Marsden Park Industrial**

APPENDIX E 2 of 2

COMBINED PRECINCT FACILITY
FULL FACILITY CONSTRUCTION COSTS

Reserve No.	Area (hectares)	Description of Works	Estimated Cost	Total
906	20.3719	Conservation Zone	$9,749,000	$9,749,000
			$9,749,000	**$9,749,000**

COMBINED PRECINCT FACILITY
APPORTIONED FACILITY CONSTRUCTION COSTS FOR THE MARSDEN PARK INDUSTRIAL PRECINCT

Reserve No.	Area (hectares)	Description of Works	Estimated Cost	Total
906	20.3719	Conservation Zone	$273,000	$273,000
			$273,000	**$273,000**

CONTRIBUTION ITEM	CATCHMENT AREA
Combined Precinct Facility	**Marsden Park Industrial**

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 ($)
WATER MANAGEMENT	**Hectares**					
STORMWATER QUANTITY						
BELLS CREEK	171.8079		$14,196,000		$27,090,000	$41,286,000
MARSDEN CREEK	93.0417		$12,540,000		$19,000,000	$31,540,000
LITTLE CREEK	98.3235		$9,871,000		$26,837,000	$36,708,000
STORMWATER QUALITY						
BELLS CREEK - SWQ1	168.2830				$8,078,000	$8,078,000
BELLS CREEK - SWQ2	3.5249				$659,000	$659,000
MARSDEN CREEK - SWQ3	93.0417				$4,209,000	$4,209,000
LITTLE CREEK - SWQ4	13.0860				$1,695,160	$1,695,160
LITTLE CREEK - SWQ5	17.1847				$212,840	$212,840
LITTLE CREEK - SWQ6	68.0528				$1,565,000	$1,565,000
TRAFFIC MANAGEMENT	**Hectares**					
MAJOR ROADS						
MARSDEN PARK INDUSTRIAL PRECINCT	316.0123		$12,445,000		$26,476,000	$38,921,000
OPEN SPACE	**Population**					
MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT	34005		$72,948,206		$75,925,684	$148,873,890
COMMUNITY FACILITIES (Land only)	**Population**					
MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT	34005		$2,408,000			$2,408,000
COMBINED PRECINCT FACILITY	**Population**					
MARSDEN PARK INDUSTRIAL PRECINCT	3205	$7,837	$579,000		$273,000	$859,837
TOTAL		**$7,837**	**$124,987,206**	**$0**	**$192,020,684**	**$317,015,727**

APPENDIX G

BASE CONTRIBUTION RATES

(Base CPI June 2011 - 173.4)

CATCHMENT	CONTRIBUTION RATE ($)
WATER MANAGEMENT	**$ Per Ha**
STORMWATER QUANTITY	
BELLS CREEK	$241,505
MARSDEN CREEK	$340,683
LITTLE CREEK	$375,206
STORMWATER QUALITY	
BELLS CREEK - SWQ1	$48,242
BELLS CREEK - SWQ2	$187,890
MARSDEN CREEK - SWQ3	$45,464
LITTLE CREEK - SWQ4	$130,188
LITTLE CREEK - SWQ5	$12,447
LITTLE CREEK - SWQ6	$23,112
TRAFFIC MANAGEMENT	**$ Per Ha**
MAJOR ROADS	
MARSDEN PARK INDUSTRIAL PRECINCT	$123,779
OPEN SPACE	**$ Per Person**
MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT	$4,400
COMMUNITY FACILITIES (Land only)	**$ Per Person**
MARSDEN PARK INDUSTRIAL PRECINCT & FUTURE MARSDEN PARK PRECINCT	$71
COMBINED PRECINCT FACILITY	**$ Per Person**
MARSDEN PARK INDUSTRIAL PRECINCT	$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:

- GHD (2009) *Marsden Park Developments Report for Marsden park Industrial Development Watercycle Management Assessment: Flooding, Stormwater and Water Sensitive Urban* Design (July 2009) prepared for Department of Planning.
- J. Wyndham Prince *Marsden Park Industrial Precinct Post Exhibition Water Cycle Management Strategy Report Including Consideration of Climate Change Impacts* dated February 2011.
- J. Wyndham Prince *Marsden Park Industrial Precinct Bells Creek Corridor Water Cycle Management Strategy* dated January 2011.
- Arup (2009) *Marsden Park Industrial (Employment) Precinct Transport and Access Study Final* report for ILP Exhibition, August 2009 prepared for the Department of Planning and Infrastructure.
- J. Wyndham Prince *Marsden Park Draft S94 Basin Review Road No 1 Plan and Longitudinal Sections* 3 sheets 8955/SK19-A, 8955/SK20-A, 8955/SK21-A dated 08/06/10
- Elton Pty Ltd (2009) *Community Facilities and Open Space Assessment – Marsden Park Industrial Precinct*, 27 July 2009 prepared for the Department of Planning and Infrastructure.
- Blacktown City 2025 – Delivering the Vision *(Blacktown City Council 2008).*
- Wellness Through Physical Activity Policy *(Blacktown City Council, 2007).*
- Blacktown City Council Social Plan *(2007)*.
- Recreation and Open Space Strategy *(Blacktown City Council, 2009)*.
- Northwest Growth Centres Recreation Planning Framework *(Blacktown City Council, 2009).*
- Section 94 Community Facilities Report *(Blacktown City Council May 2008).*
- Department of Planning and Infrastructure *Blacktown City Council Precincts Development Control Plan 2010* including Schedule 3 Marsden Park Industrial Precinct.
- Department of Planning and Infrastructure current version of SEPP Maps.
- Department of Planning and Infrastructure *Growth Centres Development Code* dated October 2006.

C WorleyParsons' Report

WorleyParsons

resources & energy

EcoNomics

INDEPENDENT PRICING AND REGULATORY TRIBUNAL

Review of Blacktown City Council Contributions Plan

Marsden Park Industrial Precinct - CP21: Stormwater and Transport

301015-03028 – 0001

15 August 2012

Infrastructure & Environment
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ABN 61 001 279 812

INDEPENDENT PRICING AND REGULATORY TRIBUNAL
REVIEW OF BLACKTOWN CITY COUNCIL CONTRIBUTIONS PLAN
MARSDEN PARK INDUSTRIAL PRECINCT - CP21: STORMWATER AND TRANSPORT

Disclaimer

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

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

CONTENTS

Appendices

NO TABLE OF CONTENTS ENTRIES FOUND.

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. 21 – Marsden Park Industrial Precinct (CP21) 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. 21 – Marsden Park Industrial Precinct (BCC – January 2012)
2. MPIP Culverts – CP21 (BCC – February 2012)
3. MPIP Drainage Estimates – CP21 (BCC – February 2012)
4. R1 North South Sub-Arterial Estimate (BCC – March 2012)
5. R2 East West Sub-Arterial Estimate (BCC – March 2012)
6. R3 East West Collector Estimate (BCC – March 2012),

WorleyParsons has also been provided with the following support documentation:

1. Marsden Park Draft S94 Basin Review Drawings Set (J. Wyndham Prince – November 2010)
2. Marsden Park Industrial Precinct – Bells Creek Corridor Water Cycle Management Strategy (J. Wyndham Prince – January 2011)
3. Marsden Park Industrial Precinct – Post Exhibition Water Cycle Management Strategy Report Including Consideration of Climate Change Impacts (J. Wyndham Prince – November 2010)
4. Marsden Park Developments – Report for Marsden Park Industrial Precinct Water Cycle Management: Flooding, Stormwater and Water Sensitive Urban Design (GHD – July 2009)

5. Marsden Park Industrial (Employment) Precinct Transport and Access Study Final Report for ILP Exhibition (ARUP – August 2009)

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 next section of this report.

2.2 Review of Design Amendments

CP21 states that during the Precinct Plan's post exhibition period, the water cycle management strategy was refined to reduce the infrastructure costs. In addition, zoning of Bells Creek was changed to enable it to remain in private ownership. Accordingly, these changes prompted BCC to adjust the designs.

Following 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 used in the outline.

Table 2-1: Design Adjustments Summary

JWP Drawing Number Reference	Adjustment to the design	Comments & Recommendations
Plan No. 8955/SK2	L3.2 – Minor alignment change to basin.	WP has no issue with the changes as it is not seen to have any effect on the system.
	L3.4 – Addition of a 207 m pipe with an internal diameter of 0.9 m to carry the stormwater flows from Hollinsworth Rd into Basin A.	WP has no issue with the addition of this pipeline as long as the carrying capacity is large enough for the design event. Given WP does not have the model to review, we cannot comment on the size of the pipe.

JWP Drawing Number Reference	Adjustment to the design	Comments & Recommendations
Plan No. 8955/SK6	B4.1 – Incorporation of a 210 m culvert with dimensions of 3.6 m x 0.9 m, to replace the proposed "Future 100yr capacity pipe" as described by JWP.	WP has no issue with the addition of this culvert as long as the carrying capacity is large enough for the design event. Given WP does not have the model to review, we cannot comment on the size of the culvert.
	B3.2 – Minor alignment change to basin. Addition of pipeline to the west.	WP has no issue with the changes as it is not seen to have any effect on the system.
	B5.1 & B5.2 – Addition of a Gross Pollutant Trap (GPT) and bio-retention basin at the outlet of Basin G.	The addition of the proposed works seems to be excessive. The proposed system currently has a treatment train reduction of 89% which does not meet the required 95% reduction of gross pollutants. The addition of a GPT would assist in the reduction of the gross pollutants to the required level. However, WP believes that the basin modification is excessive.
Plan No. 8955/SK7	B2.6 – Incorporation of a 460m pipe with an internal diameter of 1.35m to carry the stormwater flows from the new alignment of Hollinsworth Rd into Channel 12 and then into Basin I.	The proposed pipe would capture the 10.37ha catchment (B-3.1.00) and convey it to Basin I via channel 12 to be treated prior to outflowing into Bells Creek. BCC advised, during the meeting held in IPART offices, that they would request extra treatment for flows diverted into Bells Creek. WP has no issue with the addition of this pipeline to capture the runoff from the catchment.

JWP Drawing Number Reference	Adjustment to the design	Comments & Recommendations
Plan No. 8955/SK11	B1.12 – Addition of a Gross Pollutant Trap (GPT) at the outlet of Basin M	BCC advised, during the meeting held in IPART offices, that they would request extra treatment for flows diverted into Bells Creek. WP has no issue with the addition of this GPT to further treat the flows which lead to Bells Creek.
	TCX – Realignment of channel out of Basin M	The realignment of the channel out of Basin M is required as the design outlined in the JWP drawing set is not a viable option in relation to construction and grading. The BCC alternative is seen as a better option, and WP has no issue with this re-design.
Plan No. 8955/SK13	M2.1 – Culvert with dimensions of 2.4m x 0.9m has been replaced with a pipe with internal diameter of 0.9m.	WP is of the belief that this change will have an impact on the outflow rate of this basin. Given the previously modelled culvert was more than double the proposed pipe; it is believed that there will potentially be insufficient carrying capacity.
Plan No. 8955/SK14	L1.3 – Incorporation of a 140m culvert with dimensions of 3.0m x 0.9m.	WP has no issue with the addition of this culvert and sees this as an improvement to the JWP design as it creates a link between the development site and Basin P which is outside the main development envelope.

JWP Drawing Number Reference	Adjustment to the design	Comments & Recommendations
	L1.4 & L1.5 – Addition of a Gross Pollutant Trap (GPT) and bio-retention basin at the outlet of Basin P.	BCC advised, during the meeting held in IPART offices, that they would request extra treatment for flows diverted into Little Creek. WP has no issue with the addition of this GPT and bio-retention basin to further treat the flows which lead to Little Creek.
Plan No. 8955/SK16	M1.2 & M1.4 – Realignment of channel.	WP believes the modification of the channel locations would be more suitable than that proposed by JWP based on the given traffic type and the required road easement width This change by BCC is seen to be reasonable.

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 with the exception of the area around Basin G and the change from a culvert to a pipe out of Basin K.

The addition of the proposed works B5.1 & B5.2 (i.e. the addition of a Gross Pollutant Trap (GPT) and bio-retention basin at the outlet of Basin G) seems to be excessive to the water quality. The proposed system currently has a treatment train reduction of 89% which does not meet the required 95% reduction of gross pollutants, but the addition of a GPT would assist in the reduction of the gross pollutants to the required level. WP believes that the basin modification is excessive.

WP also believes that the change from a 2.4m x 0.9m to a pipe of internal diameter of 0.9m may not be sufficient given the significant difference in cross sectional area between the culvert and the pipe.

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 ARUP, 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 following sections.

3.2 Review of Design Amendments

CP21 advises that several notable changes to the design as per the *ARUP Marsden Park Industrial (Employment) Precinct, Transport and Access Study, Final Report for ILP Exhibition* (August 2009) were the reclassification of South Street as an arterial road by the RTA, the relocation of the proposed drainage channel which runs along the northern end of R1 and changes by BCC to the proposed roundabout requirements/recommendations from ARUP.

Given the re-classification of South Street as an arterial road, there is no longer a requirement to upgrade South Street as part of the MPIP development as it will be upgraded by the RTA. As such, the transport facilities consist of the realignment and upgrade to Hollinsworth Road and the creation of a new roadway running north-south from South Street to Hollinsworth Road.

Another modification to the original plans is the relocation of the proposed drainage channel along R1. JWP's design had the drainage channel running parallel to R1 and at the road centre line, which BCC has stated is not acceptable. WP agrees with BCC that this option would not be the most suitable for the given traffic type and the required road easement width. This change by BCC is seen to be reasonable.

The final change made to the transport facilities by BCC is the modification to intersection 8 (as per ARUP numbering). ARUP has recommended that intersection 8 should be an un-signalised T-Junction, while BCC has proposed a roundabout. Given the layout of the site, and the forecast 2036 am and pm peak traffic flows (as provided in the ARUP study), WP agrees with BCC, and it is reasonable to provide a roundabout at this intersection.

Given this, WP believes that the cost provided as part of the 'miscellaneous' section of BCC's CP21 documentation is reasonable. WP agrees with council regarding the requirement for bus shelters and believes the estimate provided for this is reasonable. These modifications have been reflected in the WP cost estimate.

3.3 Proposed Design Amendments

Following on from WP's review and meeting with BCC, WP is of the belief that the current transport design is adequate given the proposed developable area and usage. WP notes that the design amendments by BCC are seen as reasonable, and have been incorporated into WP's total fee which is provided in Section 4.5. As such, a further detailed cost estimate is not seen to be required.

4 REASONABLENESS OF COSTING

WP has undertaken a review of the costing undertaken by BCC. This process included review of the 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

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

Table 4-1: Summary of Rate Differences – Stormwater

Item	BCC Estimate	WP Estimate	Comments
Excavate to Culvert Design Levels (Assume 1/2 Clay, 1/2 Shale)	$26.43/m^3	$184.00/m^3	The rate which BCC has supplied is low based on the soil type given and the proposed depths.
Sediment ponds (10% of basin volume)	$27.09/m^3	27.70/m^3	Rate is reasonable; the volume gives a discrepancy.
Concrete Base Slab for Culverts (300mm) (incl. Nom. Steel, Formwork etc.)	$1,093.43/m^3	$445.00/m^3	The rate is high given WP assumption is a 32Mpa concrete slab, water treated and including reinforcement bars.
Place imported clay fill	$20.58/m^3	$12.30/m^3	Rate seems high. May include large delivery/haulage fee.
Nominal Ømm pipeworks (length of pipeworks)	$285.00/lin.m	$229.00/lin.m	Rate is reasonable; the length of pipe gives a discrepancy.
Backfill to Design Road Levels	$19.12/m^3	$7.70/m^3	This rate is high given the fill will be from the site.
Bulk cut (area of bio-retention)	$18.54/m^2	$7.35/m^2	Rate seems high given the soil type.
Bulk cut (to design surface)	$5.49/m^3 - $5.63/m^3	$7.35/m^3	Rate seems low given the soil type.
Bulk Fill (to design surface) (channels & Basins)	$5.63/m^3	$7.70/m^3	Rate seems low given the soil type.
Trim and compact subgrade	$1.34/m^3 - $1.38/m^3	$5.90/m^3	Rate seems low given the soil type.
Replace unsuitable material (allow tip fees and import select for 2% of cut)	$250.00/m^3	$203.00/m^3	Rate seems high given the soil type.
Stabilise basin with	$2.50/m^2	$4.90/m^2	Rate seems low given discussions

Item	BCC Estimate	WP Estimate	Comments
gypsum (area of basin)			with suppliers.
Reinforced Turf	$25.00/m^2	$35.00/m^2	Rate seems low given discussions with suppliers.
Strip topsoil and stockpile	$5.39/m^3 - $5.53/m^3	$8.05/m^3	Rate seems low given the soil type.
Spread topsoil (100mm thick over basin surface area)	$0.54/m^3 - $0.56/m^3	$2.75/m^3	Rate seems low given the soil type.
Grass seeding disturbed area	$1.15/m^2	$7.85/m^2	Rate seems low based on information within Rawlinsons.
Landscaping of detention basin (surface area – bio area-track)	$30.00/m^2	$15.00/m^2	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^2)
Landscape of channel	$40.00/m^2	$15.00/m^2	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^2)
Supply Culverts	$2,090.00/lin.m	$1,500.00/lin.m	Rate seems high based on

Item	BCC Estimate	WP Estimate	Comments
			discussion with suppliers.
Filling Sand (500mm deep)	$69.33/m^3	$40.00/m^3	Rate seems high given the material and discussion with suppliers.
Supply & Lay 900mm pipe	$564.00/lin.m	$369.00/lin.m	Rate seems high based on discussion with suppliers.
Construct Pit & Lintel	$2,500.00/lin.m	$1,450.00/lin.m	Rate seems high based on discussion with suppliers.
Jute mesh on landscaped areas	$3.91/m^2	$0.80/m^2	Rate seems high given the material and discussion with suppliers.
Remove existing trees	$800.00 each	$985.00 each	Rate seems low based on review of tree sizes.
Low flow diversion channel (length of channel)	$18.54/lin.m	$16.50/lin.m	The rate is reasonable; the scale of work creates a large discrepancy.
Subsoil Drains	$36.60/lin.m	$34.50/lin.m	The rate is reasonable; the scale of work creates a large discrepancy
Supply and Install 2mm HDPE Liner (Bio Area +1m Overlap)	$15.03/m^2	$7.35/m^2	Rate seems high given the material and discussion with suppliers.
De-water, desilt and dispose of existing dams (0.5m deep)	$267.09/m^2	$246.20/m^2	The rate is reasonable; the scale of work creates a large discrepancy.
GPTs (B1.9, B1.10, B4.2 and M1.16)	$120,000/unit	$61,600/unit	WP rate based on information received from Rocla based on the catchment information as part of the BCC cost estimate.
GPTs (B1.11, B1.12, and B5.2)	$65,000/unit	$36,300/unit	
GPTs (B2.5, B2.7 and L1.4)	$150,000/unit	$80,300/unit	
GPTs (M1.13, M1.14, M1.15 and L2.4)	$65,000/unit	$17,600/unit	
Steel handrail	$157.00/lin.m	$85.00/lin.m	Rate is high. WP has assumed

Item	BCC Estimate	WP Estimate	Comments
(allowance around inlet/outlet structures)			stainless steel handrails.
150mm thick DGB20 maintenance track 3m wide (perimeter)	$54.27/lin.m	$63.00/lin.m	The rate is slightly low; the scale of work creates a large discrepancy.
Construction of access track (3m wide DGB20 for channnel length)	$54.27/lin.m	$63.00/lin.m	The rate is slightly low; the scale of work creates a large discrepancy.
Tip Fees (channel, raingarden and basin works)	$106.25/tonne	$120.00/tonne	Rate is low based on liaison with SITA Australia
Tip Fees (pipe works)	$97.60/tonne	$120.00/tonne	Rate is low based on liaison with SITA Australia
Tip Fees (culvert works)	$103.70/tonne	$120.00/tonne	Rate is low based on liaison with SITA Australia
Cartage (allow 20 km off site)	$30.00/$m^3$	$13.20/$m^3$	Rate is high. WP rate is haulage only.
Design Fee Contingency (Basin)	$50,000 + 5%	$20,000 + 5%	BCC have advised that the blanket fee relates to potential for REF preparation as basins are within low lying areas and have the potential to encounter aboriginal heritage items during excavation. WP acknowledges the explanation, but still believes that the blanket fee is high

Table 4-2: Summary of Rate Differences - Transport

Item	BCC Estimate	WP Estimate	Comments
Trimming and Compaction	$1.38/m^3	$5.90/m^3	The rate given by council seems low based on soil type. It may be for trimming only.
Recovered fill from on site	$19.59/m^3	$12.30/m^3	The rate given by council seems low based on soil type. It may be for trimming only.
Filling Sand for Pipe Trenches & Around Drainage Structures	71.04/m^3	56.00/m^3	Rate seems high given the material and discussion with suppliers.
Siltation Protection to Gully Pits	$108.34 each	$80.00 each	Rate seems high given the material and discussion with suppliers.
Excavation of Recyclable Material (road excavation), Using an excavator.	$14.16/m^3	$17.95/m^3	Rate is slightly low given the recycled material may need to be stockpiled for future use.
Supply, Excavate 300mm Wide x 450mm Deep Trench, Lay 100mm Sub Soil Drains in Stocking, Backfill & Compact	$37.50/m^3	$31.75/m^3	The rate is close; the area of work creates a large discrepancy.
Reconstruct Kerb & Gutter	$64.30/lin.m	$146.00/lin.m	The rate given by council seems low. It may be for concrete only and not include formwork.
Reconstruct median kerb	$53.63/lin.m	$146.00/lin.m	The rate given by council seems low. It may be for concrete only and not include formwork.
AC20, 100mm Layer	$36.34m^2	$44.90m^2	Rate seems low given the material and discussion with suppliers.
Tip Fees (road works)	$106.25/tonne	$120.00/tonne	Rate is low based on liaison with SITA Australia.
Strip minor vegetation	$8.80/m^2	$0.48/m^2	Rate seems very excessive given it

Item	BCC Estimate	WP Estimate	Comments
and grass and dispose			is minor vegetation.
Fell, grub and dispose of significant trees	$800.00 each	$985.00 each	Rate seems slightly low given it is for significant trees.
DGS20 Lime Treated, 100mm Layer	$13.60/$m^2$	$15.00/$m^2$	Rates seem relatively close (just outside 10% difference). Volume of works creates a discrepancy.
Dense Graded Pavement	$9.33/$m^2$	$15.50/$m^2$	Rate seems low given the material and discussion with suppliers.
Excavation O.T.S.R	$18.54/$m^3$	$19.50/$m^3$	The rate is reasonable; the scale of work creates a large discrepancy
Construction Concrete Path Paving 75mm Thick	$50.21/lin.m	$146.00/lin.m	Rate seems low. Possibly does not include preparation.
125mm Thick Slab	$232.81/lin.m	$285.00/lin.m	Rate seems low. Possibly does not include preparation.
Supply and install concrete block masonry retaining wall	$818.75/$m^2$	$510.00/$m^2$	Rate seems high given discussions with suppliers.
Timber paling	$108.00/lin.m	$196.00/lin.m	Rate seems low. Council possibly priced recycled timber.
Greenlees Park Couch	$6.28/$m^2$	$8.10/$m^2$	Rate seems slightly low based on rate investigation within Rawlinsons.
Hydroseeding	$1.15/$m^2$	$0.32/$m^2$	Rate seems high based on rate investigation within Rawlinsons.
Temporary traffic signals	$1,145.84 weekly	$1,775.00 weekly	Rate seems slightly low based on rate investigation within Rawlinsons.
Contingency (Transport)	11%	5%	Contingency seems high given the stage of works and their relatively straight forward nature.

4.3 Contingency and Design Fees

A 5% contingency has been added to all stormwater management facility costs. This is considered reasonable. The 11% contingency for the transport facility costs seems 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 $29,317,558 (WP fee including 11% contingency), to $27,732,825 (WP fee including 5% contingency). This leads to a reduction of $1,584,733 or a 5.41% reduction from the 11% 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% contingency on the design fee was placed on all basin designs. BCC has advised that the blanket fee relates to potential for Review of Environmental Factors (REF) preparation as basins are within low lying areas and have the potential to encounter aboriginal heritage items during excavation. WP acknowledges the explanation, but believes that a 5% + $20,000 design fee contingency (similar to channels) is reasonable to cover the REF preparation, although this would only have a minor effect on the WP stormwater infrastructure cost estimate (approximately 0.3%).

4.4 Fill Disposal Cost

In the BCC cost estimate, relatively low rates of $106.25/tonne for tipping fees of material for the roads, channels and basins, and $103.7/tonne and $97.60/tonne respectively for the culvert and pipe works have been applied. 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 given the fees provided in Rawlinsons Australian Construction Handbook (2012) 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.

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
Sediment ponds (10% of basin volume)	$27.09/m^3	27.70/m^3	20,905m^3	$12,857
Low flow diversion channel (length required to drain basin)	18.54/lin.m	16.50/lin.m	5,170lin.m	-$10,547
De-water, desilt, dispose of existing dams (0.5m deep)	267.09/m^3	246.20/m^3	28,488m^3	-$594,972
Remove existing trees (each)	800.00 each	985.00 each	$1,642 each	$303,770
Strip topsoil and stockpile (assume 100mm over site) (Channels & Basins)	$5.53/m^3	$8.05/m^3	38,961m^3	$98,182
Bulk cut (to design surface) (Channels & Basins)	$5.63/m^3	$7.35/m^3	208,715m^3	$358,990
Bulk cut (area of bio-retention)	$18.54/m^3	$7.35/m^3	31,790m^3	-$355,730
Bulk Fill (to design surface) (channels & Basins)	$5.63/m^3	$7.70/m^3	137,820m^3	$285,287
Backfill to Design Road Levels (Culverts)	$19.12/m^3	$7.70/m^3	4,223m^3	-$48,231
Trim and compact subgrade (surface area of basin) (Basins & Channels)	$1.38/m^3	$5.90	389,610m^3	$1,761,037

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Trim and compact subgrade (surface area of basin) (Raingardens & Culverts)	$1.34/m^3	$5.90/m^3	7,405m^3	$33,768
Spread topsoil (100mm thick over basin surface area) (Basins & Culverts)	$0.56/m^3	$2.75/m^3	389,610m^3	$853,246
Nominal Ømm pipeworks (length of pipeworks)	$285.86/lin.m	$229.00/lin.m	$787m^3	-$44,749
Place imported clay fill	$20.58/m^3	$12.30/m^3	44,475m^3	-$368,253
Replace unsuitable material (allow tip fees and import select for 2% of cut)	$250.00/m^3	$203.00/m^3	2,849m^3	-$133,903
Stabilise basin with gypsum (area of basin)	$2.50/m^2	$4.90/m^2	227,860/m^2	$546,864
Reinforced Turf	$25.00/m^2	$35.00/m^2	20,950/m^2	$209,500
Supply and Lay 900mm Pipe	$564.00/lin.m	$369.00/lin.m	770lin.m	-$150,150
Construct Pit & Lintel	2,500.00 each	1,450.00 each	18 each	-$18,900
Filling Sand (500mm deep)	$69.33/m^3	$40.00/m^3	$1,283m^3	-$37,620
Landscaping of detention basin (surface area - bio area-track)	$30.00/m^2	$15.00/m^2	$184,985/m^2	-$2,774,775
Landscaping of channel (area of	$40.00/m^2	$15.00/m^2	$123,215/m^2	-$3,080,375

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
channel)				
150mm thick DGB20 maintenance track 3m wide (perimeter)	$54.27/lin.m	$63.00/lin.m	5,400lin.m	$47,142
Construction of access track (3m wide DGB20 for channnel length)	$54.27/lin.m	$63.00/lin.m	6,470lin.m	$56,483
Grass seeding disturbed area (5m either side of channel)	$1.15/$m^2$	$7.85/$m^2$	32,600m^2	$218,420
Jute mesh on landscaped areas	$3.91/$m^2$	$0.80/$m^2$	125,418m^2	-$390,048
Excavate to Culvert Design Levels (Assume 1/2 Clay, 1/2 Shale)	$26.43/$m^3$	$184.00/$m^3$	9,693m^3	$1,527,373
Concrete Base Slab for Culverts (300mm) (incl: Nom. Steel, Formwork etc)	$1,093.43/$m^3$	$445.00/$m^3$	1,517m^3	-$983,344
Supply Culverts	$2,090.00/lin.m	$1,500.00/lin.m	1,300.00lin.m	-$767,000
Steel handrail (allowance around inlet/outlet structures)	$157.00/lin.m	$85.00/lin.m	360lin.m	$25,920
Supply and install subsoil drainage (6m ctrs, length of bio)	$36.60/lin.m	$34.50/lin.m	5,832lin.m	-$12,247
Supply and install 2mm HDPE liner (bio area + 1m overlap)	$15.03/$m^2$	$7.35/$m^2$	35,741m^3	-$274,493
GPTs (B1.9, B1.10, B4.2 and M1.16)	$120,000/unit	$61,600/unit	4	-$233,600

INDEPENDENT PRICING AND REGULATORY TRIBUNAL
REVIEW OF BLACKTOWN CITY COUNCIL CONTRIBUTIONS PLAN
MARSDEN PARK INDUSTRIAL PRECINCT - CP21: STORMWATER AND TRANSPORT

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
GPTs (M1.17, L3.7)	$120,000/unit	$47,300/unit	2	-$145,000
GPTs (B1.11, B1.12, M2.4 and B5.2)	$65,000/unit	$36,300/unit	4	-$114,800
GPTs (B2.5, B2.7 and L1.4)	$150,000/unit	$80,300/unit	3	-$209,100
GPTs (M1.13, M1.14, M1.15 and L2.4)	$65,000/unit	$17,600/unit	4	-$189,600
Cartage (allow 20km off site)	$30.00/$m^3$	$13.20/$m^3$	168,799m^3	-$2,835,823
Tip Fees (Basins, Channels & Raingardens)	$106.25/$m^3$	$120.00/$m^3$	286,390m^3	$3,937,866
Tip Fees (Culverts)	$103.70/$m^3$	$120.00/$m^3$	12,830	$209,136
Tipping Fees (Pipes)	$97.60/$m^3$	$120.00/$m^3$	3,471	$77,759
Design Fee Contingency (Basins)	$50,000 + 5%	$20,000 + 5%	9 Basins	-$270,000

Table 4-4: Summary of Cost Differences - Transport

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Recovered fill from on site	$19.59/m^3	$12.30/m^3	35,640m^3	-$259,816
Filling Sand for Pipe Trenches & Around Drainage Structures	71.04/m^3	56.00/m^3	4,287m^3	-$64,472
Excavation of Recyclable Material (road excavation), Using an excavator.	$14.16/m^3	$17.95/m^3	54,687m^3	$207,264
Supply, Excavate 300mm Wide x 450mm Deep Trench, Lay 100mm Sub Soil Drains in Stocking, Backfill & Compact	$37.50/m^3	$31.75/m^3	11,691m^3	-$67.223
Tip Fees (road works)	$106.25/tonne	$120.00/tonne	34,485 tonne	$474,163
Reconstruct Kerb & Gutter	$64.30/lin.m	$146.00/lin.m	7,794linm	$636,770
Trimming and Compaction	$1.38/m^3	$5.90/m^3	73,478m^3	$322,118
AC20, 10mm Layer	$36.34/m^2	$44.90/m^2	106,391m^2	$910,709
Strip minor vegetation and grass and dispose	$8.80/m^2	$0.48/m^2	23,382m^2	-$194,538
Fell, grub and dispose of significant trees	$800.00 each	$985.00 each	347 each	$64,269
DGS20 Lime Treated, 100mm Layer	$13.60/m^2	$15.00/m^2	215,173m^2	$301,242
Dense Graded Pavement	$9.33/m^2	$15.50/m^2	110,391m^2	$681,112
Median kerb	$53.63/lin.m	$146.00/lin.m	5,244lin.m	$484,388

Item	BCC Estimate	WP Estimate	Quantity	Cost Difference
Construction Concrete Path Paving 75mm Thick	$50.21/lin.m	$146.00/lin.m	1,530lin.m	$146,559
125mm Thick Slab	$232.81/lin.m	$285.00/lin.m	6,519lin.m	$340,227
Supply and install concrete block masonry retaining wall	$818.75/$m^2$	$510.00/$m^2$	200m^2	-$61,750
Timber paling	$108.00/lin.m	$196.00/lin.m	2,620lin.m	$230,560
Greenlees Park Couch	$6.28/$m^2$	$8.10/$m^2$	15,588m^2	$28,370
Temporary traffic signals	$1,145.84 weekly	$1,775.00 weekly	82 weeks	$51,308
Contingency (Transport)	11%	5%		-$1,584,733

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	$89,346,000	$82,458,217	-7.7%
Transport	$26,476,000	$29,893,435	12.9%

5 FINDINGS AND RECOMMENDATIONS

5.1 Stormwater

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 8% between the estimates is a very good outcome given the scope and scale of the project.

Items which have a material impact on the total cost of stormwater infrastructure include:

- Landscaping of Detention Basin (-$2,774,775)
- Landscaping of Channel (area of channel) (-$3,080,375)
- Tip Fees – combined pipe, culvert, channel and basin (+$4,224,761)
- Cartage (allowing 20km off site) (-$2,835,823)

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.

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 contingency placed on all basin designs. WP believes that a blanket $20,000 + 5% design fee contingency is sufficient, although this would only have a minor effect on the price (approximately 0.3%). Overall, WP is satisfied that, following the review undertaken, BCC's cost estimate 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 13% between the estimates is a very 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. Overall, WP is satisfied that, following the review undertaken, BCC's cost estimate is reasonable.

C WorleyParsons' Report

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	The Hills Shire Council's *Contributions Plan No 12 – Balmoral Road Release Area*
CP13	The Hills Shire Council's *Contributions Plan No 13 – North Kellyville Precinct*
CP20	Blacktown City Council's *Contributions Plan No 20 – Riverstone and Alex Avenue Precincts*
CP21	Blacktown City Council's *Draft Contributions Plan No 21 – Marsden Park Industrial Precinct*
CP22	Blacktown City Council's *Draft Contributions Plan No 22 – Area 20*
EP&A Act	*Environmental Planning and Assessment Act 1979*
EP&A Regulation	*Environmental Planning and Assessment Regulation 2000*

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)
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	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	*Practice Note for the assessment of Local Contributions Plan by IPART*, November 2010 (supplemented by advice from the Department of Planning regarding base embellishment)

Precinct acceleration protocol	An imitative 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 (PIF)	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 *Local Government Act 1993*) 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