

Assessment of The Hills Shire Council's Section 94 Contributions Plan No 16

Box Hill North Precinct

Local Government — Assessment
September 2015

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1 Executive Summary

The NSW Government has directed the Independent Pricing and Regulatory Tribunal (IPART) to review contributions plans that have been prepared by councils under section 94 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), which propose contributions rates above specified capped amounts.

In March 2015, the Hills Shire Council (THSC) submitted *Contributions Plan No.16 Box Hill North Precinct* (CP16) to us for assessment. Unlike previous contributions plans that we have assessed, in CP16 all public infrastructure will be provided by a principal developer, E J Cooper and Son Pty Ltd (E J Cooper), as part of a Voluntary Planning Agreement that was executed in February 2015.

In general, a Voluntary Planning Agreement (VPA) is an agreement between a planning authority and a developer in which the developer agrees to provide or fund public amenities and services, affordable housing and transport and other infrastructure. Contributions by the developer can be made through land dedication, monetary contributions, construction of infrastructure and provision of materials for public benefit and/or use.¹

Under the VPA related to CP16, the principal developer will supply most of the land and all public infrastructure for the precinct covered by CP16. As a result, E J Cooper will not pay development contributions.

Under CP16, however, E J Cooper may recover some of its costs from the contributions payable by any other developers to the council, subject to a State Government contributions cap of \$30,000 per lot or dwelling.² This means that the other developers will pay the cap amount and the balance will be funded by the State Government's Local Infrastructure Growth Scheme (LIGS).³

¹ Department of Planning and Environment (DPE) website 'Voluntary Planning Agreements', available at <http://vparegister.planning.nsw.gov.au/>, accessed 10 August 2015.

² Department of Planning and Infrastructure (now DPE), *Revised Local Development Contributions Practice Note*, February 2014 p 1 (Practice Note).

³ DPE has indicated that gap funding from the LIGS will be available for CP16. Email to IPART of letter from DPE to THSC, 24 March 2015. The LIGS funds will be paid to the council which will then reimburse the developer.

1.1 Overview of CP16

The Box Hill North Precinct is located just outside the North West Growth Centre. The Precinct comprises around 380 hectares, of which almost 300 hectares have been zoned for residential development. There will also be a town centre site for retail and business purposes.⁴

The residential contribution rate in CP16 is between \$35,000 and \$65,000 per lot or dwelling in 2014-15, depending on the type of dwelling (derived later in Table 1.2). The plan envisages that 13,498 residents will be housed in 4,600 dwellings. Of these, 3,920 dwellings will be constructed by E J Cooper and the balance of 680 by other developers.⁵

The council estimates that total base cost of the plan is \$241.6 million (Table 1.1).⁶

Table 1.1 CP16 – Total cost of land and facilities (\$2014-15)

	Facilities	Land	Total
Transport	88,845,456	16,391,088	105,236,544
Stormwater	50,104,800	28,200,860	78,305,660
Open space	17,241,120	38,404,712	55,645,832
Community (land only)		360,000	360,000
Total cost of land and facilities	156,191,376	83,356,660	239,548,036
Administration costs			2,100,000
Total cost of the plan			241,648,036

Source: THSC, CP16, p 4.

1.2 The contributions rate in CP16

To estimate the contributions rates, the council uses a Net Present Value (NPV) model. The NPV model accounts for the time difference between the costs incurred in constructing infrastructure and the receipt of contributions from developers. The modelling sets the contributions rate so that the present value of revenues equals the present value of the costs of the development.

⁴ THSC, CP16 Application, Appendix G Social Infrastructure Assessment p 3 and email from THSC to IPART dated 3 June 2015.

⁵ THSC, CP16, p 16 and THSC, CP16 Application, p 29 in part (b) of the council's answer to Question 22. We have deducted the 680 lots from the expected total dwellings of 4,600 to derive the 3,920 in the text.

⁶ When spread across the 18 years of the development period, with appropriate escalation, the total nominal cost of the development is estimated at \$279.4 million.

IPART has previously reviewed three contributions plans from THSC which also used an NPV methodology to calculate the contributions payable by developers. We have recently amended our recommended NPV approach.⁷ THSC's approach broadly reflects our previous approach.⁸ We expect that the council will consider applying our revised approach in future contributions plans.

Indicative contributions rates

THSC calculated the contributions rate as \$19,813 per person in 2014-15.⁹ After making its application, and in consultation with us, the council corrected an error in the NPV model which reduced the contributions rate per person in 2014-15 to \$19,057.¹⁰ We have used this rate throughout the text. The contributions rate per person escalates each year by 2.5% to allow for inflation.

The contributions rate for each residential dwelling type, based on the per person rate, is shown in Table 1.2. Contributions are not levied on non-residential development in CP16.

Table 1.2 Contributions rates for 2014-15 based on THSC modelling

Development type	Contributions rate per person	Persons per dwelling type	Contributions rate (\$)
Dwelling houses	19,057	3.4	64,794
Large lot subdivisions	19,057	3.4	64,794
Small lot/Medium dwelling housing	19,057	2.8	53,360
Residential flat buildings	19,057	1.85	35,255

Source: THSC, CP16 and IPART calculations.

1.3 Summary of our assessment of the contributions plan

The land and infrastructure expenditure under CP16 is around \$74 million less than in the VPA. While we are only required to assess CP16 on its merits, we have considered the land and works schedules in the VPA because they define what will be provided in the precinct at agreed costs.

⁷ IPART, *Modelling local development contributions in a present value framework - Technical Paper*, June 2015 (2015 Technical Paper).

⁸ IPART, *Modelling local development contributions - Selection of a discount rate for councils that use an NPV methodology*, Final Technical Paper, September 2012 (2012 Technical Paper).

⁹ Email to IPART from THSC containing the post-exhibition NPV model, 16 April 2015.

¹⁰ Email to IPART from THSC containing the reworked NPV model, 1 June 2015 (NPV Model).

Essential Works

Overall, we found most of the infrastructure included in the plan is reasonable. All land and facilities in CP16 are on the Essential Works List. However, we found that there is insufficient nexus for the amount of riparian planting. We recommend that all riparian planting should be excluded from the plan because the designated areas conflict with other types of stormwater infrastructure and the creek corridors. We recommend that the council refines the amount of works for riparian planting before it adopts the plan.

Cost of works

We found that most cost estimates are reasonable. While most costs were estimated using reasonable methodologies, other costs were derived from agreed rates with E J Cooper and from the technical studies, which we also consider to be reasonable. However, some costs were higher than agreed to by the council and E J Cooper. This included:

- ▼ the cost of land for the community centre
- ▼ a dual-lane roundabout
- ▼ a local park, and
- ▼ administration costs.

We consider it to be unreasonable to recover costs that have no supporting evidence, in the VPA or otherwise. Further, because the VPA has been entered into by the council and the developer and supported by technical studies, we also consider it unreasonable to recoup costs that are higher than in the VPA, unless there is supporting documentation to justify the higher costs. As the VPA covers all infrastructure, additional costs are unlikely to be incurred by the council.

NPV Modelling

The council has applied its NPV model in an appropriate manner to derive a contributions rate per person in 2014-15 of \$19,057.¹¹

E J Cooper has dedicated land to the plan in its first year. The council has recognised the receipt of this land as revenue in the first year, as a benefit received under the VPA. The effect of recognising all the land in the first year is to reduce the contributions rate in its modelling from what would have been \$20,139 per person to \$19,057 per person.¹²

¹¹ Email to IPART from THSC 1 June 2015 containing the reworked NPV Model.

¹² Email to IPART from THSC 8 July 2015 containing the hypothetical NPV model.

We also consider that the progressive timetable for the development over the 18 years is reasonable, although the rate at which residents are expected to occupy the precinct is somewhat different in the published plan and in the NPV model. We recommend that the council apply the expected rate of development consistently in the published plan and in its modelling.

Although the escalation factors are reasonable, we suggest that the council considers using a more tailored index to escalate the cost of stormwater and transport facilities and that it updates the escalation indices to the base year of the plan.

We recommend that the council considers using IPART's revised methodology to estimate the discount rate for future contributions plans.

Apportionment of costs

Most of the costs have been reasonably apportioned, except for one dual-lane roundabout. The dual-lane roundabout is also in the Box Hill Precinct, and therefore the costs should be apportioned accordingly, based on the population of both precincts.

For stormwater infrastructure, we consider that it is perhaps more equitable for the costs to be apportioned on the basis of area, rather than per person but recognise that the council's approach is reasonable, especially since area and population are related and considering that all other costs in CP16 have been apportioned on a per person basis.

The council has conducted appropriate community liaison and met the information requirements in preparing CP16. We recommend that the council provides more information in the plan about the role of E J Cooper and the VPA, and that it publishes the VPA in a readable format on its website.

Table 1.3 summarises our assessment against the criteria in the Practice Note.

Table 1.3 Summary of IPART's assessment of CP16

Criteria	Assessment
1. Essential works	<ul style="list-style-type: none"> ▼ All land and facilities in CP16 are on the Essential Works List.
2. Nexus	<ul style="list-style-type: none"> ▼ There is reasonable nexus between nearly all of the infrastructure items in CP16 and the development in the precinct. ▼ There is no reasonable nexus for riparian planting works in the creeks. The areas for riparian planting conflict with other stormwater infrastructure and the creek corridors. THSC has not substantiated the extent of riparian planting so we exclude all such planting from the plan pending an accurate estimate of the required amount.
3. Reasonable costs	<ul style="list-style-type: none"> ▼ Nearly all of the cost of land is reasonable as it is based on the price paid by E J Cooper to acquire it. <ul style="list-style-type: none"> – However, the cost of land for the community facility is unreasonable because it is three times its value in the VPA. ▼ The cost of transport facilities is reasonable. Most of the costs, for roads and road upgrades, are based on benchmark costs in IPART's Benchmark Costs Report.¹³ Some costs are based on indicative estimates, which we consider to be reasonable. <ul style="list-style-type: none"> – However, we found that it is not reasonable to include roundabout - item 13 because no evidence supports its inclusion. ▼ The cost of stormwater facilities is reasonably based on a consultant's stormwater study. The unit cost rate for riparian planting is also reasonable compared to a construction cost guide. ▼ The cost of embellishing open space is mostly reasonable. District sporting ground costs are low but are as agreed in the VPA. The cost of embellishing remaining open space is comparable to our previous assessments, except for one local park. We recommend that its cost be as shown in the VPA. ▼ The cost of administration is not reasonable to include in the plan because it is not in the VPA. ▼ Most of the cost of infrastructure in CP16, estimated prior to 2014-15, has not been adjusted to 2014-15 dollars. It would be good practice to express all costs in base year dollars. However, the council's approach is reasonable. ▼ The council's assumptions in and application of, the NPV model are reasonable. However, the council should consider: <ul style="list-style-type: none"> – using the PPI for Road and Bridge Construction for NSW to escalate the cost of transport and stormwater facilities – updating the escalation indices to the June 2014 quarter, and – updating its methodology for calculating the discount rate for future contributions plans, using IPART's 2015 Technical Paper.
4. Reasonable timeframe	<ul style="list-style-type: none"> ▼ The council's approach to ensuring that the infrastructure can be delivered in a timely manner is reasonable. ▼ The expected rate of development in CP16 is somewhat different from those used in the NPV model. We recommend that the council use the development timeframe supplied by E J Cooper.
5. Reasonable apportionment	<ul style="list-style-type: none"> ▼ The costs have been apportioned in a reasonable manner except for that of a roundabout at Terry Road and Old Pitt Town Road. We consider that: <ul style="list-style-type: none"> – 69.5% of the cost of the roundabout should be apportioned to the

¹³ IPART, *Local Infrastructure Benchmark Costs - Final Report*, April 2014 (IPART Benchmark Costs Report).

Criteria	Assessment
	Box Hill Precinct, based on its population share with the Box Hill North Precinct.
6. Appropriate community liaison	<ul style="list-style-type: none"> ▼ The council has conducted appropriate community liaison, receiving 14 submissions whilst exhibiting CP16 and the Development Control Plan. ▼ Most of the submissions concerned environmental issues and zoning; also minor queries about the road network and intersections. ▼ The council addressed the issues and made minor changes to the road infrastructure in CP16 and the Development Control Plan.
7. Other matters	<ul style="list-style-type: none"> ▼ The plan generally complies with the information requirements for preparing contributions plans. ▼ The council should include in CP16 information about E J Cooper's role and publish the VPA in a readable format on its website.

1.4 The impact of our recommendations

We consider that the total reasonable cost of essential works in CP16 is \$220.0 million, which is around \$21.6 million (or 8.9%) lower than the cost of the contributions plan submitted to us (see Table 1.4). The adjustment comprises:

- ▼ removing a \$0.7 million roundabout and \$2.1 million for administration costs, because they are not in the VPA
- ▼ reducing by \$0.5 million embellishing a park, because the value of embellishment exceeds the value in the VPA and there is no supporting information to justify the higher costs
- ▼ reducing by \$0.5 million a roundabout to reflect Box Hill Precinct's share of demand
- ▼ removing \$17.5 million for riparian planting until a reasonable nexus supporting the full amount of this work is established, and
- ▼ reducing by \$0.2 million the community centre land, because its cost rate is more than the agreed cost rate in the VPA.

Table 1.4 Total cost of CP16 and our assessment (\$2014-15)

Component		Cost in CP16	Adjustments		IPART assessed reasonable cost
Transport	Land	16,391,088			16,391,088
	Facilities	88,845,456	-700,000	Remove roundabout at Old Pitt Town Road and Box Hill North Access Road East	87,658,956
			-486,500	Apportion cost of roundabout at Old Pitt Town Road and Terry Road	
Stormwater	Land	28,200,860			28,200,860
	Facilities	50,104,800	-17,536,800	Remove riparian planting	32,568,000
Open space	Land	38,404,712			38,404,712
	Embellishment.	17,241,120	-548,000	Reduce cost of embellishment for CPW Park	16,693,120
Community	Land	360,000	-241,027	Reduce land cost for community centre	118,973
Admin. costs		2,100,000	-2,100,000	Remove admin. costs	0
Total		241,648,036	-21,612,327		220,035,709

Source: THSC, CP16 and IPART calculations.

Excluding these costs would reduce the contributions rate per person in 2014-15 of \$19,057 by \$1,629 or 8.5%.

Using indicative dwelling types, the recommended rates per dwelling are shown in Table 1.5. All of the contributions per dwelling in 2014-15 remain above the capped amount of \$30,000 per dwelling.

Table 1.5 Impact of our recommendations on 2014-15 contributions rates

Dwelling type	CP16 contributions rate per dwelling	IPART's assessed adjustments	
		(\$)	(%)
Large lot residential	64,794	-5,539	-8.5
Dwelling houses	64,794	-5,539	-8.5
Small lot/medium density housing	53,360	-4,562	-8.5
Residential flats	35,255	--3,013	-8.5

Source: THSC CP16 and IPART calculations.

If stormwater costs were apportioned on a per hectare basis, the contribution rate in 2014-15 would be a combination of \$12,534 per person for open space, transport and community infrastructure and \$212,118 per hectare for stormwater infrastructure. Such an apportionment of stormwater infrastructure would also establish contributions rates for non-residential development. In this case, however, the town centre is to be developed by E J Cooper and therefore no contributions would be payable.

The impact of our recommendations is an indicative estimate and we note that the reduction may be less than IPART's adjustments in Table 1.5 if the council refines its estimate of the amount of works for riparian planting.

1.5 Structure of this report

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

- ▼ Chapter 2 summarises the contributions plan.
- ▼ Chapter 3 explains our assessment of it against the Practice Note criteria.

The appendices present our full set of findings and recommendations and provide relevant supporting information for our assessment:

- ▼ Appendix A - our findings/recommendations for each assessment criterion.
- ▼ Appendix B is our Terms of Reference.
- ▼ Appendix C is our assessment of CP16 against the information requirements in Clause 27 of the *Environmental Planning and Assessment Regulation 2000*.
- ▼ Appendix D is the council's *Contributions Plan No 16 – Box Hill North Precinct*.

2 Summary of Contributions Plan No 16

The Hills Shire Council (THSC) exhibited CP16 from 5 August to 5 September 2014.¹⁴ It submitted its contributions plan to us in April 2015. Following our assessment, the Minister for Planning will consider our recommendations and may request that the council amend the plan.

Box Hill North Precinct is adjacent to the Box Hill Precinct (Figure 2.1). It is about 380 hectares in size. Just under 300 hectares is for residential use and 6.8 hectares is for a town centre.¹⁵ Figure 2.2 shows the Indicative Layout Plan. The hatched areas are land not owned by E J Cooper.

Figure 2.1 Location of Box Hill North Precinct



Source: IPART.

¹⁴ THSC, *Ordinary Council Meeting Agenda*, 10 February 2015, p 83.

¹⁵ THSC, *CP16 Application, Appendix G Social Infrastructure Assessment* p 3, emails from THSC to IPART dated 3 June and 29 June 2015.

Figure 2.2 Box Hill North Precinct – Indicative Layout Plan, sub precincts

Source: THSC, *The Hills Development Control Plan (DCP) 2012 – Part D Section 17*, p 4; THSC, *Ordinary Council Meeting Agenda*, 10 Feb 2015, p 247. Heavily cross-hatched areas are land not owned by E J Cooper.

In total, 13,498 residents will be housed in 4,600 dwellings across the precinct (Table 2.1). THSC expects development to occur over 18 years, 2014-15 to 2031-32.¹⁶

Table 2.1 Residential development in the Box Hill North Precinct

Dwelling type	Number of dwellings	Average occupancy rate	Residential population
Dwelling houses (low density)	1,855	3.4	6,307
Large lot residential	190	3.4	647
Small lot/Medium dwelling housing	1911	2.8	5,351
Residential flat buildings	645	1.85	1,193
Total	4,600		13,498

Source: THSC CP16, p 16. The figures do not add due to rounding.

The majority of the residences will be medium to high density dwellings (56% of all dwellings). Low density houses will be about 40% of all dwellings. Some residential flats will be built near the town centre and a small number of large lots will be near the precinct's borders.

For non-residential development, the precinct will contain a small amount of local retailers (supermarkets and shops) that will serve the local residents. Up to 10,000 square metres of gross floor area will be around the town centre.¹⁷

2.1 Responsibility for progressing development

The public infrastructure across the whole development will be constructed by E J Cooper. This developer owns most of the land, on which it expects to build 3,920 dwellings. The land not owned by E J Cooper is expected to yield 680 lots (the hatched areas in Figure 2.2).¹⁸

Figure 2.3 shows how part of the infrastructure costs for the precinct will be recouped, ultimately by E J Cooper (via the council). The weighted average 2014-15 contributions rate of \$56,000 per lot is used for illustrative purposes only. The actual contribution per lot will vary depending on the dwelling type.

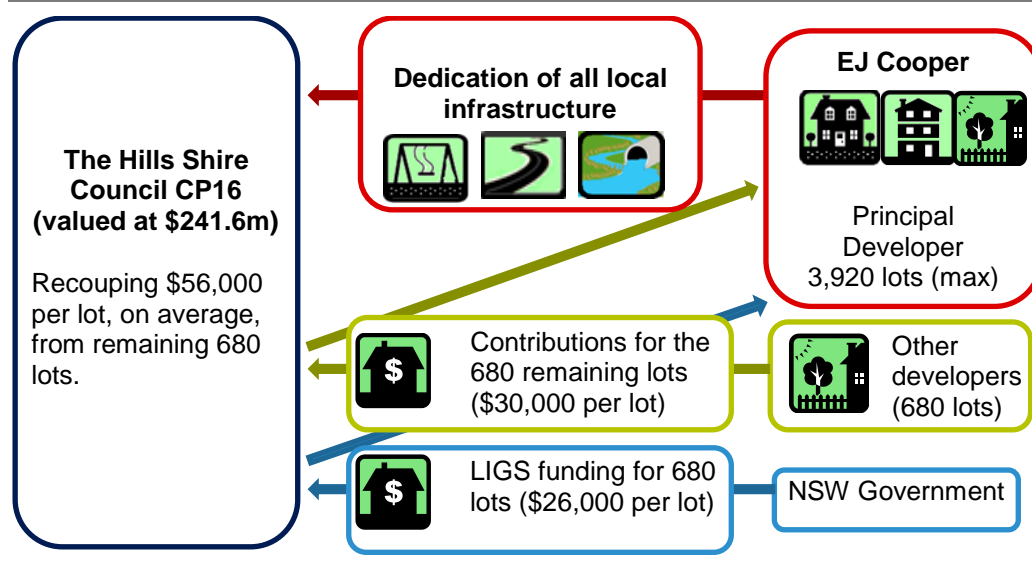
All of the local infrastructure will be provided by E J Cooper and dedicated to the council. The land and infrastructure so dedicated is valued at \$315.5 million as at February 2015 in the VPA.¹⁹

¹⁶ The expected annual inflow of residents in the council NPV model is spread over 18 years. On p 5 of its contributions plan, however, the profile of the inflows is somewhat different and it occurs over 16 years. We have not attempted to reconcile the two sets of figures.

¹⁷ THSC, CP16 Application, Appendix H Retail Analysis, p iii.

¹⁸ THSC, CP16 Application, p 29 in part (b) of the council's answer to Question 22. We have deducted the 680 lots from the expected total dwellings of 4,600 to derive the 3,920 in the text.

¹⁹ THSC, Ordinary Council Meeting Agenda, Attachment 4, Box Hill North Planning Agreement, The Hills Shire Council and E. J. Cooper & Son Pty Ltd, 10 February 2015, p 206.

Figure 2.3 How local infrastructure for the precinct will be funded

Source: THSC VPA, THSC CP16 Application, p 20 and IPART calculations.

The land and infrastructure cost included in CP16 is \$241.6 million in 2014-15 dollars.²⁰ The difference between the value in the VPA and CP16 seems largely to arise because CP16 has fewer collector roads than the VPA and excludes a community centre that is not in the Essential Works List.

The council has created CP16 so that E J Cooper can recoup part of its costs from other developers of the remaining 680 lots. This is to ensure that the cost of infrastructure provided for the benefit of the remaining development is shared equitably.

All contributions collected by the council from the other developers will be provided to E J Cooper as specified in the VPA.²¹ Gap funding above the \$30,000 cap provided by the NSW Government under the LIGS for the 680 lots will also be recouped by E J Cooper, if all the relevant criteria are met for this funding.

2.2 Land and facilities in CP16

CP16 outlines the infrastructure that E J Cooper will provide under the VPA, including transport, stormwater and open space infrastructure. For community infrastructure, THSC has included land only because facilities are not on the Essential Works List. A summary of the different types of works for each category is contained in the plan. Their costs are shown in Table 2.2.

²⁰ THSC, CP16, p 4.

²¹ VPA, sections 23.1 and 23.2 on p 218.

Table 2.2 CP16 - Total costs of infrastructure (\$2014-15)

Infrastructure category	Facilities	Land	Total
Transport	88,845,456	16,391,088	105,236,544
Stormwater	50,104,800	28,200,860	78,305,660
Open space	17,241,120	38,404,712	55,645,832
Community		360,000	360,000
Total cost of land and facilities	156,191,376	83,356,660	239,548,036
Administration costs			2,100,000
Total cost of the plan			241,648,036

Source: THSC, CP16, p 4.

2.3 Contributions rates in CP16

All infrastructure categories in CP16 are levied on a per person basis. The contributions rates for each infrastructure category (Table 2.3) are calculated from the council's corrected NPV model.

Table 2.3 Contributions rates per person in CP16 (\$2014-15) - Council

Infrastructure Category	Contributions rate
Transport	8,162
Stormwater	6,206
Open space	4,509
Community	30
Administration	151
Total contributions rate per person	19,057

Note: Column does not add due to rounding.

Source: IPART calculations based on CP16 corrected NPV Model, 1 June 2015.

Per person rates are transformed into per dwelling rates by adjusting for the average number of persons per dwelling type. Contribution rates by type of residence (Table 2.4) are all above the \$30,000 contributions cap.

Table 2.4 Contributions rates per dwelling in CP16 (\$2014-15) - Council

Development type	Contributions rate (\$)
Dwelling houses	64,794
Large lot subdivisions	64,794
Small lot/Medium dwelling housing	53,360
Residential flat buildings	35,255

Source: IPART calculations based on CP16 and CP16 corrected NPV Model, 1 June 2015.

In CP16, non-residential development does not pay contributions because the cost of infrastructure is apportioned per person to residential development.

3 Assessment of Contributions Plan No 16

The NSW Government has asked us to review contributions plans that have been prepared by councils under section 94 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), which propose contributions rates above a capped amount (see Appendix B).

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

A contributions plan is a public document which sets out 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.

IPART is required to assess the contributions plan and report our findings to the Minister for Planning and the council (Box 3.1).

Box 3.1 IPART's role in reviewing contributions plans

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

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

The NSW Government directed IPART to review certain plans with contributions rates above the relevant cap. Our terms of reference are in Appendix B of this report.

The NSW Government provides funding for councils where the cost of delivering essential infrastructure is greater than the amount of the capped contributions. Councils can also apply for a special rate variation to meet the funding shortfall that results from the imposition of caps. Councils must have their plans reviewed by IPART to be eligible for government funding or to apply for a special rate variation.

^a Department of Planning and Infrastructure (now DPE), *Revised Local Development Contributions Practice Note*, February 2014 p 1.

3.1 How does IPART assess a contributions plan?

IPART assesses plans in accordance with criteria in the 2014 *Revised Local Development Contributions Practice Note*.²² We are required to assess whether:

1. the plan's proposed public amenities and public services are on the Essential Works List
2. the amenities and services are reasonable in terms of nexus
3. the proposed development contribution is based on a reasonable estimate of the cost of the proposed public amenities and services
4. the amenities and services can be provided within a reasonable timeframe
5. the development contribution is based on a reasonable apportionment of costs
6. the council has conducted appropriate community liaison and publicity in preparing the contributions plan, and
7. the plan complies with other matters IPART considers relevant.

We based our assessment on the contents of CP16, the council's application and supporting documentation, and responses to our information requests.

3.2 Criterion 1: Essential Works List

Finding

- 1 All land and facilities in CP16 are on the Essential Works List.

We assessed whether the public amenities and services included in the contributions plan are on the Essential Works List (see Box 3.2). We found that all land and facilities in CP16 are on the Essential Works List (Table 3.1).

²² Department of Planning & Infrastructure (now DPE), *Revised Local Development Contributions Practice Note: For the assessment of Local Contributions Plans by IPART*, February 2014 (Practice Note).

Box 3.2 Essential Works List

The Essential Works List includes:

- ▼ land and facilities for transport (eg, road works, traffic management and pedestrian and cycle facilities) but not car parking
- ▼ land and facilities for stormwater management
- ▼ land for open space, including base level embellishment (see below)
- ▼ land for community services (eg, childcare centres and libraries), and
- ▼ the cost of plan preparation and administration.

For open space, base level embellishment may include:

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

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

^a 'Asphalt' includes at-grade car parks that service recreation areas only. It excludes multi-storey car parks.

Source: Practice Note, pp 8-9.

Table 3.1 Summary of IPART's assessment of infrastructure in CP16 against the Essential Works List

Infrastructure category	Land and facilities	On Essential Works List?
Transport	Intersections, road upgrades, bus stops, new collector roads and upgrades, cycle ways and roundabouts.	Yes
Stormwater (water cycle management)	Detention basins, raingardens, swales, culverts and creek works.	Yes
Open space	Parks, landscaping, drainage parks, pocket parks, Central Park and playing fields. Embellishments for planting, seating, sports fields, amenities blocks, pathways, lighting, BBQs and fencing.	Yes
Community	Town centre community facility (land only).	Yes
Administration	Council costs and background studies.	Yes

Source: THSC, CP16, pp 33-39.

3.3 Criterion 2: Nexus

We are required to assess whether there is nexus between the demand arising from new development under the plan and the public amenities and services identified in the plan.

The council used the technical studies listed in Table 3.2 to assist in determining the types and quantity of public amenities and services included in CP16. All technical studies were prepared by consultants engaged by APP Corporation, a property and infrastructure consultant, on behalf of E J Cooper. The council also provided us with additional information that explained differences between infrastructure in CP16 and the technical studies.

Table 3.2 Technical studies used to establish nexus in CP16

Infrastructure category	Reports
Transport	GTA Consultants, <i>Box Hill North Planning Proposal – Transport and Access Impact Assessment</i> , July 2013 (GTA Study).
Open space and community	Elton Consulting, <i>Box Hill North Social Planning Report</i> , July 2013 (Elton Study).
Stormwater	J. Wyndham Prince, <i>Box Hill North Precinct – Water Cycle & Flood Management Strategy Report</i> , July 2013 (JWP Study).

Source: THSC, CP16, p 60.

3.3.1 Transport

Finding

- 2 There is reasonable nexus between the transport infrastructure in CP16 and the expected development in the Box Hill North Precinct.

CP16 includes new collector roads, collector road upgrades, cycle ways, intersection works and bus stops. As shown in Table 3.3, we consider reasonable nexus exists for the transport infrastructure in CP16.

Table 3.3 Assessment of transport infrastructure

Infrastructure type	Assessment
Collector roads and road upgrades (land and facilities)	The location and works for the seven collector roads and road upgrades are consistent with the recommendations for the internal road layout and upgrades in the GTA Study.
Cycle ways (facilities only)	The provision of the three cycle ways is generally consistent with the Elton Study's recommendations for cycle activities along road and riparian corridors.
Intersections (facilities only)	The locations of the roundabouts and intersection works are consistent with the recommendations in the GTA Study, except for six roundabouts located within the interior of the precinct. We consider that these six roundabouts still meet the nexus criterion because they are located along key intersections connecting the collector roads and the interior road network.
Bus stops (facilities only)	The number of bus stops (28) is consistent with recommendations in the GTA Study for the two future bus routes servicing the precinct.

Source: IPART.

3.3.2 Stormwater

Finding

- 3 There is reasonable nexus between stormwater infrastructure and the expected development in the Box Hill North Precinct, except for the riparian planting works.

Recommendation

- 1 The council removes riparian planting works from the cost of essential works in CP16.
- 2 The council undertakes a more accurate assessment of the extent of riparian works required and their locations in the precinct, and updates the works schedules to reflect this assessment, prior to adopting CP16.

Under the stormwater category of costs (called 'water cycle management' facilities in CP16), there are six combined basins and raingardens, 13 standalone raingardens, three swales, four culverts, 0.4 million cubic metres of creek embellishment and 47 hectares of water management embellishment in the form of riparian planting worth \$17.5 million.²³

²³ THSC, CP16, pp 33-34.

We consider that there is reasonable nexus for the basins, raingardens and swales. Their location and service levels are consistent with the recommendations in the JWP Study on the stormwater needs of the precinct. We also consider that there is a nexus for the culverts because they support the road network, and the creek embellishment works to accommodate the expected development. Although not in the JWP Study, JWP has confirmed to us the need for these works.

However, there does not seem to be a reasonable nexus to justify the full amount of riparian planting. While there is a general need for riparian planting, as part of the overall stormwater strategy, there is insufficient evidence justifying the planting for all of the stormwater land.²⁴

The area designated for riparian planting includes areas reserved for stormwater basins, raingardens and the creek water courses. Presumably, no planting will be required in these places. That said, we are not able to determine how much of the total hectares would be planted.

Therefore, we recommend that the cost of riparian planting, \$17.5 million, be removed from the cost of essential works and that the council refines this cost prior to adopting CP16. Depending on the updated assessment, the recommended cost reduction is likely to be less than \$17.5 million.

3.3.3 Open space

Finding

- 4 [There is reasonable nexus between the open space land and embellishment in CP16 and the expected development in the Box Hill Precinct.](#)

Under open space facilities, CP16 allots almost 41 hectares to:

- ▼ two major sporting grounds, each comprising a double playing field, amenities blocks, seating, pathways, lighting, BBQ equipment and fencing
- ▼ six informal parks (adjacent to drainage land and the transmission line), and
- ▼ four pocket parks and a central square park, all embellished with playground equipment, planting, seating, pathways and lighting.²⁵

²⁴ *Practice Note*, section 3.4.2.4, does not allow riparian planting for environmental purposes to be included in the Essential Works List unless such planting fulfils a dual purpose. In this case, the dual purpose is to fulfil the council's stormwater management strategy.

²⁵ THSC, CP16, p 37.

The 41 hectares of open space are equivalent to a rate of provision of around 3.0 hectares per 1,000 residents.²⁶

We consider that there is reasonable nexus for the open space infrastructure in CP16, based on comparisons with our previous reviews and the Elton Study. In particular:

- ▼ The overall rate of 3.0 hectares per 1,000 residents is comparable to our assessed rate for Blacktown City Council's Area 20 Precinct (3.1), and The Hills Shire Council's North Kellyville Precinct (2.9).²⁷
- ▼ The rates of provision for specific open space infrastructure are also consistent with rates which we assessed as reasonable in our previous reviews.
- ▼ The overall rate of provision for open space is lower than the Elton Study, which provided for 5.19 hectares per 1,000 residents. However, this study relied on an earlier layout plan which did not indicate the presence of the large lake in the town centre.²⁸

3.3.4 Community

Finding

- 5 **There is reasonable nexus between the land for community services in CP16 and the expected development in the Box Hill North Precinct.**

Under community services, CP16 includes 2,000 square metres of land in which to accommodate a 1,020 square metre multi-purpose community centre.²⁹

We consider that there is reasonable nexus for this land because the size of the centre is consistent with the Elton Study's recommendation on centre size. This is more important than land size for the centre (which Elton conditionally recommended at 3,000 to 4,000 square metres).³⁰

²⁶ The rate is derived by dividing 40.88 hectares by the expected 13.498 thousand residents, that is 3.03 hectares per 1,000 residents. This is higher than the 2.13 rate of provision in Box Hill Precinct (IPART, *Assessment of The Hills Shire Council's Section 94 Contributions Plan No 15*, December 2014, p 29). However, the CP15 rate of provision was low and the precinct has now been rezoned with more open space. We are currently reviewing an amended version of CP15.

²⁷ IPART *Assessment of Blacktown City Council's Draft Section 94 Contributions Plan No 24 Schofields Precinct*, August 2014, p 33; IPART *Assessment of Blacktown City Council's Draft Section 94 Contributions Plan No 22 Area 20 Precinct*, September 2012, p 12 (residents) and p 33 (hectares); IPART *Assessment of The Hills Shire Council's Contributions Plan No 13 North Kellyville Precinct*, October 2011, Appendix A p 23.

²⁸ THSC, *CP16 Application, Appendix G Social Infrastructure Assessment*, p 29. Elton (p 30) assumed 11 hectares of open space near the town centre; CP16 has a lake at this location which is not included as open space.

²⁹ THSC, *CP16*, p 39 for community facilities land and p 23 for the size of the community centre.

³⁰ THSC, *CP16 Application, Appendix G, Social Infrastructure Assessment*, p 17.

3.3.5 Administration

Finding

- 6 There is reasonable nexus between the administration costs in CP16 and the expected development in the Box Hill North Precinct.

Under CP16, the administration and plan preparation costs are assumed to be about 1.4% of the value of the capital works. At \$156.2 million, these works imply administrative costs of \$2.1 million.³¹ This is made up of costs for preparing, reviewing and implementing the plan and costs for the preparing the technical studies. There is no doubt that administrative costs are incurred in managing any contributions plan, both by the council and by developer.

The administrative costs in CP16 seem reasonable. However, for reasons discussed in section 3.4.5, we consider that administrative costs should not be recouped in CP16.

3.4 Criterion 3: Reasonable costs

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

In assessing the reasonableness of the costs, we recognised that the VPA was negotiated between the council and E J Cooper and was based on technical studies that defined the infrastructure requirements for the area to be developed. We have also compared the cost of works in the VPA against the IPART Benchmark Report.

We consider that the costs in the VPA are reasonable and should not be exceeded in CP16. This means that the council should not:

- ▼ recoup contributions for infrastructure where that infrastructure is not in the works schedules, or
- ▼ where it exceeds agreed values in the VPA.

We have applied these principles in assessing the inconsistencies for the land for the community centre, a roundabout, a local park and administration costs.

³¹ THSC, CP16, pp 4 and 30.

3.4.1 Cost of land

Finding

- 7 Most of the cost of land in CP16 appears to be based on a reasonable estimate of the value of the land, except for the land for the community centre.

Recommendation

- 3 The council reduce the cost of land for the community centre by \$241,000, consistent with the agreed value in the VPA.

The land to be acquired under CP16 is close to 100 hectares.³² It is valued at \$83.4 million (Table 3.4).

Table 3.4 Breakdown of land costs by infrastructure in CP16

Infrastructure type	Amount of land (hectares)	Rate per square metre (\$)	Total cost (\$m)
Transport	9.1	180.0	16.4
Stormwater	47.4	59.5	28.2
Open space	40.9	59.5 ^a or 180.0 ^b	38.4
Community	0.2	180.0	0.4
Total	97.6		83.4

^a This rate is for informal, riparian and drainage parks.

^b This rate is for district sporting grounds and pocket parks.

Source: THSC, CP16, p 39 (corrected as per footnote 24) and *NPV Model* for rates per square metre.

Apart from the land for the community centre, the cost of land is based on reasonable estimates:

- ▼ The total cost reflects the cost rate agreed to in the VPA, which is the price that E J Cooper paid for the land – from \$50.5 to \$180 per square metre.³³
- ▼ Some 2.4 hectares of land required for stormwater infrastructure is not owned by E J Cooper, but the council expects to acquire the land through dedication. We consider that it is reasonable to apply to this land the same stormwater rate as in the VPA.
- ▼ The cost rates are also consistent with our previous reviews for the Box Hill Precinct and the Riverstone and Alex Avenue Precinct.

³² THSC, CP16, p 39 shows 13.9 hectares for Transport but we have corrected that figure based on the \$16.4 million cost of the land for Transport and its valuation rate of \$180 per square metre.

³³ THSC, CP16 Application, p 18 in answer to Question 11.

The cost of land for the community centre in CP16 is based on a rate of \$180 per square metre (Table 3.4), rather than the rate of \$59.50 per square metre as stated in the VPA.³⁴ We consider that it is not reasonable to recoup more than the value in the VPA without further justification. We therefore recommend that the cost of land for the community centre be reduced by \$241,000, to reflect the rate of \$59.50 per square metre.

3.4.2 Cost of transport facilities

Finding

- 8 All of the costs of the transport facilities are based on reasonable estimates:
- However, it is not reasonable to include \$0.7 million for the dual-lane roundabout at Old Pitt Town Road and Box Hill North Access Road East, because there is no evidence that it will be provided in the VPA or that the intention is to recoup it from the remaining development.

Recommendation

- 4 The council removes the cost for the dual lane roundabout at Old Pitt Town Road and Box Hill North Access Road East from the cost of essential works.

The GTA Study (cited in Table 3.2) included the roundabout but it is not in the VPA. We request the council confirm whether the roundabout belongs in the VPA or that it will be constructed under some other arrangement.

THSC estimates the total cost of transport infrastructure at \$88.8 million.³⁵ The estimates are based on THSC's own estimates and rates in existing contributions plans (especially 2012 draft version of CP15 Box Hill Precinct), cost estimates contained in the GTA Study and IPART's *Benchmark Costs Report*.

We consider that all of the cost of transport infrastructure is based on reasonable estimates, despite the use of different methodologies for components.

Collector roads and upgrades

For new collector roads and upgrades to collector roads, we consider that the cost is based on reasonable estimates. The road dimensions are similar to that of a 4-lane sub-arterial road in IPART's *Benchmark Costs Report*.

³⁴ VPA, Schedule 1, item 1 on p 240. The cost rate is shown as \$594,867 per hectare.

³⁵ THSC, CP16, pp 35-36.

However, THSC applied the rate for a 3-lane sub-arterial road - around \$11,000 per linear metre.³⁶ The council considered that the lower benchmark cost better reflected the lower grade condition of collector roads compared to sub-arterial roads.³⁷ Further, the \$11,000 rate is similar to GHD's estimate of around \$11,600 per linear metre for new collector roads and their upgrades in the Box Hill Precinct.³⁸

Other road upgrades

For the Boundary Road resurfacing works, we consider that its cost is based on a reasonable estimate. In our assessment of CP15 Box Hill precinct, we found that the rate of \$369 per linear metre is based on AECOM's study for this road which we assessed to be reasonable.³⁹

For the crest removal, THSC stated the value of \$1 million was advised by the developer.⁴⁰ In the absence of supporting evidence, we consider that this cost, including unspecified contingencies allowance and project management and design fees, are reasonable because the value was agreed between the council and E J Cooper.⁴¹

For widening Old Pitt Town Road, we consider that the cost rate is also reasonable. We note that the rate of \$2,807 per linear metre is calculated as the average per linear metre cost of a turning bay lane in the GTA Study.⁴²

We consider that the cost rate is reasonable. Although the costs in CP15 Box Hill Precinct have been refined (based on more site studies), the use of costs from the 2012 version of that plan is still reasonable as an indicative estimate to inform the cost in CP16, in the absence of detailed designs and costings.

Intersections

The same cost rate of \$2,807 has been applied for constructing an additional lane for a turn bay/slip lane. We consider that this cost rate is reasonable.

For the dual-lane roundabouts, we note that the \$0.7 million cost per roundabout is based on a previous version of CP15 Box Hill Precinct, which contained indicative cost estimates. As mentioned above, we consider that it is reasonable to use this cost rate in CP16 as an indicative estimate.

³⁶ The rates in the IPART *Benchmark Costs Report*, p 239, do not include the 25% contingency allowance which we have added in the text.

³⁷ Email to IPART from THSC 12 June 2015.

³⁸ GHD, *Box Hill and Box Hill Industrial Precincts –Transport and Access Study Final Report*, February 2011, p 85. The quoted rate did not include a 35% contingency allowance.

³⁹ IPART, *Assessment of The Hills Shire Council's Section 94 Contributions Plan No 15*, December 2014, p 36.

⁴⁰ Email to IPART from THSC 12 June 2015.

⁴¹ Email to IPART from THSC, 12 June 2015.

⁴² Email to IPART from GTA, 15 June 2015.

However, we note that the dual-lane roundabout at Old Pitt Town Road and Box Hill North Access Road East is not in the VPA. Therefore, in the absence of other supporting documentation, we recommend that the cost of this roundabout be removed from the essential works in the plan, pending such documentation.

For the remaining six mounted roundabouts, their costs are based on the cost rate in CP12 Balmoral Road Release Area (\$130,000 each), which we assessed as reasonable.⁴³

Cycle ways and bus stops

The cost estimate for the cycle ways is reasonable. The rate of \$150 per metre is slightly less than the council's tender rate that was used in CP15 Box Hill Precinct, which we assessed as reasonable. For bus stops, we consider that application of IPART's benchmark cost of \$7,144 each, plus 15% for the contingencies allowance, is reasonable.⁴⁴

3.4.3 Cost of stormwater facilities

Finding

9 The cost of stormwater facilities is based on a reasonable estimate

THSC estimates the total cost of stormwater infrastructure at \$50.1 million.⁴⁵ Around half of the cost is based on estimates in the JWP Study (Table 3.2). These costs were for the basins, raingardens and swales. We consider that the stormwater costs are reasonable based on the consultant's experience and judgment as a firm of practising professional civil engineers familiar with the construction industry.

For the creek embellishment works, the cost rate is \$10 per cubic metre (\$4 million in total), excluding contingencies. The cost, prepared separately by JWP, was not included in the JWP Study. We consider this to be reasonable.

For riparian planting, the cost rate for native species and smaller stock at three plants per square metre is around \$40. This is marginally higher than the rate for small to average shrubs in Rawlinsons (\$4 to \$12 per plant, or \$12 to \$36 per square metre).⁴⁶

⁴³ IPART, *Assessment of The Hills Shire Council's Contributions Plan No 12*, October 2011. The \$130,000 is the average cost of each of 16 roundabouts inflated by 15% for contingencies and 15% for project management and design fees.

⁴⁴ THSC, *NPV Model 1* June 2015 for the \$150 cost rate and IPART *Benchmark Costs Report*, April 2014, p 240.

⁴⁵ THSC, *CP16*, pp 33-34.

⁴⁶ *Rawlinsons Australian Construction Handbook*, edition 31, 2013, p 229.

For the remaining four culverts situated at riparian crossings, the council stated that the total cost was advised by JWP. We consider that culverts are based on a reasonable estimate, being based on expert advice for stormwater infrastructure.

3.4.4 Cost of open space embellishment

Finding

- 10 The cost of embellishing open space is low, but reasonable, for the two sporting grounds. The cost of embellishing the remaining local open space parks is also reasonable, except for one park which exceeds its value in the VPA.

Recommendation

- 5 The council reduces the cost of the CPW Park by \$548,000, to reflect the agreed amount of embellishment in the VPA.

The cost of open space embellishment in CP16 is \$17.2 million.⁴⁷ For the two sporting grounds worth \$6.9 million, the council applied a cost rate of \$75 per square metre.⁴⁸ For the remaining local open space parks, a cost rate of \$40 to \$60 per square metre was applied for embellishing the play equipment, seating, pathways and lighting. These rates, agreed to in the VPA, have been applied to pocket parks, riparian parks and linear parks along the transmission line.⁴⁹

The rate for the two districts sports complexes is low at \$75 per square metre compared to the rates in CP15 Box Hill Precinct (\$189 to \$230 per square metre) and CP24 Schofields Precinct (\$138 per square metre), but this rate was agreed to by THSC and E J Cooper in the VPA.⁵⁰ Therefore, we consider that it is reasonable to use this rate.

For the remaining local open space, an average square metre rate of \$44 is reasonable. It is similar for local open space parks to Box Hill (\$60 per square metre) and Schofields Precinct (\$52 per square metre).⁵¹

⁴⁷ THSC, CP16, p 37.

⁴⁸ THSC, CP16, p 37. The cost rate is shown as \$750,000 per hectare.

⁴⁹ THSC, CP16 p. 37.

⁵⁰ Sources: CP15 Works Schedule in Excel model supplied by THSC; CP24 p 57 adopted by Blacktown Council and posted on its website at http://www.blacktown.nsw.gov.au/Planning_and_Development/Plans_and_Guidelines/Section_94_Contribution_Plans/Contributions_Plan_No_24_-_Schofields_Precinct accessed 20 August 2015; VPA, Schedule 3, p 253.

⁵¹ IPART *Assessment of The Hills Shire Council's Section 94 Contributions Plan No 15 Box Hill Precinct*, December 2014, p 39.

However, for the CPW Park, embellishment of \$1.116 million is applied across 2.79 hectares, almost double the 1.42 hectares in the VPA.⁵² Both CP16 and the VPA use the same cost rate. We consider that the council should not recover costs for the larger area when no supporting evidence justifies it. Therefore, we recommend that the cost of embellishing this park be almost halved, reducing it to \$0.568 million to reflect the agreed size in the VPA.

3.4.5 Administration costs

Finding

- 11 It is not reasonable to include the cost of plan administration in CP16 because it is not included explicitly in the VPA for recoupment from remaining development.

Recommendation

- 6 The council removes \$2.1 million, for the cost of plan administration, from the cost of essential works in CP16.

Administration costs comprise \$1.8 million for preparing, reviewing and administering the plan, and \$0.3 million for the technical studies commissioned for the plan.

Whilst there is reasonable nexus for these costs, administration costs are not in the VPA. We consider that it is not reasonable for the council to recoup contributions from the remaining development for such costs where they are not explicitly stated in the VPA.

3.4.6 Indexation of costs to the base year of CP16

Finding

- 12 It is reasonable for costs in CP16 to remain unindexed up to the base period.

In our past reviews, the cost of land and facilities has been updated or indexed to the base period of the plan. This ensures that the costs are current before the council calculates contributions rates.

For CP16, the council has not indexed the cost of facilities and embellishment to 2014-15, the base year of the plan. Most of the costs appear to be in 2010 to 2013 dollars. In the case of mounted roundabouts, the costs are in March 2006 dollars.⁵³

⁵² THSC, CP16, p 37 and VPA, Schedule 3, p 258.

⁵³ The cost for these roundabouts is around \$0.8 million or \$135,000 each and is based on the cost in CP12 Balmoral Road Release Area.

While it would be good practice to index the costs to the base year of the plan, we consider the council's method to be reasonable as the costs are largely based on the VPA.

3.4.7 The NPV model

Findings

- 13 The council's NPV model assumptions to determine the contributions in CP16 are reasonable:
 - The council has included the land dedicated by E J Cooper in the NPV model in a manner that reasonably reduces the overall contributions rate.
- 14 The council's correction of a modelling error after submitting the model to IPART reduced the contributions rate by around 4%.

Recommendation

- 7 The council considers:
 - applying the 15-year average of PPI for Road and Bridge Construction for NSW to escalate the cost of transport and stormwater facilities
 - revising its methodology to estimating the discount rate for future contributions plans, using IPART's 2015 Technical Paper, and
 - updating cost escalation indices to the period to June quarter 2014.

CP16 uses a net present value model (NPV) to calculate development contributions. An NPV model accounts for the time difference between the costs the council incurs in constructing infrastructure and the receipt of development contributions. It operates by discounting future receipts and payments to present values through use of a discount rate (see Box 3.3).

Box 3.3 Formula for calculating the NPV of contributions rates in CP16

PV (Costs) = PV (Revenue)

$$PV (\text{Costs}) = N_1 * DC + \frac{N_2 * DC (1 + i)}{(1 + r)} + \dots + \frac{N_t * DC(1 + i)^{t-1}}{(1 + r)^{t-1}}$$

Where:

- ▼ N(i) is the number of persons in year i
- ▼ DC is the development contribution per person
- ▼ r is the discount rate
- ▼ t is time in years
- ▼ i is the escalation rate for revenue.

The assumptions used in CP16's NPV model include the following:

- ▼ **Discount rate:** NSW Treasury Corporation's 10-year bond rate, 4.5%.
- ▼ **Escalation rates for costs:** the 11-year average of the ABS Established House Price Index for Sydney for the cost of land (2.90% per annum), and the 15-year average of the ABS Producer Price Index (PPI) for Non-residential Building Construction for NSW, for the cost of facilities (3.33% per annum).
- ▼ **Escalation rate for revenue:** the mid-point of the Reserve Bank of Australia's inflation target of 2% to 3%, on average over the cycle, for administration costs and revenues.

We consider that the assumptions used in the NPV model are reasonable. However, we recommend that the council considers:

- ▼ a different approach to calculate the discount rate for future contributions plans, using IPART's 2015 *Technical Paper* as guidance
- ▼ a different PPI to escalate the cost of transport and stormwater facilities, and
- ▼ updated timeframes to calculate the cost escalation indices.

Accounting for the value of land dedication

Unlike previous plans from THSC, CP16 includes land owned by the principal developer that is dedicated to the council for the first year of the plan. The council has recognised this receipt of land as a benefit received under the VPA. The upfront recognition of the land dedication reduces the remaining contributions revenue that needs to be collected in order for the present value of all revenues to equal the present value of costs.

The discount rate

The council has used a discount rate of 4.5%. This is consistent with our recommended methodology in our 2012 *Technical Paper* of using a 20-day average of the 10-year NSW Treasury bond yield. We consider that this approach is reasonable.

We have since revised our approach in our 2015 *Technical Paper*, preferring to calculate the discount rate over a longer term and with reference to the 10-year Commonwealth bond rate and the margin between it and the rate on 10-year non-financial corporate bonds with an 'A' credit rating. We also add 12.5 basis points for debt raising costs. We recommend that the council use this approach for estimating the discount rate when modelling future contributions plans.

Indices used to escalate revenue and costs

We consider that escalating revenue forecasts by the midpoint of the Reserve Bank of Australia's inflation target is reasonable. This is consistent with our previous assessments for THSC.

For the cost of land, we consider it reasonable using the ABS Established House Price Index, in the absence of a land value index based on NSW Land and Property Information land value data.

For the cost of facilities, we consider it reasonable using the Producer Price Index (PPI) for Non-residential Building Construction, but recommend that a better escalation index would be the PPI for Road and Bridge Construction for NSW for indexing transport and stormwater facilities.

Timeframe for the indices

The NPV model uses rolling averages for cost increases up to the December quarter 2013, but the base year in the plan starts on 1 July 2014. Therefore, we recommend that the council considers updating the rolling average calculations for its escalation factors to the June quarter 2014.

3.5 Criterion 4: Timing

Finding

- 15 The council's approach to ensuring that the infrastructure can be delivered in a timely manner is reasonable.
- The development timeframe used in CP16 is somewhat different from the inflow of residents assumed in the NPV model.

Recommendation

- 8 The council applies a consistent development timeframe to CP16 and its NPV model.

IPART must advise whether the proposed public amenities and 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, and
- ▼ demonstrates that the council can provide the public amenities and services to meet the demand for those services within a reasonable timeframe.

3.5.1 Development and infrastructure provision timeframes

The infrastructure in CP16 is expected to be delivered by 2030-31. Most of the infrastructure is expected within the first 10 years, by 2025-26.

For development, THSC expects residents to occupy Box Hill North over 16 years, between 2015-16 to 2031-32, at an annual rate that varies from 3% to 17% of the total population.⁵⁴ (For purposes of the NPV modelling, THSC has assumed smoother resident inflows of between 5.7% and 6.3% per annum over 18 years.)

3.5.2 Our assessment of THSC's approach to the timing of CP16

The timeframe in CP16 looks reasonable. It is based on E J Cooper's staging of development and is comparable to contributions plans such as North Kellyville Precinct, Riverstone & Alex Avenue Precincts and the Schofields Precinct.

Although nearly all of the cost of land is incurred in the base year of the plan, rather than dedicated with the completed infrastructure, this treatment is reasonable. An alternative would have been to transfer the land costs to the council in step with the completion of infrastructure related to each land parcel.

⁵⁴ THSC, CP16 p 5.

3.6 Criterion 5: Apportionment

IPART must advise whether the proposed development contributions are based on a reasonable apportionment between existing demand and new demand for the infrastructure.

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 refers to the share of the relevant costs of public amenities and services that is borne by the future development.

Apportionment should take into account and quantify:

- ▼ the capacity of existing infrastructure and the needs of the existing population
- ▼ the demand generated by different types of development covered by a contributions plan, and
- ▼ demand for infrastructure in the plan, arising from existing or expected development outside the development area.

3.6.1 Apportionment base

The total cost of infrastructure has been apportioned over 13,498 residents in 4,600 dwellings.⁵⁵ We consider that the use of 4,600 dwellings is reasonable.

3.6.2 Transport

Finding

- 16 The approach to apportioning the cost of transport infrastructure is reasonable, except for a roundabout at Terry Road and Old Pitt Town Road that is also in CP15 Box Hill Precinct.

Recommendation

- 9 The council apportions 69.5% of the cost of the roundabout at Terry Road and Old Pitt Town Road to CP15 Box Hill Precinct.

The cost of transport infrastructure has been apportioned on a per person basis. This basis of apportionment is consistent with our assessment in Riverstone and Alex Avenue where we expressed the view that transport needs are more related to population in, rather than area of, a development.

⁵⁵ THSC, CP16, p 16.

However, some of the \$0.7 million cost of the dual lane roundabout at Terry Road and Old Pitt Town Road, on the border of two precincts, should be apportioned to the Box Hill Precinct.

We consider that the cost should be apportioned using the relative population size of each precinct. Based on the latest population estimates, 69.5% of the cost should be apportioned to Box Hill Precinct, which would reduce the base cost by around \$0.49 million in CP16.⁵⁶

The council stated that a development application has been lodged by E J Cooper with the council which proposes traffic signals, whose cost will likely exceed the agreed worth of works at this intersection. We consider that the cost of the traffic signals should also be apportioned on the same basis, unless traffic studies suggest a very different apportionment.

For the remaining transport infrastructure, the apportionment is reasonable. Although some infrastructure is located offsite, it is to facilitate access to Box Hill North Precinct. For example, CP16 includes a slip lane in the Box Hill Precinct to manage additional traffic flows to and from Box Hill North. Therefore, these offsite works do not require any further apportionment.

It is reasonable to exclude non-residential development from apportionment because the town centre will service the precinct area and the traffic it generates is expected to be driven largely by local residential Box Hill North traffic.

3.6.3 Stormwater

Finding

- 17 The approach to apportioning the cost of stormwater infrastructure, based on a per person approach, is reasonable.

The cost of stormwater infrastructure has been apportioned on a per person basis to Box Hill North Precinct. This means that only residential development contributes to the cost of stormwater infrastructure.

We consider that the costs would be more equitably apportioned on the basis of per hectare of net developable area based on the view that:

- ▼ demand for stormwater infrastructure is driven more by land area than by population, and
- ▼ an area-based approach is consistent with the JWP Study that uses local catchment areas to estimate stormwater runoff within the precinct.

⁵⁶ Resident population estimates are 30,687 (for CP15, latest draft version) and 13,498 for CP16. Therefore, the \$0.7 million roundabout should be apportioned 69.5% or \$0.49 million to CP15.

However, we recognise that the council's approach is reasonable in the circumstances, especially since area and population are related and the council is apportioning all the other costs of the development on a per person basis.

3.6.4 Open space and community

Finding

- 18 The approach to apportioning the cost of open space and community infrastructure on a per person basis is reasonable.

The cost of open space and community infrastructure is wholly apportioned to residential development in the precinct, on a per person basis. The infrastructure is based on the needs analysis of residents in the Box Hill Precinct and therefore it is reasonable to apportion the costs on this basis.

3.7 Criterion 6: Consultation

Finding

- 19 The council has conducted appropriate community liaison and publicity by publicly exhibiting CP16.

The council exhibited the draft versions of CP16 between 5 August 2014 and 5 September 2014. A draft version of the VPA and Development Control Plan were also exhibited with the plan.

The council received 14 submissions during the exhibition period, four from public authorities, one from E J Cooper, and nine from the broader public, including seven form letters representing four households.⁵⁷

The submissions were primarily about the design and location of transport infrastructure and planning controls for protecting the environment. This includes issues about zoning and protection for environmentally sensitive areas.

We consider that the council has conducted appropriate community liaison and publicity in preparing CP16. The council considered the issues in the submissions and made minor amendments to the plan.⁵⁸

⁵⁷ The council's meeting agenda stated that E J Cooper was generally supportive of the planning controls and provisions for Box Hill North, except for some minor clarification and redrafting issues about some road infrastructure, public domain and residential development.

⁵⁸ The Hills Shire Council, *Ordinary Council Meeting Agenda*, 10 February 2015, pp 86-93.

3.8 Criterion 7: Other matters

Finding

- 20 CP16 satisfactorily complies with the information requirements set out in the EP&A Act and Regulation and is generally consistent with the *Development Contributions Practice Note (2005)*.

Recommendation

- 10 The council states in the plan that the infrastructure is expected to be provided by E J Cooper, in accordance with the Voluntary Planning Agreement, and that this agreement should be made publicly available in a readable format on the council website.

The plan meets the information requirements for contributions plans. However, we consider that there should be more transparency about the role of the VPA in providing infrastructure, and its publication on the council's website.

3.8.1 Other information presented in the contributions plan

In addition to the 2014 Practice Note, we have assessed the plan against three documents which state the information requirements for a contributions plan:

- ▼ the *Environment Planning and Assessment Act 1979* (EP&A) which sets out the provisions for making contributions plans
- ▼ the *Environment Planning and Assessment Regulation 2000* which lists the particulars that must be included in contributions plans (clause 27), and
- ▼ the *Development Contributions Practice Notes (2005)*.

We found that the information provided in CP16 generally complies with the above regulations (see Appendix C) and is set out in a manner that is consistent with the guidelines set out in the 2005 Practice Notes.

3.8.2 Improving transparency about infrastructure provision

Unlike our previous assessments for other contributions plans, all of the local infrastructure in the plan is provided by E J Cooper, rather than the council. However, the contributions plan does not state this clearly for the benefit of other stakeholders and developers. We note that Blacktown City Council publishes its VPAs on its website.⁵⁹

Therefore, to improve transparency, we recommend that CP16 should state that the infrastructure in the plan is to be provided by E J Cooper, in accordance with the VPA, and that the council should publish the VPA in a readable format on its website.

⁵⁹ http://www.blacktown.nsw.gov.au/Planning_and_Development/Plans_and_Guidelines/Voluntary_Planning_Agreements, accessed 12 August 2015.



Appendices

A List of Findings and Recommendations

Criterion 1: Essential Works List

Finding

- | | | |
|---|--|----|
| 1 | All land and facilities in CP16 are on the Essential Works List. | 16 |
|---|--|----|

Criterion 2: Nexus

Findings

- | | | |
|---|--|----|
| 2 | There is reasonable nexus between the transport infrastructure in CP16 and the expected development in the Box Hill North Precinct. | 18 |
| 3 | There is reasonable nexus between stormwater infrastructure and the expected development in the Box Hill North Precinct, except for the riparian planting works. | 19 |
| 4 | There is reasonable nexus between the open space land and embellishment in CP16 and the expected development in the Box Hill Precinct. | 20 |
| 5 | There is reasonable nexus between the land for community services in CP16 and the expected development in the Box Hill North Precinct. | 21 |
| 6 | There is reasonable nexus between the administration costs in CP16 and the expected development in the Box Hill North Precinct. | 22 |

Recommendations

- | | | |
|---|---|----|
| 1 | The council removes riparian planting works from the cost of essential works in CP16. | 19 |
| 2 | The council undertakes a more accurate assessment of the extent of riparian works required and their locations in the precinct, and updates the works schedules to reflect this assessment, prior to adopting CP16. | 19 |

Criterion 3: Reasonable costs

Findings

- 7 Most of the cost of land in CP16 appears to be based on a reasonable estimate of the value of the land, except for the land for the community centre. 23
- 8 All of the costs of the transport facilities are based on reasonable estimates: 24
 - However, it is not reasonable to include \$0.7 million for the dual-lane roundabout at Old Pitt Town Road and Box Hill North Access Road East, because there is no evidence that it will be provided in the VPA or that the intention is to recoup it from the remaining development. 24
- 9 The cost of stormwater facilities is based on a reasonable estimate 26
- 10 The cost of embellishing open space is low, but reasonable, for the two sporting grounds. The cost of embellishing the remaining local open space parks is also reasonable, except for one park which exceeds its value in the VPA. 27
- 11 It is not reasonable to include the cost of plan administration in CP16 because it is not included explicitly in the VPA for recoupment from remaining development. 28
- 12 It is reasonable for costs in CP16 to remain unindexed up to the base period. 28
- 13 The council's NPV model assumptions to determine the contributions in CP16 are reasonable: 29
 - The council has included the land dedicated by E J Cooper in the NPV model in a manner that reasonably reduces the overall contributions rate. 29
- 14 The council's correction of a modelling error after submitting the model to IPART reduced the contributions rate by around 4%. 29

Recommendations

- 3 The council reduce the cost of land for the community centre by \$241,000, consistent with the agreed value in the VPA. 23
- 4 The council removes the cost for the dual lane roundabout at Old Pitt Town Road and Box Hill North Access Road East from the cost of essential works. 24
- 5 The council reduces the cost of the CPW Park by \$548,000, to reflect the agreed amount of embellishment in the VPA. 27
- 6 The council removes \$2.1 million, for the cost of plan administration, from the cost of essential works in CP16. 28

7	The council considers:	29
	– applying the 15-year average of PPI for Road and Bridge Construction for NSW to escalate the cost of transport and stormwater facilities	29
	– revising its methodology to estimating the discount rate for future contributions plans, using IPART's 2015 Technical Paper, and	29
	– updating cost escalation indices to the period to June quarter 2014.	29

Criterion 4: Timing

Finding

15	The council's approach to ensuring that the infrastructure can be delivered in a timely manner is reasonable.	32
	– The development timeframe used in CP16 is somewhat different from the inflow of residents assumed in the NPV model.	32

Recommendation

8	The council applies a consistent development timeframe to CP16 and its NPV model.	32
---	---	----

Criterion 5: Apportionment

Findings

16	The approach to apportioning the cost of transport infrastructure is reasonable, except for a roundabout at Terry Road and Old Pitt Town Road that is also in CP15 Box Hill Precinct.	33
17	The approach to apportioning the cost of stormwater infrastructure, based on a per person approach, is reasonable.	34
18	The approach to apportioning the cost of open space and community infrastructure on a per person basis is reasonable.	35

Recommendations

9	The council apportions 69.5% of the cost of the roundabout at Terry Road and Old Pitt Town Road to CP15 Box Hill Precinct.	33
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Criterion 6: Consultation

Finding

- 19 The council has conducted appropriate community liaison and publicity by publicly exhibiting CP16. 35

Criterion 7: Other matters

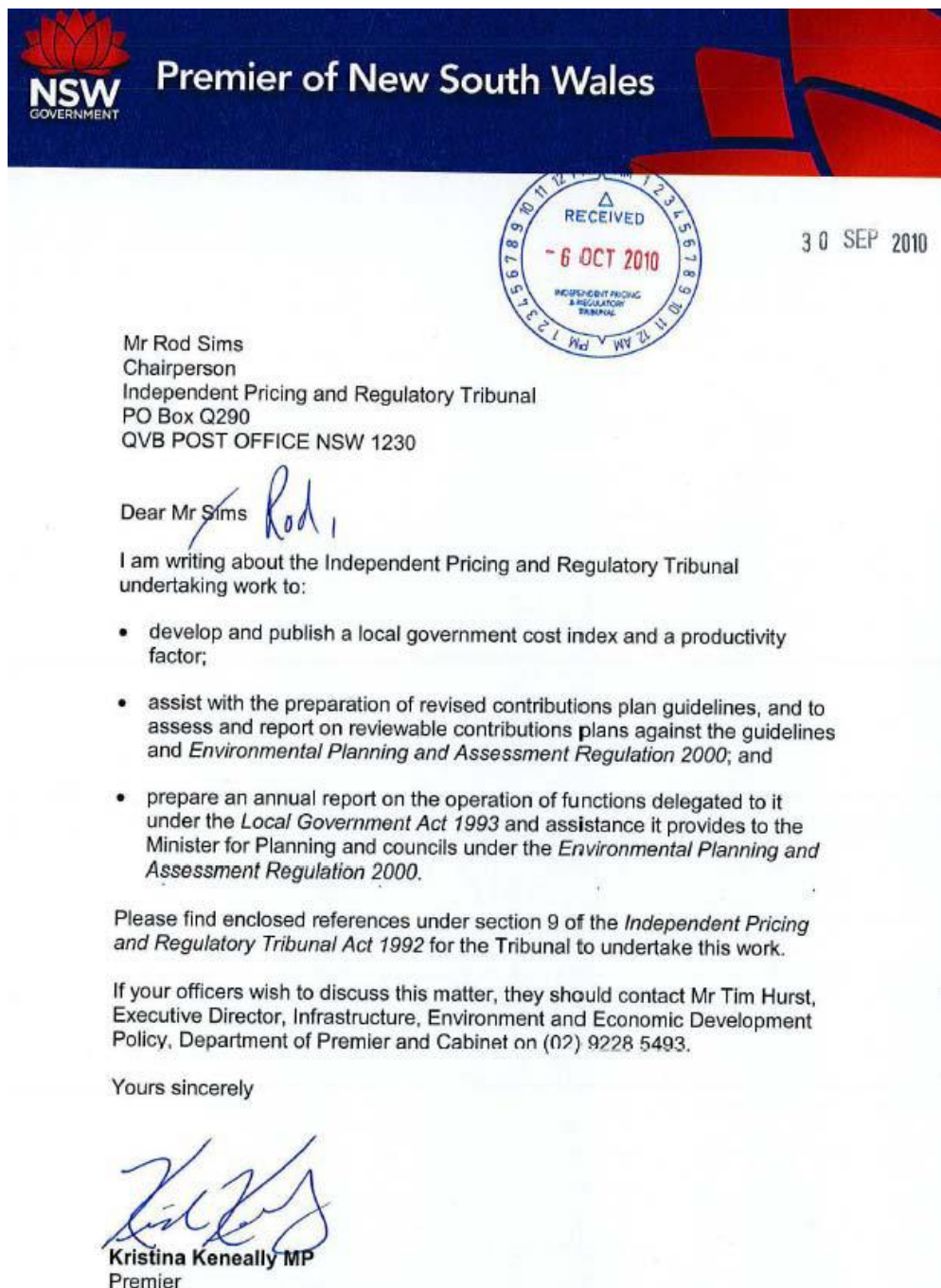
Finding

- 20 CP16 satisfactorily complies with the information requirements set out in the EP&A Act and Regulation and is generally consistent with the *Development Contributions Practice Note (2005)*. 36

Recommendation

- 10 The council states in the plan that the infrastructure is expected to be provided by E J Cooper, in accordance with the Voluntary Planning Agreement, and that this agreement should be made publicly available in a readable format on the council website. 36

B Terms of Reference



TERMS OF REFERENCE

I, Kristina Keneally, Premier of New South Wales approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act)* to the Minister for Planning and the Councils for the review of Reviewable Contributions Plans in accordance with the following terms of reference.

Background

Since 4 June 2010, the NSW Government has announced changes to local council charges on new housing development including:

- (1) imposing a cap of \$20,000 per lot for council imposed charges on new development on land in established areas and a cap of \$30,000 per lot for council imposed charges on new development on land determined by the Minister for Planning as being within Greenfield areas; and
- (2) requiring IPART to review certain council Contributions Plans.

The changes will lower the cost of new housing construction and provide certainty, transparency and fairness to councils, landowners, developers and the community.

The Department of Planning, in conjunction with the Division of Local Government and IPART (overseen by the Land and Housing Supply Coordination Taskforce) are to develop guidelines for preparing Contributions Plans. Councils with contributions within their Contributions Plans that exceed the relevant cap will be required to submit them to IPART for review unless otherwise exempt by the Minister for Planning. Further, when Councils conduct a review of their Contributions Plans, they will be required to submit them to IPART for review prior to finalising those plans if the contributions within those plans exceed the relevant cap. The Minister may also refer to IPART for review any Contributions Plan that is below the relevant cap, where changes are proposed to that plan that the Minister considers merit having an independent assessment. Once IPART receives those plans, IPART is to assess them against the Guidelines and the Regulation and report to the Minister for Planning and Councils on the compliance of those plans.

Terms

In providing the services, IPART must:

- (a) assist with the preparation of revised contributions plan guidelines;
- (b) conduct an assessment of the Reviewable Contributions Plan against the Guidelines and the Regulation. As part of that assessment, IPART should consider whether:
 - (i) the infrastructure listed in the plan is essential infrastructure
 - (ii) the costs in the plan are reasonable
 - (iii) the Contributions Plan complies with the Guidelines and the Regulation;

- (c) provide a report to the Minister for Planning and the relevant Council on IPART's assessment of the Contributions Plan under paragraph (a); and
- (d) publish a copy of the report in paragraph (b) on IPART's website.

In conducting the assessment under paragraph (a), IPART is to:

- (a) consult with the Department of Planning (NSW);
- (b) consult with the relevant Council and any other person IPART considers necessary; and
- (c) consider any criteria set out in the Guidelines (in addition to any other matters IPART considers relevant).

Definitions

Cap means:

- (a) the \$20,000 cap per residential dwelling or per residential lot on land in established areas; or
- (b) the \$30,000 cap per residential dwelling or per residential lot on land determined by the Minister for Planning as being within Greenfield areas.

Contributions Plan means a contributions plan prepared and approved by the relevant Council under Part 4, Division 6 of the EP&A Act.

Council has the meaning given to that term under the EP&A Act.

EP&A Act means the *Environmental Planning and Assessment Act 1979*.

Guidelines means the current guidelines or practice notes (as the case may be) issued by the Department of Planning on Contributions Plans under Part 4, Division 6 of the EP&A Act.

Regulation means the *Environmental Planning and Assessment Regulation 2000* relating to the Contributions Plan.

Reviewable Contributions Plan means either:

- (a) a Contributions Plan which has a contribution that exceeds the relevant Cap, other than a Contributions Plan for which a Council, as at 31 August 2010, has received (in aggregate) development applications for at least 25 per cent of potential development within that existing Contributions Plan; or
- (b) a Contributions Plan which the Minister for Planning determines from time to time should be subject to review by IPART.

C Assessment of CP16 against information requirements in Clause 27 of the EP&A Regulation

Sub-clause	Location in CP16
1(a) Purpose of the plan.	Section 2.4
1(b) Land to which the plan applies.	Figure 1
1(c) The relationship between the expected types of development in the area to which the plan applies and the demand for additional public amenities and services to meet that development.	Part C
1(d) The formulas to be used for determining the section 94 contributions required for different categories of public amenities and services.	Section 2.20
1(e) The section 94 contribution rates for different types of development, as specified in a schedule in the plan.	Part A
1(g) The council's policy concerning the timing of the payment of monetary section 94 contributions, section 94A levies and the imposition of section 94 conditions or section 94A conditions that allow deferred or periodic payment.	Sections 2.8 to 2.12
1(h) A map showing the specific public amenities and services proposed to be provided by the council, supported by a works schedule that contains an estimate of their cost and staging (whether by reference to dates or thresholds).	Figure 2 and Table 6
1(i) If the plan authorises monetary section 94 contributions or section 94A levies paid for different purposes to be pooled and applied progressively for those purposes, the priorities for the expenditure of the contributions or levies, particularised by reference to the works schedule.	Section 2.18, Works Schedule and Table 7
1A Despite subclause (1) (g), a contributions plan made after the commencement of this subclause that makes provision for the imposition of conditions under section 94 or 94A of the Act in relation to the issue of a complying development certificate must provide that the payment of monetary section 94 contributions and section 94A levies in accordance with those conditions is to be made before the commencement of any building work or subdivision work authorised by the certificate.	Sections 2.8 to 2.14
2 In determining the section 94 contribution rates or section 94A levy percentages for different types of development, the council must take into consideration the conditions that may be imposed under section 80A (6)(b) of the Act or section 97 (1) (b) of the <i>Local Government Act 1993</i> .	Sections 2.8 to 2.16 (generally)
3 A contributions plan must not contain a provision that authorises monetary section 94 contributions or section 94A levies paid for different purposes to be pooled and applied progressively for those purposes unless the council is satisfied that the pooling and progressive application of the money paid will not unreasonably prejudice the carrying into effect, within a reasonable time, of the purposes for which the money was originally paid.	N/A

D Section 94 Contributions Plan No 16 – Box Hill North Precinct

(Redundant pages 40, 43 and 53 to 59 have been removed by IPART)

Contributions Plan No. 16

BOX HILL NORTH PRECINCT

www.thehills.nsw.gov.au

THE
HILLS
Sydney's Garden Shire



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1 PART A: SUMMARY SCHEDULES

This Plan is The Hills Section 94 Contributions Plan (CP) No. 16 – Box Hill North Precinct.

The contributions received from this Plan will provide for both active and passive open space (pedestrian/cycle links, parks, playgrounds etc), road works, drainage, and administration costs.

The open space, road works and drainage to be provided will contribute towards satisfying the needs of the incoming population and workforce of the Box Hill North Precinct. The net additional population estimated to occur as a result of the development of this area is ~~13,403~~ 13,498 persons.

The costs of required open space, road works, drainage and administrative tasks are summarised below.

Work Schedule: Cost per Category (base cost)

OPEN SPACE	AMOUNT \$
Land	38,404,712
Works	17,241,120
SUB TOTAL	55,645,832

TRANSPORT AND TRAFFIC	AMOUNT \$
Land	16,391,088
Works	88,845,456
SUB TOTAL	105,236,544

WATER MANAGEMENT	AMOUNT \$
Land	28,200,860
Works	50,104,800
SUB TOTAL	78,305,660

COMMUNITY FACILITIES	AMOUNT \$
Land	360,000
Works	Nil
SUB TOTAL	360,000

ADMINISTRATION	AMOUNT \$
SUB TOTAL	2,100,000

TOTAL WORKS:	241,648,036
---------------------	--------------------

Development Timetable

It is anticipated that expenditure will occur on a pro-rata basis in accordance with the development path as outlined in Table below.

Year	% of Population
1	13.00
2	
3	
4	6.00
5	
6	9.00
7	
8	8.00
9	
10	17.00
11	11.00
12	13.00
13	
14	6.00
15	
16	8.00

Contributions by Category – Per Person

Facility Type	Unit	\$: Rate
Open Space - Land	Per Person	3,321.22 3,298.16
Open Space - Capital	Per Person	1,399.25 1,389.54
Transport Facilities - Land	Per Person	1,417.49 1,407.65
Transport Facilities - Capital	Per Person	7,114.40 7,077.66
Water Management - Land	Per Person	2,422.91 2,406.09
Water Management - Capital	Per Person	4,074.27 4,045.98
Community Facilities - Land	Per Person	31.13 30.92
Community Facilities - Capital	Per Person	0.00
Administration	Per Person	157.56 156.96
TOTAL	Per Person	19,938.23 19,812.96

Contributions by Dwelling Type

Development Type	\$: Rate Per Dwelling
Subdivision, Dwelling Houses and Dual Occupancies	67,789.99 67,364.07**
Multi Unit Housing*	
4 Bedroom	61,808.52 61,420.18**
3 Bedroom	47,851.76 49,532.40**
2 Bedroom	33,895.00 35,663.33**
1 Bedroom	19,938.23 33,682.03**

* Multi Unit Housing includes Attached Dwellings, Multi Dwelling Housing and Residential Flat Buildings

**Subject to a contribution cap of \$30,000 in accordance with Section 94E Ministerial Direction dated 21 August 2012

2 PART B: ADMINISTRATION AND OPERATION OF THE PLAN

INTRODUCTION

2.1 Section 94 Principles

Under Section 94 of the Environmental Planning and Assessment Act, 1979 ("EP&A Act") Council has the power to levy contributions from developers for public amenities and services required because of development.

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 appreciating its statutory duties, could have properly imposed.

Under the provisions of Section 94, Council may either:

- require land to be dedicated free of cost;
- require money to be contributed for works or facilities to be provided in the future;
- require money to be contributed towards the cost of works or facilities already provided in anticipation of development;
- accept the provision of a material public benefit, or works in kind, in satisfaction of Section 94 requirements; or
- require or accept a combination of any of the above.

The ability to levy developers for the provision of essential public facilities and services is considerably important to The Hills Shire. This "user pays" approach can significantly reduce the financial burden of new urban development on existing Shire residents.

One of the fundamental responsibilities of any Council in imposing Section 94 contributions is to ensure that the contributions levied are reasonable. That is, the works and facilities to be provided must be a direct consequence of the development on which the contributions are levied. They must not unnecessarily inflate development costs. Therefore, contributions are limited to essential or base-line works and facilities considered necessary to sustain acceptable urban development.

2.2 What is the Name of this Plan

This Contributions Plan is called 'Contributions Plan No.16 – Box Hill North Precinct'.

2.3 Area to which this plan applies

This Contributions Plan applies to the Box Hill North Precinct as shown on the Locality Map at Figure 1.

FIGURE 1: LAND TO WHICH THIS CONTRIBUTIONS PLAN APPLIES



2.4 What is the purpose of this Development Contributions Plan?

The purpose of this development contributions plan is to:

- (a) authorise the council to impose conditions under section 94 (s94) of the *Environmental Planning and Assessment Act 1979* when granting consent to development on land to which this plan applies;
- (b) provide an administrative framework under which specific public facilities strategies may be implemented and co-ordinated;
- (c) outline the anticipated demand for public facilities and services arising from the development of the Box Hill North Precinct;
- (d) ensure that adequate public facilities are provided for as part of any new development in the Box Hill North Precinct;
- (e) provide a comprehensive strategy for the assessment, collection, expenditure, accounting and review of development contributions in the Box Hill North Precinct;
- (f) ensure that the existing community is not burdened by the provision of public amenities and public services required as a result of future development; and
- (g) enable the council to be both publicly and financially accountable in its assessment and administration of the development contributions plan.

2.5 Application of the Plan

When a development application for residential development is lodged and relates to land to which this plan applies, Council shall levy contributions on development in accordance with the provisions of this Plan.

A Contributions Plan becomes part of the development control process under the EP&A Act by virtue of Sections 80A and 94. The provisions of this plan are one of a number of considerations that are relevant when Council determines a development application in accordance with Section 80 of the Act.

2.6 Commencement of this Plan

This development contributions plan has been prepared pursuant to the provisions of s94 of the EP&A Act and Part 4 of the EP&A Regulation and takes effect from the date on which public notice was published, pursuant to clause 31(4) of the EP&A Regulation.

2.7 Relationship with other plans and policies

This development contributions plan supersedes The Hills Section 94A Contributions Plan.

DEVELOPER CONTRIBUTIONS

2.8 Policies and Procedures on the Levying and Payment of Contributions

The following sections describe the policies and procedures involved in levying and payment of developer contributions under this plan including method/timing of payment, planning agreements, deferred/periodic payment, obligations of accredited certifiers with respect to construction certificates/complying development, savings and transitional provisions, credits/offsets for works-in-kind, calculation of contributions rates and review and monitoring process of the plan.

2.9 Method of Payment

Council will accept Section 94 payments in one, or a combination, of the following ways:

Monetary Contribution

This is the most common method of payment. However, as discussed below, payment can be offset by providing a material public benefit that is identified in the Contributions Plan.

Material Public Benefit (Works-in-Kind)

Where an applicant makes a written request and Council in its absolute discretion determines that it is appropriate, an applicant may provide a material public benefit (commonly referred to as works-in-kind) in part, or full, satisfaction of a monetary contribution. Any written request must demonstrate that the works in kind are of equivalent or greater benefit to the community compared to what has been identified under this Contributions Plan. The proposed works in kind offset must be included in the conditions of consent or a S96 modification of the consent, to reflect the proposed offset.

The works must be included in the works schedule as set out in Section C. The cost of the work will be offset against the contribution required for the same facility category only. For example if the works relate to the embellishment of a local park the cost of the works would be offset against the required open space contribution. The amount of the offset will be as agreed by Council and will not exceed the cost allocation for the works included in the Contributions Plan.

In assessing such a request, Council will generally take into account the following:

- whether the proposed work in kind will be to a suitable standard for Council to eventually accept;
- finalisation of, or consistency with, the detailed design of the facilities;
- the submission of plans and cost estimates to Council of the proposed works to be undertaken by the applicant;
- whether the location, siting and design of the proposed works has regard to the Development Control Plans applying to the Box Hill North Precinct and this Contributions Plan;
- the timing of completion and future recurrent costs including staffing and maintenance and future management (particularly if a work to a higher standard is proposed);
- Council may consider works to a higher standard than the Contributions Plan allowance, however no reimbursement of additional costs will be provided;

- the financial implications for cash flow and whether the proposed works pre-empt the future orderly implementation of the works as identified in the works schedule; and
- future dedication, handover and management arrangements.

Dedication of Land

~~Council will generally not accept the dedication of land (identified for public purposes under this plan) to offset the required monetary contribution. Rather the developer will be required to pay the full contribution relating to land acquisition. The value of land can then be negotiated separately between the applicant and Council, and a value formally agreed upon prior to payment.~~

Council will accept the dedication of land (identified for public purposes under this plan) to offset the required monetary contribution. The value of land will be negotiated between the applicant and Council, and any monetary contributions payable will be reduced by the value of the land formally agreed upon. An appropriate condition ~~may~~ **will** be included in any consent applying to land identified for public purposes to ensure that the land is transferred to Council ~~at no cost. These consents would require satisfactory arrangements being made with Council's Manager — Special Property Projects.~~

2.10 Planning Agreements

In accordance with Section 93F(1) of the EP&A Act, a planning agreement is a voluntary agreement or arrangement between a planning authority and a developer under which the developer agrees to make contributions towards a public purpose. A planning agreement may wholly or partly exclude the application of Section 94 to the development that is subject of the agreement.

The provisions of Sections 93F to 93L of the EP&A Act and accompanying Regulation prescribe the contents, form, subject matter and procedures for making planning agreements. Any person seeking to enter into a planning agreement should in the first instance submit a proposal in writing to Council, documenting the planning benefits and how the proposal would address the demands created by development for new public infrastructure, amenities and services.

2.11 When must Contributions be paid?

Section 94 contributions must be paid in full, as follows:

- **Development Applications involving subdivision only:** Prior to the issue of a Subdivision Certificate.
- **Development Applications involving building work only** - where conditions of consent require the payment of a contribution: Prior to the issue of a Construction Certificate.
- **Combined Development Applications for Subdivision and Building Works:** Prior to the issue of a Construction Certificate. If individual construction certificates are submitted for each dwelling, payment is required in full for the total development or stage (as approved in accordance with Section 2.12 of this plan) prior to the issue of a construction certificate for the first dwelling.
- **Combined Development Applications for development and building works** - where conditions of consent require the payment of a contribution: Prior to the issue of a Construction Certificate.

2.12 Deferred or Periodic Payment

Council will only permit deferred or periodic payment where development is staged. The stages of development and relevant contribution payment for each stage must be clearly documented in the conditions of consent. In this regard a Section 96 modification of consent is required if proposed staging of development is not reflected in the original consent.

For development which is staged, Section 94 contributions must be paid at the rate applicable at the time of subdivision or construction certificate, for at least the number of additional lots/dwellings for which subdivision or construction certificate release is sought.

For each stage, the calculation of the number of lots/dwellings for which contributions are payable will count any residue lot as a single lot.

For example:

Stage 1 20 residential lots and one residue lot are created from one original lot. Contributions would be payable for 20 lots (20 + 1 residue less 1 existing credit*).

Stage 2 20 residential lots are created from the residue lot. Contributions would be payable for 19 lots (20 lots less the one existing residue lot).

This method ensures that contributions are paid for the total number of additional lots created from an original lot/s. In the example, 40 lots are created from 1 existing lot and contributions are payable for 39 additional lots.

* Refer Section 2.16.

2.13 Construction certificates and the obligations 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 work 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 confirming that contributions have been fully paid and copies of such receipts must be included with copies of the certified plans provided to the Council in accordance with clause 142(2) of the EP&A Regulation. Failure to follow this procedure may render such a certificate invalid.

2.14 Complying development and the obligations of accredited certifiers

In accordance with Section 94EC of the EP&A Act accredited certifiers must impose a condition requiring monetary contributions in accordance with this Contributions Plan for the following development types:

- Dwelling houses on an allotment where no previous contribution under Section 94 has been made.

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 the accredited certifiers to accurately calculate the contribution and to apply the Section 94 condition correctly.

2.15 Credit and Offsets for Works In Kind

There may be cases where an applicant carries out works in kind, which are included in the Schedule of Works in this Contributions Plan but the cost of which exceeds the contribution required for that facility category. In these situations the applicant will be reimbursed for the cost of the works that:-

- exceed the contribution due within that facility category, and
- have been approved by Council as being consistent with the contributions plan.

2.16 Credit for existing development

The payment of contributions is applicable to any residential development in the Box Hill North Precinct which will increase the population over and above that which existed on **XX XXXX 2014** and which will create a demand for the provision of such infrastructure.

For the purposes of calculating contributions payable under this plan a credit will be made available for any existing lot with an approved dwelling that existed on or before **XX XXXX 2014**.

However, any parcel that was vacant on or prior to **XX XXXX 2014** which did not generate a demand for works or facilities of the type to be levied for under this plan, and for which no previous contribution under Section 94 of the EP&A Act has been made, shall upon subdivision or development for residential purposes be liable for the payment of contributions in accordance with this Contributions Plan.

In short, Section 94 credits will not apply to existing vacant parcels.

2.17 Savings and transitional arrangements

A development application which has been submitted prior to the adoption of this plan but not determined shall be determined in accordance with the provisions of the plan which applied at the date of determination of the application.

2.18 Pooling of contributions

This plan expressly authorises monetary s94 contributions paid for different purposes to be pooled and applied (progressively or otherwise) for those purposes. The priorities for the expenditure of the levies are shown in the works schedule.

2.19 Exemptions

The only exemptions allowed are those the subject of a direction from the Minister for Planning under Section 94E of the EP&A Act.

2.20 Calculation of Contributions

Net Present Value Method

The contribution formula has been arrived at having regard to the Development Contribution Practice Notes issued by the then Department Infrastructure Planning and Natural Resources (DIPNR) in July 2005. These notes provide Council with two options, either a calculation based on nominal values or a net present value (NPV) methodology.

To ensure that the value of contributions is not eroded over time, the proposed method of contribution calculation is based upon a NPV methodology. This approach is a standard financial accounting tool which discounts future cash flows to account for the fact that funds received or spent today are worth more than future funds.

Contributions Formula

The formula uses a discounted cash flow model, to calculate the contribution rate per person. The model covers a period of 16 years (life of the Contributions Plan). The following elements are used in this calculation:

Land Acquisition Index

The land acquisition indexation assumption is based upon an average of the annual percentage change in the Australian Bureau of Statistics Established House Price index for Sydney over the past 11 years from December 2002 to December 2013.

Capital Expenditure Index

The capital expenditure indexation assumption is based upon an average of the annual percentage change in the Australia Bureau of Statistics Producer Price Index for New South Wales over the past 15 years from December 1998 to December 2013.

Administrative Costs Index

Administrative costs will be indexed at 2.5% which represents the midpoint of the Reserve Bank of Australia's inflation target of 2-3%, on average over the cycle.

Indexed Expenditure

Total of Indexed land acquisition, capital or administrative costs.

Revenue Projections

Revenue will be indexed at 2.5% which represents the midpoint of the Reserve Bank of Australia's inflation target of 2-3%, on average over the cycle.

Cash Flow

A cash flow projection will be prepared using the above elements over the life of the Contributions Plan. The cash flow is the difference between the Indexed Expenditure and the Revenue Projections.

Discount Rate

The NSW Treasury Corporation 10-year bond rate (quoted as a percentage) as of March 2014 and sourced from the Reserve Bank of Australia. This is consistent with the recommendations within the Draft Technical Paper *Modeling Local Development Contributions (Selection of a discount rate for Councils that use an NPV methodology)* prepared by the Independent Pricing and Regulatory Tribunal.

Formula

The Contribution rate per person is determined on the basis that the NPV (Net Cash Flow) at the Discount Rate over the total life of the plan is neutral. This is calculated using the following formula for each facility category:

$$PV(\text{Costs}) = PV(\text{Revenue})$$

$$PV(\text{costs}) = N_1 * DC + \frac{N_2 * DC}{(1+r)} + \dots + \frac{N_t * DC}{(1+r)^t}$$

Where: N (i) = No. of persons in year (i)
DC = development contribution (\$ in year 1 of CP)
r = discount rate (%)
t = time in years

From the equation above:

$$PV \text{ (Costs)} = PV \text{ [(No. of Persons) * (Development Contribution)]}$$

Therefore:

$$PV \text{ (Development Contribution)} = PV \text{ [(Costs) / (No. of Persons)]}$$

The Contribution rate per dwelling/lot is determined by the contribution rate per person multiplied by the assumed occupancy rate (see Part C, Table 1).

A summary of the program of works by facility category is included in Part C, Table 7 and contains details of indexation assumptions over the life of the plan. Contribution rates are set out in Part A and Table 8.

2.21 Review and Monitoring Of Plan

This plan will be subject to regular review by Council in accordance with the provisions of the EP&A Regulation. The purpose of such a review is to ensure that:

- levels of public service and amenity provisions are consistent with likely population trends and community needs;
- contribution levels reflect changes to construction costs and land values;
- the work program can be amended if the rate of development differs from current expectations.

The contribution rates and works program for this plan have been formulated using information available at the time of writing. A number of variables will be monitored to facilitate the review process. Some of these are listed below:

- lot production and dwelling construction
- potential development remaining
- construction costs
- land costs
- projected development rate
- assumed occupancy rates
- anticipated population
- indexation assumptions.

The contribution rates will be reviewed by reference to the following specific indices:

- construction costs by reference to the Australian Bureau of Statistics Producer Price Index.
- land acquisition costs by reference to the Australian Bureau of Statistics Established House Price index for Sydney.
- changes in the capital costs of various studies and activities required to support the strategies in the plan by reference to the actual costs incurred by council in obtaining these studies.

Any changes to the Contributions Plan, apart from minor typographical corrections, will be placed on public exhibition in accordance with the requirements of the EP&A Act and Regulation.

2.22 Contributions Register

A Contributions Register will also be maintained for this Contributions Plan in accordance with the *EP&A Regulation* and may be inspected on request. This Register will include:

- details of each consent for which a Section 94 condition has been imposed;
- the nature and extent of the contribution required by the condition for each facility category;
- the name of the Contributions Plan the condition was imposed under; and
- the date any contribution was received and its nature and extent.

At the end of the each financial year, the Council is required to make an annual statement within the yearly budget. This statement must include the following:

- (a) Opening and closing balances of money held in the Section 94 Contributions Plan by the Council for the accounting period;
- (b) Total amounts received by way of monetary contribution under this Plan;
- (c) Total amount spent in accordance with this Plan; and
- (d) Outstanding obligations of the Council to provide works for which contributions have been received.

2.23 When did this plan come into force?

This Plan came into force on XX XXXX 2014.

3 PART C: STRATEGY PLANS

3.1 Residential Development Nexus

3.1.1 Anticipated Dwelling Profile

This section sets out supporting information for the assumptions pertaining to the future residential population of Box Hill North Precinct.

Based on the area available for residential development, the applicable land use zones, minimum lot size requirements and expected residential densities, the Box Hill North Precinct is expected to accommodate approximately 4,600 dwellings comprising 2,045 detached dwellings, 1,910 small lot and medium density dwellings and 645 apartment dwellings.

3.1.2 Dwelling Occupancy

Table 1 sets out the average occupancy rates for residential development based on historical analysis of ~~the five~~ six similar development areas in The Hills as at the ~~2006~~ 2011 Census.

TABLE 1: AVERAGE OCCUPANCY RATES OF ~~FIVE~~ SIX SIMILAR DEVELOPMENT AREAS, ~~2006~~ 2011

Dwelling Type	Average Occupancy Rates
Dwelling Houses	3.4
Multi Unit Housing:	
1 Bedroom	1 1.7
2 Bedroom	1.7 1.8
3 Bedroom	2.4 2.5
4 bedroom	3.1

Source: Australian Bureau of Statistics, ~~2006~~ 2011 Census of Population and Housing. Average Occupancy Rates based on the areas of Bella Vista, West Pennant Hills, Crestwood, Glenhaven, ~~Castle Hill~~ and Kellyville/Rouse Hill.

3.1.3 Estimated population

Table 2 indicates the total estimated population at full development based on the assumed dwelling yield and occupancy rates.

TABLE 2: ESTIMATED POPULATION BASED ON DWELLING YIELD AND OCCUPANCY

Dwelling Type	Number Of Estimated Dwellings	Average Occupancy Rate	Total Estimated Population
Dwelling Houses	1855	3.40	6,307
Large Lot Residential	190	3.40	647
Small Lot / Medium Dwelling Housing	1911	2.70 2.80	5,160 5,351
Residential Flat Buildings	645	2 1.85	1,289 1,193
Totals	4,600		13,403 13,498
Expected additional population			13,403 13,498

Note: the figures might show a minor discrepancy due to rounding to whole numbers.

3.1.4 Demography

It is assumed that Box Hill North will appeal to a population with similar characteristics to that moving into other new release areas in this part of The Hills Shire, such as Kellyville, Bella Vista, Beaumont Hills and Rouse Hill.

In terms of overall dwelling mix, Bella Vista has a mix that is most similar to that expected within Box Hill North, with around 84% detached dwellings and 16% medium density dwellings. It can therefore be assumed that the profile for Box Hill North is likely to most closely resemble the Bella Vista profile.

Reflecting the predominance of detached housing, households comprising couples with children are the majority household type in all the nearby areas, with the proportion significantly higher than the Sydney average and also higher than the average across The Hills Shire. Altogether, households with children (including single parent families) average about 70% of all households in these areas, while households without children (couples without children and lone person households) average around 30%.

The age breakdown across these suburbs shows that 25-30% of the population is generally aged under 15 years, with around 25% aged 15-34 years. By contrast, Bella Vista shows reasonably high proportions of people aged 15-34 years and relatively fewer younger children. The proportion of residents aged 35-64 years is also relatively larger than in surrounding suburbs. While there may be several reasons for this particular population profile, including changes over time, the population breakdown also reflects the housing mix in this area, with its higher proportion of smaller dwellings.

Box Hill North is expected to have a much smaller proportion of older residents than the LGA or Sydney average. This is likely to reflect the recent development of these suburbs as well as the dwelling mix.

In considering the types of households who may be attracted to apartment living in Box Hill North, Landcom's experience in Rouse Hill provides some guidance. From previous projects in the area, Landcom (now UrbanGrowth NSW) has advised that higher density dwellings in Rouse Hill town centre have been attractive to a wide range of households. These include:

- Empty nesters and retirees, seeking a smaller home requiring low maintenance;
- Young people, often renting and sharing accommodation, and benefitting from convenient access to training and town centre employment;
- First home owners, seeking to get a start in the market with a smaller dwelling;
- Couples, including those with children, who are willing to sacrifice a larger garden in a detached property for close access to shops, transport and schools;
- Single people; and
- Approximately 40-50% of properties have provided rental accommodation; the balance are owner occupied.

From this analysis, it can be expected that families with children will be the predominant household type in Box Hill North, especially for the detached dwellings. These families will span a mix of life cycle stages, and include both young families with pre-school children and more mature families upgrading their dwelling, with children across a span of age groups, including adolescents. As for the nearby areas, there will also be a proportion of households without children, including both young couples and empty nester households. These households may be especially attracted to the smaller and medium density dwellings that will provide opportunities for downsizing as well as more affordable homes for new entrants to the housing market. Based upon experience in

surrounding areas and other newly developed suburbs, the proportion of lone person households and those in the oldest age cohorts is expected to be low.

3.2 Rationale for New Facilities and Services

A key principle of Section 94 is to demonstrate a relationship between the anticipated development and the demand for additional open space, community facilities, drainage and road works in the Box Hill North Precinct. The demonstration of a relationship between new development and such demand is a core requirement of a valid Contributions Plan.

The expected development and resulting population within the Box Hill Precinct will create an increased demand for various public facilities and services. Having regard to the level of facilities already available and the characteristics of the expected population, it will be necessary to provide additional:

- local active and passive open space including playing fields, playgrounds and pedestrian and cycle paths;
- a multi-purpose community facility;
- new roads and public transport facilities; and
- water cycle management facilities as a result of the extra stormwater runoff generated by impervious surfaces associated with urban development.

3.3 Open Space Facilities

3.3.1 Open Space Demand

Future development within Box Hill North will generate an additional residential population that will require access to a range of active and passive open space and recreation areas. The open space and recreation facilities required from the expected development of Box Hill North is documented within a study entitled "Box Hill North Social Planning Report" prepared by Elton Consulting in July 2013.

Based on the findings of previous recreation studies and the likely characteristics of the future Box Hill North population, it is likely that the broad needs of the Box Hill North population will include the following:

- The large proportion of families suggests the need for a variety of parks for informal play and passive recreation that support family and community activities. There will be demand for larger recreation parks and linear parks that provide a focus for family activities including walking, bike riding, play, picnics and social gathering opportunities. These should provide a diversity of recreation settings and opportunities for all age groups and all abilities.
- Parks that are locally accessible and provide high quality and well maintained facilities that support recreation and play will be required. People should have the potential to walk to open space for activities, which will generally require residents to be within 400-500m of usable open space.
- There will be demand for outdoor areas for larger gatherings and cultural events e.g. extended family and group picnics, amphitheatre, markets.
- A relatively large proportion of children is likely and this highlights the need for playgrounds and other outdoor activity opportunities such as bike tracks, BMX and skateboarding. Playgrounds should offer a range of play experiences for different age groups and include paths, play equipment, fencing, landscaping and shelter from sun, wind and rain.
- The likely large proportion of young people highlights the need for parks and public spaces that are designed to be friendly to young people, providing meeting places that are safe and welcoming and allow for social interaction and informal games.
- There may be demand for adventure based activities, such as mountain biking, trail bikes, horse riding, rock climbing. This should include opportunities for adventure play for primary school aged children as well as young people – for instance informal tracks and mounds for BMX and active games, observation places and structures, flying fox.
- The large proportion of adults suggests potential high demand for lower impact and flexible physical activity opportunities such as walking and bike riding. Linear connections and a network of walking and cycling tracks should be provided to support the potential high participation in walking and provide links to key destinations and recreation nodes.
- Opportunities that increase incidental physical activity, through design of footpaths, road networks and accessible, safe and well lit walking and cycling tracks should be provided. Bike tracks that provide safe and appealing activity and transport opportunities, particularly for children and young people, will be essential.
- The open space network should also include areas to walk dogs, and off leash exercise areas for dogs.
- Options to enhance individual fitness in parks and trails will also be important.
- Opportunities to enjoy bushland, water and other natural settings, for picnics, bushwalking and as spaces for reflection, rest and relaxation will be valuable to broaden recreation opportunities.

- To meet the demand for organised sport, multi- purpose playing fields that are suitable for a variety of field sports, and able to accommodate both junior and adult sporting activities for males and females will be required.
- There will also be demand for access to both outdoor and indoor courts for court sports, and indoor spaces for activities such as dance, martial arts, yoga, fitness, gym.
- Access to aquatic facilities that include a variety of leisure and fitness activities and programs consistent with local needs and preferences will also be required.

Some of these needs will be satisfied by local open space and facilities to be provided within Box Hill North, while others will be addressed by accessing facilities in the wider district and more broadly in the region.

The quantum of public open space to be provided in Box Hill North has been determined with regard to the likely characteristics and needs of the forecast population and is summarised below:

TABLE 3: BOX HILL NORTH – OPEN SPACE PROVISION

Dwelling Type	Area (Ha)
Active Open Space	9.22
Pocket Parks	2.47
Passive Open Space Land	29.19
Total Area	40.88
Rate of Provision (Hectares per 1,000 persons)	3.1 3.0

In addition to approximately 41 hectares of open space land comprising sporting fields, local and formal parks and a linear area of passive open space along the transmission easement, there are some opportunities to utilise areas of drainage land along Cataract Creek and its tributaries to provide linear access ways for passive recreational activities. The proposed rate of provision of **3.1 3.0** hectares per 1,000 persons is considered appropriate within the Box Hill North Precinct.

3.3.2 Proposed Open Space and Recreation Facilities

Playing Fields

The draft open space plan for Box Hill North makes provision for 9.22 hectares of open space for sporting fields. This allows for the creation of two sports grounds, as follows:

- one of 4.368 ha, located in the centre of the precinct adjoining the neighbourhood retail centre and primary school. It is proposed that this will provide one double playing field and associated setbacks, parking and surrounding passive open space. As identified in the previous chapter, it is also proposed that this sports park will provide shared open space for the co-located primary school.
- one sportsground of 4.851 ha, located in the north-western part of the development area. This will accommodate a second double playing field or a large oval suitable for senior cricket / AFL. This sportsground adjoins land affected by electricity transmission lines and the riparian corridor to create a large area of open space which may also contain areas for informal recreation and walking / cycling trails.

The recommended provision of sportsgrounds is based on providing for larger sporting complexes with a minimum of two playing fields, rather than single fields dotted around the development, in order to provide economies of scale for infrastructure and better support sporting competitions and multiple teams.

The two sportsgrounds are proposed as multi-use facilities, rather than being allocated for specific sporting codes.

Local Open Space

Areas of open space for informal recreation equate to 40.88 ha. This includes pocket parks (ranging in size from 0.45 ha to 0.84 ha), a district central park and larger areas of open space adjacent to Cataract Creek and its tributaries, which are not flood affected, and within the existing transmission line easement.

The proposed areas of open space allow for a diversity of recreation opportunities in both larger district parks and smaller local parks. The parks have been equitably distributed to ensure that all residents will be within 400-500 m walking distance from an area of open space (including parks, sporting fields or riparian corridors) to support accessible participation in recreation.

A quality central park connected to the main commercial area is proposed, to enhance the appeal and amenity of the centre. This large park, which is over 11 ha, will contain a substantial water body and associated picnic and barbecue facilities, play areas and a network of walking and cycling paths, creating a major recreation destination and focal point for the whole community and wider district.

Based upon a common standard of around 1 playground per 1,300 residents (Recreation Strategy 2007 and from other Growth Centre councils), Box Hill North is likely to require approximately 10 playgrounds. These are to be provided across the site according to Council's preferred hierarchy, to include:

- one central district level playground with high quality equipment which caters to both young and older children, along with picnic and barbecue facilities to meet the need for "something for everyone" family activities;
- five (5) local playgrounds in local parks, with some for toddlers and some for older children;
- four (4) play spaces with more limited (or no) play facilities.

Together the playgrounds should ensure that there is a range of play equipment and play opportunities for children of different ages across the precinct. Each play area should offer a different experience, and provide fencing (if adjacent to water, road, or steep slope), seating, shade, and drinking water.

Passive areas of open space

The extensive water management system presents significant opportunities to create a network of linear open space linkages along the main creek line and its tributaries. Although these areas are primarily for drainage purposes they also provide a focal point for the development and will provide a visual backdrop and quality recreation linkages. There are also opportunities to include barbecue and picnic facilities, seating, playgrounds, fitness equipment and pedestrian and cycle pathways.

3.3.3 Apportionment

The need to provide the open space identified in this part of the plan is generated by the residential development of the Box Hill North Precinct. It is therefore appropriate that residential development within the Box Hill North Precinct be subject to the full cost of providing these open space facilities.

3.3.4 Schedule of Works and Costs Estimates

A schedule of open space to be levied under this plan is included in Table 6 – Works Schedules. Cost estimates are included for both acquisition and capital works. Each facility to be provided can be located by reference to Figure 2 - Location of Facilities.

3.3.5 Contributions Formula

The method used to calculate the contributions rate for open space, capital works and open space land acquisition is set out in Section 2.20.

The contribution rates for open space are set out in Table 8.

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3.4 Community Facilities

3.4.1 Community facilities demand

Future development of Box Hill North will generate an additional residential population that will require access to a range of community facilities and services. To create a socially sustainable community which supports the health and well-being of the community and which promotes social interaction and the development of community networks, a population of around ~~13,400~~ 13,500 people will generate demand for access to spaces for:

- organised community activities, programs and classes, such as playgroups, fitness groups and after school classes
- meetings of local organisations and community groups
- accommodation for community services and the delivery of sessional and outreach services
- a base for community development activities and community cultural events
- leisure activities for young people and for older people, and
- hire for private functions, such as birthday parties.

These uses are best provided for in a multi-purpose community centre which can incorporate a variety of large and smaller spaces suitable for a range of social, leisure and cultural activities. Based on the level of provision adopted for the North Kellyville Precinct (77m²/1000 residents), a community centre of approximately 1,020m² is to be provided in Box Hill North. This is broadly consistent with the benchmark of 80m²/1000 people contained within Council's Community Centres Policy and Strategy (December 2006).

3.4.2 Proposed Community Facilities

Facilities and services for older people

The proportion of older people expected to be attracted to Box Hill North will not be high. However, there will still be a number of older people in the area, and it will be important that their needs are met in order to ensure that they do not become isolated in an otherwise child and family oriented community. The social, leisure and recreational needs of older people may be met through mainstream services and facilities for the whole community, and through programs and activities for older people delivered within the recommended multi-purpose community centre at the local neighbourhood level and existing civic and cultural facilities at the district level.

Facilities for young people

Within Box Hill North, there will be a need for “things for young people to do” at the local level. The needs of young people for space for social and leisure activities is to be met through the proposed multi-purpose community centre, a well-designed public domain, open space, sporting and recreation facilities. The multi-purpose community centre will include space suitable for activities for young people, with a youth focus on both indoor and outdoor elements.

3.4.3 Apportionment

The need to provide a community facility identified in this part of the plan is generated by the residential development of the Box Hill North Precinct. It is therefore appropriate that residential development within the Box Hill North Precinct be subject to the full cost of providing this facility.

Notwithstanding this, in order to remain consistent with NSW Planning and Infrastructure *Essential Works List* for the levying of Local Development Contributions, this Contribution Plan will only levy for the land acquisition associated with the proposed community facility.

3.4.4 Schedule of Works and Cost Estimates

A schedule of community facilities to be levied under this plan is included in Table 6 – Works Schedules. Cost estimates are included for only the land acquisition associated with the community facility.

3.4.5 Contributions Formula

The method used to calculate the contributions rate for land acquisition required for the community facility is set out in Section 2.20.

The contribution rates for community facilities are set out in Table 8.

3.5 Transport Facilities

3.5.1 Transport Facilities Demand

A traffic and transport analysis titled "Box Hill North – Transport and Access Impact Assessment" was prepared by GTA in July 2013 ("Traffic Report"). This report establishes the need for infrastructure works resulting from development of the Box Hill North Precinct, namely:

- capacity improvements to existing intersections with additional turning lanes and / or increased lane storage;
- intersection treatment upgrades (i.e. priority controls to roundabouts or traffic signals);
- road widening, clearway treatments and condition improvements; and
- bus accessible routes through Box Hill North and bus stop facilities.

3.5.2 Summary of the demand analysis of existing facilities

The pre-urban road network within the Box Hill North Precinct was largely developed to cater for rural traffic volumes only. The urbanisation of the area, however, will necessitate the establishment of an extensive traffic movement network. The works are considered necessary to facilitate development, whilst ensuring an acceptable level of access, safety and convenience for all street and road users within the Box Hill North Precinct.

3.5.3 Proposed Transport Facilities

Based on the results of the Traffic Report and the proposed access locations, the following infrastructure works will be required to facilitate the development of the Box Hill North Precinct:

TABLE 4: PROPOSED TRANSPORT FACILITIES

Transport Works	Description
Road Upgrades	
Boundary Road (north)	Resurfacing of Pavement between Old Pitt Town Road and Maguires Road
Old Pitt Town Road	Widening of Old Pitt Town Road between ~150 metres west of BHN Access Road West and ~150 metres east of BHN Access Road East.
Road Upgrade (Collector Road 2)	Upgrade of Red Gables Road
Road Upgrade (Collector Road 5)	Upgrade of Janpieter Road (north) south of Red Gables Road
Boundary Road	Additional upgrade works (removing crest)
New Roads	
New Road (Collector Road 1)	Between Boundary Road and drainage reserve
New Road (Collector Road 3)	Between "Collector Road 1" and Old Pitt Town Road (east)
New Road (Collector Road 4)	Between "Collector Road 1" and Red Gables Road

Transport Works	Description
Intersections	
Boundary Road / Maguires Road	Give-way control: Localised widening, turn bays
Boundary Road / opp. Hession Rd	Give-way control: Localised widening, turn bays
Boundary Road / Red Gables Road	Give-way control: Localised widening, turn bays
Boundary Road / Cataract Road	Give-way control: Localised widening, turn bays
Boundary Road / Old Pitt Town Rd	Convert to dual-lane roundabout
Old Pitt Town Road / BHN Access Road West	Provide new dual-lane roundabout
Old Pitt Town Road / Terry Road	Upgrade existing intersection to a dual (2) lane roundabout
Old Pitt Town Road / BHN Access Road East	Provide new dual-lane roundabout
Annangrove Road/ The Water Lane/ Withers Road	Provide left turn/slip lane
Mountable Roundabouts	Six new mountable roundabouts at various Locations
Bus Stops	
Bus stops along D2	Provide 12 additional bus stops along Route D2
Bus stops along D3	Provide 16 additional bus stops along Route D3
Cycleways	
Cycleway 1	Adjoining open space and water management
Cycleway 2	Adjoining open space and water management
Cycleway 3	Adjoining open space and water management

3.5.4 Apportionment

The need to provide the traffic and transport facilities identified in this part of the plan is generated by the residential development of the Box Hill North Precinct. It is therefore appropriate that all development within the Box Hill North Precinct be subject to the full cost of providing these facilities.

3.5.5 Schedule of Works and Cost Estimates

A schedule of Transport Facilities to be levied under this plan is included in Table 6 – Works Schedules. Cost estimates are included for both acquisition and capital works. Each facility to be provided can be located by reference to Figure 2 - Location of Facilities.

3.5.6 Contributions Formula

The formula used to calculate the contributions rate for traffic facility capital works and land acquisition is set out in Section 2.20.

The contribution rates for Traffic Facilities are set out in Table 8.

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3.6 Water Cycle Management

3.6.1 Water Cycle Facilities Demand

The urbanisation of the Box Hill North Precinct will require significant investment in a new, comprehensive water cycle management scheme to cater for the increase of impervious surfaces which affect the hydrological cycle.

J Wyndham Prince (JWP) have prepared a Water Cycle Management Strategy ("the WCMS Report") for the Box Hill North Precinct to:

- minimise the impact of flooding;
- reduce the impacts of urbanisation on receiving streams, wetlands and groundwater;
- remove stormwater pollutants to improve overall storm water quality;
- mimic as close as possible the existing runoff behaviour for small storms;
- retain and enhance riparian and aquatic habitats;
- reduce potable water demand to conserve potable water supply; and
- recognise the importance of stormwater as a valuable resource.

The stormwater management strategy proposed for the release area focuses on minimising the impacts of the development on the total water cycle and maximising the environmental, social and economic benefits achievable by utilising responsible and sustainable stormwater management practices.

3.6.2 Proposed Drainage Facilities

To maintain stormwater quality at the required levels, a "treatment train" approach is proposed where various types of pollutants are removed by a number of devices acting in series. The devices that have been selected to mitigate the expected pollutant loads are 'land take' efficient; have relatively low maintenance requirements and will ensure the water quality that discharges into Cataract Creek and its tributaries meets the prescribed targets. Works to be provided under this Contributions Plan are set out in Table 5.

TABLE 5: PROPOSED WATER CYCLE MANAGEMENT FACILITIES

Water Quality Measures	
Inlet Pit Filter Inserts and Gross Pollutant Traps (GPTs)	GPT devices are to be provided at the outlet to stormwater pipes. These systems operate as a primary treatment to remove litter, vegetative matter, free oils and grease and coarse sediments prior to discharge to downstream (Secondary and Tertiary) treatment devices.
Swales	Four (4) swales are proposed on the fringes of the riparian corridors. The swales will collect and convey base flows from selected catchments and discharge them to the bioretention systems and raingardens for further treatment.
Bio-retention Systems and Raingardens	Twenty (20) regional scale bio-retention systems and 'rain gardens' are proposed within the development. Rain gardens are large scale, non-linear bioretention systems. The systems will be appropriately sized to achieve the nutrient reduction targets outlined in the <i>Office of Environment and Heritage draft</i> guidelines (2006). The bio-retention systems and rain gardens will also attenuate first flush flows to reduce the risk of stream erosion within the

Water Quality Measures	
	water courses.
Pond	<p>One (1) pond is proposed for Box Hill North, located at the confluence of the two main water courses within the central portion of the site. The pond will provide multiple benefits to the site including, aesthetics, water quality, potential stormwater harvesting and reuse opportunities and minor volume management. The pond will also include wetland planting at appropriate locations.</p> <p>Stormwater flows up to at least the 3 month ARI will be treated by a combination of other water quality devices prior to entering the lake. The lake is approximately 4 hectares in area, will have an extended detention depth of at least 300mm and a hydraulic retention time of 8 hours.</p>
Detention Basins	Peak storm flow attenuation up to the 100 year ARI event is addressed through the provision of six (6) online and offline detention storages located within the site. Two (2) of these basins are designed to manage 2 year ARI peak flows, with excess flows overtopping into an adjacent basin for attenuation up to the 100 year ARI event.

3.6.3 Apportionment

The water management facilities are required to address the water quality and quantity targets contained within the Growth Centres Development Code as determined by the DECC.

The need to provide the water cycle management facilities identified in this part of the plan is generated by the residential development of the Box Hill North Precinct. It is therefore appropriate that all development within the Box Hill North Precinct be subject to the full cost of providing these facilities.

3.6.4 Schedule of Works and Cost Estimates

A schedule of Water Management Facilities to be levied under this plan is included in Table 6 – Works Schedules. Cost estimates are included for both capital works and land acquisition. Each facility to be provided can be located by reference to Figure 2 - Location of Facilities.

3.6.5 Contributions Formula

The formula used to calculate the contributions rate for Water Management Facilities – capital works and Water Management Facilities – land acquisition for residential development is set out in Section 2.20.

The contribution rates for Water Management Facilities are set out in Table 8.

3.7 Plan Administration

3.7.1 Administration and Plan Preparation

The preparation, on-going review, and implementation of this Contributions Plan requires significant Council resources. This includes allocation of time from forward planning, services delivery and community development staff together with professional fees, to prepare and review the Contributions Plan.

Once the plan is in place, further staff time will be required to manage the contributions system which includes the calculation and recording of contribution payments as well as monitoring of development, population, works schedule expenditure and indexation assumptions. The costs associated with the preparation and administration of this plan will therefore be levied for under this Contributions Plan.

Administration and plan preparation costs have been assumed to be 1.4% of the total value of capital works to be provided under the plan.

3.7.2 Apportionment

All residential development will equally fund plan preparation and ongoing administration costs over the life of the plan.

3.7.3 Schedule of Works and Cost Estimates

A schedule of administration costs are included in Table 6 – Works Schedules.

3.7.4 Contributions Formula

The formula used to calculate the contributions rate for administration costs is set out in Section 2.20.

The contribution rates for administration costs are set out in Table 8.

3.8 Work Schedules

The capital items in this works schedule have been costed by the following consultants:

- J. Wyndham Prince – Water Cycle Management Plan;
- GTA Consultants – Box Hill North– Transport and Access Impact Assessment; and
- Elton Consulting – Box Hill North Social Planning Report.

The priorities for provision of public facilities and services identified in Sections 3.3 to 3.7 of this plan have been included in the works schedules (Table 6). The implementation of the various facilities and services has been prioritised according to the particular needs of the incoming population and is linked to a population threshold. The ability to deliver a particular facility is largely dependent upon the rate of development within the Box Hill North Precinct, and the corresponding receipt of contributions by Council.

Many facilities such as such as cycleways along roads, roundabouts, drainage links and local open space generally provide a local level of service. Accordingly these facilities will generally be implemented concurrent with the affected or adjoining subdivisions, subject to the receipt of sufficient contributions.

Overall, the population projections contained within this plan are based upon a 16 year time frame. It is intended that facilities identified within the works schedule to the Contributions Plan will be delivered within this time period. A summary of the program of works by facility category is included in Table 7 and contains indexation assumptions. Monitoring of the plan in accordance with Section 2.21 will allow for review and adjustment of population projections and the works schedule as required.

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TABLE 6: WORKS SCHEDULES

Water Cycle Management Facilities					
Item No	Item Identification	Description	Quantity	Unit	Council (\$)
Combined Basin and Raingarden Facilities					
1	Basin A	Combined Basin incl. three (3) raingardens one (1) Swale & GPT	137,200	m3	\$10,696,000
2	Basin A West	Combined Basin incl. one (1) raingarden & GPT	10,700	m3	\$1,417,000
3	Basin A South	Basin	18,000	m3	\$797,000
4	Basin B	Combined Basin incl. one (1) raingarden & GPT	3,800	m3	\$1,278,000
5	Basin C	Combined Basin incl. one (1) raingarden & GPT	6,900	m3	\$2,118,000
6	Basin D	Combined Basin incl. one (1) raingarden & GPT	7,100	m3	\$2,115,000
Single Raingardens					
7	Raingarden A	Bioretention raingarden	420	m2	\$190,000
8	Raingarden B	Bioretention raingarden	840	m2	\$335,000
9	Raingarden C	Bioretention raingarden	1,250	m2	\$473,000
10	Raingarden D	Bioretention raingarden	1,900	m2	\$841,000
11	Raingarden E	Bioretention raingarden	1,100	m2	\$425,000
12	Raingarden F	Bioretention raingarden	1,350	m2	\$590,000
13	Raingarden G	Bioretention raingarden	1,300	m2	\$576,000
14	Raingarden H	Bioretention raingarden	900	m2	\$427,000
15	Raingarden I	Bioretention raingarden	800	m2	\$378,000
16	Raingarden J	Bioretention raingarden	2,300	m2	\$974,000
17	Raingarden K	Bioretention raingarden	1,550	m2	\$663,000
18	Raingarden L	Bioretention raingarden	550	m2	\$298,000
19	Raingarden M	Bioretention raingarden	220	m2	\$179,000
Swales					
20	Swale SW02	Swale	200	m	\$217,000
21	Swale SW03	Swale	225	m	\$161,000
22	Swale SW04	Swale	240	m	\$137,000
Culverts					
23	Culverts	4 Culverts		Item	\$3,305,000

Water Cycle Management Facilities					
Item No	Item Identification	Description	Quantity	Unit	Council (\$)
Creek Embellishment Works					
24	Creek embellishment	Site filling and re-grading within existing creeks	397,800	m3	\$3,978,000
Water Management Embellishment					
25	Transmission Line Park (1.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	5.006	Ha	\$2,002,400
26	CPW Park works (3.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	0.440	Ha	\$176,000
27	Central square / southern portion (4A)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	11.230	Ha	\$6,738,000
28	Western Portion (4B)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	5.150	Ha	\$2,060,000
29	Riparian Park near oval (5.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	5.140	Ha	\$2,056,000
30	Eastern Drainage Park (6.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	0.880	Ha	\$352,000
31	SSTF Park (8.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	9.180	Ha	\$0
32	Southern Drainage Line (9.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	0.930	Ha	\$372,000
33	SE Riparian Park (11.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	2.641	Ha	\$1,056,400
34	Western Drainage Park (12.0)	Drainage land embellishment Riparian planting with a high proportion of native species and smaller stock (approximately 3 plants per m ²)	6.810	Ha	\$2,724,000
Sub-Total					\$50,104,800

Transport Facilities					
Item No	Item Identification	Description	Quantity	Unit	Council (\$)
Collector Roads					
19	New Road (Collector Road 1)	New Road between Boundary Road and Janpieter Road	1,082	m	\$11,902,000
20	Road Upgrade (Collector Road 2)	Upgrade of Red Gables Road	1,735	m	\$19,085,000
21	New Road (Collector Road 3)	New Road between Maguires Road and Old Pitt Town Road (east)	2,000	m	\$22,000,000
22	New Road (Collector Road 4)	New Road between Maguires Road and Old Pitt Town Road (west)	820	m	\$9,020,000
23	New Road (Collector Road 5)	Extension of Janpieter Road (south)	744	m	\$8,184,000
24	Road Upgrade (Collector Road 5)	Upgrade of Janpieter Road (north)	724	m	\$7,964,000
Road Upgrades					
15	Boundary Road (north) Resurfacing	Resurfacing Pavement b/n Old Pitt Town Road & Maguires Road	2,771	m	\$1,022,499
16	Old Pitt Town Road Widening	Between ~150 m west of BHN Access Road West and ~150 m east of BHN Access Road East.	1	item	\$3,368,000
28	Boundary Road	Additional works (i.e. removing crest)	1	item	\$1,000,000
Cycleways					
25	Cycleway 1	Adjoining open space and water management	2,268	m	\$340,200
26	Cycleway 2	Adjoining open space and water management	1402	m	\$210,300
27	Cycleway 3	Adjoining open space and water management	597	m	\$89,550
Intersections					
6	Boundary Road/ Maguires Road	Give-way control: Localised widening, turn bays	1	item	\$140,000
7	Boundary Road/ opposite Hession Road	Give-way control: Localised widening, turn bays	1	item	\$140,000
8	Boundary Road/ Red Gables Road	Give-way control: Localised widening, turn bays	1	item	\$140,000
9	Boundary Road/ Cataract Road	Give-way control: Localised widening, turn bays	1	item	\$140,000
10	Boundary Road/ Old Pitt Town Road	Convert to dual-lane roundabout	1	item	\$700,000
11	Old Pitt Town Rd/ BHN Access Rd West	Provide new dual-lane roundabout	1	item	\$700,000
12	Old Pitt Town Road/ Terry Road	Upgrade existing intersection to a dual (2) lane roundabout	1	item	\$700,000
13	Old Pitt Town Rd/ BHN Access Rd East	Provide new dual-lane roundabout	1	item	\$700,000
14	Annangrove Rd/ Water Ln/ Withers Rd	Provide left turn/slip lane	1	item	\$290,000
29	Roundabouts	Mountable Roundabouts at various locations	6	item	\$788,871

Bus Stops					
17	Bus stops along D2	Provide 12 additional bus stops along Route D2	12	item	\$94,729
18	Bus stops along D3	Provide 16 additional bus stops along Route D3	16	item	\$126,305
Sub-Total					\$88,845,456

Open Space Facilities					
Item No	Item Identification and Description	Quantity	Unit	\$ Rate / ha	Council (\$)
Sporting Grounds					
7	NE playing fields embellishment – mixed active and passive open space with sports fields, amenities block, seating, pathways, lighting, BBQs and fencing	4.85	ha	\$750,000	\$3,637,500
10	Central Park playing field works – mixed active open and passive open space with sports fields, amenities block, seating, pathways, lighting, BBQs and fencing	4.37	ha	\$750,000	\$3,277,500
Local Open Space					
1	Transmission Line Park works – informal linear park with planting, seating and pathways	10.02	ha	\$400,000	\$4,009,600
3	CPW Park works – informal linear park with plating, seating and pathways	2.79	ha	\$400,000	\$1,116,000
4A	Central square and southern portion – playground equipment, seating, pathways and lighting	2.22	ha	\$600,000	\$1,332,000
6	Eastern Drainage Park landscaping – informal park with planting, seating and pathways	3.65	ha	\$400,000	\$1,460,000
8	SSTF Park landscaping – informal park with planting, seating and pathways	0.00	ha	\$400,000	\$-
11	SE Riparian Park landscaping – informal park with planting, seating and pathways	1.74	ha	\$400,000	\$695,600
12	Western Drainage Park – informal park with planting, seating and pathways	0.58	ha	\$400,000	\$232,000
13	Pocket Park 1 landscaping – playground equipment, seating, pathways and lighting	0.84	ha	\$600,000	\$506,640
14	Pocket Park 2 landscaping – playground equipment, seating, pathways and lighting	0.58	ha	\$600,000	\$351,000
15	Pocket Park 3 landscaping – playground equipment, seating, pathways and lighting	0.59	ha	\$600,000	\$353,280
16	Pocket Park 4 landscaping – playground equipment, seating, pathways and lighting	0.45	ha	\$600,000	\$270,000
Sub-Total		40.88	ha		\$17,241,120

Administration	
Item Identification and Description	Council (\$)
Council administration costs – preparation, review and implementation of Contributions Plan	\$1,800,000
Preparation of background studies	\$300,000
Sub-Total	\$2,100,000

Land Acquisition				
Category	Description	Quantity	Unit	Council (\$)
Water Cycle Management	Water Cycle Management Land Acquisition	47.41	ha	\$28,200,860
Traffic and Transport	Traffic and Transport Management Land Acquisition	13.86	ha	\$16,391,088
Open Space	Open Space Land Acquisition	40.88	ha	\$38,404,712
Community Facilities	Community Facilities Land Acquisition	0.2	ha	\$360,000
Sub-Total		102.35	ha	\$83,356,660

Beginning of period	1/7/14	1/7/15	1/7/16	1/7/17	1/7/18	1/7/19	1/7/20	1/7/21	1/7/22
End of period	30/6/15	30/6/16	30/6/17	30/6/18	30/6/19	30/6/20	30/6/21	30/6/22	30/6/23
Calendar Year Start	2014	2015	2016	2017	2018	2019	2020	2021	2022
<i>Expenditure Projections Base Year Costs</i>									
Open Space Facilities Land	-\$38,404,712	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Open Space Facilities Capital	\$0	-\$1,153,163	-\$4,281,086	-\$734,774	-\$759,242	-\$4,284,845	\$0	-\$4,413,979	-\$658,432
Traffic Facilities Land	-\$16,391,088	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Traffic Facilities Capital	\$0	-\$6,673,012	\$0	-\$15,635,799	-\$17,818,900	\$0	-\$9,807,092	-\$4,369,733	\$0
Water Management Land	-\$26,761,282	\$0	\$0	-\$392,122	\$0	\$0	\$0	-\$439,626	\$0
Water Management Capital	\$0	-\$3,285,037	-\$4,855,299	-\$8,430,921	-\$18,759,827	-\$938,838	-\$812,967	-\$7,973,816	\$0
Community Facilities Land	-\$360,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Community Facilities Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration Costs	\$0	-\$422,813	-\$118,195	-\$121,150	-\$124,179	-\$127,283	-\$130,466	-\$133,727	-\$137,070
Total	-\$81,917,082	-\$11,534,024	-\$9,254,580	-\$25,314,766	-\$37,462,148	-\$5,350,966	-\$10,750,524	-\$17,330,881	-\$795,502

Beginning of period	1/7/23	1/7/24	1/7/25	1/7/26	1/7/27	1/7/28	1/7/29	1/7/30		
End of period	30/6/24	30/6/25	30/6/26	30/6/27	30/6/28	30/6/29	30/6/30	30/6/31		
Calendar Year Start	2023	2024	2025	2026	2027	2028	2029	2030	Total	Pv
<i>Expenditure Projections Base Year Costs</i>										
Open Space Facilities Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$38,404,712	-\$38,404,712
Open Space Facilities Capital	\$0	-\$965,215	\$0	-\$2,163,067	-\$1,078,174	\$0	\$0	-\$456,023	-\$20,491,976	-\$16,180,152
Traffic Facilities Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$16,391,088	-\$16,391,088
Traffic Facilities Capital	-\$14,843,938	-\$37,635,750	-\$350,802	\$0	\$0	-\$320,249	-\$284,912	-\$3,808,636	-\$107,455,274	-\$82,414,139
Water Management Land	\$0	\$0	-\$492,884	\$0	\$0	\$0	-\$552,594	\$0	-\$28,085,913	-\$28,017,197
Water Management Capital	-\$2,406,080	-\$3,384,558	-\$1,372,796	-\$2,653,461	\$0	-\$2,585,164	-\$1,114,947	-\$1,992,989	-\$57,458,764	-\$47,112,548
Community Facilities Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$360,000	-\$360,000
Community Facilities Capital	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administration Costs	-\$140,497	-\$144,010	-\$147,610	-\$151,300	-\$155,082	-\$158,960	-\$162,934	-\$167,007	-\$2,212,342	-\$1,827,670
Total	-\$17,390,515	-\$42,129,532	-\$2,364,091	-\$4,967,828	-\$1,233,257	-\$3,064,372	-\$2,115,385	-\$6,424,654	-\$270,860,069	-\$230,707,506

Indexation Assumptions

Land Acquisition Index	2.90% per annum
Capital Expenditure Index	3.33% per annum
Administrative Costs Index	2.50% per annum
Discount Rate	4.50% per annum

Note. Refer to Section 2.20 of the Contributions Plan for source of indexation assumptions

Note. Land which will be owned by the major Developer of the Box Hill North Precinct and Dedicated to Council in accordance with the VPA has been included in Year 1. Income has been matched to the Year 1 Land Acquisition expenditure as no escalation should be applied to land which will be owned from the commencement of the plan

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TABLE 8: CONTRIBUTION RATE SCHEDULE

CP 16 Box Hill North

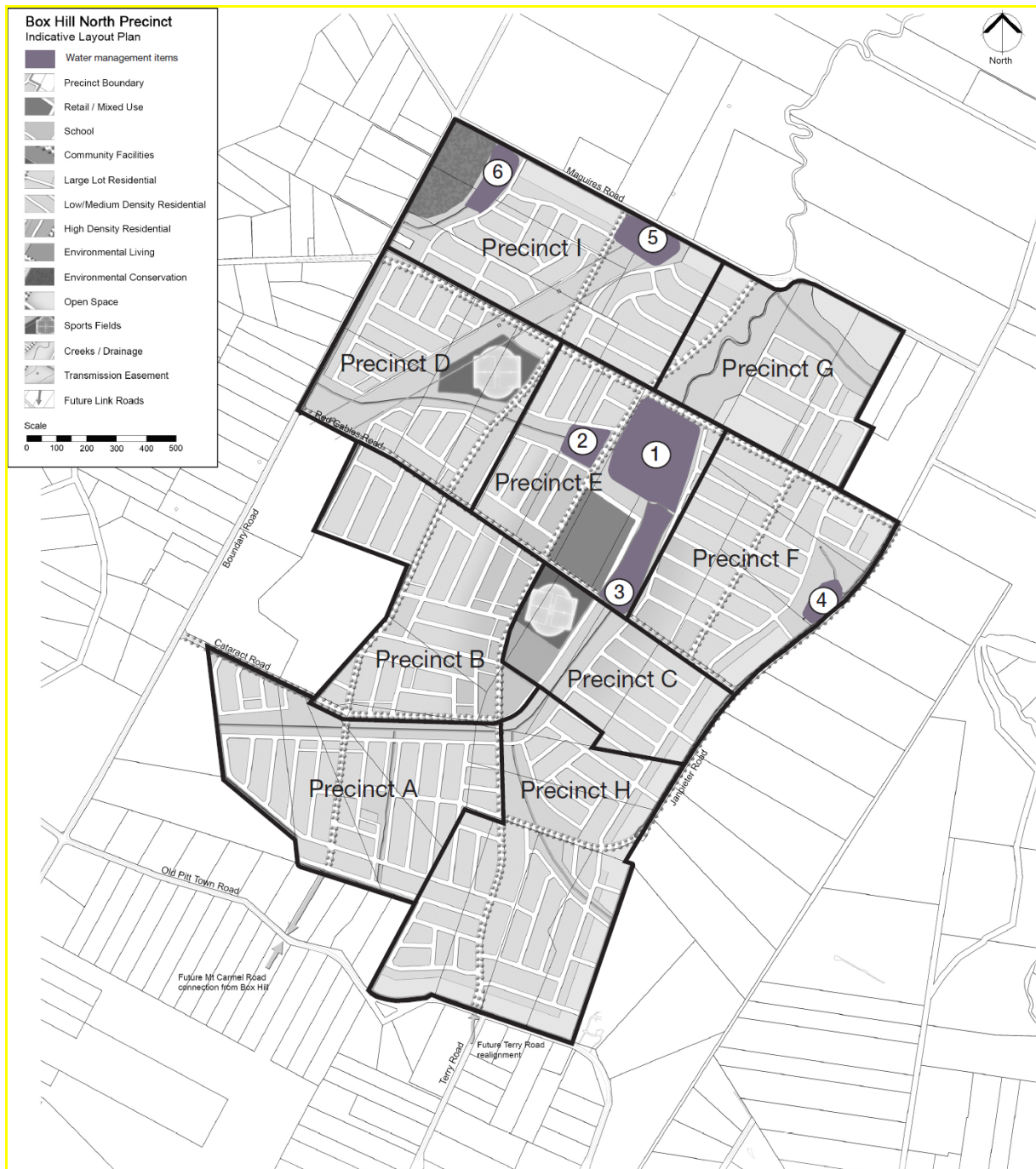
Residential Rates Schedule

Facility Category	Total Cost (PV)	Rate Per Person	CONTRIBUTION RATE PER LOT/UNIT				
			Dwelling Houses	Multi Unit Housing*			
				4 bedroom	3 bedroom	2 bedroom	1 bedroom
Open Space - Land	-\$38,404,712.33	\$3,298.16	\$11,213.76	\$10,224.31	\$8,245.41	\$5,936.69	\$5,606.88
Open Space - Capital	-\$16,180,152.38	\$1,389.54	\$4,724.43	\$4,307.57	\$3,473.84	\$2,501.17	\$2,362.21
Transport Facilities - Land	-\$16,391,088.00	\$1,407.65	\$4,786.02	\$4,363.72	\$3,519.13	\$2,533.77	\$2,393.01
Transport Facilities - Capital	-\$82,414,138.70	\$7,077.66	\$24,064.03	\$21,940.73	\$17,694.14	\$12,739.78	\$12,032.01
Water Management - Land	-\$28,017,197.05	\$2,406.09	\$8,180.72	\$7,458.89	\$6,015.23	\$4,330.97	\$4,090.36
Water Management - Capital	-\$47,112,548.27	\$4,045.98	\$13,756.35	\$12,542.55	\$10,114.96	\$7,282.77	\$6,878.17
Community Facilities - Land	-\$360,000.00	\$30.92	\$105.12	\$95.84	\$77.29	\$55.65	\$52.56
Community Facilities - Capital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Administration	-\$1,827,669.65	\$156.96	\$533.66	\$486.57	\$392.40	\$282.53	\$266.83
Total	-\$230,707,506.38	\$19,812.96	\$67,364.07	\$61,420.18	\$49,532.40	\$35,663.33	\$33,682.03
2015/2016		\$21,245.19	\$72,233.64	\$65,860.08	\$53,112.97	\$38,241.34	\$36,116.82
2016/2017		\$21,776.32	\$74,039.48	\$67,506.58	\$54,440.79	\$39,197.37	\$37,019.74
2017/2018		\$22,320.72	\$75,890.46	\$69,194.25	\$55,801.81	\$40,177.30	\$37,945.23
2018/2019		\$22,878.74	\$77,787.73	\$70,924.10	\$57,196.86	\$41,181.74	\$38,893.86

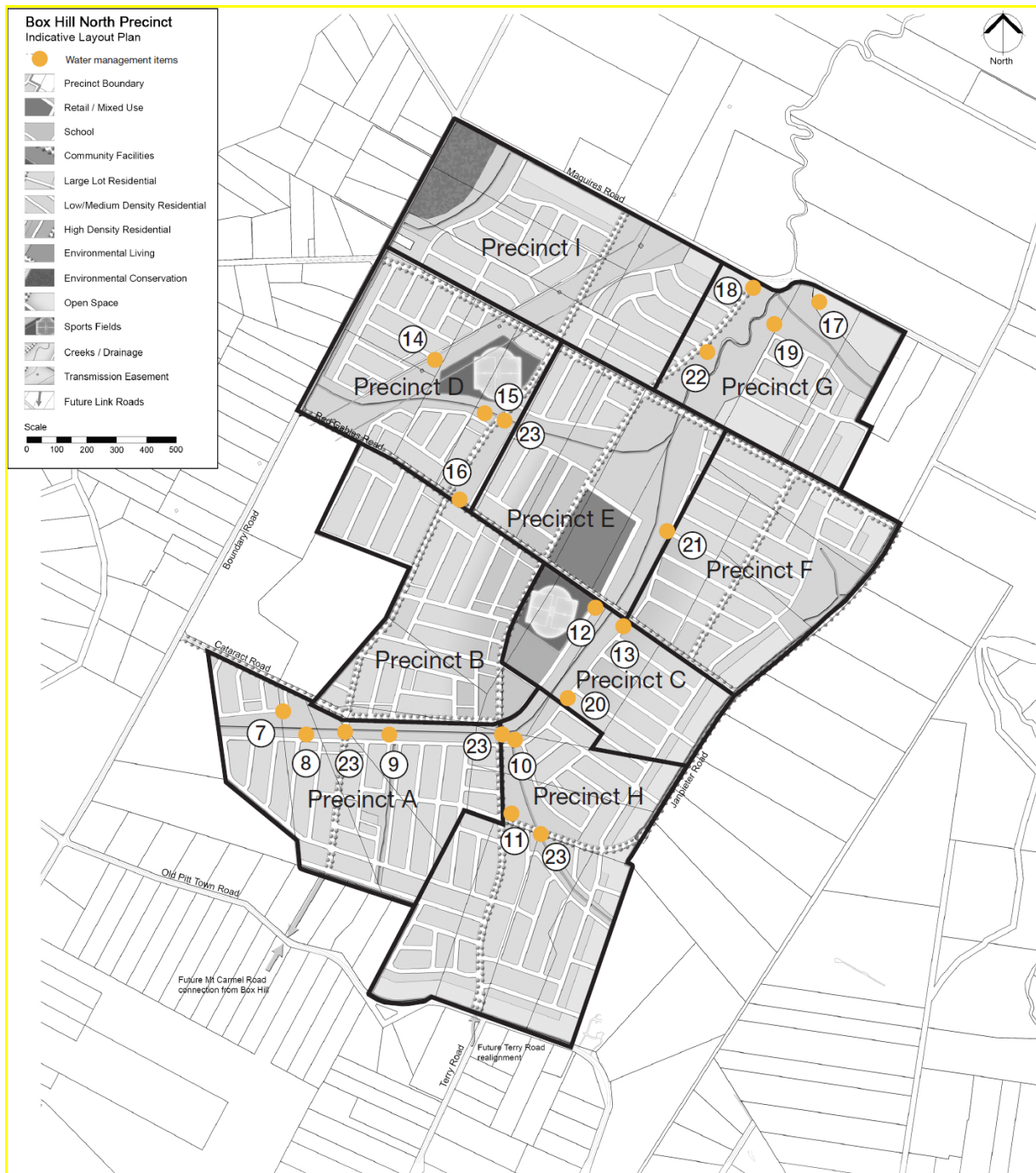
* Multi Unit Housing includes Attached Dwellings, Multi Dwelling Housing and Residential Flat Buildings

FIGURE 2: LOCATION OF FACILITIES (SHEETS 1 – 7)

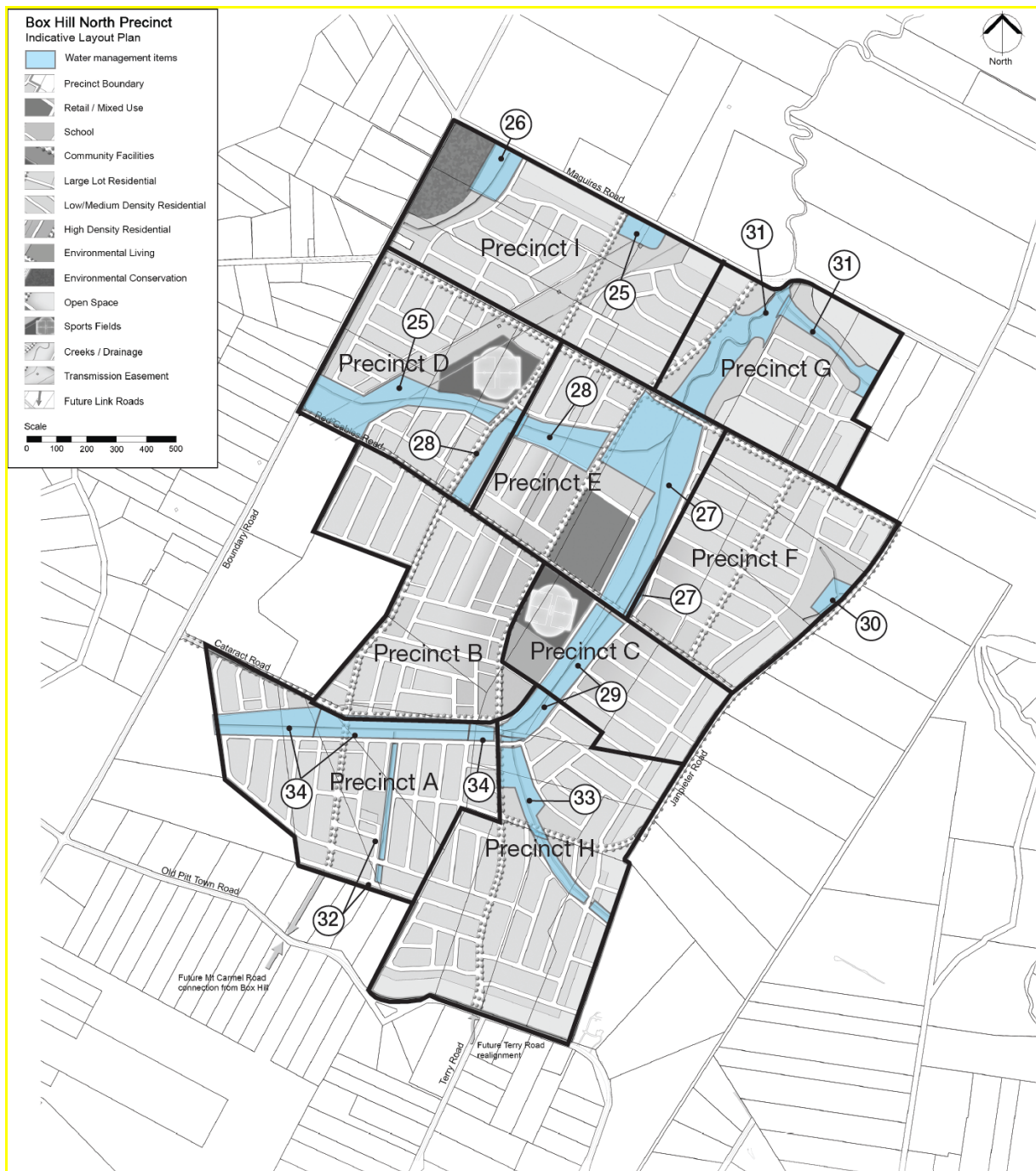
WATER CYCLE MANAGEMENT – COMBINED BASIN AND RAINGARDEN FACILITIES (ITEMS 1-6)



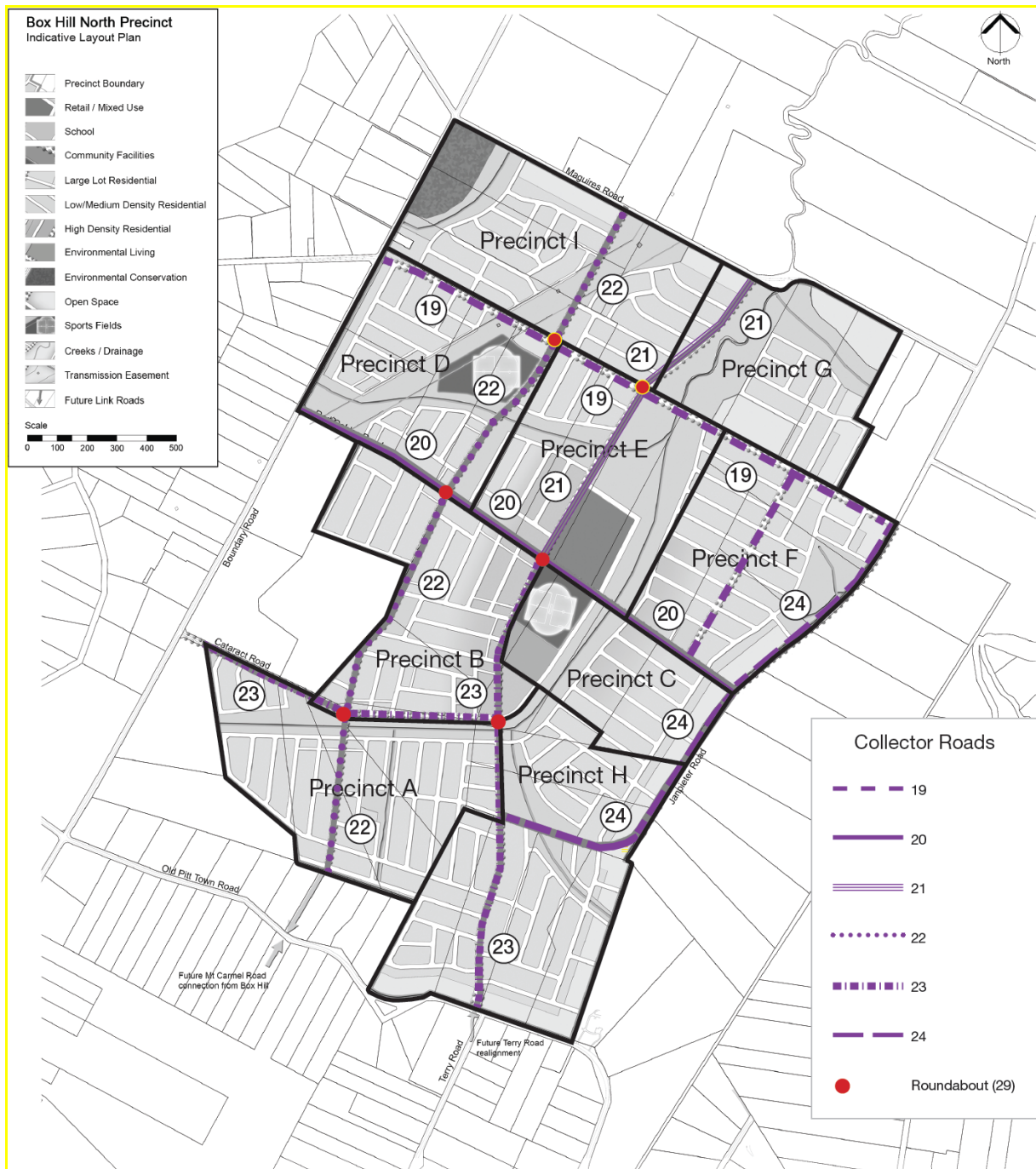
WATER CYCLE MANAGEMENT – SINGLE RAINGARDENS, SWALES AND CULVERTS (ITEMS 7-23)



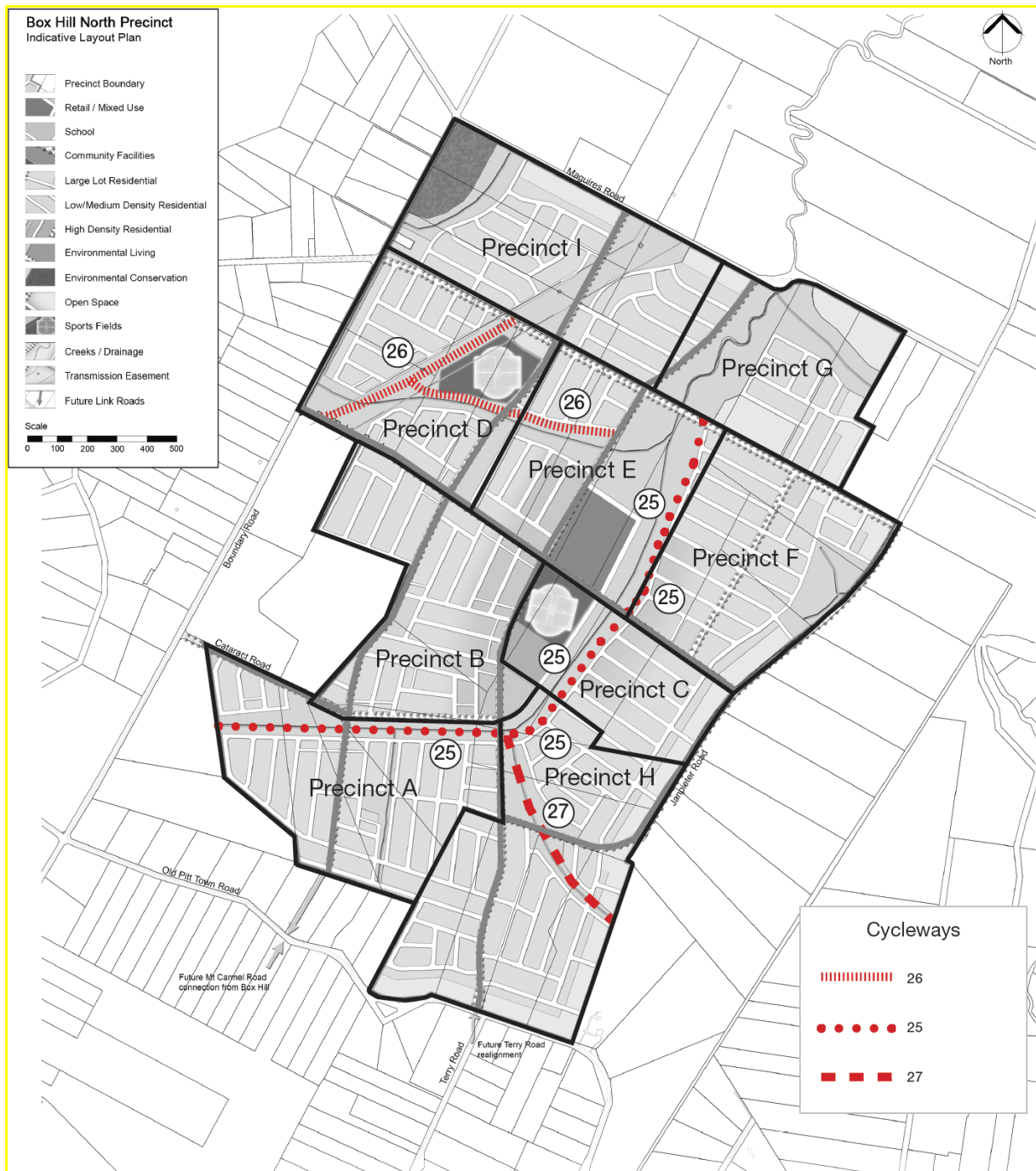
WATER CYCLE MANAGEMENT – WATER MANAGEMENT EMBELLISHMENT (ITEMS 25-34)



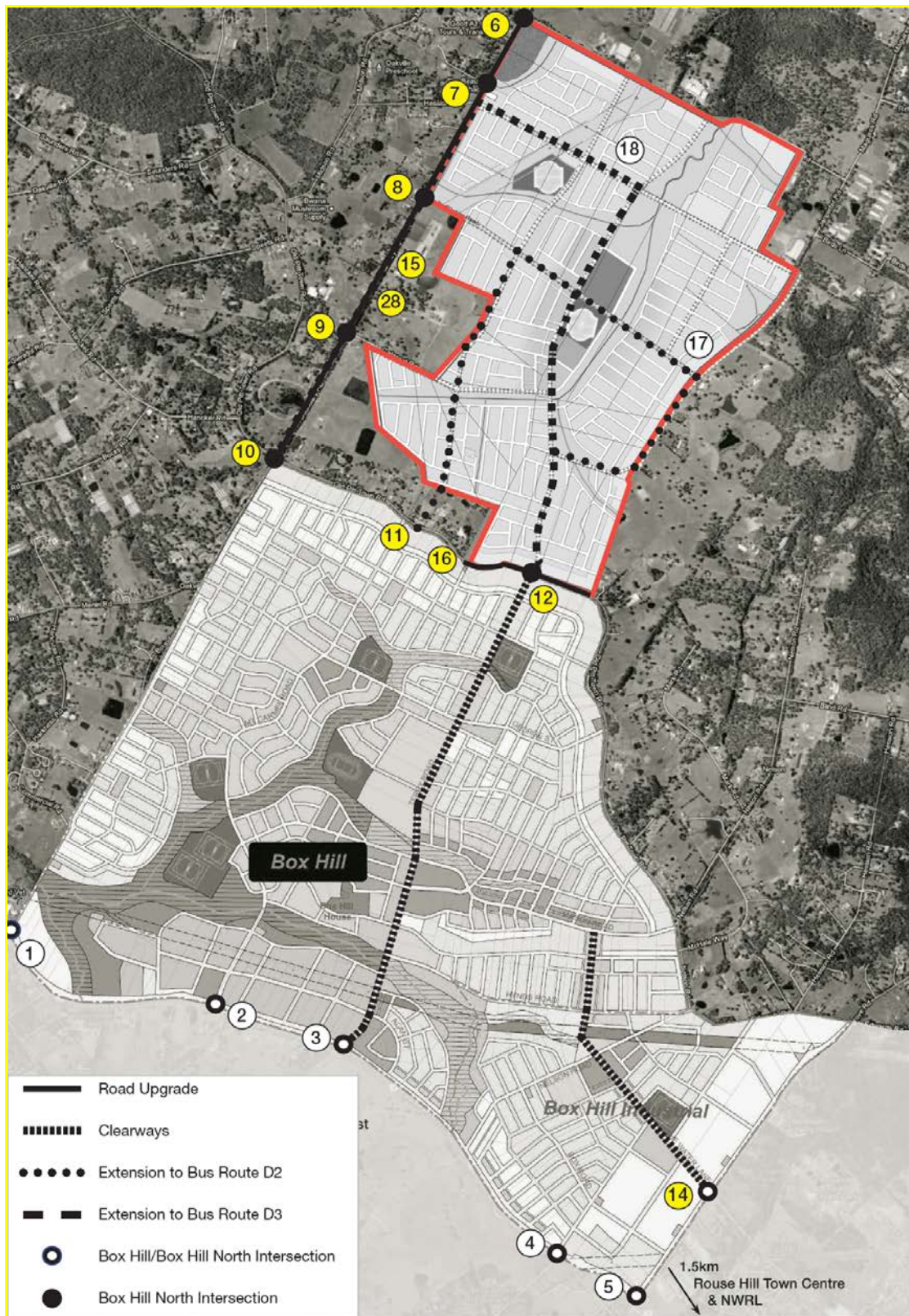
TRANSPORT FACILITIES – COLLECTOR ROADS AND ROUNDABOUTS (ITEMS 19-24 & 29)



TRANSPORT FACILITIES – CYCLEWAYS (ITEMS 25-27)

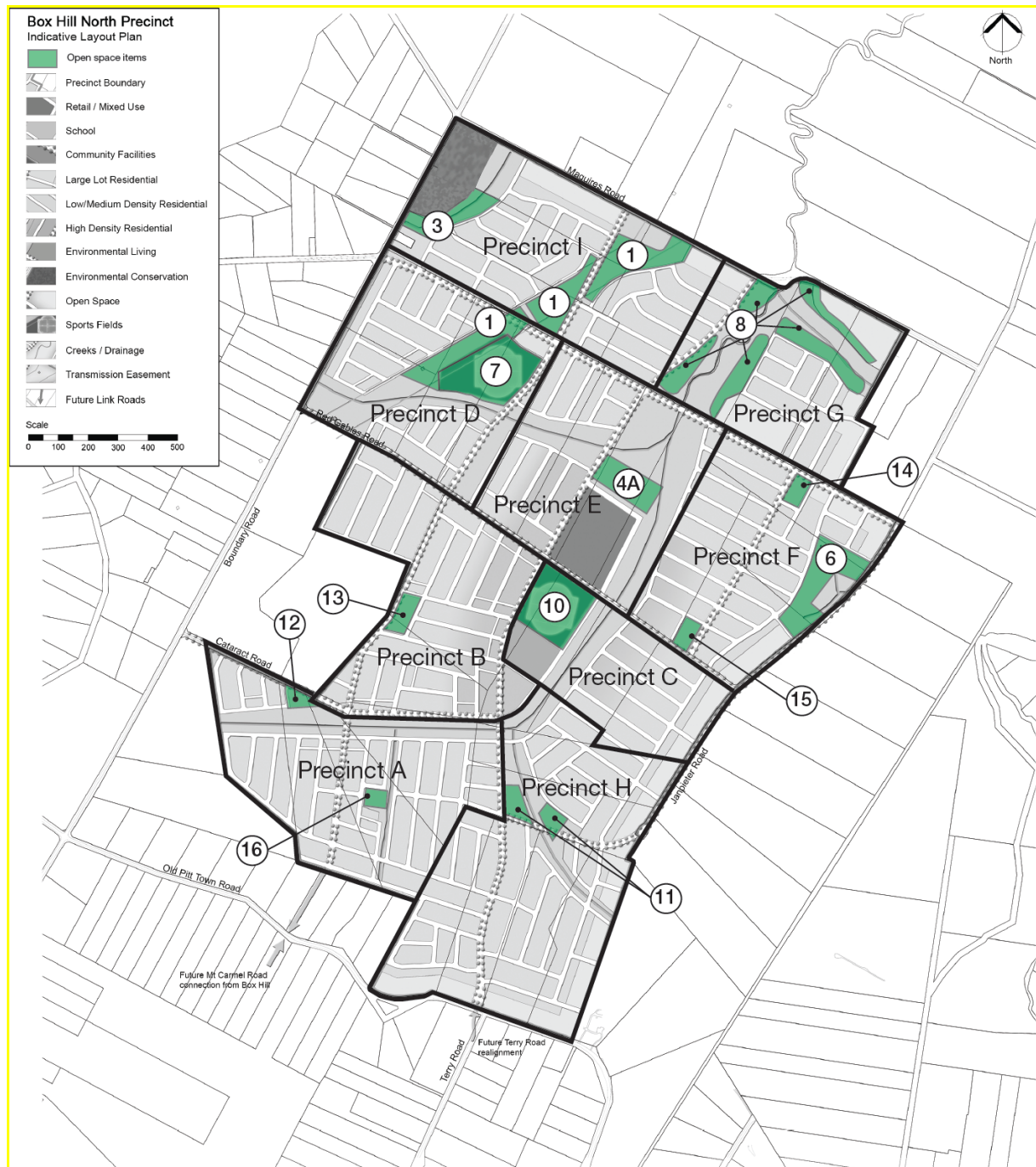


TRANSPORT FACILITIES – ROAD UPGRADES, INTERSECTIONS AND BUS STOPS (ITEMS 1-18 & 28)



Note: Items 1-5 are excluded from this plan.

OPEN SPACE FACILITIES – SPORTING GROUNDS AND LOCAL OPEN SPACE (ITEMS 1-16)



4 PART D: SUPPORTING MATERIAL

The following list identifies reports, documents and studies, which have been used for researching the basis of strategies and the Section 94 Contributions Plan:

- Department of Planning (2004), Section 94 Contributions Plans Practice Notes
- Environmental Planning and Assessment Act 1979
- Environmental Planning and Assessment, Regulation 2000
- Directions of the Minister for Planning in regard to Section 94 Contributions
- J. Wyndham Prince – Water Cycle Management Plan - Box Hill North Precinct (2013);
- Elton Consulting – Box Hill North Precinct Social Planning Report (2013); and
- GTA Consultants – Box Hill North Transport and Access Impact Assessment (2013);