

FACT SHEET

Summary of Blacktown City Council's Draft Section 94 Contributions Plan No 24 reviewed by IPART

Based on IPART's assessment of Blacktown City Council's Draft Section 94 Contributions Plans no 24 – Schofields Precinct

Background

In 2010, IPART was given the role of reviewing certain section 94 development contributions plans. Our current role is set out in a Practice Note issued by the Department of Planning and Environment (DP&E) that was updated in February 2014.

This Practice Note lists which contributions plans require review by IPART:

- ▼ new contributions plans that propose a developer contribution level above the relevant cap
- ▼ existing contributions plans above the relevant cap for which a council seeks funding from the Priority Infrastructure Fund (now the Local Infrastructure Growth Scheme) or through a special rate variation under the *Local Government Act 1993*
- ▼ contributions plans referred by the Minister for Planning.

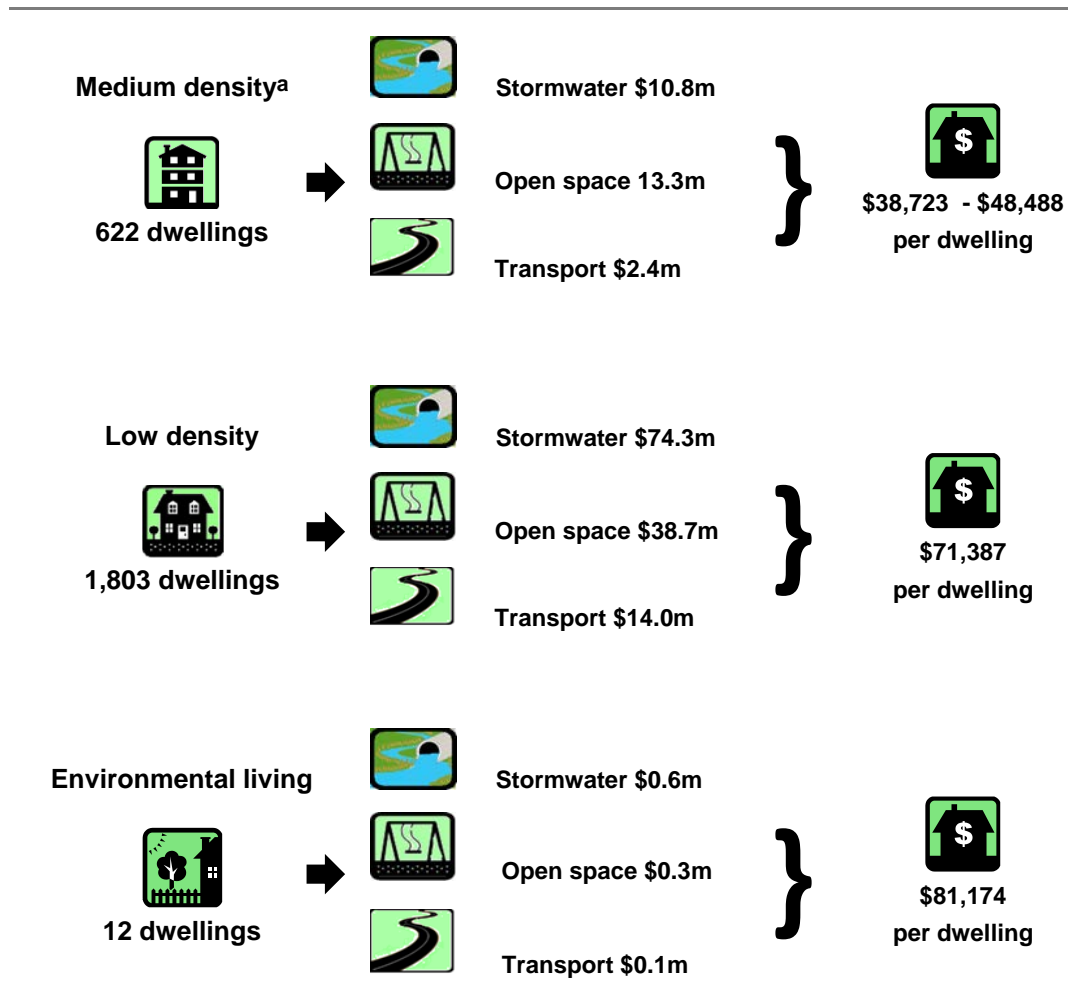
The Practice Note also sets out the requirements for submissions of contributions plan to us for review, and the criteria against which contributions plans will be assessed.

Why did we review Draft Contributions Plan No 24 – Schofields Precinct?

We reviewed the draft contributions plan for the Schofields Precinct (CP24) because it is a new plan which proposes a maximum contribution of \$81,174 per lot/dwelling. This is above the contribution cap of \$30,000 cap for a Greenfield area.

Figure 1 shows the types of dwellings to be developed in the main Eastern Creek catchment of the Schofields Precinct, how much the developments will contribute to the cost of infrastructure in CP24 and the indicative contributions rates proposed by the council.

Figure 1 The council’s proposed contribution rates in the Eastern Creek catchment of CP24, by dwelling type and infrastructure cost



^a Medium density dwellings include densities between 25 dwellings to 40 dwellings per hectare. The council has assumed an occupancy rate of 2.9 persons per dwelling for all medium density dwellings.

Note: This figure is for illustrative purposes only and the costs in the figure will not equal the value of CP24. We have not included land for community services and the combined precinct facility due to the relatively low costs. We have also not included non-residential development and Eastern Creek west catchments in the figure eg, commercial development around the new town centres and houses just south of the Colebee Precinct.

Source: IPART calculations based on CP24, p 63 and Blacktown City Council, Response to IPART queries, 30 June 2014.

How did we review Draft Contributions Plan No 24 – Schofields Precinct?

We reviewed CP24 using the assessment criteria in the Practice Note. This includes whether:

- ▼ The public amenities and public services in the plan are on the 'Essential Works List' as identified within the Practice Note.
- ▼ There is nexus between the development in the area to which the plan applies and the kinds of public amenities and public services identified in the plan.
- ▼ The proposed development contribution is based on a reasonable estimate of the costs of the proposed public amenities and public services.
- ▼ The proposed public amenities and public services can be provided within a reasonable timeframe.
- ▼ The proposed development contribution is based on a reasonable apportionment between existing demand and new demand for the public amenities and public services.
- ▼ The council has conducted appropriate community liaison and publicity in preparing the contributions plan.
- ▼ The plan complies with other matters IPART considers relevant.

We have based our assessment on information provided by the council and have consulted with other stakeholders on specific matters. To gain advice on stormwater infrastructure, we engaged an engineering consultant, Jacobs.

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

Summary of IPART's findings against the assessment criteria

Our assessment reinforces our previous finding from our other reviews in recent years that the cost of providing infrastructure in North West Sydney is significant and well above the caps. In particular, we note that stormwater infrastructure represents a significant cost in CP24 because the Schofields Precinct is located next to the Eastern Creek riparian corridor.

We found that most of the infrastructure and costs in CP24 are reasonable. However, we have made some recommendations to reduce the cost of CP24 because some infrastructure does not meet the assessment criteria and other cost estimates require revision.

Although we have not been able to quantify the impact on costs for all of our recommendations, we estimate that our assessment would reduce the total cost of works by around \$19.8 million, from \$159.3 million to \$139.5 million. We estimate that this would reduce the indicative contributions rates proposed by

the council by around \$7,400 to \$7,900, depending on the dwelling type. This is a reduction of 10.9% for low-density dwellings and up to 19.2% for medium-density dwellings.

We consider that our recommended adjustments to the cost of open space can be implemented prior to the adoption of CP24.

Essential Works List

We found nearly all of the works in the contributions plans are on the Essential Works List except for a conservation zone. We consider that it is reasonable for the apportioned cost of the conservation zone to remain in the plan because of past arrangements between the NSW Government and the council.

Nexus

We found that there is nexus between most of the infrastructure in the plan and the development in the precinct. However, we found that there is an overprovision of open space infrastructure based on the council's current population estimate. We recommend the removal of three basin parks and two tennis courts. Two of these basin parks have limited accessibility and opportunities for passive surveillance.

Reasonable costs

We found that most of the costs in CP24 are reasonable. However, we found that the council needs to make a number of revisions to its cost estimates to ensure that they are up to date and accurate. In particular, the council should reduce its cost estimates for open space by around \$11m. We understand that the council already recognised the need for these revisions since submitting the original CP24 to us for review.

Apportionment

We found that most of the costs are reasonably apportioned. In particular, we consider that it is reasonable to exclude the Transport Corridor Investigation Area¹ as an interim measure. Development options in this area are not yet known and there would be a revenue risk to the council if no development in the area proceeds. For open space, we recommend that local open space costs are not apportioned to residential development west of Eastern Creek because this population is located too far from local parks.

¹ This area is under investigation for future state transport options. This may include rail or major road infrastructure.

Consultation

We consider that the council conducted appropriate community liaison in preparing CP24. The council publicly exhibited CP24 during September 2013 and considered the submissions received in updating the plan. We also took into account the submissions in assessing CP24.

Other matters

Some developers raised concerns regarding the information provided about the council's offset arrangements for works-in-kind in the plan. We recommend that the council provide additional guidance in CP24 about the types of infrastructure covered by offset arrangements and how offsets may be recouped by developers.

Given the extent of necessary revisions in this plan, we also recommend that the council undertake a final quality assurance check of CP24 prior to its adoption. We consider that this should also be done by all councils prior to submitting a contributions plan to IPART for review.

Finally, we have noted that the other information provided in the plan complies with the *Environmental Planning and Assessment Act 1979*, the *Environmental Planning & Assessment Regulation 2000* and DP&E's *Development Contributions Practice Notes – July 2005*.

Further Information

For the full report, please visit our website:

<http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt>