



5 July 2019

Independent Pricing & Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop  
NSW 1240

Attention: Ms Sarah Blackwell

By online submission

Dear Sarah

**IPART's draft assessment of Blacktown City's Section 7.11 Contributions Plans No's 24L and 24W – comments on draft assessment**

Thank you for the opportunity to comment on IPART's draft assessment of our Section 7.11 Contributions Plans No's 24L & 24W – Schofields Precinct Land & Works. We appreciate the opportunity to comment prior to the publication of the final report. Our comments are summarised below against each recommendation.

**Planning Proposals**

We note in IPART's assessment report, media release and 'fact sheet' that it uses the language:

- 'the council did not consider the impact of some major planning proposals for the precinct'
- 'it does not have regard to major upcoming planning proposals for the precinct'
- 'of particular note, when revising the contributions plan the council did not have regard to major upcoming planning proposals'.

In our application to IPART to have CP24 assessed, we were asked "is the council aware of possible changes to any underlying assumptions used in preparing the plan which may be relevant to our assessment including potential rezoning or changes to dwelling yields". We answered no.

This is because the 2 proposals cited by IPART were not at the time, and still remain not imminent, or even at a stage where they could be reasonably used in the preparation of a Section 7.11 contributions plan. At the date of this submission, one of the proposals has not been considered by Gateway and the other remains with the Department of Planning, Industry and Environment.

**Connect - Create - Celebrate**

Council Chambers - 62 Flushcombe Road - Blacktown NSW 2148

Telephone: (02) 9839 6000 - DX 8117 Blacktown

Email: [council@blacktown.nsw.gov.au](mailto:council@blacktown.nsw.gov.au) - Website: [www.blacktown.nsw.gov.au](http://www.blacktown.nsw.gov.au)

All correspondence to: The Chief Executive Officer - PO Box 63 - Blacktown NSW 2148

IPART's inference is that the Council ignored or had no regard to major planning proposals when preparing revised CP24. Council certainly did have regard to these proposals, but they cannot reasonably be used in the preparation of a contributions plan until such time that they are imminent, which would then trigger a review of the contributions plan. We consider that our approach is no different to when Council prepares new contributions plans, which are underpinned by final gazetted precinct planning documents, not draft precinct planning documents, which can change before they are finalised.

When Council prepares new or revised contributions plans, it uses or adjusts population figures based on any gazetted planning proposal that has been determined.

We respectfully request that IPART amend its assessment report in this regard.

#### **IPART's recommendations and our comments**

1. *Undertake a comprehensive review of CP24L and CP24W within 18 months, and in doing so investigate the provision of transport and open space infrastructure:*
  - *needed to meet the demand arising from the higher anticipated development yield in the Schofields Precinct, and*
  - *in response to major planning proposals for the precinct.*

**BCC comment** – we plan to undertake a comprehensive review of CP24L and CP24W within 18 months.

2. *Remove land and works for four detention basins and associated basin outlets and trunk drainage lines to be consistent with the strategy proposed by the GHD NWGC Stormwater Management Strategy Review, which would reduce the cost of:*
  - *stormwater management works in CP24W by an estimated \$16,228,380, and*
  - *stormwater management land in CP24L by an estimated \$7,131,000.*

**BCC comment** - the GHD study is a broad study to assess the overall feasibility of reducing detention requirements. This review is now in the implementation phase which requires more detailed concept design development to quantify works and cost changes. Until this further concept design work is complete, revised costs and land areas can't be fully quantified. It is our intention to incorporate these changes in scope in the major review of CP24 recommended by IPART within 18 months. There will also be refinements to the strategy. Basin SE4.2 has already been constructed which allows the removal of basin SE5.2.

Removal of the detention component can impact the earthworks required for the remaining bioretention treatment systems as these are co-located within the detention basins. For example, excavation required to provide the detention component was included for this item. However, removing the detention component could require part of this excavation to be undertaken as part of the treatment measures now. Full removal of the detention basin cost is not reasonable until the further concept design work is completed.

The GHD report does not recommend removal of basin outlets such as items SE4.1, SE5.1, SE6.1 and SE7.1. In fact, it identifies these works as required compensatory works as a result of removing the detention component. Refer sections 2.4, 8, 9.1.2 and Figure 9.1 of GHD report. Removing the detention component will increase the local peak flows and these must be properly controlled to the existing major creeks. IPART's assessment report should be amended to correct this misinterpretation of the GHD report.

The removal of the land cost associated with the detention works should be deferred until the strategy implementation designs are complete. Blacktown City Council is the nominated acquisition authority for all the SP2 local drainage land under the SEPP. Until this acquisition obligation is formally changed, the cost should not be removed.

3. *Reduce the allowance for 'other acquisition costs' from 5.0% to 2.0% of the estimated market value of land yet to be acquired, except for the E2 Conservation Zone. We estimate this would reduce the total land cost in the plan by \$3,358,000.*

**BCC comment** – a review of the remaining 47 parcels of land to acquire in the Schofields Precinct, which have a total area of around 65.2 hectares, indicates 2 potential acquisition categories. Parcels greater than 1 hectare and parcels less than 1 hectare.

Of the 65.2 hectares, 10.7 hectares (16.4%) consists of 40 parcels of land that are less than 1 hectare in size. The remaining 54.5 hectares (83.6%) consists of 7 parcels of land which are greater than 1 hectare.

It is likely that the cost of transactions for the 7 parcels of land greater than 1 hectare will include valuation, legal, planning, geotechnical and hydrology reports and will be in the order of 2% of the cost of acquisition.

The cost of transactions for the 40 parcels of land less than 1 hectare is likely to be in the order of 5% for valuation, legal, planning, geotechnical and hydrology reports.



Of the 40 parcels, it is likely that about 8 parcels (20%) of land will be acquired through hardship and/or the compulsory acquisition process. This will result in additional costs to manage Valuer General costs and/or Land & Environment Court proceedings.

On this basis we ask that IPART consider 2 more reasonable options that will not result in a loss of income to acquire the land:

**Option A** – 3.5% flat fee is considered in lieu of the 5% initially proposed.

**Option B** – Apply 2% cost to the 7 parcels of land greater than 1 hectare and 5% cost to the 40 parcels of land less than 1 hectare.

We consider that either option would be more reasonable than the flat 2% of the estimated market value of land yet to be acquired as recommended by IPART.

4. *The council undertake a comprehensive review of the cost estimates for transport works, stormwater management works, open space embellishment, and works in the E2 Conservation Zone (Reserve 867) within 18 months. In doing so, it should:*
  - *use the latest available schedule of rates for transport and stormwater management works, ensuring that unit rates are applied consistently across different items and infrastructure categories*
  - *use new QS or cost consultant advice for open space embellishment, applying updated definitions of landscaping types*
  - *use up-to-date designs for all infrastructure categories, including any available designs for required works identified in the NWGC Stormwater Management Strategy Review.*
  - *use updated cost estimates for works in the E2 Conservation Zone (Reserve 867).*

**BCC comment** – this will be done as part of the comprehensive review of CP24L and CP24W within 18 months.

5. *Calculate the cost of plan administration for CP24W (2018) based on 1.5% of the adjusted cost of works. This would reduce the cost of plan administration by an estimated \$243,833.*

**BCC comment** – we will recalculate the cost of plan administration for CP24W (2018) based on 1.5% of the adjusted cost for works in accordance with the Minister's advice.

6. *Amend the description of works prioritisation in CP24W so that it is consistent with Appendix A of the plan, and include additional information in the plan to provide stakeholders with information about how planning proposals, works-in-kind (WIK)*

*Agreements, Voluntary Planning Agreements (VPAs) or any other factors could influence when works are delivered.*

**BCC comment** – we agree to do this.

7. *In CP24L provide the indicative timing, or factors influencing the timing, of land acquisitions for all infrastructure categories for which contributions will be levied.*

**BCC comment** - we agree to do this.

8. *When undertaking a comprehensive review of CP24L and CP24W, revise the indicative timeframe for the provision of the remaining works to be delivered and land acquisition.*

**BCC comment** – we agree to do this.

9. *Update the apportionment of costs and calculation of contribution rates using a population forecast of 10,491 residents. This requires adjustment to the per person contribution rates for the transport, open space, community services, and E2 Conservation Zone infrastructure categories, and for the cost of plan administration for those infrastructure categories, where relevant.*

**BCC comment** - we do not agree that revised population estimates should be adjusted in the contributions plan until such time that additional local infrastructure is planned and included in an amended contributions plan to match the demand created by the additional population.

We have consistently advocated to the Department of Planning, Industry and Environment that if additional population in a precinct or across a number of precincts is increased or recognised in a published report, then amended precinct planning should take place to address the infrastructure provision shortfall.

The Department of Planning, Industry and Environment is the lead agency in planning the North West and South West Growth Areas. Blacktown City Council cannot on its own, rezone land in the NWGA to match population growth. This should be a collaborative approach by all government stakeholders.

IPART has in the past, made a number of recommendations to the Department of Planning, Industry and Environment in its assessment of contributions plans. We understand that IPART supports our view of aligning additional population with the provision of additional local infrastructure to ensure that communities receive the essential local infrastructure that development creates.



Our understanding is supported in Section 3.2.2 of IPART's report where it states 'a higher estimated population for the precinct may affect the demand for infrastructure and the apportionment of costs in the plan. The demand for infrastructure is usually 'lumpy', which means that an increase in the population will not usually require a proportionate increase in infrastructure. Beyond a tipping point, however, a higher population will require more land and works: for example, 1 extra person will not generate the need for more road capacity, however 5,000 extra people might.

This means that, while beyond a point an increase in population forecasts will increase infrastructure costs in a contributions plan, the effect of higher population forecasts will generally be to lower contribution rates in plans as costs are allocated across more people'.

Using IPART's reported population figures to calculate the tipping point for Open Space provision as an example, by using the accepted 2.83 hectares of open space per 1,000 people for the North and South growth centre areas, an additional 8.43 hectares of usable open space for the Schofields Precinct alone is required to satisfy the passive and active recreation demand generated by an additional 2,978 people in the precinct

We respectfully request that IPART include in its CP24 assessment report, a recommendation to the Department of Planning, Industry and Environment to amend its Schofields Precinct Plan to match additional expected population with additional local infrastructure provision.

10. *Use the most recent publicly available population estimates for each of the relevant precincts (see Table 8.4) to apportion the costs of the combined precinct facilities (community services and the E2 Conservation Zone) to CP24 (2018). For CP24 (2018), we estimate this would:*

- *reduce the cost of land for community services by \$136,572*
- *reduce the cost of land for the E2 Conservation Zone by \$77,240*
- *reduce the cost of works for the E2 Conservation Zone by \$27,167.*

**BCC comment** – we do not agree that revised population estimates should be adjusted in the contributions plan until such time that additional local infrastructure is planned and included in an amended contributions plan to match the demand created by the additional population, as explained in our comments to IPART's Recommendation 9.

11. *Apportion the costs for transport infrastructure in CP24L and CP24W across residential development only (and thus remove the non-residential development contributions for transport infrastructure from CP24L and CP24W). Blacktown City*

*Council remove the additional culverts in Killarney Chain of Ponds Creek, which would reduce the costs of stormwater works in CP22W by an estimated \$2,038,000.*

**BCC comment** - all developable zones in the Schofields Precinct are capable of having a residential component. Therefore we could not apportion traffic management facilities the same as we did in CP22 – Rouse Hill, which has zones that exclude residential development.

The non-residential rate would only apply to development that does not have a residential component, such as child care centres.

For example:

If in a R2 residential zone a developer decided to build a private child care centre instead of providing 2 residential lots, they would be levied \$15,971 instead of \$21,256, which would be required if the development was a residential development.

This results in a \$5,285 loss towards the cost of transport infrastructure, in addition to the loss of any other 'per person contributions' expected in residential zones where expected population reduces due to non-residential development.

Additionally, IPART's recommendation is inconsistent with all other contributions plans for non-residential development.

We respectfully consider that IPART may have misunderstood how this is applied and we would welcome a brief discussion before IPART issues its final report.

12. *Update the apportionment of costs within CP24 when more information is available on the proposed development in the Transport Corridor Investigation Area.*

**BCC comment** – we will update the apportionment of costs within CP24 when more information is available on the proposed development in the Transport Corridor Investigation Area

13. *Amend CP24 (2018) to improve transparency around land acquisitions by including:*

- *sufficient information for stakeholders to identify the land acquisitions associated with individual infrastructure items in the plan, and*
- *mapping that enables stakeholders to identify the location of infrastructure and any land acquisitions that are not associated with infrastructure (such as riparian corridor land).*

**BCC comment** – we will provide sufficient information and mapping as recommended.

We welcome the opportunity to discuss any of the information above with IPART. If you would like to discuss this matter further, contact myself on [REDACTED] or Jenny Rodger on [REDACTED]

Yours faithfully

[REDACTED]

Dennis Bagnall  
Manager Developer Contributions