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DAHUA GROUP

27 July 2018

Ms Sarah Blackwell
Independent Pricing and Regulatory Tribunal

By email: Sarah.Blackwell@ipart.nsw.gov.au

Dear Ms Blackwell

Thank you for the opportunity to comment on the application and associated information submitted to IPART in relation to Menangle Park Contributions Plan (the CP).

Dahua Property Group (Dahua) is the majority land owner in the Precinct, with some 70% of the developable land under its control. Dahua therefore has a significant interest in the infrastructure plans and development contributions arrangements applying to the whole of the Precinct.

Dahua, through its consultants APP and GLN Planning, has previously made a submission in respect to the CP prior to its adoption by Campbelltown City Council on 10 April 2018. A copy of the consolidated submission, dated 7 February 2018, is attached to this letter.

Dahua requests that items numbered 1-13 (except 6) in 'Table 1 – Analysis of Section 94 Plan and Dahua Comments' included in that submission be addressed by IPART in its review of the CP.

The council officer's report on the public exhibition of the (then) draft CP addressed some but not all of the matters raised in the Dahua submission. For example, item 8 – Dahua recommends inclusion of the Precinct's RE1 Public Recreation zoned riparian corridor land in the plan. This matter was not considered by the Council before it adopted the CP.

Of the remaining items, Dahua acknowledges the comments in the Council's report that these relate to matters that would be ordinarily addressed by IPART in its review.

If you have any questions regarding this submission, please contact the undersigned on

[REDACTED]
Yours faithfully

DAHUA PROPERTY GROUP

[REDACTED]
Robert Fischer
Assistant Development Director



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7th February 2018

Milan Marecic
Campbelltown City Council
Corner Queen and Broughton Streets
CAMPBELLTOWN NSW 2560

Dear Milan

RE: PUBLIC EXHIBITION OF THE DRAFT MENANGLE PARK SECTION 94 CONTRIBUTIONS PLAN

APP Pty Ltd (APP) in collaboration with GLN Planning (GLN) has reviewed the Draft Menangle Park Section 94 Contributions Plan (S94 Plan) and has prepared this submission on behalf of Dahua Group (Dahua). We thank you for the opportunity to provide a late submission for consideration.

This review follows a submission (dated 10th October 2017) issued to Campbelltown City Council (Council) on 19th October 2017 on an earlier version of the Draft Plan. Section 8 of the previous submission (attached to this letter) contained summary points for Council to consider in preparation of the S94 Plan for exhibition. Table 1 below lists these summary points and identifies whether the comment has been incorporated into the S94 Plan. Additionally, Table 1 outlines the updated Dahua position on each comment outlined.

Table 1 – Analysis of Section 94 Plan and Dahua Comments

Item	Summary Point in Section 8 of Submission Dated 10 th October 2017	Has the Issue Been Addressed in the Exhibited S94 Plan	Dahua Comment on the Exhibited S94 Plan
1.	Include existing roads and proposed public school land in the Precinct’s net developable area.	Based on the NDA figures that appear in Table 2 of the draft plan, this has not been addressed.	Given that the NDA will be reviewed by IPART, no further action is required at this stage.
2.	The Industrial IN1 land comprising its own catchment, and being solely responsible for the drainage items D1.15 (#17 on map Figure 5) and D1.21 (#27 on map Figure 5).	Unclear*. The plan states that development on the IN1 zoned land will not be subject to the plan. However, it is not clear from the exhibition material that the Industrial area has been removed from rates calculations. There are various maps in the draft plan (Figures 2 to 7) that show the inclusion of the industrial area in the plan, and this should be corrected/clarified. Also, items D1.15 (#17 on map Figure 5) and D1.21 (#27 on map Figure 5) should be removed from Figure 5.	Given the confusion due to the exhibition of the previous Works Schedule, our comment that the IN1 Industrial zoned land be considered as an independent drainage catchment stands. Rectification of Figures 2 to 7 to remove the industrial area from the S94 Plan. Items D1.15 and D1.21 on Figure 5 should be removed.
3.	Create a northern and a southern catchment for the purpose of calculating fairer drainage contributions for all non-industrial development in the Precinct.	This has not been addressed.	Given that it is likely that the issue of two drainage catchments will be a matter that IPART will review, no further action is required at this stage.
4.	Remove SPF Stage 1 infrastructure from the draft plan because these road works will be provided under a separate funding arrangement.	The removal of SPF stages 1 and 2 is clear in the plan but the works schedules PDF	We agree that Spring Farm Parkway Stages 1 & 2 should not be included under the S94 Plan, however, these items are listed in Appendix H – Works Schedule. As noted

<p>5. Remove SPF Stage 2 infrastructure from the draft plan because of its regional traffic function if provided as a through-route, or it can be provided as a local spur link to the industrial area from SPF Stage 1 through a planning agreement between Dahua and the Council.</p>	<p>document shows the items remaining in, hence this should be clarified*.</p>	<p>above, it appears the previous version of the Works Schedule has been exhibited in error. Given the confusion due to the exhibition of the previous Works Schedule, our comment that Spring Farm Parkway Stage 1 be removed from the Plan stands.</p>
<p>6. Dahua and Council to make joint representations to the State and Federal Government for a commitment to fund SPF Stage 2 as a regional link.</p>	<p>Not relevant to the draft plan.</p>	<p>No further action is required on this item at this stage.</p>
<p>7. Assuming Council agrees to items 2, 4 and 5 above, then the Precinct's IN1 Industrial zoned land should be excluded from the plan.</p>	<p>Confirmation required*</p>	<p>Given the confusion due to the exhibition of the previous Works Schedule, our comment that the IN1 Industrial zoned land should be excluded from the S94 Plan stands.</p>
<p>8. Include the acquisition of the Precinct's RE1 Public Recreation zoned riparian corridor land in the plan.</p>	<p>Confirmation required*</p>	<p>The RE1 Public Recreation zoned land should be included in the S94 Plan.</p>
<p>9. Table A – Community: (a) Increase the size of the community facility to 840 square metres and its associated land to 4,000 square metres.</p>	<p>Table 1 shows no change in the cost or land area associated with community facilities in the plan.</p>	<p>The size of the community facility should be increased to 840 square metres and its associated land to 4,000 square metres.</p>
<p>10. Table B – Open Space & Recreation: (a) Amend the table at the bottom of Figure 4 so that it reflects the correct land area for O1.2(a), which we assume to be 0.72 ha</p>	<p>There has been no change to any of the maps or work schedules for the exhibition draft.</p>	<p>The table at the bottom of Figure 4 has not been updated. This should be amended such that it reflects the correct land area for O1.2(a) which we assume to be 0.72ha.</p>

- | | | |
|--|------------------------|--|
| 11. Table C – Traffic & Transport: | Confirmation required* | Given the confusion due to the exhibition of the previous Works Schedule, our comment that Council review the scope of the Menangle Road works and reconcile the total \$13 million difference between the costs that appear in the draft plan’s works schedule and those that appear in the WT Partnership report stands. |
| (a) Review the scope of the Menangle Road works and reconcile the total \$13 million difference between the costs that appear in the draft plan’s works schedule and those that appear in the WT Partnership report. | | |
| 12. Table D – Trunk Drainage & WQ | Confirmation required* | Given the confusion due to the exhibition of the previous Works Schedule, our following comments stand:

Check whether the area required to be acquired for trunk drainage included in the works schedule (16.3 ha exclusive of easements) is correct, as it does not match the total land area shown on Figure 6 of the plan (14.24 ha).

Review whether the 9.1 ha land area and description of the item that appears in row 41 of the worksheet is correct. |
| (a) Check whether the area required to be acquired for trunk drainage included in the works schedule (16.3 ha exclusive of easements) is correct, as it does not match the total land area shown on Figure 6 of the plan (14.24 ha). | | |
| (b) Review whether the 9.1 ha land area and description of the item that appears in row 41 of the worksheet is correct. | | |
| 13. Remove the land and works costs for half-road widths from the plan. | Confirmation required* | Given the confusion due to the exhibition of the previous Works Schedule, our comment that Council remove the land and works costs for half-road widths from the Plan stands. |

On review of the Draft S94 Plan it appears the previous version of Appendix H – Works Schedule has been exhibited in error. All items denoted by a ‘’ are unclear as the Plan and Works Schedule appear to contradict each other.

As outlined in the Table above, we request that Council issues the correct Appendix H – Works Schedule excel file, such that the exhibited S94 Plan can be reviewed in its entirety.

Yours sincerely
APP CORPORATION PTY LIMITED



PETER ALEVIZOS
Project Manager

1. Background and purpose

The purpose of this submission is to assist Campbelltown City Council officers finalise a draft section 94 contributions plan for the Menangle Park Precinct so that it can be reported to Council and publicly exhibited.

Dahua will be the primary developer of land in the Precinct, accounting for more than 70% of the expected development. Dahua engaged GLN Planning to review the draft contributions plan prepared by UrbanGrowth NSW in 2016.

GLN's review found several issues that Dahua would like Council to consider either before the draft plan is exhibited, or before the plan is adopted by the Council – issues that will affect the contributions that will be levied on all Menangle Park developments.

These issues are listed below and are covered in more detail in the following sections:

- Precinct population and net developable area
- Catchments for drainage infrastructure contributions
- Exclusion of Spring Farm Parkway from the plan
- Exclusion of the Industrial zoned land from the plan
- Inclusion of the riparian corridor land in the plan
- Other matters

2. Precinct population and net developable area

The draft plan's contribution rates for social infrastructure are predicated on the occupancy rate assumptions in the following table. Dahua is reviewing these rates and the social infrastructure requirements for a new Planning Proposal for the Precinct, but that work is not yet completed. Dahua therefore at this stage accepts the draft plan's population assumptions as reasonable.

	Lot size (m2)	Dwellings / lots	Occupancy rates	Draft plan population
Town Centre Unit	N/A	160	1.7	272
Small Lot	300-419	435	2.4	1044
Standard Lot	420-599	1,505	2.4	3612
Standard Lot	600-949	925	3.5	3238
Traditional Lot	950-1999	456	3.5	1596
Large Lot	2000+	19	3.5	67
Total				9828

We have reviewed the draft plan's net developable area assumptions. With only incomplete data available, our best estimate of residential NDA is shown in the table below and is slightly different to the draft plan. The difference is due to our exclusion of existing roads which would not normally be counted in NDA. We've included the school NDA in the table because this has become the standard practice of IPART when reviewing other section 94 plans.

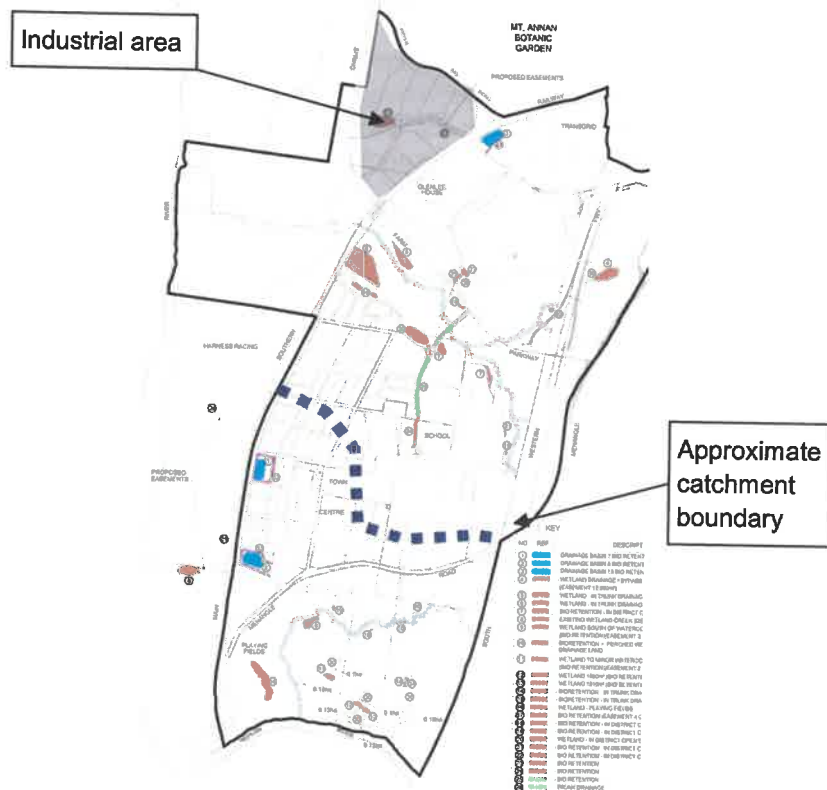
Land use zone	Draft plan NDA (ha)	GLN reviewed NDA (ha)
Residential	330.46	321.298
School	Not included	3.4
Employment	28.64	28.64
Retail	6.9	6.9

3. Revised catchments for drainage infrastructure contributions

The draft plan's drainage contributions are based on all developable areas / land use types contributing to all of the required drainage land and works.

We consider that a fairer and more reasonable approach would be as follows:

- The Industrial IN1 land comprising its own catchment, and being solely responsible for the drainage items D1.15 (#17 on map Figure 5) and D1.21 (#27 on map Figure 5). It is unreasonable for industrial uses to be required to contribute to the remainder of the precinct's drainage system.



- The remaining residential and retail developable area and the drainage facilities within that are being split into two contribution catchments. The boundary between these two catchments would be the ridgeline between the main northern watercourse which flows in a westerly direction, and

the shorter southern watercourse which flows in a south-westerly direction. Approximate boundary shown in the figure above.

4. Spring Farm Parkway

Dahua has agreed with the State Government that it, in conjunction with Roads and Maritime Services, Department of Planning and Environment and UrbanGrowth NSW, will fully fund the Spring Farm Parkway (SPF) Stage 1 works that are described in the draft contributions plan.

It is therefore reasonable for the apportioned contributions for SPF Stage 1 to be removed from the draft plan.

There is currently no clear funding path for SPF Stage 2. This link is ultimately proposed to be a regional dual-carriageway road linking the M31 / Menangle Park interchange with the new residential areas of Spring Farm and Elderslie in Camden LGA.

Additional to its regional function, SPF Stage 2 will perform a local function in that it will provide the only connection to the Menangle Park industrial / employment area. The draft plan provides for 22% of the cost of SPF Stage 2 to be funded by Menangle Park developers through section 94 contributions paid to Council. If State or Federal funding for the regional link does not materialise, this contribution will not however be enough to cover the cost of just a local (spur) link from SPF Stage 1.

In light of the above, Dahua recommends that SPF Stage 2 be removed from the section 94 plan. This is appropriate because:

- The proposed road, if it ever was to be constructed, would be a regional link that would appropriately be funded by Special Infrastructure Contributions and other State or Federal sources. To assist this outcome, Council and Dahua should make joint representations to the State and Federal Government for a commitment to fund the road.
- The IN1 Industrial zoned land is entirely owned by Dahua and the road reserve accommodating SPF Stage 2 is to be transferred at no cost to Council by UrbanGrowth NSW. These factors make it possible for Council and Dahua to negotiate provision of a local access road leading from the future industrial area to SPF Stage 1, if it becomes economically feasible to do so.

5. Potential exclusion of Industrial zoned land from plan

Assuming Council agrees to the drainage catchment changes recommended in section 3 above, and the removal of SPF Stages 1 and 2 from the draft plan as recommended in section 4 above, then the IN1 Industrial zoned land in the Menangle Park Precinct should be excluded from the draft plan.

Development of this land cannot proceed unless adequate arrangements are in place for road access and drainage infrastructure. These requirements can be mandated by conditions of consent, including the option for Dahua to enter into a voluntary planning agreement with the Council to provide the necessary infrastructure.

The fact that Dahua is the sole owner of this land means that there is no risk for the Council in being forced to fund any local infrastructure for the industrial area. Development of this area will only occur if servicing is feasible. As stated previously, a State or Federal commitment to provide SPF Stage 2 will likely be a necessary pre-condition for feasible development.

6. Potential inclusion of riparian corridor land in the plan

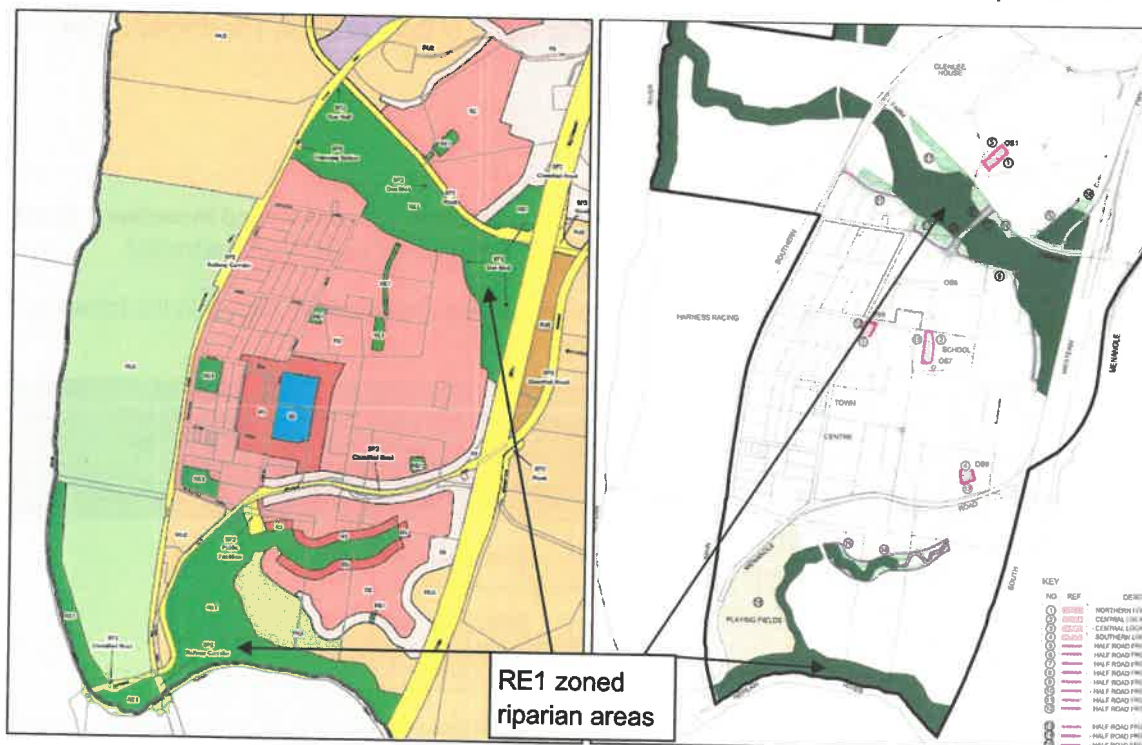
The draft plan's open space and recreation works schedule identifies 92.99 hectares of riparian land with a land-only value of \$27.9 million, however the plan does not apportion any of this cost to the developments in Menangle Park.

4	A	B	C	D	E	J	K	L	M	N	O	P
5	Plan Ref. (Fig 4)	Facility	Quantity	Rate	Subtotal	Estimated total cost	Apportionment to 594 Menangle Park (%)	Cost apportioned to Section 94	Cost apportioned to Council	Contribution Rate (per person)	Contribution Rate (per lot)	Time
30	C19	Riparian Corridor	\$26900m2	\$30/m2	27,897,000	27,897,000	0%	0	Nil	0	0	
32		Sub-total	128.48 ha		47,669,978	47,669,978		19,762,978	0	1,810	5,647	

This land is proposed to be zoned RE1 Public Recreation under the draft LEP that has been prepared for the precinct (see figure below). Our understanding is that gazettal of the LEP is imminent.

The land is critical to the safe conveyance of stormwater runoff from the precinct development, and to avoid flooding of developable areas. The land will also be integrated with the passive and active recreation facilities in the precinct, allowing for bicycle and pedestrian connections between neighbourhoods and to and from the Nepean River (see figure below).

Dahua's view is that the cost of the acquisition of this land should be included in the draft plan. This RE1 zoning will place an onus on the Council to acquire the land in the future. Without the inclusion of this land in the section 94 plan, there is no other likely funding source for Council to acquire the land.



7. Other matters

The following headings refer to the tabs in the works schedule Excel file.

Table A - Community

Elton Consulting has provided advice to us regarding the minimum size of the community facility in the south of the precinct. The draft plan provides for a building with 500 square metres GFA on a site of 2,500 square metres. Elton recommend a building of 840 square metres GFA on a site of 4,000 square metres.

There is also a minor discrepancy in the half road frontages allowed for in the works schedule and those contained in the WT Partnership report.¹ For more detail, refer to our comment in the works schedule file.

Table B – Open Space & Recreation

The land acquisition area for local park item O1.2(a) is shown in the works schedule as 7,200 square metres, whereas the area of this park shown in the schedule at the bottom of Figure 4 of the draft contributions plan is 5,600 square metres. From the relative sizes of the shapes of the local open space areas that appear in Figure 4, it appears that the correct area for O1.2(a) is 7,200 square metres. Figure 4 should thus be amended so that it reflects the correct land area for O1.2(a).

Table C – Traffic & Transport

There are various discrepancies between the costs of road works shown in the schedule and the costs for the same items shown in the WT Partnership report of October 2016. The discrepancies relate to:

- SFP Stages 1 and 2
- Menangle Road upgrade works

If SFP land and works are excluded from the contributions plan, as we recommend in section 4 of this advice, then only the discrepancies relating to Menangle Road works need to be reconciled.

The total cost differences in the Menangle Road items are significant and are shown in the following table:

Item	Cost that appears in s94 plan works schedule	WT Partnership cost (p9)	Difference
Menangle Road Widening - 2 lane duplication from CH1060 to Gilchrist Drive intersection	\$13,032,284	\$17,439,208	
Menangle Rd and Glenlee Rd intersection - MR CH800 to CH1341.956	\$14,299,156		
Menangle Rd/Cummins Rd intersection (lights)	\$2,303,084		
Menangle Road/Collector Road intersections (2 off)	\$956,150		
Total	\$30,590,674	\$17,439,208	\$13,151,466

¹ Menangle Park Urban Release Area Cost Plan Verification for Contributions Plan, prepared by WT Partnership for UrbanGrowth NSW, October 2016

We recommend that Council review the scope of the Menangle Road works and reconcile the differences between the costs that appear in the draft plan's works schedule and those that appear in the WT Partnership report.

Table D – Trunk Drainage & WQ

The area required to be acquired for trunk drainage included in the works schedule (16.3 ha exclusive of easements) does not match the total land area shown on Figure 6 of the draft contributions plan (14.24 ha).

Additionally, it is not clear what is meant by the item that appears in row 41 of the spreadsheet. This reference identifies 9.1 ha of land acquisition for 'Trunk drainage land (land below 1% AEP)' but it is unclear how this relates to the other land areas in the schedule, or what is meant by the reference to item D1.20.

General

We concur with advice provided by Council's Contributions Coordinator Milan Marecic that it is not essential for half-road widths facing section 94 land items to be included in the contributions plan.

8. Conclusion

Campbelltown City Council officers are currently finalising a Draft Section 94 Contributions Plan for the Menangle Park Precinct for the purposes of public exhibition. Because the Menangle Park Precinct rezoning is imminent, Dahua / APP supports Council's desire to exhibit the draft plan as soon as possible.

This submission has highlighted several issues that Dahua would like Council to consider either before the draft plan is exhibited, or before the plan is adopted. Several of these issues are material to the calculation of reasonable section 94 contributions that will be levied on all Menangle Park developments.

The issues are listed below:

1. Include existing roads and proposed public school land in the Precinct's net developable area.
2. The Industrial IN1 land comprising its own catchment, and being solely responsible for the drainage items D1.15 (#17 on map Figure 5) and D1.21 (#27 on map Figure 5).
3. Create a northern and a southern catchment for the purpose of calculating fairer drainage contributions for all non-industrial development in the Precinct.
4. Remove SPF Stage 1 infrastructure from the draft plan because these road works will be provided under a separate funding arrangement.
5. Remove SPF Stage 2 infrastructure from the draft plan because of its regional traffic function if provided as a through-route, or it can be provided as a local spur link to the industrial area from SPF Stage 1 through a planning agreement between Dahua and the Council.
6. Dahua and Council to make joint representations to the State and Federal Government for a commitment to fund SPF Stage 2 as a regional link.
7. Assuming Council agrees to items 2, 4 and 5 above, then the Precinct's IN1 Industrial zoned land should be excluded from the plan.

8. Include the acquisition of the Precinct's RE1 Public Recreation zoned land in the plan.
9. Table A – Community:
 - (a) Increase the size of the community facility to 840 square metres and its associated land to 4,000 square metres.
10. Table B – Open Space & Recreation:
 - (a) Amend the table at the bottom of Figure 4 so that it reflects the correct land area for O1.2(a), which we assume to be 0.72 ha.
11. Table C – Traffic & Transport:
 - (a) Review the scope of the Menangle Road works and reconcile the total \$13 million difference between the costs that appear in the draft plan's works schedule and those that appear in the WT Partnership report.
12. Table D – Trunk Drainage & WQ
 - (a) Check whether the area required to be acquired for trunk drainage included in the works schedule (16.3 ha exclusive of easements) is correct, as it does not match the total land area shown on Figure 6 of the plan (14.24 ha).
 - (b) Review whether the 9.1 ha land area and description of the item that appears in row 41 of the worksheet is correct.
13. Remove the land and works costs for half-road widths from the plan.

Please contact me or Dahua / APP representatives if you require further information on the matters raised in this submission.

Greg New
Director, GLN Planning
10 October 2017

Attachments:

- 161107 MP s94 Schedules_comments (Excel file)