



THE HILLS
Sydney's Garden Shire

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12 June 2020

Local Government
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP
SYDNEY NSW 1240

Our Ref: FP146

Dear Sir / Madam

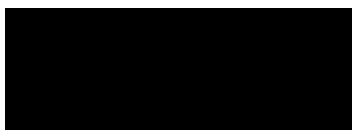
IPART REVIEW OF DRAFT CONTRIBUTIONS PLAN NO.13 – NORTH KELLYVILLE (FP146)

Thank you for the opportunity to provide comments on IPART's assessment of draft Contributions Plan No.13 – North Kellyville.

The table provided as Attachment 1 to this letter contains comments on each of the draft recommendations.

Should you wish to discuss any of the matters raised within this letter, or if you would like to arrange a meeting with relevant Council officers, please contact Brent Woodhams, Principal Coordinator Forward Planning on [REDACTED]

Yours faithfully



Nicholas Carlton
MANAGER – FORWARD PLANNING

Attachments:

1. Table of Responses to IPART Recommendations

ATTACHMENT 1

Item/ IPART Recommendation	Agree / Disagree	Council Comment
Recommendation 1 – Cycleways within Open Space		
Transfer 2,241 linear metres of cycleways within open space to transport works, based on a rate of \$250 per linear metre. This would increase transport costs by \$756,338.	Partly Disagree	No objection is raised to the application of a standard linear cost of \$250/m. However, objection is raised to transferring the cycleway costs from the open space category to the traffic and transport category. The reason for this is that cycleways form part of the embellishment of open space and will be delivered as a single project, in conjunction with each open space. Creating separate items for this infrastructure would not be administratively practical.
Recommendation 2 – Roundabout adjoining Samantha Riley Drive		
Update the plan to include an additional roundabout adjoining Samantha Riley Drive Reserve.	Agree	No objection is raised to this recommendation. It is required to support Samantha Riley Drive Reserve.
Recommendation 3 – Reflect actual cost for the Cycleway Bridge over Smalls Creek		
Update transport works costs to reflect the costs of completed works, including indexation to June 2018, by including the actual cost for a cycleway bridge over Smalls Creek (NKCC02).	Agree	No objection is raised with respect to updating the cost of the cycleway bridge over Smalls Creek to reflect the actual cost of completed works. However, clarification is requested with respect to the recommendation of indexation of actuals.
Recommendation 4 – Town Centre Bypass		
Reduce the cost of the town centre bypass road (NKNR04) by \$448,222, reflecting a lower unit rate of \$7,779/m for the delivery of the remaining section of road.	Agree	This recommendation is considered reasonable in this instance.

Item/ IPART Recommendation	Agree / Disagree	Council Comment
Recommendation 5 – Reduce the cost of sub-arterial road upgrades [NKR01, NKR02, NKR03, NKR05] by \$11,847,662 to reflect updated actual costs and more recent site-specific estimates		
<p><u>Samantha Riley Drive (NKNR01)</u></p> <p>Update the cost of the item to apply actual expenditure, plus 50% of the cost for the remaining section of Samantha Riley Drive, based on the tender price.</p>	Partly Disagree	<p>No objection is raised to applying actual expenditure, plus the cost for the remaining section of Samantha Riley Drive, based on the tender price. However the following additional costs are not accounted for in the actuals, or within Tender 20-42, and it is requested that these be included:</p> <ul style="list-style-type: none"> ▪ Interim Traffic Management (\$52,500) - A traffic control plan is required to be designed and in place (hired) for approximately 12 months after completion of the contract so the road can operate within the constraints of the temporary roundabout at Samantha Riley Drive/Hezlett Road/James Mileham Drive. This needs to operate until the intersection is upgraded as part of the Hezlett Road construction package. This is because the roadwork currently under construction will provide the full ultimate width lane configuration, but a traffic management plan and associated barrier hire and signage placement will be required to close off certain parts of the road to filter traffic into the single lane temporarily. ▪ Street trees and site stabilisation (\$300,000) - No street trees have been provided and the exposed earth verges resulting from construction do not have a vegetative cover (other than weeds). This is necessary to meet current environmental requirements. Based on recent costing obtained for Hezlett Road by North Projects an allowance of 1.5% of construction costs should be provided. In this instance, this calculates to be \$300,000 based on a \$20,000,000 construction value.

Item/ IPART Recommendation	Agree / Disagree	Council Comment
		<ul style="list-style-type: none"> ▪ Power relocation (\$25,000) - A bank of HV electrical cables and conduits exist within the contractor's area of work which does not have sufficient cover depth for them to exist under the road pavement. These need to be relocated in order to complete this section. The contractor will make a sacrificial layer over this area and close the lane off to traffic until this is relocated. The approximate cost to do this through to the zone substation is \$200,000. Based on the length, 13% should be apportioned to this project and the remainder to the signalisation project (20m over 150m in total). ▪ Property adjustment (\$10,000) - A property adjustment at 1 Foxall Rd (corner SRD) involving rebuilding a fence on both frontages is required as the work required this to be removed to accommodate road widening. <p>The total base cost of the additional work is \$387,500. When accounting for 7.5% PM, 100% of the cost would be \$416,563 of which 50% (\$208,281.25) should be attributed to CP13. It is requested that these additional costs be included in the cost attributed to CP13.</p> <p>IPART's position that there is insufficient nexus to levy development within North Kellyville for the cost of constructing Stage 1 of Samantha Riley Drive is not supported. Currently the two main vehicular routes into, and out of, North Kellyville are via Samantha Riley Drive and Withers Road. Stage 1 of Samantha Riley Drive (between Poole Road and Smalls Creek) will accommodate a substantial amount of traffic volume from North Kellyville. It provides direct vehicular access to Kellyville Railway Station and is a main vehicular access point to the major arterial roads of Windsor and Old Windsor Road. The position that there is insufficient nexus to warrant future development within North Kellyville to contribute to an apportioned amount of the upgrade of this section of Samantha Riley Drive is not considered to be reasonable in this instance.</p>

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p><u>Hezlett Road (NKNR02)</u></p> <p>Recommendation that the WSP site specific estimate be applied with a lower contingency of 20%. It is also recommended that the cost estimate be adjusted to the base period of the plan.</p>	<p>Agree</p>	<p>No objection is raised to utilising Council's WSP cost estimate and applying a 7.5% PM, 7.5% Design and 20% Contingency.</p>
<p><u>Withers Road (NKNR03)</u></p> <p>Recommendation that the Calibre site specific estimate be applied with a lower contingency of 20%. It is also recommended that the cost estimate be adjusted to the base period of the plan.</p>	<p>Partly Disagree</p>	<p>No objection is raised to utilising the Calibre cost estimate. However it is recommended that the contingency should be 30% as it is still in the 'Strategic Review Stage'.</p>

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p data-bbox="136 193 517 225"><u>Glenhaven Road (NKNR05)</u></p> <p data-bbox="136 260 790 392">Recommendation that the linear rate from the tender price for the section of Samantha Riley Drive between Hezlett Road and Foxall Road of \$4,546/m be applied plus a 20% contingency.</p>	<p data-bbox="790 193 927 225">Disagree</p>	<p data-bbox="1189 193 1711 225">This recommendation is not supported.</p> <p data-bbox="1189 260 2089 392">The application of a linear rate based on the cost of the most recent tender for Stage 3 of Samantha Riley Drive (T20-42) would not provide an accurate reflection of the actual costs for Glenhaven Road.</p> <p data-bbox="1189 427 2089 898">The current tender (T20-42) only involves full construction for 340m of the length between Hezlett Road and Foxall Road. The remainder of the length simply requires resurfacing. When adding the \$816,553.98 for water main relocation as part of T20-02 to the \$2,562,678.49 cost of Tender T20-42, the total cost would be around \$3,379,232.47, which equates to around \$10,000/m (excluding power relocation, street lighting and time costs). It is noted that undergrounding of electricity lines would cost \$3,620/m (based on the actual cost of undergrounding services for the Samantha Riley Drive upgrade). It is also noted that the current work for Stage 3 will be subject to full road closure which substantially reduces the costs of construction as the work can be completed over a shorter period of time and traffic management costs are reduced.</p> <p data-bbox="1189 933 2089 1206">The draft Report acknowledges the severe environmental constraints affecting this section of Glenhaven Road. Based on examples of other road projects, the linear rate being recommended within the draft Report will likely result in a significant shortfall in funds required to deliver the project. It is further noted that the quantity survey for Hezlett Road which was prepared by North Projects resulted in a linear cost of around \$11,838.87/m (excluding costs for signals).</p> <p data-bbox="1189 1241 2089 1406">As can be seen from the examples provided above, the proposed rate of \$4,546/m recommended within the draft Report would severely underestimate the likely cost of constructing this section of roadway. In recognition of this it is requested that one of the following rates be applied to the 306m of Glenhaven Road:</p>

Item/ IPART Recommendation	Agree / Disagree	Council Comment
		<ul style="list-style-type: none"> ▪ IPART Benchmark: \$11,263/m (FY17/18) based on IPART's benchmark for four lane sub-arterial roads); ▪ Hezlett Road: \$11,838.97/m based on the cost estimate prepared by North Projects; or ▪ Samantha Riley Drive (Stages 2, 3 and 4): \$11,594/m based on the cost of constructing 1,425m of road (accounting for actuals and IPART recommendation on outstanding costs as per recommendation for NKNR01). <p>IPART has advised Council of its reluctance in applying its Benchmark Costs. However in this particular instance it is considered reasonable to apply the benchmark linear rate for four lane sub-arterial roads as the road is severely constrained and Council does not have detailed designs or a quantity survey to give a clear indication of costs. As a minimum it is recommended that the benchmark rate be applied.</p> <p>Furthermore, given the substantial constraints affecting this site and given that the road has not been subject to a detailed design or quantity survey, a higher contingency of 30% should be applied. This would reflect the strategic nature of this estimate, and would be consistent with IPART's benchmark costs.</p>
<p><i>Recommendation 6 - Increase the cost of the signalised intersection of Hezlett Road and Samantha Riley Drive [NKT01] by \$1,086,931 to \$1,777,449 to reflect the council's revised cost estimate and IPART's recommendation on a revised apportionment of costs</i></p>		
<p>IPART have recommended that Council's revised cost estimate based on the 100% design for Hezlett Road be applied. It has also recommended that the cost be apportioned between CP13 (75%) and CP8 (25%).</p>	<p>Partly Disagree</p>	<p>No objection is raised to utilising Council's detailed cost estimate for this intersection. However as stated within the response to Recommendation 15, objection is raised to the proposed apportionment between CP13 and CP8.</p>
<p><i>Recommendation 7 - Reduce the cost of the Northern Connection Road [NKNB01 and NKNB01A] by \$2,497,111, reflecting updated cost estimates prepared by the council's consultant, Opus, a lower contingency allowance and our recommendation on a revised apportionment of cost (Recommendation 14)</i></p>		

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p><u>Bridge over Smalls Creek between Ross Place and Edwards Road (NKNB01)</u></p> <p>In November 2018 a detailed cost estimate was prepared by Opus for the new Edwards Road bridge. IPART has recommended that this cost estimate be used within the Plan and has also recommended that contingencies be applied at 20%.</p> <p>As per Recommendation 14, IPART propose that the apportionment of the bridge to CP13 be reduced from 40% to 33%.</p>	<p>Agree</p>	<p>No objection is raised to IPART's recommendation to apply the OPUS cost estimate to the Edwards Road Bridge and approach road as this is the most accurate information available.</p> <p>As per the response to Recommendation 14, no objection is raised to reducing the apportionment of costs to this plan from 40% to 33% so long as the balance (67%) is attributed to CP15 and this apportionment is reflected in IPART's findings as part of their concurrent review of draft amendments to CP15. This will ensure that there is not a shortfall in funds to complete this item.</p>
<p><u>Bridge over Smalls Creek between Ross Place and Edwards Road (NKNB01) (Approach Road)</u></p> <p>In November 2018 a detailed cost estimate was prepared by Opus for the new Edwards Road bridge. IPART has recommended that this cost estimate be used within the Plan and has also recommended that contingencies be applied at 20%.</p> <p>As per Recommendation 14, IPART has proposed that the apportionment of the bridge to CP13 be reduced from 40% to 33%.</p>	<p>Agree</p>	<p>No objection is raised to IPART's recommendation to apply the Opus cost estimate to the Edwards Road Bridge and approach road as this is the most accurate information available.</p> <p>As per the response to Recommendation 14, no objection is raised to reducing the apportionment of costs to this plan from 40% to 33% so long as the balance (67%) is attributed to CP15 and this apportionment is reflected in IPART's findings as part of their concurrent review of draft amendments to CP15. This will ensure that there is not a shortfall in funds to complete this item.</p>
<p><i>Recommendation 8 - Remove costs from the Northern Connection Road upgrade from the plan if it is funded through a Special Infrastructure Contribution</i></p>		

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p>It is noted that some funding (\$5m) was proposed for this connection within the draft review of the North West Growth Area SIC, which was exhibited in 2017. IPART recommend that the costs of the Northern Connection Road upgrade should be removed from the plan if it is funded through a Special Infrastructure Contribution.</p>	<p>Disagree</p>	<p>While some funding was identified in a draft SIC, this was simply an exhibited discussion paper and has not progressed to finalisation, nor has any revised Ministerial SIC Direction been publicly exhibited. The plan should retain funding for this item until there is some certainty of SIC funding, by way of a finalised and adopted final SIC Ministerial Direction and work schedule.</p>
<p><i>Recommendation 9 - Reduce the cost of Withers Road Bridge [NKB02]</i></p>		
<p>Reduce the cost of Withers Road Bridge (NKB02) by \$1,230,110, reflecting updated cost estimates prepared by the Council's consultant, Calibre Consulting, and a lower contingency allowance.</p>	<p>Partly Disagree</p>	<p>No objection is raised to IPART's recommendation to apply the Calibre cost estimate for the bridge as this is the most accurate information available. However, it is still considered that a 30% contingency should be applied as it is still in the 'Strategic Review Stage'.</p>
<p><i>Recommendation 10 - Reduce the cost of a single-lane roundabout [NKR04] by \$21,500, reflecting the removal of allowances for project management and design</i></p>		
<p><u>Single Lane Roundabout at Stringer Road and Hillview Road (NKR04)</u></p> <p>Remove project management and design allowances as these are accounted for within the IPART benchmarks.</p>	<p>Agree</p>	<p>No objection is raised to the removal of the project management and design allowances as these costs have already been accounted for in the benchmark rate.</p>
<p><i>Recommendation 11 - Reduce the cost of two-lane roundabouts [NKR01, NKR02 and NKR03] by \$5,117,788, reflecting revised quantities and unit rates, and lower allowances for project management, design and contingency</i></p>		
<p><u>Foxall Road and Samantha Riley Drive Roundabout (NKR01)</u></p> <p>The cost estimate for this item be reduced to reflect the Axess Report and that the contingency be reduced from 30% to 20%.</p>	<p>Agree</p>	<p>No objection is raised to this recommendation.</p>

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p><u>Hezlett Road and Gum Nut Close Signals (NKR02)</u></p> <p>IPART engaged Axxess to prepare cost estimates for the two lane roundabouts within the plan. IPART has recommended that the cost estimate for this item is reduced to reflect the Axxess Report and that the contingency be reduced from 30% to 20%.</p>	<p>Agree</p>	<p>No objection is raised to this recommendation.</p> <p>A 100% detailed design (WSP, 20 February 2019) and Quantity Survey (North Projects, 13 March 2019 and December 2019) had been prepared for the Hezlett Road upgrade. The quantity survey has also separately costed the intersection upgrades along the roadway, including the Gum Nut Close traffic signals.</p> <p>It is noted that the treatment at this intersection was formerly a roundabout, which would have been sufficient to meet the demand of the North Kellyville Precinct. However, a subsequent DA for a school at 2-4 Gum Nut Close triggered the need for a roundabout at this location. It was agreed as part of the DA that the school would construct the traffic signals and that CP13 would identify this intersection as traffic signals, however the amount levied through the plan would only be equivalent to the cost of a roundabout.</p>
<p><u>Hezlett Road and Curtis Road (NKR03)</u></p> <p>IPART has advised that it considers Council's updated site specific cost estimate to be reasonable. However it has recommended that the contingency be reduced from 30% to 20%.</p>	<p>Agree</p>	<p>No objection is raised to this recommendation. Council's updated site specific cost estimate for this intersection is based on a 100% detailed design and quantity survey.</p>
<p><i>Recommendation 12 - Reduce the cost of cycleways</i></p>		
<p>Reduce the cost of cycleways by \$1,645,708, reflecting a lower unit rate of \$250 per linear metre and a lower contingency allowance of 20%.</p>	<p>Partly Disagree</p>	<p>No objection is raised to reducing the linear rate of cycleways to \$250/m as this is consistent with Council's previous submission on IPART's draft report. However, it is still considered that the contingency should be 30% as these cycleways are in the 'Strategic Review Stage'. This would be consistent with IPART's recommended contingency allowance for benchmarks road and traffic items. It seems unjustified to arbitrarily recommend a lower contingency rate, contrary to existing IPART guidance.</p>

Item/ IPART Recommendation	Agree / Disagree	Council Comment
Recommendation 13 - Index the costs of works for bus shelters, an intersection and cycleway bridges that are not otherwise subject to a recommendation to \$Jun2018, increasing costs in the plan by \$171,518.		
This recommendation proposed to index the costs of works for bus shelters, an intersection and cycleway bridges that are not otherwise subject to a recommendation to \$Jun2018, increasing costs in the plan by \$171,518.	Agree	No objection is raised to this recommendation.
Recommendation 14 – Apportionment of the northern road and bridge		
Apportion 33% of the costs of the North Connection Bridge and Road (NKNB01 and NKNB01A) to the plan, based on the most up-to-date population forecasts for North Kellyville (CP13) and Box Hill (CP15).	Agree	No objection to this recommendation, as long as the balance (67%) is attributed to CP15 and this apportionment is reflected in IPART's findings as part of their concurrent review of draft amendments to CP15. This will ensure that there is not a shortfall in funds to complete this item.
Recommendation 15 - Adjust the apportionment of costs for the signalised intersection of Hezlett Road and Samantha Riley Drive [NKT01]		
Adjust the apportionment of costs for the signalised intersection of Hezlett Road and Samantha Riley Drive (NKT01) to better reflect demand for the works, with 75% of costs apportioned to CP13 and 25% of costs apportioned to CP8 - Kellyville/ Rouse Hill.	Disagree	<p>This recommendation is not supported. As part of the release of the Kellyville/ Rouse Hill Release Area, a roundabout was identified as being required at this location. The need for the upgrade of this intersection to signals is triggered entirely by the growth resulting from the North Kellyville Precinct. It is considered that the full cost of this item be apportioned to CP13. Furthermore, CP8 is nearly the end of its plan life. Initiating a further review of this Plan at this stage is not desirable.</p> <p>There is no demonstrated nexus that development within the Kellyville/Rouse Hill Release Area (which is predominantly completed/existing) requires a signalised intersection at this location and IPART's recommendation is largely unjustified and would simply result in a portion of the signalised intersection (which was identified as being needed to support development in North Kellyville Precinct) being unfunded.</p>

Item/ IPART Recommendation	Agree / Disagree	Council Comment
Recommendation 16 - Update stormwater management works costs to reflect the costs of completed work, including indexation to June 2018		
<u>Basins 6 (SWB061)</u> Including actual costs for Basin 6.	Agree	No objection is raised to applying actual costs for this item. However clarification is required on how IPART has determined the financial impact.
<u>Basin 9 (SWB091)</u> Including actual costs for Basin 9.	Partly Disagree	No objection is raised to applying actual costs for this item, however please ensure that the most up-to-date actual cost is applied being \$615,332 (submitted to IPART in December 2019).
<u>Basin 3 and 4 (SWB031 and SWB041)</u> Include actual costs for Basins 3 and 4, but excluding project management, design and contingency allowances for these completed works.	Partly Disagree	No objection is raised to utilising actual costs for these items, however please ensure that the most up-to-date actual costs are used being: <ul style="list-style-type: none"> ▪ Basin 3 (SWB031): \$522,891 ▪ Basin 4 (SWB041): \$310,013
Recommendation 17 - Index the costs of works items for ten other basins that are not otherwise subject to a recommendation [SWB011, SWB021, SWB051, SWB071, SWB081, SWB101, CWB011 to CWB041] to \$Jun2018		
Index items ten basins to the base year of the plan.	Agree	No objection is raised to indexing the costs of these basins to June2018.
Recommendation 18 - Update the plan to include open space embellishment for which nexus is established, increasing the cost of open space embellishment by \$16,447,902, comprising: <ol style="list-style-type: none"> a) An increase of \$7,943,675 for Samantha Riley Drive Reserve b) An increase of \$8,504,227 for the Stringer Road Sports Complex 		

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p><u>Samantha Riley Drive Reserve (PF01)</u></p> <p>IPART has advised that Council's revised costings are reasonable and has recommended that these be included within the plan, excluding cycleways and the proposed roundabout.</p> <p>It is noted that this facility will include 875m of cycleway. Based on Recommendation 1, IPART proposes a standard lineal cost of \$250/m for cycleways. It was also recommended that this cost be removed from the cost of the facility and transferred to the traffic and transport category.</p>	Partly Disagree	<p>The use of Council's updated costings for this facility is supported and appreciated.</p> <p>No objection is raised to transferring the cost of the roundabout to the traffic and transport category.</p> <p>As per the response to Recommendation 1, the application of a standard lineal cost of \$250/m for cycleways is reasonable, however objection is raised to transferring the revised cycleway costs (\$295,313 including PM, Design and Contingency) from this facility to the traffic category. The reason for this is that the cycleways form part of the open space embellishment and will be delivered as a single project when the facility is delivered.</p>
<p><u>Stringer Road Sports Complex (PF02)</u></p> <p>PART has advised that Council's revised costings are reasonable and has recommended that these be included within the plan, excluding cycleway and the proposed roundabout. It is noted that this facility will include 1,166m of cycleway. Based on Recommendation 1, IPART proposes a standard lineal cost of \$250/m for cycleways.</p> <p>It was also recommended that the cost of cycleways be transferred from open space to the traffic and transport category.</p>	Partly Disagree	<p>The use of Council's updated costings for this facility is supported and appreciated.</p> <p>As per the response to Recommendation 1, the application of a standard lineal cost of \$250/m for cycleways is reasonable. However objection is raised to transferring the revised cycleway costs from this facility to the traffic and transport category. The reason for this is that the cycleways form part of the open space embellishment and will be delivered as a single project when the facility is delivered.</p>
<p>Recommendation 19 - Correct calculation errors in open space costs, and update to \$Jun2018 by:</p> <p>a) Adjusting for a double counting error in the per square metre cost estimate used to cost six linear parks and four passive open space parks, and move the cost and consideration of cycleways within these parks to the transport chapter (a reduction of \$2,053,931)</p> <p>b) Amending the cost estimate for basin park CWB01 to adjust for overestimated landscape costs (a reduction of \$1,469,927)</p> <p>c) Including actual costs of embellishing basin parks 3, 4 and 9 in Smalls Creek [SWB030, SWB040, SWB090]</p>		

Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p><u>Lineal Open Space (Various) (NKLOS01 to NKLOS06) and Passive Open Space Parks (NKPOS01, NKPOS03-NKLOS05)</u></p> <p>IPART have identified an error in the rate which has been applied. The estimate submitted to IPART applied an average of \$34.26/m². However the rate should have been \$25.85/m².</p>	Agree	No objection is raised to applying the new rate for the embellishment of lineal parks and passive open space.
<p><u>Basin Park CWB01</u></p> <p>IPART have identified an error in the estimated quantities of landscape embellishment which has resulted in an overestimation of the costs of embellishing this basin park.</p>	Agree	No objection is raised to applying the cost estimate to the basin park as it will reflect the original estimate within the Worley Parsons report.
<p><u>Basin Parks 3, 4 and 9 in Smalls Creek (SWB030, SWB040, SWB090)</u></p> <p>These 3 basin parks have been completed. IPART recommend that the plan reflect actual costs.</p>	Agree	No objection is raised to applying actual costs for these 3 items.
<p><i>Recommendation 20 - Index the costs of twelve open space embellishment items that are not otherwise subject to a recommendation to \$Jun2018</i></p>		
<p>Index the costs of twelve open space embellishment items that are not otherwise subject to a recommendation to \$Jun2018.</p>	Agree	No objection is raised to this recommendation.

Item/ IPART Recommendation	Agree / Disagree	Council Comment
Recommendation 21 – Reduce Plan Administration Costs		
Calculate the cost of plan administration for based on 1.5% of the adjusted cost of works, then reduce this cost by the proportion of development in the North Kellyville Precinct that occurred prior to 2018.	Partly Disagree	It is proposed that the Plan administration remain as 1.5% of the adjusted cost of the Plan. However, concern is raised to only including 39% of the plan administration costs within the Plan, as Council has not been able to collect administration costs from 61% of development which has already occurred. This means that this cost has been subsidised by the rest of the Shire, which is not considered to be fair or reasonable. It is also noted that this particular recommendation is inconsistent with IPART’s Final Recommendation report on CP12 – Balmoral Road Release Area.
Recommendation 22 - Reduce the cost of land in the plan by \$349,425, by: a) Updating actual costs for land already acquired, which would increase costs by \$933,188 b) Reducing the cost of constrained land by \$1,282,614, reflecting a value of \$85 per square metre for all constrained land that the council is yet to acquire in the North Kellyville Precinct		
<u>Land Already Acquired</u> Update actual costs for land already acquired, which would increase costs by \$933,188.	Agree	No objection is raised to this recommendation. The above change is considered reasonable and the model will be updated to reflect the actual cost of land to be acquired.

Item/ IPART Recommendation	Agree / Disagree	Council Comment																														
<p data-bbox="136 193 595 220"><u>Reduce Cost of Constrained Land</u></p> <p data-bbox="136 260 725 323">IPART have recommended that a flat rate of \$85/m² be applied to all constrained land.</p>	<p data-bbox="790 193 927 220">Disagree</p>	<p data-bbox="1184 193 2089 456">Objection is raised to this recommendation. Inadequate justification has been provided as to why an arbitrary flat rate of \$85/m² for constrained land would be more appropriate than actual sale value of constrained land within the North Kellyville Precinct. As stated within Council's previous responses to IPART in December 2019, to date eight parcels of constrained land have been purchased within the North Kellyville precinct as summarised in the table below.</p> <table border="1" data-bbox="1200 491 2033 858"> <thead> <tr> <th data-bbox="1200 491 1695 523">Address</th> <th data-bbox="1695 491 1865 523">Date of sale</th> <th data-bbox="1865 491 2033 523">Cost per m²</th> </tr> </thead> <tbody> <tr> <td data-bbox="1200 523 1695 560">Lot 129 DP 1172966 3 White Gum Place</td> <td data-bbox="1695 523 1865 560">2016</td> <td data-bbox="1865 523 2033 560">\$105.00</td> </tr> <tr> <td data-bbox="1200 560 1695 596">Lot 104 DP 1206921 6 Hillview Road</td> <td data-bbox="1695 560 1865 596">2016</td> <td data-bbox="1865 560 2033 596">\$100.00</td> </tr> <tr> <td data-bbox="1200 596 1695 633">Lot 1 DP 1215765 24 Foxall Road</td> <td data-bbox="1695 596 1865 633">2016</td> <td data-bbox="1865 596 2033 633">\$100.00</td> </tr> <tr> <td data-bbox="1200 633 1695 670">Lot 16 DP 1213158 15 Hill View Road</td> <td data-bbox="1695 633 1865 670">2017</td> <td data-bbox="1865 633 2033 670">\$125.00</td> </tr> <tr> <td data-bbox="1200 670 1695 707">Lot 18 DP 1213158 5 Hill View Road</td> <td data-bbox="1695 670 1865 707">2017</td> <td data-bbox="1865 670 2033 707">\$120.00</td> </tr> <tr> <td data-bbox="1200 707 1695 743">Lot 3 DP 1199849 30 Withers Road</td> <td data-bbox="1695 707 1865 743">2018</td> <td data-bbox="1865 707 2033 743">\$120.00</td> </tr> <tr> <td data-bbox="1200 743 1695 780">Lot 916 DP 1222669 11 Hillview Road</td> <td data-bbox="1695 743 1865 780">2018</td> <td data-bbox="1865 743 2033 780">\$125.00</td> </tr> <tr> <td data-bbox="1200 780 1695 817">Lot 102 DP 1244352</td> <td data-bbox="1695 780 1865 817">2019</td> <td data-bbox="1865 780 2033 817">\$115</td> </tr> <tr> <td data-bbox="1200 817 1695 858">Average</td> <td data-bbox="1695 817 1865 858"></td> <td data-bbox="1865 817 2033 858">\$113.75</td> </tr> </tbody> </table> <p data-bbox="1184 895 2089 1059">These actual costs can be supported with a signed contract and a matching valuation report or email from a Valuer that confirms the breakdown of the square metre rates payable. It is recommended that a rate of \$114/m² be applied to the remaining constrained land acquisition within the Precinct.</p> <p data-bbox="1184 1096 2089 1299">Council has provided a clear and appropriate evidence base to support the constrained land values proposed. Given IPART's firm reliance on technical evidence and data in its assessment process, it would appear both unreasonable and contrary to normal practice for IPART to simply ignore the strong evidence-base provided and instead impose a lower and unjustified rate.</p>	Address	Date of sale	Cost per m ²	Lot 129 DP 1172966 3 White Gum Place	2016	\$105.00	Lot 104 DP 1206921 6 Hillview Road	2016	\$100.00	Lot 1 DP 1215765 24 Foxall Road	2016	\$100.00	Lot 16 DP 1213158 15 Hill View Road	2017	\$125.00	Lot 18 DP 1213158 5 Hill View Road	2017	\$120.00	Lot 3 DP 1199849 30 Withers Road	2018	\$120.00	Lot 916 DP 1222669 11 Hillview Road	2018	\$125.00	Lot 102 DP 1244352	2019	\$115	Average		\$113.75
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Item/ IPART Recommendation	Agree / Disagree	Council Comment
<p>Recommendation 23 - Reduce the estimated cost of acquiring strata space for the library expansion allocated to CP13 (2018) by \$931,713, reflecting:</p> <p>a) Application of updated valuation advice using a per square metre rate of \$5,750</p> <p>b) Apportionment of 56.7% of land acquisition costs to North Kellyville based on the most up-to-date population estimates for the North Kellyville Precinct and Balmoral Road Release Area</p>		
<p>IPART has recommended that the Plan apply updated land valuations.</p>	<p>Agree</p>	<p>An independent valuation completed by Paul Green (IPV) in May 2019 identified a stratum space valuation of \$5,750/m². Furthermore, no objection is raised to the proposed apportionment. The remaining cost is apportioned to CP12.</p>
<p>Recommendation 24 - Roll forward the base period in the model by one year to June 2018 and in doing so:</p> <p>a) Include an additional year of actual revenue and expenses, including any interest expense/revenue</p> <p>b) Update the discount rate to 3.6%</p> <p>c) Update the cost escalation factors, as shown in Table 9.3</p>		
<p>Agree</p>		<p>The recommended changes are considered reasonable.</p>
<p>Recommendation 25 - Remove the residual amount associated with land acquisition and update the forecast timing of expenditure to take into account actual expenditure and any anticipated changes to the timing of infrastructure delivery</p>		
<p>Agree</p>		<p>The recommended changes are considered reasonable.</p>
<p>Recommendation 26 - Bring forward the development path for revenue receipts in the NPV model for CP13 (2018) to better reflect the development pattern in the precinct</p>		
<p>Agree</p>		<p>No objection is raised to the above recommendation.</p>
<p>Recommendation 27 - Amend the plan to update the occupancy rates for the precinct, and the indicative residential contributions</p>		
<p>Agree</p>		<p>No objection is raised to the above recommendation. Updated occupancy rate figures have been provided to IPART and are included in the draft Report.</p>