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Urbis Pty Ltd
ABN 50 105 256 228

18 October 2019

Ms Sarah Blackwell
Director
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
NSW 1240

Dear Sarah,

REVIEW OF HAWKESBURY CITY COUNCIL'S CONTRIBUTIONS PLAN - VINEYARD

This submission has been prepared by Urbis on behalf of Balintore Developments Pty Ltd (as the owner of [REDACTED]) in response to the second release of the Independent Pricing and Regulatory Tribunal's (IPART) review of Hawkesbury City Council's Contribution Plan – Vineyard. **This submission builds upon our original submission dated 28 June 2019 on the first draft report by IPART (Attachment A).** The client's project team does appreciate this opportunity to provide comment on IPART's findings. Please find below further comment, commended to IPART for consideration moving forward.

1. Overall direction of IPART review

The overall direction of the IPART findings, seeking to reduce by cost contributions by not less than 10% is commended and considered critically important. The contribution amounts set out in the draft contribution plan have to date been considered excessive and without reasonable basis – **contrary to stated aims set out in the draft contribution plan for reasonable contributions.**

2. Cumulative impact of contributions

The reasonableness and impacts arising from cumulative contributions (local and state) toward infrastructure arrangements do need to be properly considered moving forward – these cannot and should not be considered in isolation.

Specifically, the combined obligations and impacts from the proposed Vineyard Contribution Plan, coupled with contributions required under the Special Infrastructure Contribution Arrangement will be massive and completely contrary to aims set out in the *Appendix 13 Hawkesbury Growth Centre Precinct Plan, State Environmental Planning Policy (Sydney Region Growth Centres) 2006* which clearly states:

'(b) to deliver housing choice and affordability by accommodating a wide range of residential dwelling types that cater for housing diversity'.

With the removal of Section 7.11 contribution cap on 1 July 2020, the delivery of affordable housing will be crippled by the cumulative contribution amounts in greenfield residential development.



3. Consideration of latest land values and feasibility of development

The contribution plan is premised in part on assumed land values for land acquisition within the precinct. It is not evident that the land values used have properly taken into account the cumulative impact of local and state contributions being proposed, as well as the costs of subdivision and associated infrastructure delivery. It is strongly recommended that land values are updated to reflect latest market conditions.

In addition and to assist IPART review, we would be pleased to provide further insights into the realistic costs of residential development within the precinct, as part of a review of determining the reasonableness of contributions being sought under the contribution plan.

From here.

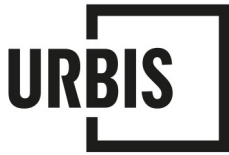
We trust that this submission assists IPART's consideration of the draft contribution plan and appreciate the opportunity to provide a submission at this time. If you have any questions or wish to discuss related matters further, please do not hesitate to contact either Grace Macdonald or the undersigned on [REDACTED]

Yours sincerely,

[REDACTED]

Simon Wilkes
Associate Director - Urban Planning

Attachment A: IPART Letter dated 28 June 2019



LEVEL 5
80 GEORGE STREET
PARRAMATTA NSW 2150

URBIS.COM.AU
Urbis Pty Ltd
ABN 50 105 256 228

28 June 2019

Ms Sarah Blackwell
Director
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop
NSW 1240

Dear Sarah,

SUBMISSION ON IPART REVIEW OF HAWKESBURY CITY COUNCIL'S CONTRIBUTION PLAN - VINEYARD

This submission has been prepared by Urbis on behalf of Balintore Developments Pty Ltd (as the owner of [REDACTED]) in response to the release of the Independent Pricing and Regulatory Tribunal's (IPART) review of Hawkesbury City Council's Contribution Plan – Vineyard. The client's project team welcomes the opportunity to provide comment on IPART's findings.

As an overall comment, the findings of the IPART review are commended. We appreciate the recommendation to reduce contribution rates by an average of 21.5% across all residential zones in the precinct. The contribution amounts set out in the draft contribution plan have to date been considered excessive and without reasonable basis – contrary to the stated aims set out in the draft contribution plan. The adjusted rates provide a better balance between ensuring appropriate infrastructure is delivered and service the needs of the community without sterilising development feasibility – particularly when considered in the broader context of infrastructure delivery, contributions to Special Infrastructure Contributions (SIC) etc.

In addition to above finding, we offer the following comments to assist with the finalisation of IPART's review of the Vineyard Contribution Plan.

1. Nexus is not established for Boundary Road's upgrade to a sub-arterial road [Section 4.3.1]

The draft Vineyard Contribution Plan identifies Boundary Road for an upgrade to a 'sub-arterial road' standard. We agree with IPART's findings that there is no demonstrated nexus between this upgrade and the future development of land within the Vineyard Precinct.

In the finalisation report for the Vineyard Precinct rezoning, the Department of Planning and Environment (DPE) designates Boundary Road as a 'collector road'. The road hierarchy in Vineyard Precinct was established through a series of technical studies and consultation with State agencies, including Roads and Maritime Services. We agree the assumptions for this road upgrade to reflect the planning assumptions used during precinct planning. There is no indication a higher order road network would be required to service the future residents in Vineyard.

2. Applying the average cost of embellishing a district park to open space with ENV is not reasonable [Section 6.3.1]

IPART recommended adjustment to cost of a district park with 'ENV' designation, on the basis that is inappropriate for the opportunities and constraints associated with the land.

Accordingly, the cost estimates identified in the draft contribution plan are considered to be excessive and without reasonable basis – contrary to the aims of the draft contribution plan. The recommended approach to reducing the cost amounts identified in the IPART report are commended.

3. Proposed values for constrained land are not reasonable [Section 9.1.1]

IPART's review identified land value for flood liable land and a transmission easements were relatively high compared to other precincts in the North West Growth Area. We agree with IPART's recommendation that for the purposes of inclusion in a contribution plan, it is appropriate for the land value to have proper regard to relevant constraints.

4. Level of certainty regarding cost estimates

As noted in the IPART review, the cost estimates in the draft contribution plan do incorporate a high (~20%) contingency component – which unreasonably inflates the applicable contribution rates. Moving forward, it is recommended that:

- a. the level of contingency is reduced to a more reasonable rate,
- b. that Council proactively advance detailed design for infrastructure (or allow for this to be done on behalf of Council by landowners through a work-in-kind agreement), and
- c. that contribution amounts are the subject of scheduled periodic review.

As an overall comment, the subdivision and development of the area will be dependent on the timely and equitable delivery of infrastructure. It is important that this is appropriately recognised in the contribution plan

5. Discrepancy between Commercial Road and Chapman Road hierarchy

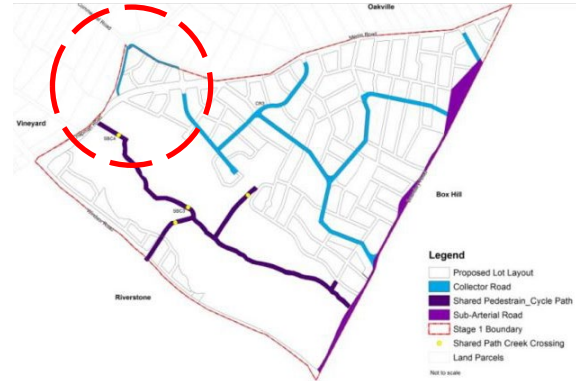
There is discrepancy on the road hierarchy classification for parts of Commercial Road and Chapman Road in the north-west corner of the Precinct. The draft Contribution Plan classifies these road segments as a "collector road". This is at conflict with the precinct planning assumptions, which assumes these roads to remain a local road designation. Refer to **Figure 1** which provides a side by side comparison of the road hierarchy from precinct planning and the draft contribution plan. The draft contribution plan should be updated to reflect the precinct planning outcomes. Parts of Commercial and Chapman Road should not be identified as a collector road and the contribution amount associated to these road upgrades should be removed from the draft contribution plan.

Figure 1 – Road Hierarchy comparison



Picture 1 – Precinct Plan Road Hierarchy

Source: Department of Planning and Environment



Picture 2 – Vineyard Contribution Plan

Source: Hawkesbury City Council

Other matters

6. Interim arrangements for subdivision and development

In parallel with the finalisation of the contribution plan, it is imperative that appropriate interim arrangements are established allowing for the subdivision and development of land subject to reasonable conditions. To date, the position of Council has been to require a voluntary planning agreement to be entered into on the basis of contribution plan that is unreasonable in nature and with excessive contribution requirements. This position is both inconsistent with the Ministerial Determination (with a \$30,000 cap) and also the state purposes set out in the draft contribution plan, ‘..to ensure that the development makes a reasonable contribution toward the provision of local infrastructure that is required for that population’..

7. Consideration of cumulative contributions - S7.11 and SIC

The North West Growth Centre Special Infrastructure Contribution framework is the subject of current review by the State Government, with new contribution amounts and associated infrastructure items. Neither the draft contribution plan nor the draft IPART review provide any assessment about the degree of consistency (and any potential duplication) of infrastructure. It is imperative that these matters are considered cumulatively, in terms of both infrastructure items and contribution amounts.



We trust that this submission assists IPART's consideration of the draft contribution plan and appreciate the opportunity to provide a submission at this time. Should you have any questions or wish to discuss related matters, please do not hesitate to contact either Grace Macdonald or the undersigned on [REDACTED]

Yours sincerely,



Simon Wilkes
Associate Director