



Anthony Roberts MP
Minister for Planning, Minister for Housing, Special Minister of State

Our ref: 16/14317

Mr David Farmer
General Manager
Wollongong City Council
Locked Bag 8821
WOLLONGONG NSW 2500

COPY

Dear Mr  Farmer

I refer to the assessment undertaken by the Independent Pricing and Regulatory Tribunal (IPART) of Wollongong City Council's *Draft West Dapto Section 94 Development Contributions Plan 2016*.

Upon completing their assessment, IPART has recommended thirty-nine amendments to the contributions plan. I have considered these recommendations and request that Council address thirty-one of them before it is eligible to access the Local Infrastructure Growth Scheme, and the remaining eight by 30 June 2019. Please refer to the attachment for details.

I am advised that Council adopted a revised *West Dapto Section 94 Development Contributions Plan* in April 2017 that addresses most of the thirty-one amendments described above. Subject to the thirty-one of these amendments being made, you will be able to access LIGS funding for development approvals issued in the plan area from the date of this letter until 30 June 2019.

The remaining eight recommendations must be addressed by 30 June 2019 before to be eligible to apply for further LIGS funding after that date.

When the required amendments have been made I would be grateful if you could provide a copy of the revised plan to the Department of Planning and Environment.

Should you have any questions in relation to this matter, please contact Mr Martin Reason, Acting Executive Director, Infrastructure and Delivery at the Department on 8217 2065.

Yours faithfully



Anthony Roberts MP
Minister for Planning
Minister for Housing
Special Minister of State

21 SEP 2017

Encl: Amendments to Contributions Plan to be eligible for LIGS funding

Attachment – Amendments to West Dapto Section 94 Contributions Plan to be eligible for Local Infrastructure Growth Scheme (LIGS) funding (includes page number from IPART Assessment)

Recommendations to be addressed before Council is eligible to access LIGS

IPART No.	Recommendation
1	WCC remove the apportioned cost of works for the upgrade to the multimodal interchange including car parking (\$3,304,738) from the cost of essential works in the Draft West Dapto CP. p40
2	WCC remove the cost of the riparian land (\$14,510,000) from the cost of essential works in the Draft West Dapto CP and review the need to acquire all of such land, in consultation with the Department of Planning and Environment (DPE). p40
3	WCC remove the apportioned cost of the community recreation and leisure centre (\$8,573,318) from the cost of essential works in the Draft West Dapto CP, but include the apportioned cost of an outdoor tennis/netball court complex (minimum 12 courts) once it has estimated the reasonable cost for this such facility. p40
4	WCC remove the cost of capital works for three new multi-purpose community centres and for the enhancement of an existing community centre (\$21,344,457) from the cost of essential works in the Draft West Dapto CP. p40 Capital works for: - a new multi-purpose community centre and children’s centre in Darkes Town Centre - a new multi-purpose community centre including library (technology centre) in Cleveland Precinct - a new multi-purpose children’s centre including community hall in Yallah-Marshall Mount, and - an enhancement to Wongawilli Community Hall. p41
6	WCC identify the cycleway network as transport infrastructure in the Draft West Dapto CP, rather than open space and recreation, to ensure that the planning for the cycleways forms an integrated part of the transport network. p40
7	WCC remove from the cost of essential works in the Draft West Dapto CP the local road works for: – the upgrade of the western section of Sheaffes Road (\$2,585,000) – the upgrade of Paynes Road (\$2,303,000) and bridge B52 (\$393,211), and – new road NR100-NR103 (\$11,084,020). p51
8	WCC reduce (by \$19,365,854) the cost of the upgrade of Marshall Mount Road in the Draft West Dapto CP to reflect a 2-lane, rather than a 4-lane upgrade. p51
10	WCC review the number of bus stops needed for unidirectional services with a view to reducing the number and costs in the Draft West Dapto CP. p51
11	WCC remove the cost of the four duplicated enhanced storage areas (\$17,559,419) from the cost of essential works in the Draft West Dapto CP. p58
12	WCC remove the cost of six detention basins in Yallah-Marshall Mount (\$8,917,630) from the cost of essential works in the Draft West Dapto CP, until it can establish nexus for the stormwater management needs of this subprecinct by means of a technical study. Once done, WCC can include the reasonable costs of the necessary infrastructure (including GPTs) in the plan. p58
13	WCC remove the cost of ten gross pollutant traps (\$550,000) from the cost of essential works in the Draft West Dapto CP. p58 - four GPTs from the plan, consistent with our recommendation to remove four double-counted detention basins; and - six GPTs associated with the six detention basin in Yallah-Marshall Mount for which nexus has not been established. p62
14	WCC remove \$8,826,040 from the cost of essential works in the Draft West Dapto CP, being the cost for 15.56 hectares of excess open space land and its embellishment, comprising amounts of: – \$2,409,112 for one sports park plus playground with an area of 9.56 hectares (50% of cost apportioned to the plan)

	<ul style="list-style-type: none"> - \$4,066,816 for one neighbourhood park plus playground with an area of four hectares, and - \$2,350,112 for one local park with an area of two hectares. p63
15	<p>WCC remove \$173,104,776 in costs from the transport essential works in the Draft West Dapto CP in line with the recommended adjustments in Table 3.9. 72</p> <ul style="list-style-type: none"> - \$2,565,579 for the upgrade of Bong Bong Road; - \$5,499,086 for the upgrade of West Dapto, Sheaffes, Wongawilli, Darkes, Avondale and Cleveland Roads; - \$2,387,783 for the upgrade of West Dapto, Avondale, Cleveland, Huntley and Reddalls Roads; - \$29,834,764 for the Fowlers Road extension; - \$22,050,000 for bridges B9A, B9B and B9C on West Dapto Road; - \$3,108,000 for bridge B1 on Bong Bong Road; - \$8,211,000 for bridges B26A, B26B, B27, B28, B29A, B29B, B29C on road NR40-NR47A; - \$57,023,959 for roadwork cost estimates in Stages 1-4; - \$4,760,150 for roadwork estimates in Stage 5; - \$12,680,814 for Stage 5 contingencies; and - \$15,787,485 for Stages 1-4 contingencies; - \$9,196,155 for Stage 5 indexing. p73
19	WCC rectify the discrepancies identified in Table 3.10 in relation to transport items so that relevant costs and descriptions in the Draft West Dapto CP and the West Dapto S94 Work Schedule are aligned. p72
20	WCC include in the West Dapto CP estimates for the cost of land acquisition for transport infrastructure in Stage 5, relying on up-to-date advice from a registered valuer. p72
22	WCC remove \$2,795,594 from the cost of essential works in the Draft West Dapto CP for the unnecessary indexation of land acquisition estimates for the Mullet Creek basins. p80
23	WCC remove \$2,539,484 for the unnecessary indexation of the cost of trunk drainage. p78
24	WCC remove the cost of 1.99 hectares of land for cycleways in the Cleveland precinct (\$177,785) from costs in the Draft West Dapto CP. p83
25	WCC review the estimate for plan administration costs in the Draft West Dapto CP. 85 Administration costs are 0.7% of infrastructure costs (excluding land costs) in the draft plan. Local infrastructure benchmark administration costs are 1.5% p85
26	<p>To index capital works estimates (but not actual costs) to current dollars, WCC apply more cost-reflective PPIs to the most recent period, as follows:</p> <ul style="list-style-type: none"> - ABS PPI (Road and Bridge Construction) for transport and stormwater costs, and - ABS PPI (Non Building Construction) for open space costs. p86
28	WCC prioritise infrastructure delivery for each of the development stages beyond the 10-year capital works program, setting out in the Draft West Dapto CP and work schedules an indicative timetable for infrastructure provision in tranches of five or ten years. p89
30	WCC apportion costs for transport, stormwater and plan administration between residential and industrial development based on the relative NDA of the development type (currently a 91:9 split) such that 9% of contributions revenue for this infrastructure comes from industrial development and 91% comes from residential development. p103 IPART estimate the cost impact for industrial development, significant increase in the contribution rate from \$68,499/ha of NDA to \$433,259/ha of NDA. p103
31	WCC apportion costs to retail, office and business premises development (ie, in land zoned B1, B2 or B4) to represent its fair share of demand for infrastructure in the calculation of contribution rates for non-residential development. p103
32	WCC include an additional \$17,040,037 in the Draft West Dapto CP for the cost of road NR1-NR3 which should be apportioned 64% rather than 50% to the WDURA. p107
33	WCC remove \$1,407,158 from the Draft West Dapto CP for the combined costs of the signalised intersections on Cleveland Road (In23 and Int25), until it has assessed the benefits accruing to WDURA residents compared with outside precincts, so that it can then apportion a more reasonable share of their costs to development in West Dapto. p107

34	WCC include more information in the Draft West Dapto CP and work schedules to justify the specific apportionment of costs for various transport works to the WDURA, based on the estimated demand for the infrastructure (linked to its traffic modelling). 107 IPART recommend the inclusion of vehicle trip information (in line with the TRACKS model). p110
35	WCC apportion stormwater infrastructure costs to residential development on a per hectare basis rather than a per person basis, to better reflect the source of demand for the facilities. p111
36	WCC apportion only 25% (or \$1,660,806) of the cost of a sports park in Darkes Town Centre to the Draft West Dapto CP. p112
37	WCC apportion only 50% of the cost of outdoor recreation facilities at the Community Leisure and Recreation Centre in Cleveland (being only that component of the centre which is on the Essential Works List), based on the estimated share of demand for the district-wide facilities from within the WDURA. p112
38	WCC exclude land from the precincts' NDA for development contribution purposes only where there is a Ministerial direction to that effect, reinstate 30 hectares of land for State schools into the precincts' NDA for the purpose of calculating development contributions and request the Department of Education to pay the relevant contribution when school development is approved. p114
39	WCC amend the Draft West Dapto CP to provide information in a way that more fully complies with the requirements of the Environmental Planning and Assessment Regulation 2000. p116 Improvements to be made to the plan: - Maps showing the proposed public amenities and services. - Apportionment of costs between residential, industrial and other non-residential development. - Apportionment to areas outside WDURA. - How projected employment figure was determined. - Timeframes for proposed infrastructure that demonstrate clear priorities for expenditure beyond council's 10 year capital works program. p117

Recommendations to be addressed prior to 30 June 2019

IPART Recommendation	
No.	
9	WCC remove Rail Bridge A (\$7,955,472) on Marshall Mount Road from the cost of essential works in the Draft West Dapto CP. p51
15	WCC review the need to acquire 11.81 hectares of land for cycleways (a cost of \$590,638) and consider opportunities to locate them on land that would be used for other infrastructure purposes (eg, open space or drainage land), thereby reducing costs in the plan. p63
16	WCC update the estimated costs of capital works in the plan, where outdated, with the assistance of a quantity surveyor if necessary. p69
18	Where possible, WCC replace the cost estimates for completed roadworks with the actual capital expenditure, indexed annually by CPI. p72 The relevant road works are: - Shone Ave upgrade, including intersection Int14 - Bong Bong Rd upgrade, including intersection Int16 - Cleveland Rd, including intersections Int23 and Int25 - Fairwater Dr upgrade, including intersections Int26 and Int42 and bridge B33, and - new roads NR14A and NR14B as 2-lane roads. Once the cost estimates have been updated to reflect the actual capital work completed, the cost estimate for the remaining work in the plan should not be based on a new build rate p78
21	WCC refine the estimates for land values and cost of facilities for stormwater infrastructure, once the locations of the basins are known. p80
27	To index land acquisition cost estimates between valuation years, WCC apply the NSW Valuer Generals' land valuation data for the Wollongong to derive an index for land acquisition cost estimates in the plan, and state this method in the plan. p87
29	To improve the links between demand for infrastructure and contributions in different stages in the plan, WCC consider either:

	<ul style="list-style-type: none"> – removing Stages 4 and 5 from the plan for inclusion in a new or another section 94 contributions plan, or – introducing separate contributions in the Draft West Dapto CP for developments in Stages 1 to 3 and developments in Stages 4 and 5, that are more reflective of the cost of facilities to meet demand from the new development in each of the stages. p98
40	<p>WCC review the West Dapto CP, at least every two years during the next 10 years of the plan, to take account of:</p> <ul style="list-style-type: none"> – changes to the expected provision of infrastructure resulting from the neighbourhood planning process and resulting revisions to the capital works program – outcomes from the rezoning process for Stages 3 to 5 (if relevant), including any flow-on effects to the facility requirements in relevant areas, and – reconciliation of actual costs to forward cost estimates, such that any cost efficiencies can result in lower contribution rates. p118