



Assessment of Contributions Plan
Glenmore Park Stage 3 At Mulgoa
Development Contributions Plan 2022

Penrith City Council

Draft Report

May 2024

Local Government >>

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

Local Government Committee Members

The Local Government Committee members for this review are:

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Invitation for submissions

IPART invites comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

Submissions are due by **Tuesday, 4 June 2024**

We prefer to receive them electronically via our [online submission form](#).

You can also send comments by mail to:

Assessment of Glenmore Park Stage 3 Development Contributions Plan 2022
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop, Sydney NSW 1240

If you require assistance to make a submission (for example, if you would like to make a verbal submission) please contact one of the staff members listed above.

Late submissions may not be accepted at the discretion of the Committee. Our normal practice is to make submissions publicly available on our [website](#) as soon as possible after the closing date for submissions. If you wish to view copies of submissions but do not have access to the website, you can make alternative arrangements by telephoning one of the staff members listed above.

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If you would like further information on making a submission, IPART's [submission policy](#) is available on our website.

The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

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1 Executive Summary

This is our Draft Report of our Assessment of *Glenmore Park Stage 3 At Mulgoa Development Contributions Plan 2022*. In the Draft Report we have made draft recommendations and are seeking comment from Penrith City Council where we need further information.

New development is essential to provide housing for NSW's growing population and more commercial, retail, and industrial space for employment. When development occurs, local councils need to provide additional infrastructure to support both the development and the new community– for example, new roads, stormwater management and open spaces. In NSW, councils can require developers to contribute to the cost of providing that infrastructure.

Contributions plans set out the local infrastructure required to meet the demand from new development, and the contributions a council can levy on developers to fund the necessary land and works.¹ Currently, a contributions plan that proposes a level of contributions above a threshold of \$30,000 per lot or dwelling in identified greenfield areas and \$20,000 per dwelling in other areas must be submitted to IPART for review.

IPART provides its assessment to the Minister about whether the plan complies with the essential works list and other criteria set out in the Infrastructure Contributions Practice Note ([2019 Practice Note](#)) published by the Department of Planning, Housing and Infrastructure (DPHI).² The 2019 Practice Note must be read in conjunction with the Department of Planning and Environment's Development Contributions Practice Notes, July 2005 ([2005 Practice Notes](#)) which outlines the requirements for local councils in preparing and administering their contributions plans.







The council submitted *Glenmore Park Stage 3 At Mulgoa - Development Contributions Plan 2022* (GP3 CP) to IPART for assessment on 29 September 2023. The council is seeking to levy development contributions above the \$30,000 cap per lot/dwelling. This is the first time that IPART is reviewing GP3 CP.

We assessed GP3 CP against the DPHI's Practice Note criteria.¹ We found that the plan meets some of the 2019 Practice Note criteria (see **Figure 1.1**). We are seeking further information from the council to assist us to assess whether the plan meets the remaining 2019 Practice Note criteria.

¹ [Section 7.11 of the Environment Planning and Assessment Act 1979](#) allows councils to levy contributions towards the cost of providing local infrastructure.

² The Department of Planning, Housing and Infrastructure (DPHI), formerly Department of Planning and Environment (DPE). This change took place on 1 January 2024, and this report will refer to DPE/DPHI interchangeably.

Figure 1.1 Summary of our assessment of GP3 CP

Essential works list	Nexus	Reasonable cost	Reasonable apportionment	Reasonable timeframe	Community consultation	Other matters
						
Seeking comment	Seeking comment	Seeking comment	Seeking comment	Demonstrated subject to recommendation	Demonstrated	Demonstrated subject to recommendation

We have made draft recommendations where GP3 CP has not completely met the criteria, which includes:

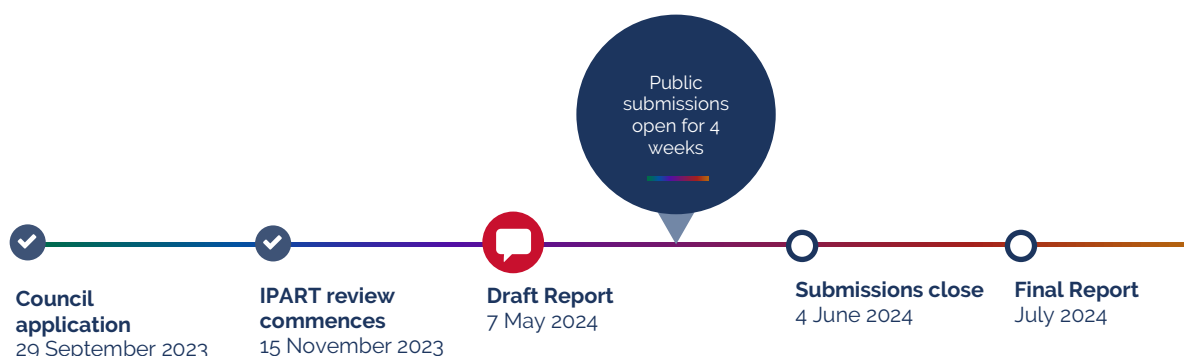
- to increase the contingency allowances for stormwater, transport and open space infrastructure
- make adjustments to correct amounts included in the plan, which have led to an increase in the contribution rates
- provide indicative timing for the delivery of each individual infrastructure item in the plan.

If our draft recommendations were implemented, we estimate that the total reasonable cost of works and land in GP3 CP will be about **\$231 million**. The corresponding estimated development contribution rate for a typical dwelling would be about **\$107,000**.

We are seeking feedback on our draft recommendations until 4 June 2024. **Figure 1.2** shows the review timeline for GP3 CP.

The Draft Report outlines our preliminary position on GP3 CP, and we are seeking further information, including undertaking consultation, to assist us to complete our review of the plan. We have published our Draft Report to facilitate assessing the plan in a timely manner.

Figure 1.2 Review timeline for GP3 CP



2 Introduction

Penrith City Council (the council) submitted *Glenmore Park Stage 3 At Mulgoa Development Contributions Plan 2022* (GP3 CP) to IPART for assessment on 29 September 2023. The council is seeking to levy development contributions above the \$30,000 cap per lot/dwelling.

IPART must first review GP3 CP and provide its assessment to the Minister for Planning and Public Spaces (Minister). The Minister (or the Minister's nominee) may request the council to make changes to the plan. After the council makes any changes and adopts the plan, the council can levy the contributions rate above the cap, as calculated under the adopted plan.

This is the first time that IPART is reviewing GP3 CP.

We assessed GP3 CP against DPHI's 2019 [Practice Note](#) criteria:

1. Public amenities and services in the plan are on the **essential works list** as identified within the Practice Note.
2. Public amenities and services are reasonable in terms of **nexus** (i.e. there is a connection between the development and demand created).
3. Development contribution is based on a **reasonable estimate of the cost** of the public amenities and services.
4. Public amenities and services can be provided within a **reasonable timeframe**.
5. Development contribution is based on a **reasonable apportionment** between:
 - a. existing and new demand for the public amenities and services, and
 - b. different types of development that generate new demand for the public amenities and services (e.g. different types of residential development such as detached dwellings and multi-unit dwellings, and different land uses such as residential, commercial, and industrial).
6. Council has conducted appropriate **community liaison** and publicity in preparing the contributions plan.
7. **Other matters** IPART considers relevant.²

Our assessment of GP3 CP involved reviewing the contributions plan and supporting documentation supplied by the council, including the council's application form, works schedule, strategic studies, and consultant reports. The council relied on the key developers in the precinct, Mirvac Homes (NSW) Pty Ltd (Mircac) and Vianello Holdings Pty Ltd (Vianello), to prepare most of the supporting documentation for the plan.

We also made 2 requests for further information from the council and received further information to assist us in assessing the plan.

We are seeking further information from the council in the Draft Report to help us assess whether the plan meets the 2019 Practice Note criteria.

For more details on our assessment approach, please see our [Information Paper](#).

The remaining sections of this Draft Report provide a background on GP3 CP, our assessment of the plan, draft recommendations, where we are seeking comment from the council and draft recommended contributions rates.

We are seeking feedback on our draft recommendations and seeking comment from the council until 4 June 2024 (see below).

Draft recommendations

1.	Update the cost of plan administration to be 1.5% of the revised total works costs.	24
2.	The council use the following contingency allowances: a. 30% for MB1, VB2, MB3, MB4, and MB5 stormwater works items. b. 20% for transport works. c. 15% for open space embellishment works.	25
3.	Adjust the work schedule for residential development to: a. remove the contingency allowance from the base cost of the works for INT1-5. b. update the CPI values for transport works and land costs to reflect the September 2023 indexed value. c. reduce the land disturbance allowance for transport land items T3.4, INT4 and INT3 to 5%. d. use the R2 (>10,000 square metre) rate for T2.1 and T3.1, the R3 (<10,000 square metre) rate for T3.4, and use the R2 (<10,000 square metre) rate for T3.5 from the land valuation report.	26
4.	Include indicative timing for individual infrastructure items in the work schedule for the plan.	29

Seek Comment

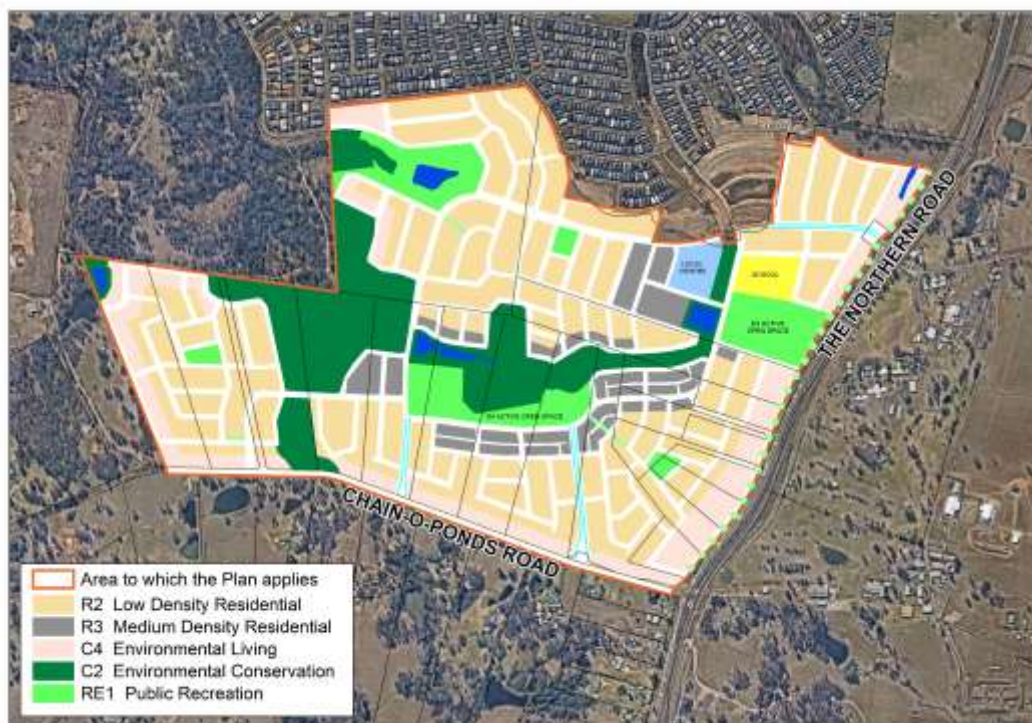
- | | | |
|----|---|----|
| 1. | The council provide further information about whether the land and/or works of the linear parks (LIN1-4) meets the essential works list. | 11 |
| 2. | The council provide information about why 25 hectares of open space has not been included when considering the provision of open space in the plan. | 13 |
| 3. | The council provide further information to support the cost estimates for transport works items T3.1-T3.5. | 18 |
| 4. | The council provide further information on costs that should be included in the plan for LIN1-4 that meet the essential works list. | 20 |
| 5. | The council provide further information: | 23 |
| | a. on whether the underlying zoning for transport land items T2.2, T3.4, T4.4 and T5 could be used to determine the land value. | |
| | b. rates used in the work schedule to value C2 environmental conservation land differs from valuation report. | |
| | c. stormwater land items that appear to be under 1 hectare in size differs from value used valuation report. | |
| 6. | The council provide further information about the methodology used to determine the 5% land disturbance allowance. | 24 |
| 7. | The council provide further detail explaining why transport costs have not been apportioned to non-residential development. | 27 |

3 The Glenmore Park Stage 3 At Mulgoa - Development Contributions Plan 2022

3.1 The Glenmore Park Stage 3 at Mulgoa precinct

The Glenmore Park Stage 3 release area at Mulgoa precinct (the precinct) is about 206-hectare area within the Penrith local government area and forms an extension of the existing Glenmore Park release area. The precinct is about 6 kms south of Penrith, within 8 kms of the new airport and Sydney Science Park. The precinct is located north of Chain-O-Ponds Road and west to The Northern Road (see **Figure 3.1**).³

Figure 3.1 Map of Glenmore Park Stage 3 at Mulgoa precinct



Source: Penrith City Council, Glenmore Park Stage 3 Development Contributions Plan 2022– Part 1: Administration, p 6.

The precinct is currently mainly a rural and rural residential area that is proposed to undergo urban development comprising of housing, shops, school, open space, and environmental corridors.⁴

The precinct's land has been zoned for various uses to support its incoming population, including residential, traffic, transport, stormwater management, recreation and open space purposes.⁵ Most of the land within the precinct is owned by either Mirvac or Vianello.

The precinct is forecast to result in 2,310 new dwellings to support a population increase of 6,898 residents. Residential development will comprise a variety of types, including low and medium density dwellings, large environmental living lots and shop top and studio dwellings.⁶ Non-residential development comprises of a local centre for retail activities, a future school site, and open spaces including sports spaces and local and district parks.⁷ The council expects development to span over approximately 10 years.⁸

3.2 Contributions Plan – Glenmore Park Stage 3 precinct

To support development in the precinct, the Glenmore Park Stage 3 Development Contributions Plan (GP3 CP) levies contributions for transport and traffic management facilities, stormwater works, and open space and recreation facilities.⁹

The post exhibition plan was submitted to IPART for review on 29 September 2023. The council has indicated its intention to adopt the plan following receipt of the Minister's advice following IPART's assessment.¹⁰

3.3 Items included in GP3 CP

GP3 CP includes total development contributions of almost \$224.7 million, which covers the land, works and plan administration items associated with the development in the precinct.¹¹

Stormwater works

The plan proposes to deliver about \$23.4 million worth of stormwater works items within the precinct.¹²

In summary, this includes trunk drainage, detention basins, gross pollutant traps (GPTs) and rain gardens.¹³ The full list of stormwater infrastructure items and associated costs are listed in **Table 4.2**.

Transport works

GP3 CP proposes to deliver about \$44.3 million worth of transport works items within the precinct.¹⁴

In summary this includes road upgrades, entry boulevards, collector roads, minor local roads and minor local perimeter roads, intersections, shared paths/cycleways and traffic marking, lighting and posting.¹⁵

The full list of transport infrastructure items and associated costs are listed in **Table 4.3**.

Open space embellishment

GP3 CP proposes almost \$49 million to embellish 7 parks, including 3 local parks and 4 district parks, and 4 linear open spaces.¹⁶

The open space embellishment items in GP3 CP include pathways, playgrounds with playground equipment, playing fields, fitness equipment, sporting fields, picnic facilities and park furniture.¹⁷

The full list of open space infrastructure items and associated costs are listed in **Table 4.4**.

Land

GP3 CP includes almost \$106.3 million of land costs to acquire 42.26 hectares. Land acquisitions are planned to allow for stormwater infrastructure, transport and traffic management and open space and recreation.¹⁸

The full list of items and associated costs are listed in **Table 4.5**.

Plan administration

GP3 CP includes a plan preparation and administration cost of almost \$1.8 million.¹⁹ This is based on 1.5% of the total works cost.

Indexation

GP3 CP proposes to index works and land cost estimates to the base year of the plan using the Consumer Price Index (CPI) Sydney All Groups.²⁰

GP3 CP proposes to apply the ABS All Groups – Sydney Consumer Price Index (CPI) to the base contribution rates at the time of payment.²¹

3.4 Contribution rates in GP3 CP

GP3 CP levies contributions to each development based on the relevant apportionment of the total costs of the land, works and plan administration items required to service the development. The council has apportioned costs to residential development only.

The council's application sets out its proposed contribution rates for residential dwellings. **Table 3.1** displays the council's proposed contributions rates for each development type.

Table 3.1 GP3 CP contributions rates (\$June 2023)

Type of Development	Occupancy (persons/dwelling)	2023 proposed contribution rate (\$)
Per resident		32,574
Subdivided lot or Detached dwelling	3.2	104,238
Medium density dwelling	2.5	81,436
Shop top housing dwelling	2.0	65,149
Studio dwelling	1.5	48,861
Independent living unit	1.5	48,861
Secondary dwelling	1.5	48,861

Source: Penrith City Council, GP3 CP works schedule.

4 Assessment of GP3 CP

This section provides our assessment of *Glenmore Park Stage 3 Development Contributions Plan 2022* (GP3 CP) from the council. It includes our assessment of each criterion, by works category, issues relating across all categories, our draft recommendations and seeking comment to assist in assessing the plan against the 2019 Practice Note criteria.

4.1 Overview

We assessed GP3 CP against criteria in the DPHI's 2019 [Practice Note](#). For more details on our assessment approach, please see our [Information Paper](#).

We found that GP3 CP meets some of the 2019 Practice Note criteria. In **Table 4.1** we present a summary of our assessment, including where we are seeking further information, of each infrastructure category and issues relating across all categories.

Table 4.1 Summary of our assessment of GP3 CP

Criteria	Stormwater	Transport	Open space	Land	Plan administration
Essential works list	Criteria met	Criteria met	Seeking comment	Seeking comment	Criteria met
Nexus	Criteria met	Criteria met	Seeking comment	Seeking comment	Criteria met
Reasonable cost	Criteria met	Seeking comment	Seeking comment	Seeking comment	Criteria met
Apportionment	Criteria met	Seeking comment	Criteria met	Seeking comment	Seeking comment
Timing	Criteria met subject to recommendation				N/A
Consultation	Criteria met	Criteria met	Criteria met	Criteria met	Criteria met
Other matters	Criteria met subject to recommendation				

4.2 Essential Works List

4.2.1 Stormwater

The council proposes \$23.4 million of stormwater works in GP3 CP, and \$5.6 million in land acquisitions.²² GP3 CP stormwater works include trunk drainage, detention basins, gross pollutant traps (GPTs) and raingardens.²³ For the list of stormwater works, see **Table 4.2**. There is a land component for most stormwater infrastructure items.²⁴

Our review of the proposed stormwater infrastructure works items within GP3 CP has found that the stormwater infrastructure items are consistent with the essential works list set out in the [2019 Practice Note](#).²⁵

4.2.2 Transport

The council proposes \$44.3 million of transport works, and \$53.2 million in land acquisitions.²⁶ GP3 CP transport works include road upgrades, entry boulevards, collector roads, minor local roads and minor local perimeter roads, intersections, shared paths/cycleways and traffic marking, lighting and posting.²⁷ For the list of transport works, see **Table 4.3**. There is a land component for most transport infrastructure items.²⁸

We consider that the transport infrastructure items proposed within GP3 CP is consistent with the essential works list in the [2019 Practice Note](#).²⁹

4.2.3 Open space

GP3 CP includes around \$49 million in open space works to embellish 3 local parks, 4 district parks and 4 linear open spaces, and an associated \$47.5 million in land acquisitions.³⁰ For the full list of open space items, see **Table 4.4**. There is a land component for most open space infrastructure items.³¹

The open space embellishment items in GP3 CP include pathways, playgrounds with playground equipment, playing fields, fitness equipment, sporting fields, picnic facilities, park furniture, car parking, water play, landscaping and lighting.³² We consider that the open space infrastructure items proposed within GP3 CP meet the essential works list description in the [2019 Practice Note](#).³³

However, we note that the council's application form states that Mirvac and Vianello have made an offer to dedicate the land for the linear parks (LIN1 in part, and LIN2-4) to the council at no cost as the land does not meet the essential works list in the [2019 Practice Note](#).³⁴

The [2019 Practice Note](#) states that:

The acquisition of land and the undertaking of works for environmental purposes e.g. bushland regeneration or riparian corridors are not defined as essential works for the purposes of this Practice Note.

The only exception to this is where it can be demonstrated that the land and/or works in question serve a dual purpose with one or more of the categories of works that meet the definition of essential infrastructure outlined above. In this situation, only the component of land and/or works that serves the dual purpose can be considered as essential works.³⁵

We consider that this means that if the land and/or works for the linear parks that are only being used for environmental purposes, it cannot be included in a plan. However, if the land and/or works has a dual purpose both the land and/or works that meet the dual purpose can be included in the plan.

The council has also excluded the land for the linear parks from the nexus calculation (see **section 4.3.3**), however, has included open space embellishment costs for the linear parks in the plan. We are seeking further information from the council about whether the land/or works for the linear parks meets the essential works list to assess what should be included (in full or part) in the plan.

Seek Comment



1. The council provide further information about whether the land and/or works of the linear parks (LIN1-4) meets the essential works list.

4.2.4 Land

GP3 CP includes around \$106.3 million of land costs for 42.26 hectares of land.³⁶ The land acquisitions in the plan are for stormwater infrastructure, traffic and transport management and open space and recreation.³⁷ The full list of items and associated costs are in **Table 4.5**.

With the exception of the land for the linear parks (see **section 4.2.3**), we consider that the land proposed within GP3 CP is consistent with the essential works list permitted land for open space, transport and stormwater management in the [2019 Practice Note](#).³⁸

4.2.5 Plan administration

GP3 CP includes about \$1.8 million for plan administration costs. This is based on 1.5% of the total works costs for stormwater, transport and local open space.³⁹

We consider that the proposed plan management and administration cost within GP3 CP is consistent with the essential works list, which allow for costs of plan preparation and administration in the [2019 Practice Note](#).⁴⁰

4.3 Nexus

4.3.1 Stormwater

The council relied on the *Water Cycle Management Strategy Report* (April 2023), prepared by J. Wyndham Prince for Mirvac and Vianello, to establish nexus for stormwater infrastructure in the plan. The report identifies the stormwater infrastructure that is needed for development in the GP3 area. Nexus is established for most of the stormwater items in the plan through the technical study.⁴¹

We enquired with the council about TD1 and TD2 (trunk drainage) to seek further information to establish nexus. The council clarified that the drainage infrastructure is required to facilitate the development whilst providing infrastructure to ensure the natural upstream catchment flow regime remains.

We consider that nexus is established for all stormwater items in the plan.

4.3.2 Transport

The council relied on Mirvac to engage The Transport Planning Partnership (TTPP) to undertake the *Comprehensive Transport Impact Assessment (CTIA)* (August 2022), and provide an addendum (November 2022), to assess the demand for transport infrastructure in the precinct.⁴² An accompanying map demonstrating the roads to be upgraded within the plan overlaps with the roads identified in the council's studies.

The traffic assessments clearly demonstrate nexus for upgrades of the local road network and the specific roads identified by the council. While parameters of the roads have been provided, we need further information to assess if there is nexus for the parameters of new roads and road upgrades taking place in the precinct. This includes lengths and widths for new sub-arterial and collector roads, upgrades to existing roads and frontages for open space infrastructure.

We sought comment from the council on how it has determined the road lengths and widths for these items. The council noted that the specific extents and lengths of these items was not provided within the planning proposal's supporting studies, however the parameters chosen were informed by several factors, both within the planning proposal and from other sources. These include:

- road profiles within Glenmore Park Stage 2
- elements noted in the Planning Proposal, such as local topography, which can scale as high as 40m in some areas. This was identified in the *Visual Impact Assessment*
- the *Cumberland Plain Conservation Plan* which has mapped areas of high biodiversity not suitable for development
- input from external bodies such as the NSW Rural Fire Service and DPHI's requirement that a 40% tree canopy target be achieved for Greater Sydney.

This response and council's comments in its works schedule indicated that the council has planned its road parameters based on the needs identified by the CTIA as well as other considerations relevant to the context of the precinct. We consider that this establishes nexus for the transport items in the plan.

4.3.3 Open space

Currently there is no existing open space infrastructure within the precinct.

The council relied on the *Social Impact and Infrastructure Assessment* (April 2022), prepared by Elton Consulting (now WSP) for Mirvac, and the *Public Domain and Open Space Strategy* (PDOSS) (January 2023), prepared by GLN Planning for Mirvac and Vianello, to establish the need for open space in the precinct.⁴³

The PDOSS outlines that the precinct will have a provision of about 3.19 hectares of open space per 1,000 residents.⁴⁴ This excludes about 25 hectares of land included in the plan for open space, which is primarily the environmental corridors that form the linear parks, and Cumberland Plain Conservation Plan (CPCP) land.⁴⁵ If the 25 hectares of land were included, the provision of open space is 6.79 hectares of open space per 1000 residents.⁴⁶ This is significantly higher than the Growth Centres Development Code benchmark of 2.83 hectares per 1,000 residents.

We have previously assessed plans, such as *Campbelltown City Council's Menangle Park Contributions Plan 2018 (Menangle Park CP)*, with a higher provision of open space (3.19 hectares per 1,000 residents) as reasonable particularly where in the local government area there may be higher provision of open space.⁴⁷ The *Penrith Sport and Recreation Strategy* (March 2020) indicates that the Penrith local government area has around 5 hectares per 1,000 people, with some precincts within the local government area having a higher ratio.⁴⁸

We have also considered that the PDOSS assessed the provision of open space facilities in the plan against the performance-based benchmarks in the *Draft Greener Places Design Guide*⁴⁹, the *Penrith Sport and Recreation Strategy* and the Master Plan for the precinct to support the provision of different types of open space in the precinct. Overall, the provision of open space facilities is higher than the indicators and/or what is required by the Master Plan for the precinct.

We are seeking further information from the council to understand why the 25 hectares of land has been excluded when establishing nexus for open space. This information will also be relevant to our assessment about whether open space embellishment costs meet the essential works list (**section 4.2.3**) and whether certain open space embellishment costs, for bushland regeneration, should be included in the plan.

Seek Comment



2. The council provide information about why 25 hectares of open space has not been included when considering the provision of open space in the plan.

4.3.4 Plan administration

GP3 CP includes plan administration costs to cover the costs of council to prepare and review contributions plans, account for contributions receipts and expenditure, and coordinate the implementation of works.⁵⁰

The administration costs will also cover the costs of consultant studies that are commissioned for land valuations, designs, and cost of works, and for reviewing the development and demand assumptions in the plan. Plan administration costs will also cover the costs of council engaging the services of legal professionals to provide advice on implementing the plan.⁵¹

As these costs arise directly because of development, we consider that this establishes nexus for plan administration costs.

4.4 Reasonable Cost

4.4.1 Stormwater works

We consider that the costs for stormwater management works in GP3 CP are reasonable for this stage of the plan. The costs for stormwater management works in GP3 CP are shown in **Table 4.2**.

Table 4.2 Costs for stormwater works in GP3 CP (\$June 2023)

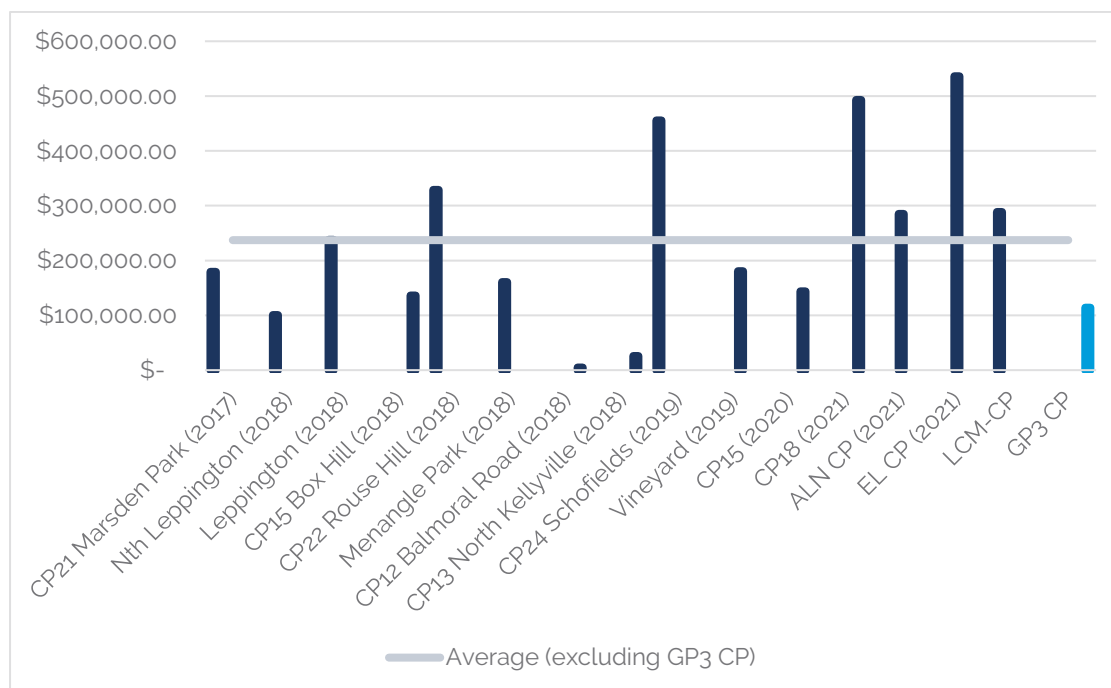
ID	Description	Cost (\$)
Trunk Drainage		
TD1	Trunk Drainage 1 - Chain-O-Ponds Rd (East)	928,439
TD2	Trunk Drainage 2 - Chain-O-Ponds Rd (West)	1,553,324
TD3	Trunk Drainage 3 - Piped Diversion (West) - Costs included in RGD	-
Detention Basins		
VB1	Detention Basin as required by the underlying SWMP for GP3 (GPT incl with RG J)	1,365,592
MB1	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	1,348,599
VB2	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	1,632,364
MB3	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	874,225
VB4	Detention Basin as required by the underlying SWMP for GP3 (GPT incl with RG K)	1,839,096
MB4	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	675,016
MB5	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	791,102
Raingardens		
RG A	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	1,463,113
RG B	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	355,054
RG C	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	2,552,470
RG D	Rain Garden as required by underlying SWMP for GP3 (incl GPT and TD3)	1,509,499
RG E	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	1,767,774
RG F	Rain Garden as required by underlying SWMP for GP3 (NO GPT)	95,591
RG G	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	534,807
RG H	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	881,104
RG J	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	574,439
RG K	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	2,695,560
Total		23,437,167

Source: Penrith City Council, GP3 CP, works schedule.

We have compared the overall stormwater costs for GP3 CP to other plans we have assessed and assessed individual stormwater works items.

Overall, stormwater works in GP3 CP of \$113,773 per hectare of net developable area are within range in comparison to other plans we have assessed (**Figure 4.1**).

Figure 4.1 Stormwater works costs per hectare of net developable land (\$June 2023)



Source: IPART analysis

We also assessed individual stormwater works costs and the way the council costed stormwater works items. The council relied on preliminary cost estimates prepared by J. Wyndham Prince for Mirvac, based on the water management strategy indexed to the base date of the plan (June 2023).⁵²

We assess the costs of trunk drainage lines and GPTs are reasonable when compared to our 2014 benchmark costs (after being indexed to the base date of the plan). The costs of raingardens in the plan are also reasonable as they are like the cost of raingardens in other plans we have assessed as reasonable.

The cost of three detention basins (VB1, VB2, and MB3) are about half the cost of comparable detention basins we have assessed as reasonable in other plans. We clarified with the council that each detention basin site has unique constraints and existing topography which require varying levels of site establishment and earthworks to deliver the required detention basin volumes. VB2 and MB3 also cost lower than other basins due to the location near existing dams and therefore have comparatively lower earthworks costs. On this basis we assess the cost of these three detention basins as reasonable.

The contingency and professional fee allowances are reasonable based on our 2014 benchmarks.⁵³

4.4.2 Transport

We consider that most of the costs for transport works in GP3 CP are reasonable for this stage of the plan, subject to further information that we are seeking from the council.

The costs for transport works in GP3 CP are shown in **Table 4.3**.

Table 4.3 Costs for transport works in GP3 CP (\$June 2023)

ID	Description	Cost (\$)
Road Hierarchy		
T1.1	Chain-O-Ponds Road Upgrade	3,414,750
T1.2	Chain-O-Ponds Road East Upgrade	1,158,125
T2.1	Entry Boulevard (Chain O Ponds Road)	3,393,000
T2.2	Entry Boulevard (The Northern Road)	3,020,713
T3.1	Collector Road with median	2,656,463
T3.2	Collector Road (adjacent to development on both sides)	6,076,763
T3.3	Collector Road (adjacent to bushfire hazard/Active District Park/ District Park 1)	5,503,988
T3.4	Collector Road (adjacent to bushfire hazard/District Park 2/Linear Parks)	1,818,300
T3.5	Collector Road (At Glenmore Park Stage 2 Boundary)	143,250
T4.1	Minor Local Road (adjacent to stormwater/District open space on one side)	639,400
T4.2a	Minor Local Perimeter Road (adjacent to stormwater/District open space on one side) - OPTION A	-
T4.2b	Minor Local Perimeter Road (adjacent to stormwater/District open space on one side) - OPTION B	2,575,013
T4.3	Minor Local Perimeter Road (adjacent to bushfire hazard/District Park 1 & 2)	1,797,750
T4.4	Minor Local Road (adjacent to Local Park/District Park 3)	1,722,700
T5	Minor Local Road (The Northern Road Interface)	1,048,500
Intersections		
INT1	Chain-O-Ponds Road / Entry Boulevard (East)	2,791,174
INT2	Chain-O-Ponds Road / Entry Boulevard (West)	2,495,620
INT3	Chain-O-Ponds Road / Collector Road	2,589,832
INT4	Collector Road /Collector Road (Vianello land)	654,962
INT5	Collector Road / Entry Boulevard (Vianello Land)	755,895
Total		44,256,195

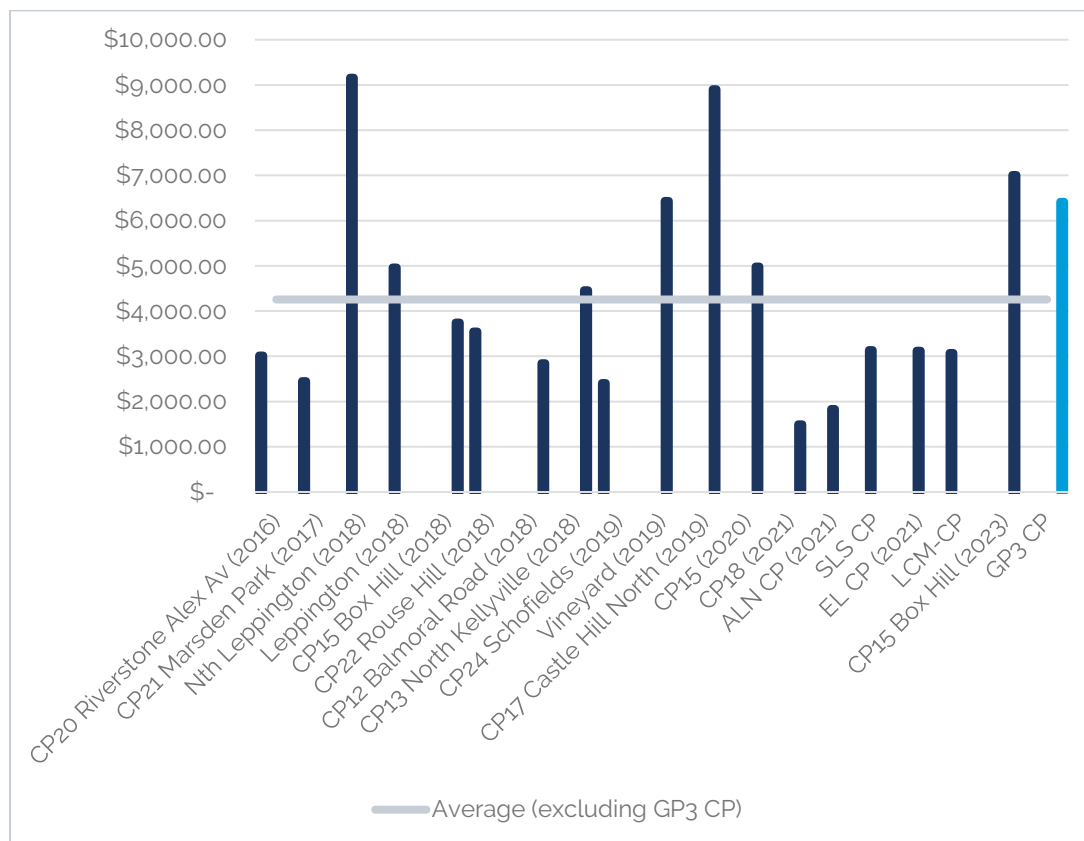
Source: Penrith City Council, GP3 CP, works schedule.

The total proposed cost for transport works is about \$44.3 million (about 20% of the total costs of the plan).⁵⁴

To assess the reasonableness of transport works costs, we compared the transport works cost to other plans we have previously assessed and individually assessed transport works items.

Overall, transport works costs (per person) of \$6,416 per person is within range to other plans we have previously assessed (**Figure 4.2**).

Figure 4.2 Transport works costs per person (\$June 2023)



Source: IPART analysis

For individual transport works, the council relied on Mirvac to engage ADW Johnson for transport works costs estimates and designs.⁵⁵ The council clarified that the cost estimates were informed by a pool of contractor rates within the south-west Sydney area and verified against known site conditions at the time of preparing the plan. These costs have been indexed to the base date of the plan (June 2023).

We consider that the costs for transport works items T1.1, T.12, T4.1, T4.2b, T4.3, T4.4, T5, and INT1-5 are reasonable after comparing them to similar items in other plans we have assessed.

We also consider that the costs for entry boulevards (T2.1 and T2.2) are reasonable based on like items from our [2014 benchmarks](#) and compared to like items in past plans we have assessed (indexed to the base date of the plan).

We are seeking comment on the cost of items T3.1-T3.5 as they are lower compared to similar items we have assessed in other plans and our benchmarks (indexed to the base date of the plan). We are seeking further information on these specific infrastructure items to help us understand whether the costs estimated for these works may be reasonable based on the unique features of these infrastructure items.

The professional fee allowances are reasonable, based on IPART's 2014 benchmarks.

Seek Comment



3. The council provide further information to support the cost estimates for transport works items T3.1-T3.5.

4.4.3 Open space

Our preliminary assessment of open space embellishment works items indicates that some costs are reasonable, and we are seeking further information to assist in assessing whether all open space costs are reasonable. The costs for open space embellishment works for GP3 CP are shown in **Table 4.4**.

Table 4.4 Costs for open space works in GP3 CP (\$June 2023)

ID	Description	Cost (\$)
Local Parks		
L1	Local Park 1	1,339,276
L2	Local Park 2	1,099,223
L3	Local Park 3	1,079,245
District Parks		
D1	District Park 1	3,657,815
D2	District Park 2	3,143,271
D3	District Park 3	13,628,384
D4	District Park 4	15,206,145
Linear Open Space		
LIN1	Linear Open Space 1	6,895,131
LIN2	Linear Open Space 2	1,124,028
LIN3	Linear Open Space 3	1,502,350
LIN4	Linear Open Space 4	311,732
Total		48,986,598

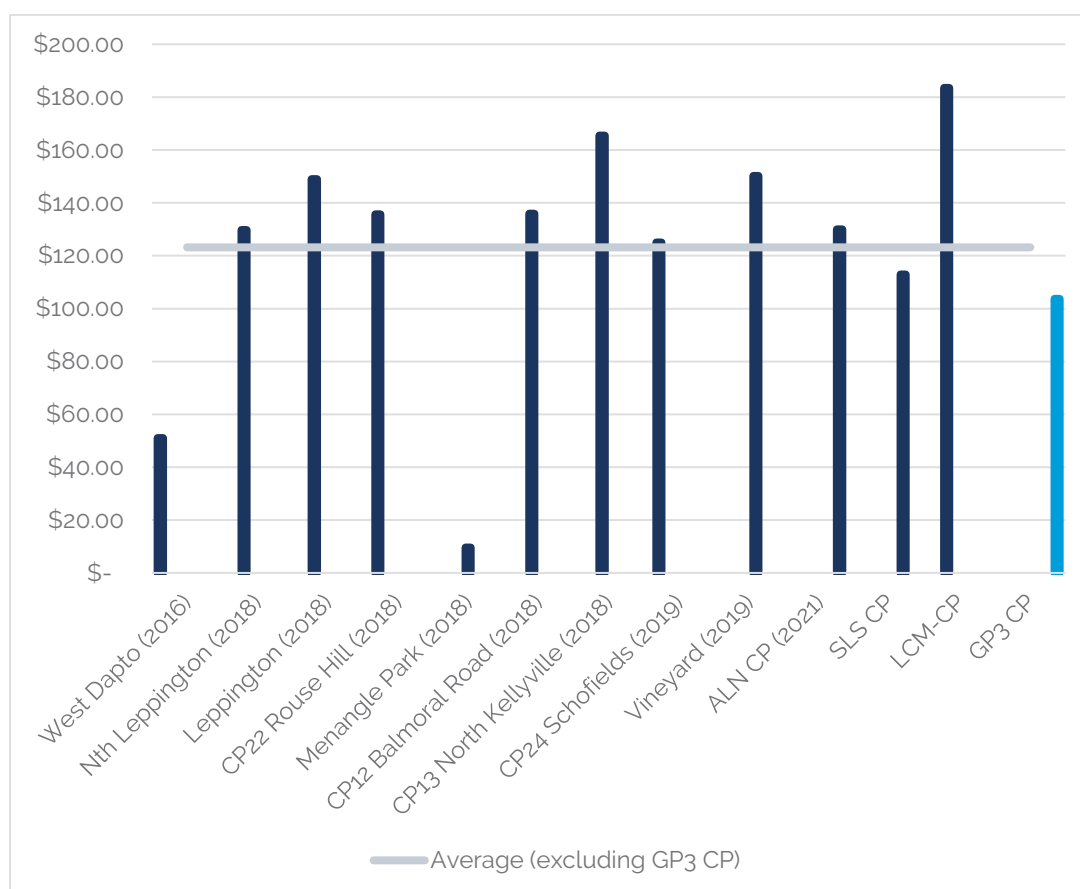
Source: Penrith City Council, GP3 CP, works schedule.

The total proposed cost of open space embellishment works in GP3 CP is about \$49 million (22% of the total costs of the plan).⁵⁶

We have assessed both the overall open space embellishment works cost to other plans we have assessed and individual open space embellishment items.

Overall, open space works costs in GP3 CP of \$104 per square metre of open space is within range and similar to other plans we have assessed (**Figure 4.3**). We note that this includes linear open space.

Figure 4.3 Open space embellishment works costs per square metre of open space (\$June 2023)



Source: IPART analysis

We also considered and assessed the cost estimates relied on by council for open space embellishment costs. The council relied on cost estimates prepared by Sturt Noble Associates for Mirvac and Vianello which were based on concept design plans and opinions of probable cost based on the open space strategy.⁵⁷ These costs have been indexed to the base date of the plan (June 2023).

The professional fee allowance is reasonable based on IPART's [2014 benchmarks](#).

We consider that the cost of local parks (L1-L3) and active district parks 3 and 4 (D3-D4) are within range to DPHI's '[Framework for Valuing Green Infrastructure and Public Spaces](#)' 2022 benchmarks⁵⁸ (DPHI's 2022 benchmarks) and the costs are similar to other items in plans that we have assessed as reasonable (indexed to the base date of the plan).

We sought further information from the council to support the cost estimates of passive district parks 1 and 2 (D1-D2) as they are significantly below DPHI's [2022 benchmarks](#) and other similar items we have assessed in other plans (indexed to the base date of the plan). The council clarified that the lower cost estimates are reflective of a lower level of embellishment for passive recreation. For D1, the council clarified that a large dam is to be reconstructed to function as a wetland and stormwater detention basin and D2 also will have basin works. The costs for these items (VB2, RGA and RGB) are separately costed in the plan. We consider the costs of D1 and D2 to be reasonable.

We also sought further information from the council for linear open spaces (LIN1-LIN3) as the costs are low in comparison to similar items we have previously assessed. The council clarified the lower cost estimates is due to lower levels of embellishment, and the nature of the linear parks is to provide additional green links between other parks. In addition, LIN1-LIN3 benefit from existing vegetation, reducing the soft scaping costs, which is different to LIN4 which does not contain as much existing vegetation.

While we consider the costs for LIN1-4 reasonable, we are seeking comment from the council about whether these parks meet the essential works list (see **sections 4.2.3** and **4.3.3**). If these parks do not meet the essential works list the costs (in full or part) would need to be removed from the plan. We are therefore seeking comment from the council about what open space embellishment costs should be included in the plan to ensure that only costs related to open space embellishment items that meet the essential works list are included in the plan.

Seek Comment



- The council provide further information on costs that should be included in the plan for LIN1-4 that meet the essential works list.

4.4.4 Land

GP3 CP includes around \$106.3 million of land costs for 42.26 hectares of land.⁵⁹ The full list of items and associated costs are in **Table 4.5**. Our preliminary assessment is that land costs are reasonable. However, we are seeking some further information from the council before we make our decision in the Final Report.

Table 4.5 Costs for land in GP3 CP (\$June 2023)

ID	Description of land	Land size (sqm)	Cost (\$)
Stormwater			
Trunk Drainage			
TD1	Trunk Drainage 1 - Chain-O-Ponds Rd (East)	N/A	-
TD2	Trunk Drainage 2 - Chain-O-Ponds Rd (West)	N/A	-
TD3	Trunk Drainage 3 - Piped Diversion (West)	N/A	-
Detention Basins			
VB1	Detention Basin as required by the underlying SWMP for GP3 (GPT incl with RG J)	14,619	4,604,985
MB1	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	7,794	81,837
VB2	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	23,334	-
MB3	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	13,587	142,664
VB4	Detention Basin as required by the underlying SWMP for GP3 (GPT incl with RG K)	9,686	101,703
MB4	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	10,898	114,429
MB5	Detention Basin as required by the underlying SWMP for GP3 (incl GPT)	10,193	107,027
Raingardens			
RG A	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	4,397	-

ID	Description of land	Land size (sqm)	Cost (\$)
RG B	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	1,470	-
RG C	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	7,245	76,073
RG D	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	3,126	246,173
RG E	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	4,508	-
RG F	Rain Garden as required by underlying SWMP for GP3 (NO GPT)	800	8,400
RG G	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	1,918	20,139
RG H	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	2,460	25,830
RG J	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	2,278	23,919
RG K	Rain Garden as required by underlying SWMP for GP3 (incl GPT)	9,686	-
Stormwater subtotal		127,999	5,553,177
Transport			
Road Hierarchy Works			
T1.1	Chain-O-Ponds Road Upgrade	0	-
T1.2	Chain-O-Ponds Road East Upgrade	0	-
T2.1	Entry Boulevard (Chain O Ponds Road)	11,136	4,092,480
T2.2	Entry Boulevard (The Northern Road Road)	9,802	5,660,655
T3.1	Collector Road with median	11,019	4,049,630
T3.2	Collector Road (adjacent to development on both sides)	25,730	9,455,628
T3.3	Collector Road (adjacent to bushfire hazard/Active District Park/District Park 1)	21,591	7,934,840
T3.4	Collector Road (adjacent to bushfire hazard/District Park 2/Linear Parks)	6,977	4,479,106
T3.5	Collector Road (At Glenmore Park Stage 2 Boundary)	588	216,090
T4.1	Minor Local Road (adjacent to stormwater/District open space on one side)	2,870	-
T4.2a	Minor Local Perimeter Road (adjacent to stormwater/District open space on one side) - OPTION A	0	-
T4.2b	Minor Local Perimeter Road (adjacent to stormwater/District open space on one side) - OPTION B	10,958	-
T4.3	Minor Local Perimeter Road (adjacent to bushfire hazard/District Park 1 & 2)	8,925	-
T4.4	Minor Local Road (adjacent to Local Park/District Park 3)	8,243	4,760,448
T5	Minor Local Road (The Northern Road Interface)	4,369	2,522,953
Intersections			
INT1	Chain-O-Ponds Road / Entry Boulevard (East)	5,577	3,220,718
INT2	Chain-O-Ponds Road / Entry Boulevard (West)	1,924	1,111,110
INT3	Chain-O-Ponds Road / Collector Road	2,266	1,931,765
INT4	Collector Road / Collector Road (Vianello land)	2,784	1,615,416
INT5	Collector Road / Entry Boulevard (Vianello Land)	3,694	2,133,285
Transport subtotal		138,453	53,184,122
Open space			
Local Parks			
L1	Local Park 1	5,087	2,937,743
L2	Local Park 2	5,007	2,891,543
L3	Local Park 3	5,166	2,983,365

ID	Description of land	Land size (sqm)	Cost (\$)
District Parks			
D1	District Park 1	67,821	3,133,330
D2	District Park 2	35,709	374,945
D3	District Park 3	49,636	18,241,230
D4	District Park 4	53,866	16,967,790
Linear Open Space			
LIN1	Linear Open Space 1	198,873	-
LIN2	Linear Open Space 2	32,284	-
LIN3	Linear Open Space 3	17,548	-
LIN4	Linear Open Space 4	1,416	-
Open space subtotal		472,413	47,529,945
Total		422,596	106,267,244

Source: Penrith City Council, GP3 CP, works schedule.

Note: The 'Total' for Land size (sqm) in this table does not equal the sum-total of individual land items listed, as some items share overlapping areas. 'Total' refers to the total area of all land acquisitions.

The council engaged Deloitte directly to prepare a *Summary Cost Rates for Glenmore Park Stage 3* report (September 2023). The report provides average cost estimates for underlying land zones in the precinct. The council adopted Deloitte's average cost rates to estimate land acquisition costs in the plan (see **Table 4.6**).

Table 4.6 Land acquisition cost rates per sqm for GP3 CP (\$September 2023)

Land zoning	<10,000 sqm	>10,000 sqm	>20,000 sqm	>50,000 sqm
C2 Environmental Conservation	10	10	10	10
R2 Low Density Residential	550	400	350	300
R3 Medium Density Residential	1,000	800	600	400
RE1 Public Recreation	300	250	200	150
C4 Environmental Living	350	300	250	150
SP2 Infrastructure	400	350	300	200

Source: Deloitte, Summary Cost Rates for Glenmore Park Stage 3, September 2023, p 4.

The council has not acquired any land and does not own any operational land within the precinct. Two major developers in the precinct (Mirvac and Vianello) made an offer to the council to dedicate land for linear parks 1 (partly), 2, 3, and 4 at no cost as the land does not meet the Essential Works List.⁶⁰ We are seeking comment from council to explain why this land (and associated open space embellishment costs) have been included in the plan if the land does not meet the essential works list criteria (see **sections 4.2.3** and **4.3.3**).

The cost rates in the land valuation report were estimated based on analysis of relevant sales evidence, using a direct comparison approach. This included analysing sales within the local precinct area, and the wider Sydney region where there were limited recent sales data in the local precinct.⁶¹ We consider the approach to estimating land acquisition costs for GP3 CP as reasonable.

We have also considered the rates applied to specific land acquisitions in the plan. We clarified with the council the basis for the rates used for costs of land for D1 and RGD. The council provided further information that the rates used were reflective of the underlying zoning of the land and specific factors of the land. We consider that this is reasonable.

We also sought further information about why transport land items T2.2, T3.4, T4.4 and T5 either had a \$550 (less than 10,000 square metre RZ zoning) or \$600 (more than 20,000 square metre R3 zoning) applied when the land appeared to cross different land zones. The council clarified that this was due to challenges of determining zone boundaries. We are seeking comment from the council to understand whether they could apply a blended approach that considers the underlying zoning for transport land items T2.2, T3.4, T4.4 and T5.

We also clarified why the rates used in the work schedule to value C2 environmental conservation land differs from the valuation report, and why the rate of \$10 per square metre for many stormwater land items that appear to be under 1 hectare in size differ from the value used in the valuation report. The council stated that this was based on a comparison and review of a previous land valuation received, and the constrained nature of the land. We are seeking further information, including the land valuation, to help us to assess whether this approach is reasonable.

Seek Comment



5. The council provide further information on:
 - a. whether the underlying zoning for transport land items T2.2, T3.4, T4.4 and T5 could be used to determine the land value.
 - b. why rates used in the work schedule to value C2 environmental conservation land differ from the valuation report.
 - c. why stormwater land items that appear to be under 1 hectare in size differ from the valuation report.

Land acquisition costs

The council's application form states that it has applied a 5% rate for 'land acquisition disturbance' allowance for land in the plan,

The council clarified that the 5% is intended to cover compensation, stamp duty and legal fees for land acquisition. The basis for this amount was a recommendation in a land valuation report prepared by a developer, however, it was not otherwise relied upon for land valuations as the council sought a review of the report to mitigate any potential financial risk to the council and verify the land valuations provided.⁶²

This council clarified that the 5% land disturbance allowance was based on methodology used in a land valuation report provided by Mirvac. The council confirmed that they had not otherwise used the land valuation report and sought the Deloitte valuation report to verify the land valuations provided. We are seeking further information about the methodology, to help us assess whether the methodology, and the 5% land disturbance rate, is reasonable.

Seek Comment



6. The council provide further information about the methodology used to determine the 5% land disturbance allowance.

4.4.5 Plan administration

GP3 CP includes about \$1.8 million for plan management and administration costs. This is based on the IPART 1.5% benchmark of the total works costs for stormwater, transport and local open space.⁶³

The council has advised that non-residential development will only be subject to the council's Section 7.12 City-Wide Development Contributions Plan for Non-Residential Development (October 2021).

We consider this approach is reasonable, and we note that it is similar to the approach taken in other plans.

As we have recommended changes to the costs and made other adjustments to the plan, we also recommend that the council update its plan administration costs to equate to 1.5% of the revised cost of works.

Draft Recommendations



1. Update the cost of plan administration to be 1.5% of the revised total works costs.

Contingency allowance for transport works, stormwater works and open space embellishment works

For transport works, a contingency allowance of 10% has been applied and 20% applied for items INT1-5. For stormwater works, 30% contingency allowance for stormwater works items and 25% for MB1, VB2, MB3, MB4, and MB5.⁶⁴ Lastly for open space embellishment works items, a 10% contingency allowance has been applied.

Dependent on the project stage, our [2014 benchmarks](#) for contingency allowances allow for:

- a. stormwater works, 30% for the strategic review stage or 20% for the business case stage
- b. transport works, 30% for the strategic review stage or 20% for the business case stage
- c. open space embellishment, 20% for the strategic review stage or 15% for the business case stage.⁶⁵

Our [2014 benchmarks](#) recognise that infrastructure projects involve uncertainty across the planning, design and delivery stages, and this uncertainty is usually accounted for in cost estimates by including an appropriate contingency allowance. The use of an appropriate level of contingency allowance covers a variety of unforeseen events, including (but not limited to) site contamination, spikes in demand for labour and interruptions to supply.⁶⁶

More broadly, councils are also required to consider the financial risks when developing a contribution plan. The [2005 Practice Notes](#) which must be read in conjunction with the [2019 Practice Note](#), outline that a key risk in the contributions system framework is that capital costs of works estimates in a development contributions plan can be underestimated.⁶⁷

We consider that the use of 30% contingency allowance most stormwater items is reasonable, and we recommend that for stormwater works items MB1, VB2, MB3, MB4, and MB5 the contingency allowance be increased to 30%. The council's application form states that the higher contingency allowance has been used as it represents the concept level nature of the designs and allows for an appropriate contingency for detailed design.

For transport works, the council's application form indicates that the costs are based on high level designs by ADW Johnson, and the costs were prepared without design work being undertaken. For open space embellishment works items the council has prepared detailed design costings. We consider that the council should use a higher contingency allowance for transport works, stormwater works and open space embellishment works.

Draft Recommendations

- 2. The council use the following contingency allowances:
 - a. 30% for MB1, VB2, MB3, MB4, and MB5 stormwater works items.
 - b. 20% for transport works.
 - c. 15% for open space embellishment works.

Adjustments of costs in the work schedule

We have identified the following adjustments for costs that will need be updated in the works schedule. This includes:

- overestimate in some transport works costs – the base cost has included the contingency allowance for items INT1-5 leading to an overestimate in the professional fee in the total cost for each item.
- adjustment to transport and land costs – the CPI index figures have been updated for transport and land costs to reflect the September 2023 indexed value. This has led to a reduction in these costs when indexed to the base period of the plan.
- overestimate of for some transport items land disturbance allowance costs – the work schedule for T3.4 and INT4 have a 7% land disturbance allowance applied, and item INT3 has a 55% rate applied. These have been corrected for a 5% land disturbance allowance consistent with other transport land items.

-
- adjustment of the zoning rate for T2.1, T3.1, T3.4, and T3.5 – the work schedule uses the Residential R2 and Residential R3 (>20,000 square metre) rates per unit to calculate the costs for transport items T2.1, T3.1, T3.4, and T3.5, which have areas less than 20,000 square metres. These rates have been adjusted for using the appropriate rates from the Deloitte land valuation report for relevant land size. T2.1 and T3.1 have been adjusted to use the R2 (>10,000 square metre) rate, T3.4 to use the R3 (<10,000 square metre) rate, and T3.5 to use the R2 (<10,000 square metre) rate.

We recommend that the council make the adjustments to the work schedule, and we have made these adjustments to the recommended contribution rates for residential development in **Tables 5.1-5.2** below.

Draft Recommendations

- 3. Adjust the work schedule for residential development to:
 - a. remove the contingency allowance from the base cost of the works for INT1-5.
 - b. update the CPI values for transport works and land costs to reflect the September 2023 indexed value.
 - c. reduce the land disturbance allowance for transport land items T3.4, INT4 and INT3 to 5%.
 - d. use the R2 (>10,000 square metre) rate for T2.1 and T3.1, the R3 (<10,000 square metre) rate for T3.4, and use the R2 (<10,000 square metre) rate for T3.5 from the land valuation report.

4.5 Apportionment

4.5.1 Stormwater

The council has apportioned the stormwater costs in GP3 CP to residential development only.⁶⁸ The council states that development for the sole purpose of non-residential use will be subject to the council's Section 7.12 City-Wide Development Contributions Plan for Non-Residential Development (October 2021) which covers Glenmore Park.⁶⁹

The council has apportioned stormwater costs on a per-person basis, at the same rate across all residential development types on the basis that it simplifies the conversion to a per dwelling rate.⁷⁰ The council clarified that this was due to GP3 CP only applying to residential development and that this is the best option as lot sizes may vary throughout the plan.

This is a reasonable method for apportioning stormwater costs in this case.

4.5.2 Transport

The plan apportions transport costs to the residential population only i.e. not the proposed local shops or school. The plan apportions transport costs by dividing the total costs by the proposed new residential population. To calculate the transport rate per dwelling, the per person rate is multiplied by the assumed occupancy rate of the residential development.⁷¹

The council states that transport costs have not been apportioned to non-residential development because the transport works will primarily attract local trips by private car, public transport and by linked active transport routes.⁷²

We are seeking comment from the council about why they have not apportioned costs for non-residential development.

Seek Comment



7. The council provide further detail explaining why transport costs have not been apportioned to non-residential development.

4.5.3 Open space

GP3 CP apportions the cost of open space land and infrastructure to residential development on a per person basis.⁷³ The council states that the need to provide open space is generated by the residential development of the precinct.⁷⁴ The council also confirmed that there is no demand generated from outside the precinct for open space within the area. This approach is consistent to apportionment of open space items in other plans we have assessed, and we consider this is reasonable.

4.5.4 Plan administration

The plan uses the IPART benchmark of 1.5% for plan administration. GP3 CP apportions the cost for plan administration to residential development on a per-person and per-dwelling/lot basis.⁷⁵

The council clarified that it will not apportion plan administrative costs to non-residential development as non-residential development will be subject to the Section 7.12 City-Wide Development Contributions Plan for Non-Residential Development (October 2021).

4.6 Timing

We must assess whether the proposed amenities and services can be provided in a reasonable timeframe.

The plan indicates a development timeframe of 8 years. The council proposes that the staging and priority of infrastructure in GP3 CP will generally occur in line with development in the area. Development is likely to progress from the Entry Boulevards at Chain-O-Ponds Road and The Northern Road, and future subdivisions will expand out from these works. The council has noted that the timing and location of these works is indicative and may be subject to change based on the conditions at the time.⁷⁶ The stages are set out in **Table 4.7**.

Most of the infrastructure in GP3 CP will be developed within 3-5 years with development to conclude within 8 years. A minority of development within GP3 CP is to be delivered by other developers (other than Mirvac and Vianello) and the council confirmed that these open space items (L2, D2, and LIN1) will be delivered subject to the land being acquired by the council and there are funds available.⁷⁷

The 2019 Practice Note requires us to consider whether the proposed public amenities and public services can be provided within a reasonable timeframe. The 2005 Practice Notes provide further guidance that it is the responsibility of a council to ensure the infrastructure meet the needs of a development. This includes ensuring that the works schedule included in the contributions plan specifying the likely timing for the provision of the infrastructure based on the anticipated receipt of contributions and the satisfaction of the demands of the population.⁷⁸

The 2005 Practice Notes outlines the importance of timing as the timing of the contributions and the timing of expenditure on works and land acquisition are high risk factors in a contribution plans. Any changes to the assumption of timing of works and land acquisition have the potential to impact cashflow, and the 2005 Practice Notes outline that councils should review the delivery of infrastructure in the plan regularly.⁷⁹

We consider that the council should work to develop an infrastructure delivery schedule for individual infrastructure items in the plan. We understand that the land ownership is concentrated within the area, and that the development path in the area will be determined by developers.⁸⁰

We recommend that the council, after consultation with Mirvac and Vianello (and other developers where relevant), include an indicative infrastructure delivery schedule for individual infrastructure item in the plan, linked to the stages of development within the precinct. The council should also consider regularly reviewing the timing of the delivery of infrastructure to ensure that the delivery of infrastructure is within a reasonable timeframe.

Table 4.7 GP3 CP indicative staging plan

Stage	Number of lots	Delivery forecast
Mirvac site		
Stage A	486	0-3 years
Stage B	307	3-6 years
Stage C	236	3-6 years
Stage D	215	5-7 years
Subtotal	1244	
Vianello site		
Precinct E	435	0-6 years
Precinct F	180	0-5 years
Precinct G	319	2-8 years

Stage	Number of lots	Delivery forecast
Subtotal	934	
Total	2178	

Source: ADW Johnson Pty Ltd, Mulgoa – Sect 7.11 Delivery Program Sheet 1.

Draft Recommendations

- 4. Include indicative timing for individual infrastructure items in the work schedule for the plan.

4.7 Consultation, Community Liaison and Publicity

We consider that the council's community liaison and consultation process meet the Practice Note requirements which requires the council to conduct appropriate community liaison and publicity in preparing the contributions plan.⁸¹

The council's application states that they consulted with the community on the plan, exhibiting it alongside the planning proposal, draft Development Control Plan, and Planning Agreement, for the 28-day period between 19 August 2022 to 16 September 2022.⁸²

The council minutes indicates that the plan, and supporting information, was available to view online on Council's Your Say Penrith website, at Council's Civic Centre, Penrith Library and St Marys Library and at NSW Planning Portal. The exhibition was advertised in the Western Weekender throughout the public exhibition period. Written notification of the public exhibition was given to landowners and occupiers of 73 properties that form part of the rezoning area or are on nearby or adjoining properties.⁸³

The council considered submissions and incorporated post-exhibition amendments in response to the submissions received.⁸⁴ These amendments were made prior to submitting GP3 CP to IPART for review.⁸⁵

4.8 Any other Matters

4.8.1 Indexation

Based on comparisons to other plans, the indexation approach in GP3 CP is similar to other plans we have assessed, and we consider the approach reasonable.

Where works and land cost estimates are sourced from an earlier period than the base period of the plan, they have been indexed to the base period of the plan using the Consumer Price Index (CPI) Sydney All Groups.⁸⁶

GP3 CP applies the ABS All Groups – Sydney Consumer Price Index (CPI) to the base contribution rates at the time of payment.⁸⁷

4.8.2 Assessment against the EPA regulations and requirements

We consider that GP3 CP contains the information required by clause 212 of the *Environmental Planning and Assessment Regulation 2021* (EPA Regulation). This clause requires the inclusion of certain information in a contributions plan for the purpose of establishing scope and location.

A summary of our assessment of GP3 CP against the EPA Regulation is provided in **Table 4.8**.

Table 4.8 Assessment against EPA regulations and requirements

Subclause	Requirement	Location in CP
1(a)	Purpose of the plan.	Section 2.1.2
1(b)	Land to which the plan applies.	Section 2.1.5 and Figure 2 in section 1.2
1(c)	The relationship between the expected types of development in the area to which the plan applies and the demand for additional public amenities and services to meet that development.	Section 2.1.1, 2.2.1 and 2.3.1 (Part 2 Technical Document)
1(d)	The formulas to be used for determining the section 7.11 contributions required for different categories of public amenities and services.	Section 2.1.2, Section 2.2.3, Section 2.3.3 (Part 2 Technical Document)
1(e)	The section 7.11 contribution rates for different types of development, as specified in a schedule in the plan.	Section 1.3.1
1(f)	A map showing the specific public amenities and services proposed to be provided by the council.	Appendix A
1(g)	a works schedule that contains an estimate of their cost and staging (whether by reference to dates or thresholds).	Appendix A
1(h)	If the plan authorises monetary section 7.11 contributions or section 7.12 levies paid for different purposes to be pooled and applied progressively for those purposes, the priorities for the expenditure of the contributions or levies, particularised by reference to the works schedule.	Section 3.3
2(b)	If a contributions plan authorises the imposition of a development levy condition, the plan must contain the method, if any, of adjusting the proposed cost of carrying out the development, after being determined by the consent authority, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan between the day of the determination and the day by which the levy must be paid.	Section 2.2.2, Section 2.2.3 and Section 2.3.3
3	A contributions plan must contain information about the council's policy about the following— (a) the timing of the payment of monetary development contributions, (b) development levies, (c) the imposition of development contribution conditions or development levy conditions that allow deferred or periodic payment.	Section 2.4.1 and Section 2.4.4
4	A contributions plan that provides for the imposition of development contribution conditions or development levy conditions in relation to the issue of a complying development certificate must provide that monetary payments in accordance with the conditions must be made before the commencement of the building work or subdivision work authorised by the certificate	Section 2.3.3
5	In determining the section 7.11 contribution rates or section 7.12 levy percentages for different types of development, the council must take into consideration the conditions that may be imposed under section 4.17 (6)(b) of the Act or section 97 (1)(b) of the Local Government Act 1993.	Section 2.5.1 to 2.5.4.

Subclause	Requirement	Location in CP
6	A contributions plan may authorise monetary development contributions or development levies paid for different purposes to be pooled and applied progressively for the different purposes only if the council is satisfied that the pooling and progressive application will not unreasonably prejudice the carrying into effect, within a reasonable time, of the purposes for which the money was originally paid.	Section 3.3

5 Draft recommended contributions rates

Our draft recommended total costs and contribution rates for GP3 CP are set out in **Table 5.1** and **Table 5.2**.

Table 5.1 Draft recommended total costs for GP3 CP (millions, \$June 2023)

Category	Council proposed cost	IPART recommended cost	Change (\$)	Percentage change
Stormwater management	23.44	23.63	.19	0.81%
Transport	44.26	46.23	1.97	4.46%
Open space	48.99	50.95	1.96	4.00%
Plan administration	1.75	1.81	.06	3.53%
Land	106.27	108.31	2.05	1.93%
Total	224.70	230.93	6.23	2.77%

Source: IPART calculations.

Table 5.2 Draft recommended residential contributions rates for GP3 CP (\$June 2023)

Category	Per person	Per subdivided lot or detached dwelling House	Per medium density dwelling	Per shop top housing dwelling	Per studio dwelling	Per independent living unit	Per secondary dwelling
Stormwater management	\$3,425	\$10,961	\$8,563	\$6,850	\$5,138	\$5,138	\$5,138
Transport	\$6,702	\$21,447	\$16,755	\$13,404	\$10,053	\$10,053	\$10,053
Open space	\$7,386	\$23,634	\$18,464	\$14,771	\$11,078	\$11,078	\$11,078
Plan administration	\$263	\$841	\$657	\$525	\$394	\$394	\$394
Land	\$15,702	\$50,247	\$39,256	\$31,405	\$23,553	\$23,553	\$23,553
Total	\$33,478	\$107,129	\$83,695	\$66,956	\$50,217	\$50,217	\$50,217

Source: IPART calculations.

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- ¹⁸ Penrith City Council, GP3 CP works schedule.
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