

Author name: Name suppressed

Date of submission: Monday, 3 June 2024

Your submission for this review:

We request that IPART consider how reasonable the above contribution is given the lack of transparency to external parties between the exhibition of the draft CP and the quantum requested by Penrith Council in September 2023, as assessed and increased by IPART. We request an assessment of the apportionment of the Transport Works and Land Costs attributed 100% to residential development, especially related to the function and sizing of the new East- west Link road in comparison to traffic volumes generated by the residential development. Refer to attached document



Allam Development No 1 Pty Ltd

Attention: Scott Chapman
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket
Sydney NSW 1240
By email: Scott.Chapman@ipart.nsw.gov.au

Dear Scott

Review of Penrith City Council Contribution Plan for Orchard Hills North (2024)

Allam Property Group (Allam) has been building homes for more than 35 years throughout NSW. We have proudly helped develop emerging communities in Western Sydney and across regional NSW.

Our unique competitive edge lies in our integrated approach, offering house and land packages to our customers. This combined delivery enables us to carry out developments from master planning the community, through to delivering the finished product, meaning we are fully accountable for achieving the vision of the project.

We are planning for the development of residential parcels at the eastern portion of Orchard Hills North, east of the proposed North-South link road.

We request that IPART consider how reasonable the above contribution is given the lack of transparency to external parties between the exhibition of the draft CP and the quantum requested by Penrith Council in September 2023, as assessed and increased by IPART.

1 Fairness of process of Community Consultation post exhibition of the draft Orchard Hills North [OHN] Contributions Plan

Allam is concerned about the procedural fairness of the large revisions to the costs of works and land in the revised OHNCP after its public exhibition and as submitted to IPART for review. Our feasibility modelling adopted the contributions as outlined in the exhibited OHNCP, and we entered into Contracts for purchase based on these costs, and the new Affordable Housing levy and HPC and SBC contribution figures.

It was not communicated with us by Penrith City Council that the charges would be increased by almost 30% between exhibition and lodgement with IPART for review. There is a significant

difference in the content and contributions values for OHN between the Contributions Plan exhibited in 2022, and finally submitted to IPART in September 2023, and increase of \$27,000 per dwelling.

2 Cumulative Impact of Contributions and Levies applicable to the OHN Urban release area

We wish to express our concerns about the cumulative impact of development contributions that now apply to the development of the Orchard Hills North [OHN]urban release area.

We expected that the IPART Review would moderate the CP contributions set for the OHN Area A precinct, however instead find the contribution increased to \$136,946 for 3 bedroom dwellings.

There are now at least five Contributions and Charges that will apply to the subdivision of this land.

a. Housing and Productivity Contribution

The contribution is **\$12,000 per dwelling**, but there is a transitional phase in until July 2025.

b. Strategic Biodiversity Contribution \$10,000 per dwelling new contribution to fund the CPCP

c. Council Local Infrastructure Contributions

The Orchard Hills North S7.11 Contributions Plan [CP] was exhibited and calculated as \$102,000 per dwelling. This CP has now been assessed by IPART and is \$136,946 per 3 bedroom dwelling.

d. Penrith Council Affordable Housing Levy

The levy is initially \$ 76,000 per ha NDA in 2024 [1%] and rises to \$152,000 per ha NDA in 2027. [2%] The ARHC is a cash amount that is pooled to construct Affordable rental Housing close to transport and services in the Penrith LGA.

The levy at \$2024 equates to \$76,000 x per ha NDA or **\$ 3,830** per lot. This rises to **\$7,661** per lot in 2027.

e. SWC Development Services Levy

The site is also subject to a new Sydney Water Corporation Development Services Levy. The proposed DSP levy is out for exhibition and industry comment. The levy applicable to Orchard Hills North is \$21,276 +CPI.

Summary Contributions and Levies (as at 2023):

Housing Productivity Contribution	\$12,000 per lot
Strategic Biodiversity Contribution	\$10,000 per lot
S7.11 Contribution	\$136,946 per lot
Affordable Housing Levy	\$3,830 per lot
SWC DSP Levy	\$21,276 per lot
Total	\$184,052 per lot

Note: these figures are and not yet indexed.

3 Apportionment of Transport Works and Land Costs in the OHN CP

3a Apportionment of Cost and Land Value for the new East-west Road

The full Works Costs and Land Value for the new East-West Road link are 100% attributed to the nett developable land within OHN urban release. The CP justification and accompanying report identify the external works required and traffic flows that will be utilising the proposed link which will provide a direct link between Kent Road and Old Northern Road, parallel to the M4. It is also expected that when the Metro West station at Orchard Hills is operational with access from Kent Road that more sub regional traffic will be using this link road. I therefore question why 100% of the costs are attributed to the OHNCP land area.

A review of the SCT TMAP report dated 2023, indicates that there is significant “Background traffic” already traversing through the precinct. The attached 2036 models show that the traffic volumes have doubled by 2036. If it is assumed this doubling represents the additional demand on the east-west movements catered for by the new East-West Link, without the benefit of detailed modelling, it is considered that at minimum, 50% of these costs should not be levied solely against the residential development of the OHN release area. Therefore reducing the East-West Link Road works and land costs in the CP to 50% of the items as currently valued.

3b Apportionment of Transport Costs to Non-Residential NDA

The draft Orchard Hills North CP dated April 2022 and exhibited in 2022, clearly indicated that the Non- Residential Nett Developable Area would have its proportion of Transport costs included in the CP, as indicated in the extract below.

Table 1 Orchard Hills North Area A: Residential and Non-residential development contributions (\$ Oct Q21)

Infrastructure category	Residential (per Ha NDA)	Non-Residential (per Ha NDA)
Transport	\$605,978	\$605,978
Open space, recreation and shared paths	\$679,748	\$0
Water cycle management (*),	\$428,474	\$428,474
Plan administration (1.5% of works)	\$10,652	\$7,176
Total local infrastructure (\$) per Ha NDA	\$1,724,851	\$1,041,628

Notes: (*) water cycle management includes detention basins, raingardens and trunk drainage

Source: Orchard Hills North Draft CP –dated April 2022 as exhibited.

It is therefore of concern that this contribution was not apportioned to that development despite it being intended to be a village centre with a range of retail and commercial uses, which generate traffic and will use the transport infrastructure. Particularly the proposed new East – west Link road. Extract OHNCP as submitted to IPART below. We note IPART has also questioned this item's omission.

Table 1 Residential and Non-residential Contributions - Area A (June 23)

Infrastructure category	Residential (\$ per Dwelling / Lot)*	Non-Residential (\$ per Ha NDA)
Transport	\$45,409	N/A
Open space, recreation and shared paths	\$48,692	N/A
District Open Space (Gipps St facility)	\$950	N/A
Water cycle management	\$30,246	\$505,870
Plan administration (1.5% of works)	\$598	\$2,792
Just Terms Acquisition (5% of Land costs)	\$3,807	13,286
Total local infrastructure (\$)	\$129,702	\$521,948

*Assumes an occupancy rate of 3.0 persons per dwelling. See Table 3 for contribution rates for other types of other residential developments.

Orchard Hills North Draft CP – Submitted to IPART for review- Sept 2023 does not apportion transport to Non Residential NDA.

IPART Draft recommended residential contributions rates for OHN CP (\$Jun23)

Category	Per person	Per studio or 1-bedroom dwelling or secondary dwelling or seniors living dwelling	Per 2-bedroom dwelling	Per 3+ bedroom dwelling or residential lot
Stormwater management	\$4,912	\$7,368	\$9,824	\$14,737
Transport	\$7,346	\$11,019	\$14,692	\$22,038
Open space	\$6,062	\$9,092	\$12,123	\$18,185
Plan administration	\$273	\$410	\$546	\$820
Land	\$27,056	\$40,584	\$54,112	\$81,167
Total	\$45,649	\$68,473	\$91,297	\$136,946



Allam Development No 1 Pty Ltd

Conclusion

We request that IPART consider how reasonable the above contribution is given the lack of transparency to external parties between the exhibition of the draft CP and the quantum requested by Penrith Council in September 2023, as assessed and increased by IPART.

We request an assessment of the apportionment of the Transport Works and Land Costs attributed 100% to residential development, especially related to the function and sizing of the new East- west Link road in comparison to traffic volumes generated by the residential development.

Yours sincerely

[Redacted signature]

3/6/2024

[Redacted name]

Attached: Extract SCT Consulting "Orchard Hills North Rezoning – Transport Management and Accessibility Plan; January 2023."



ORCHARD HILLS NORTH REZONING

Transport Management and
Accessibility Plan

31 JANUARY 2023

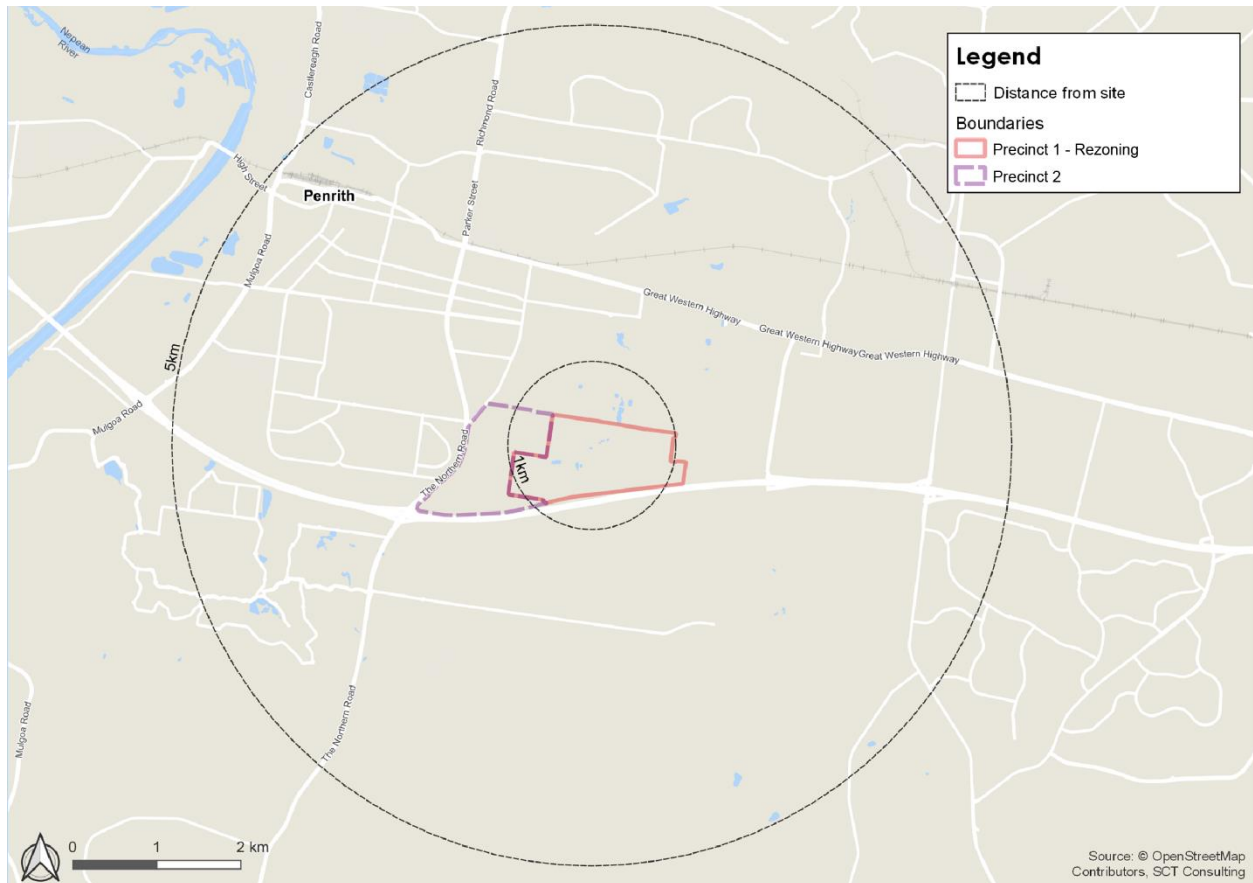
1.0 Introduction

1.1 Orchard Hills North

Legacy Property is proposing to rezone a site in Orchard Hills North, located within the Penrith Local Government Area (LGA). The proposed rezoning area is approximately 146.1 hectares (ha) with frontages to Caddens Road to the north, Kingswood Road to the west, the M4 to the south and Claremont Meadows residential lots to the east (Precinct 1).

Orchard Hills North is well located being north of the M4, in proximity to the University of Western Sydney (to the north), Nepean Hospital (to the north) and Penrith city centre located to the north west within 5 km. South of the Motorway is currently mostly Orchard Hills rural lands, Defence Lands and to the south west is Glenmore Park. Western Sydney Airport is also located south of the M4.

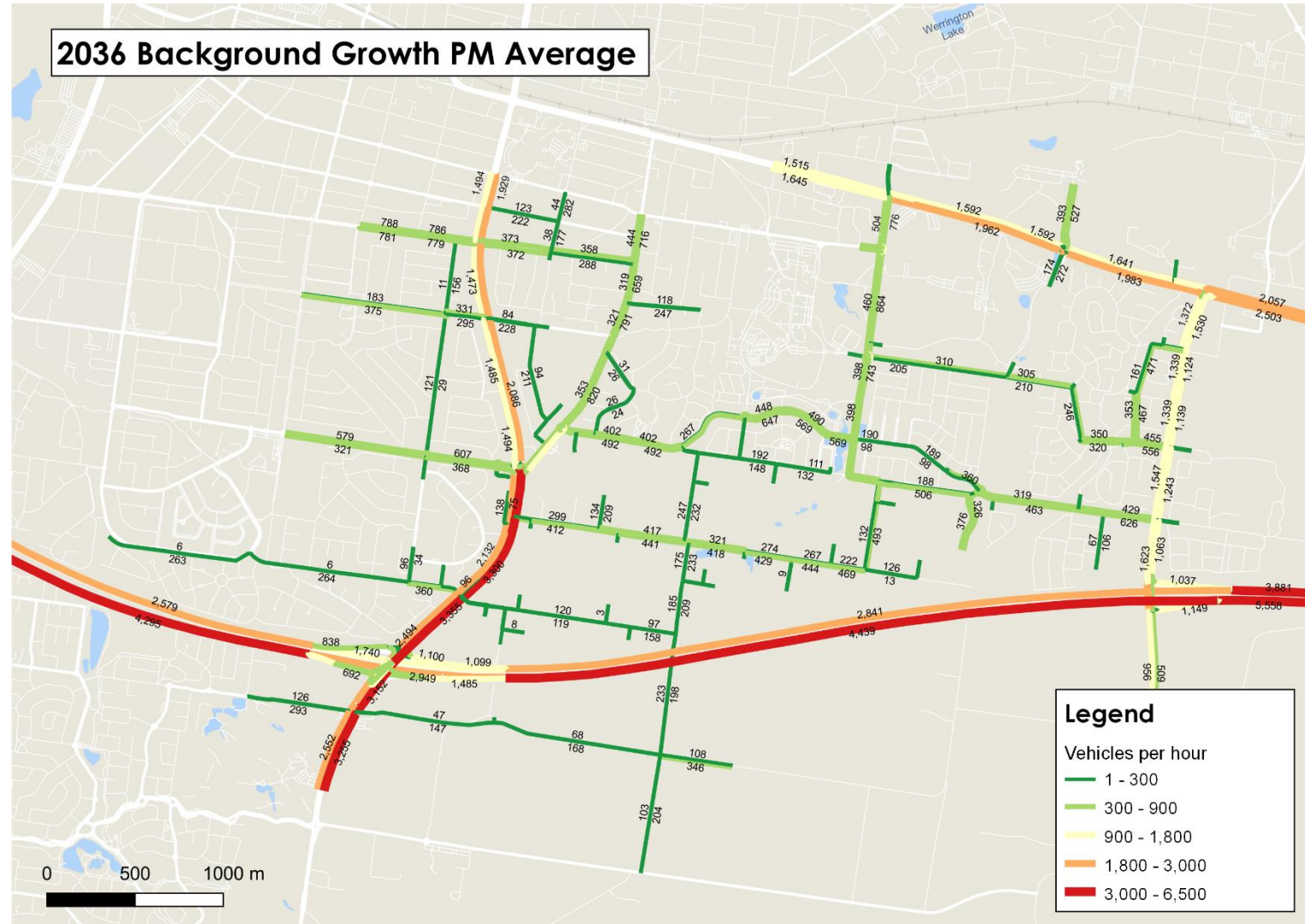
Figure 1-1 Regional context



Source: © OpenStreetMap Contributors, SCT Consulting, 2020

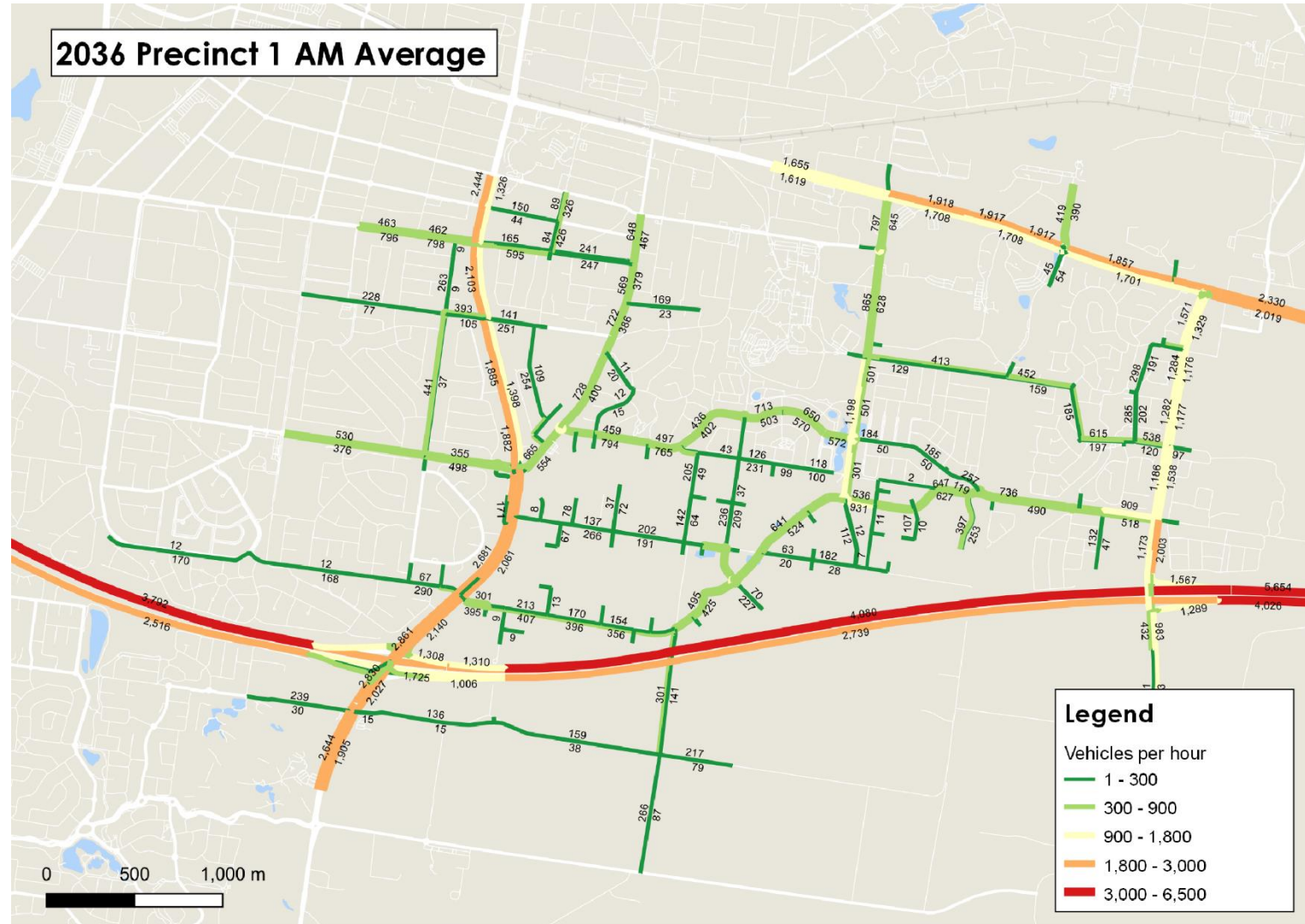
This Transport Management and Accessibility Plan (TMAP) covers the Orchard Hills North Precinct, which includes two distinct areas: Precinct 1 and Precinct 2. Precinct 1 is the subject of a gateway-approved planning proposal and Precinct 2 is recognised as an area that will change into the future. While only Precinct 1 would be rezoned with the subject planning proposal, Precinct 2 has been master planned and modelled as well. This ensures Penrith City Council, TfNSW, Department of Planning, Industry and Environment (DPIE) and the public understand what the long term transport infrastructure could look like (subject to further investigation, planning, and funding decisions).

Figure 5-2 2036 Background growth, PM Peak period hourly average



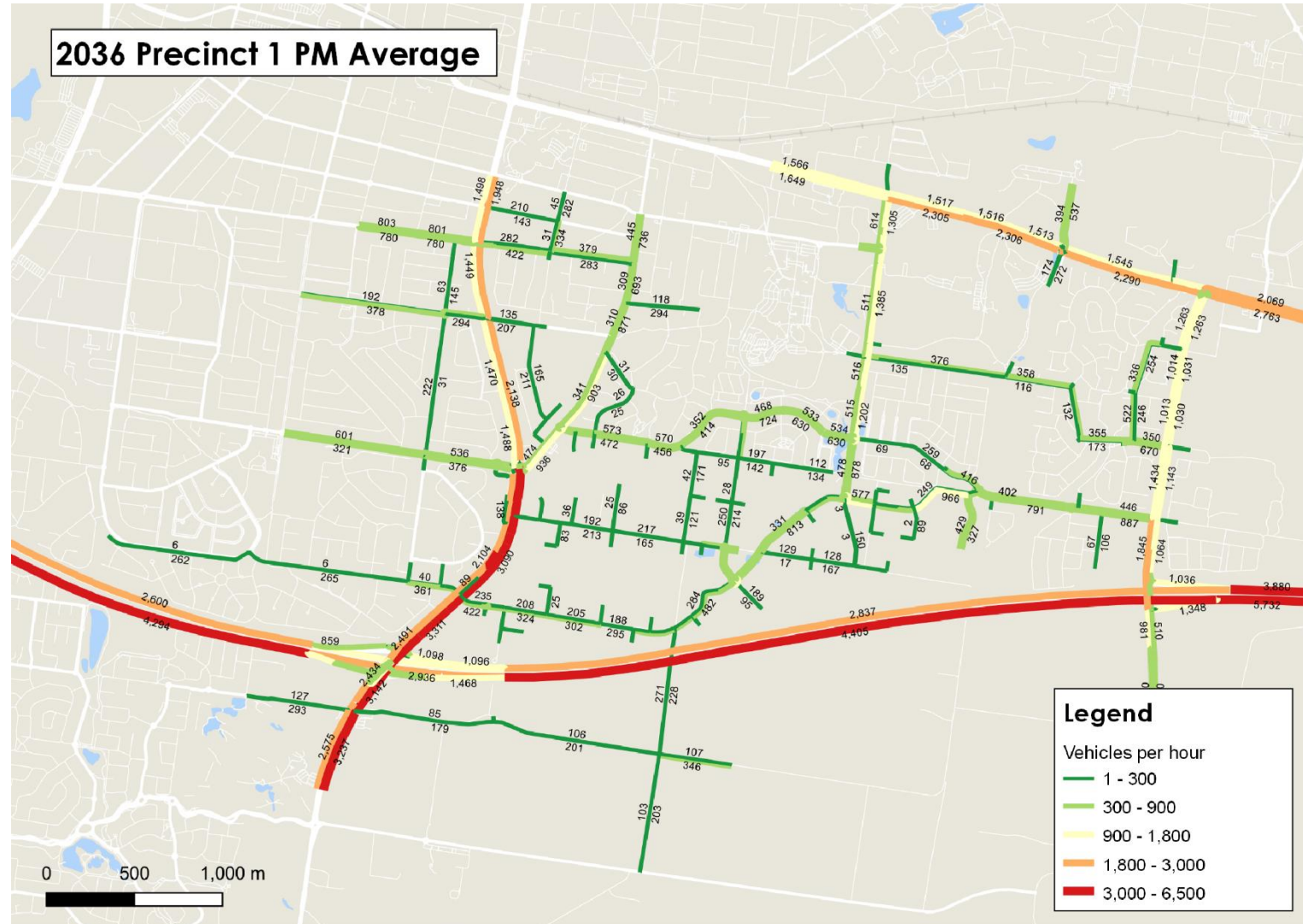
Source: © OpenStreetMap contributors, SCT Consulting, 2020

Figure 5-3 2036 Background growth + Precinct 1, AM Peak period hourly average



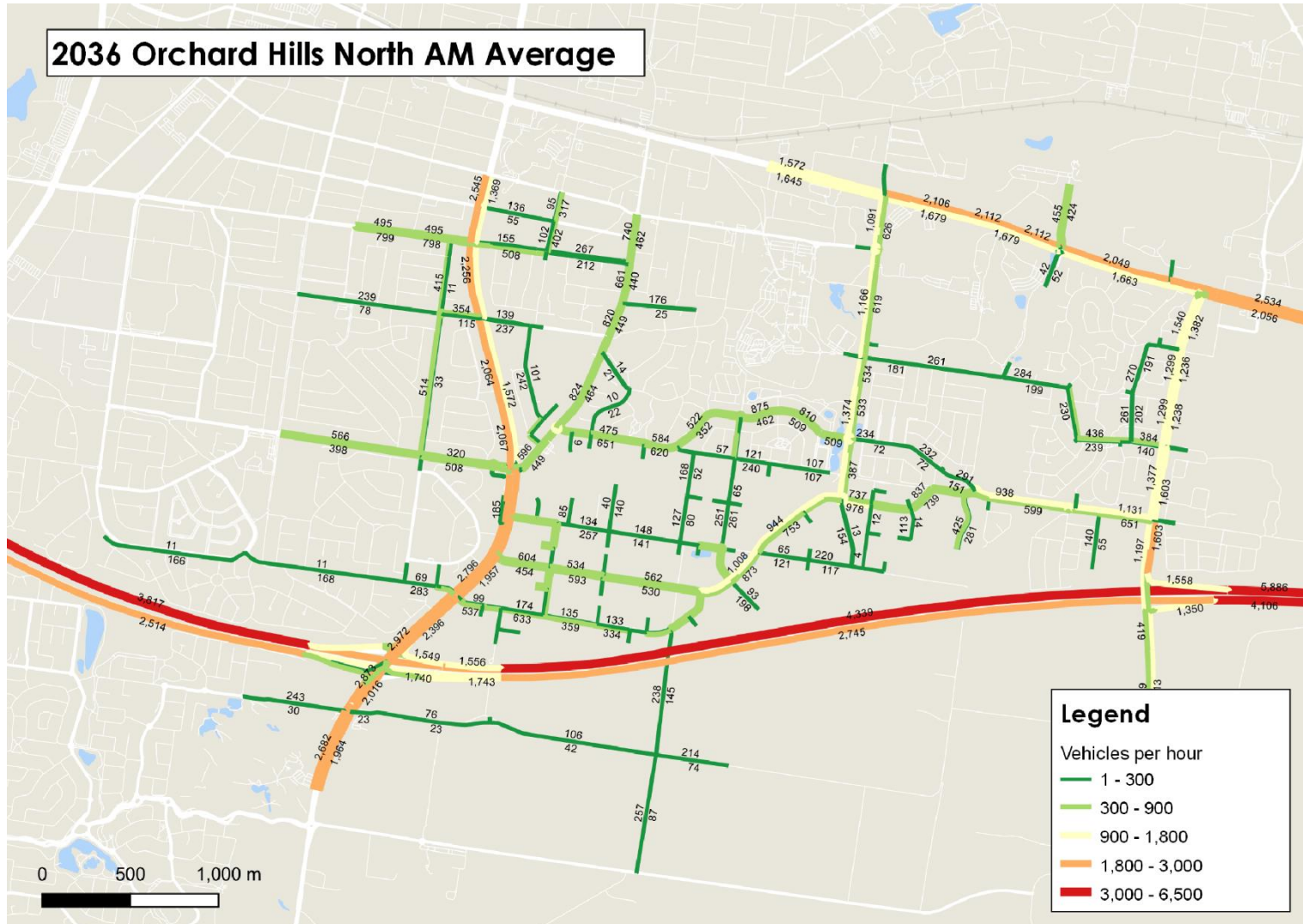
Source: © OpenStreetMap contributors, SCT Consulting, 2020

Figure 5-4 2036 Background growth + Precinct 1, PM Peak period hourly average



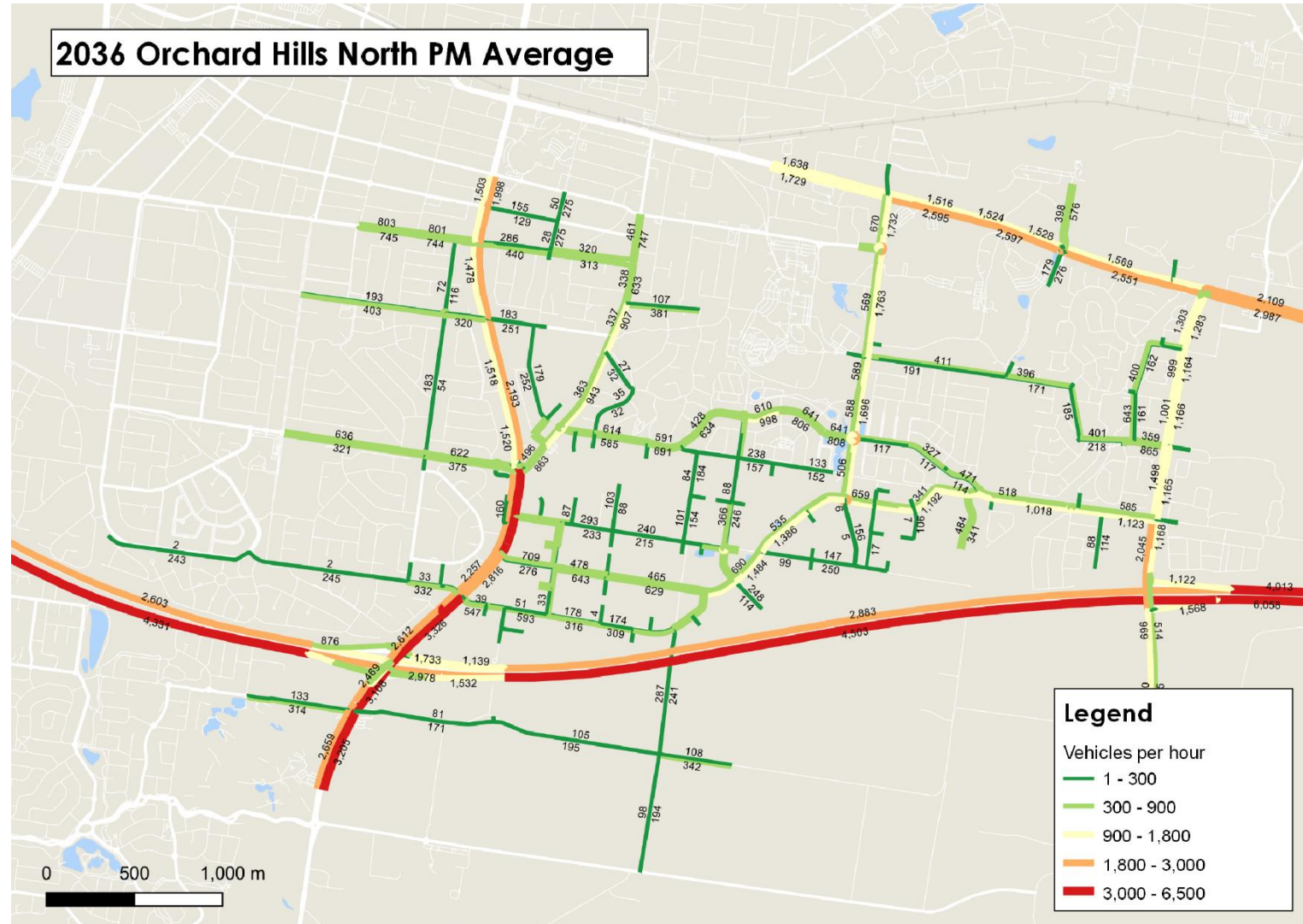
Source: © OpenStreetMap contributors, SCT Consulting, 2020

Figure 5-5 2036 Orchard Hills North Precinct (Precincts 1 & 2), AM Peak period hourly average



Source: © OpenStreetMap contributors, SCT Consulting, 2020

Figure 5-6 2036 Orchard Hills North Precinct (Precincts 1 & 2), PM Peak period hourly average

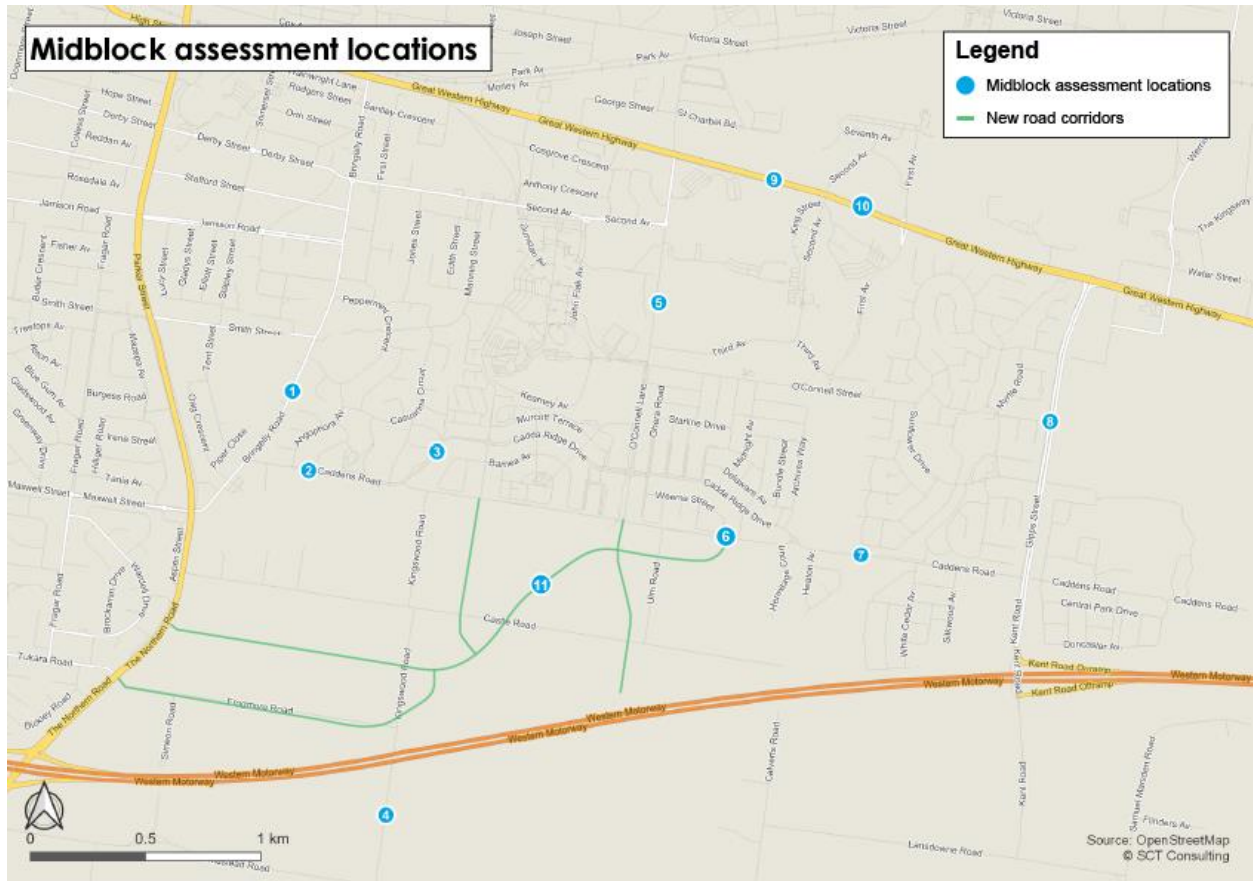


Source: © OpenStreetMap contributors, SCT Consulting, 2020

5.3.2 Midblock capacity

Midblock capacity was assessed at the locations shown in **Figure 5-7**. In scenarios where the east-west link exists (Precinct 1 and beyond), an additional midblock evaluation is conducted on the east-west link between O’Connell Lane and the new Neighbourhood Centre Access. The hourly average over the two hour peak period was used to measure midblock performance.

Figure 5-7 Midblock assessment locations



Source: © OpenStreetMap contributors, SCT Consulting, 2021

Midblock performance is analysed in **Table 5-8** to **Table 5-10** using the hourly average of the peak hour periods produced in the Aimsun model. The table specified the assumed capacity based on the number of lanes and the “V/C” (volume on capacity ratio), which would yield <1.0 when there is spare capacity, =1 when the link is at capacity and >1.0 when the link is operating above capacity.

Table 5-8 Midblock capacity evaluation – 2036 background growth

#	Street	Lanes	Capacity	AM volume	AM V/C	PM volume	PM V/C
1	Bringelly Rd northbound	1	900	767	0.85	353	0.39
	Bringelly Rd southbound	1	900	326	0.36	820	0.91
2	Caddens Rd eastbound	1	900	482	0.54	402	0.45
	Caddens Rd westbound	1	900	603	0.67	492	0.55
3	Cadda Ridge Dr eastbound	1	900	650	0.72	448	0.50
	Cadda Ridge Dr westbound	1	900	341	0.38	647	0.72
4	Kingswood Road northbound	1	900	266	0.30	103	0.11
	Kingswood Road southbound	1	900	87	0.10	204	0.23
5	O'Connell St northbound	1	900	661	0.73	460	0.51
	O'Connell St southbound	1	900	602	0.67	864	0.96
6	Caddens Rd eastbound	1	900	328	0.36	188	0.21
	Caddens Rd westbound	1	900	347	0.39	506	0.56
7	Caddens Rd eastbound	1	900	443	0.49	319	0.35
	Caddens Rd westbound	1	900	198	0.22	463	0.51
8	Gipps Street northbound	2	1,800	1,238	0.69	1,339	0.74
	Gipps Street southbound	2	1,800	1,131	0.63	1,139	0.63
9	Great Western Highway eastbound	3	2,700	1,847	0.68	1,592	0.59
	Great Western Highway westbound	3	2,700	1,754	0.65	1,962	0.73
10	Great Western Highway eastbound	3	2,700	1,796	0.67	1,641	0.61
	Great Western Highway westbound	3	2,700	1,742	0.65	1,983	0.73

Source: SCT Consulting, 2020

The results show that background traffic absorbs capacity in the network and uses many of the roads around the Orchard Hills North Precinct (Precincts 1 & 2).

Table 5-9 Midblock capacity evaluation – 2036 Precinct 1 (over capacity sections in bold)

#	Street	Lanes	Capacity	AM volume	AM V/C	PM volume	PM V/C
1	Bringelly Rd northbound	1	900	728	0.81	341	0.38
	Bringelly Rd southbound	1	900	400	0.44	903	1.00
2	Caddens Rd eastbound	1	900	459	0.51	573	0.64
	Caddens Rd westbound	1	900	794	0.88	472	0.52
3	Cadda Ridge Dr eastbound	1	900	713	0.79	468	0.52
	Cadda Ridge Dr westbound	1	900	503	0.56	724	0.80
4	Kingswood Road northbound	1	900	266	0.30	103	0.11
	Kingswood Road southbound	1	900	87	0.10	203	0.23
5	O'Connell St northbound	1	900	865	0.96	511	0.57
	O'Connell St southbound	1	900	628	0.70	1385	1.54
6	Caddens Rd eastbound	1	900	2	0.00	0	0.00
	Caddens Rd westbound	1	900	0	0.00	0	0.00
7	Caddens Rd eastbound	1	900	736	0.82	402	0.45
	Caddens Rd westbound	1	900	490	0.54	791	0.88
8	Gipps Street northbound	2	1,800	1,282	0.71	1,013	0.56
	Gipps Street southbound	2	1,800	1,177	0.65	1,030	0.57
9	Great Western Highway eastbound	3	2,700	1,917	0.71	1,513	0.56
	Great Western Highway westbound	3	2,700	1,708	0.63	2,306	0.85
10	Great Western Highway eastbound	3	2,700	1,857	0.69	1,545	0.57
	Great Western Highway westbound	3	2,700	1,701	0.63	2,290	0.85
11	East-West link eastbound	1	900	641	0.71	331	0.37
	East-West link westbound	1	900	524	0.58	813	0.90

Source: SCT Consulting, 2020

The results show that the north-south and east-west corridors generally operate at a level that is appropriate for a two-lane (one lane in each direction) corridor. The only exception is O'Connell Street southbound, which needs to be widened to two lanes southbound between Great Western Highway and O'Connell Street.

It is recommended that for the remaining areas, only one lane is provided in each direction.