



planning consultants

18 October 2024  
Our Ref: 21479D.2DK\_Submission to IPART

Independent Pricing and Regulation Tribunal  
Level 16, 2-24 Rawson Place  
SYDNEY NSW 2000

Dear Sir/Madam,

**Re: IPART's Review of Draft West Dapto Development Contributions Plan 2024  
Submission on behalf of Esker Pty Ltd and Woodcote Developments Pty Ltd**

### 1.0 Introduction

We refer to IPART's public exhibition of their review of the draft West Dapto Development Contributions Plan 2024 (**draft CP 2024**) prepared by Wollongong City Council (Council). We are aware that draft CP 2024 is a review of the current **CP 2020**.

On behalf of Esker Pty Ltd and Woodcote Developments Pty Ltd (the Client) we have prepared this submission for IPART's consideration.

DFP also prepared a submission to Council dated 4 December 2023 in response to Council's public exhibition of draft CP 2024. That submission was informed by information provided by the Client, GDS (engineering), a civil contractor and Dyson Valuations (valuer). Dyson Valuation has prepared a Valuation Report which was provided to Council separately to our submission to Council.

We note that Council's Application Form to IPART indicates that our submission to Council was provided to IPART.

We have reviewed Council's Post Exhibition Report dated 18 March 2024 (**post exhibition report**) and, in particular, Council's response to each of the comments made in our submission. The comments made by Council are contained in this submission to IPART as many relate directly to IPART's role<sup>1</sup> including the assessment of draft CP 2024 against the Infrastructure Contributions Practice Note (**2019 Practice Note**) published by the Department of Planning, Housing and Infrastructure.

This submission reiterates the comments made in our original submission of 4 December 2023 with additional commentary provided where relevant.

This submission has been structured to group items broadly aligning with the following two categories of comments:

1. Overarching comments that relate to methodologies or planning principles in draft CP 2024 (refer to **Sections 2.1 to 2.7**);

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<sup>1</sup> Refer to Section 1.1 – IPART's Role in *IPART's Assessment of Contributions Plan West Dapto Development Contributions Plan 2024 Wollongong City Council Draft Report August 2024*

2. Comments that relate to our Client's landholdings in the West Dapto Urban Release Area (WDURA) (refer to **Sections 3.1 to 3.9**), including:
- 200-330 Marshall Mount Road, Marshall Mount - for which there is a development application lodged and under assessment by Council (DA-2023/481) herein referred to as **Highgate Hills**.
  - 84 Marshall Mount Road - being a Neighbourhood Plan for the Elm Park Precinct, Avondale/ Marshall Mount under assessment by Council herein referred to as **Elm Park**.

## 2.0 Methodologies / Planning Principles of the Draft Contributions Plan

This section of the submission provides commentary on some of the methodologies or planning principles underlying the **draft CP 2024**.

### 2.1 Apportionment of contribution costs between Stages 1-4 and Stage 5

#### 2.1.1 IPART Recommendation 21

IPART first reviewed the West Dapto Contributions Plan in October 2016<sup>2</sup>. That report considered the links between demand for facilities in each stage of the West Dapto Urban Release Area (WDURA) (refer Planning Proposal pp100-103). In general IPART recommended apportioning costs to reflect stages of the WDURA. In terms of stormwater the only studies in relation to stormwater and detention basins were a report by URS in 2004 and another by Bewsher in 2008 and 2009, but those studies only examined Stages 1 to 4 of the WDURA and there was no detail of infrastructure requirements for Stage 5. Despite IPART's recommendation, the adopted CP did not apportion costs for stormwater between stages. However, at that time, Stage 5 of the WDURA was not rezoned for urban development so the apportionment was not critical for the implementation of the CP at that point in time.

CP 2020 was prepared after the rezoning of Stage 5 and there was more information regarding stormwater basins required for each of the stages of the WDURA to inform the drafting of CP 2020.

IPART's recommendation regarding apportionment between stages was reiterated in IPART's review of CP 2020 which included 24 recommendations including Recommendation 21 which stated as follows:

*For the apportionment of costs across stages, create two separate contribution catchments for the apportionment of transport, stormwater management and plan administration costs: Catchment 1 comprising Stages 1-4 of the release area; and Catchment 2 comprising Stage 5 of the release area.*

This recommendation was made because IPART found that the apportionment of costs in CP 2020 between Stages 1-4 (collectively) and Stage 5 was "*not reasonable*" as follows (bold emphasis added):

*Our assessment found that the council's approach of equal apportionment across the five stages of development is reasonable for open space and community facilities costs. However, for transport, stormwater management and plan administration costs, equal apportionment across the five stages of development is **not reasonable**.*

*We have therefore recommended two separate catchments for apportioning transport, stormwater and plan administration costs: Stages 1-4, and Stage 5.*

<sup>2</sup> Assessment of Wollongong City Council's Draft West Dapto Section 94 Development Contributions Plan Local Government — Final Report October 2016

*We note, however, that it may prove administratively easier to apportion all costs separately between these two catchments (ie, including open space and community facilities), and that this would also be consistent with our recommendations.*

We note that the EP&A Act specifically requires that any condition requiring land dedications or monetary contributions under a contribution plan must be “reasonable” (per s7.11(2) and s7.11(4)). The principles of “reasonableness” are nexus and apportionment as addressed by IPART in its review in 2020.

Notwithstanding the clear recommendation of IPART and the statutory imperatives of the EP&A Act, the then Department of Planning, Industry and Environment (DPIE) did not agree with Recommendation 21 and hence did not require Council to implement it, stating the following reasons:

*“I have not agreed with IPART Recommendation 21 to create two separate contribution catchments in recognition of the need for whole of release area strategies for transport and a consistent approach to water quality infrastructure to protect Lake Illawarra. Council is encouraged to continue to work with developers across all five stages to ensure a coordinated and consistent approach to the delivery of infrastructure.”*

In our view, the approach taken by Council and DPIE is in clear contravention of the statutory imperatives of the EP&A Act and the proposed draft CP 2024 should resolve the issue of different contributions catchments for the purposes of transport, stormwater management and plan administration costs.

Council’s post exhibition report (in response to our submission) has deemed the single catchment approach as being acceptable, but as outlined above, we are of the opinion that this is not consistent with the statutory framework or the 2019 Practice Note. We respectfully suggest that IPART’s review of draft CP 2024 should include an assessment of the apportionment, reasonableness and nexus principles between stages of the WDURA and provide a recommendation to the Minister in terms of its consistency with the 2019 Practice Note. Further details in relation to stormwater management infrastructure, transport infrastructure and administration costs between Stages is provided in the sections 2.1.2, 2.1.3 and 2.1.4 below.

### **2.1.2 Stormwater Management Infrastructure**

As detailed in the current CP 2020, supporting studies and the IPART Review, Stages 1-4 and Stage 5 are identifiably different stormwater catchments – i.e. stormwater from Stage 5 does not impact on stormwater behaviour or water quality in Stage 1-4 and vice versa. That is, there is no **nexus** (demand) between development in Stage 5 and the stormwater infrastructure planned for Stages 1-4 or vice versa.

It is not **reasonable** that local basins in Stages 1- 4 (e.g. SM01 as illustrated in Figure 13 of the Plan) are funded by Stage 5 and Stage 5 is omitted from SM01 on Figure 13.

To achieve an **equitable** outcome between Stages 1-4 and Stage 5 one of two changes need to be made to the Plan:

1. The infrastructure item SM01 is extended to capture Stage 5; or
2. Stage 5 does not contribute to the cost of SM01.

To demonstrate the inequity of Council’s approach, we have set out below some basic calculations.

- The total cost of stormwater infrastructure stated in Draft CP 2024 is \$155,751,218.
- Using residential development for the purposes of this example calculation, 84.32% of the total cost is attributable to residential development (i.e. \$131,329,427);

- When this is attributed to all residential development (58,994 persons) in the WDURA, the resultant residential contribution rate is \$2,226.15 per person;
- Items SM01 through SM05 are located in Stages 1-4 and only Item SM06 is located within Stage 5. It has a value of \$9,368,103. Even though draft CP 2024 does not include details of the apportionment of residential to non-residential land uses within Stage 5, if the same apportionment as was applied across the whole WDURA is used, the residential share of SM06 would be in the order of \$7,899,184;
- The residential population in Stage 5 is 11,196 persons;
- The resultant residential contribution rate for SM06 is \$705.54 per person;
- The total trunk drainage cost under Item SM07 is \$29,753,199 and \$25,087,897 (i.e. 84.32%) of this is attributable to residential development;
- There is insufficient detail in draft CP 2024 to determine what share of the trunk drainage costs are attributable to Stage 5. Whilst such a calculation should be made based on land area and impervious assumptions, for simplicity, the Stage 5 population accounts for 18.98% of the total forecast residential population in the WDURA and an estimate of \$4,761,232 for trunk drainage can be made;
- The resultant residential contribution rate for Trunk Drainage might then be in the order of \$425.26 per person; and
- Accordingly, the demand for stormwater infrastructure in Stage 5 might equate to a total of approximately \$1,130.80 per person – i.e. significantly lower than the \$2,226.15 per person calculated at dot point 3 above.

Similar calculations could be undertaken for commercial and industrial development.

On page 6 of draft CP 2024 it is stated (bold emphasis added):

*This contributions plan establishes the local infrastructure needed to support this development and ensures it is strategically planned and delivered, as well as providing an **equitable** funding source.*

and,

*The purpose of this Plan is to:*

...

*c. Provide a framework for the **equitable calculation**, collection and management of contributions.*

**The effect of Council's apportionment methodology is that Stage 5 residential development will be subsidising Stages 1-4 to the order of \$12.26 million which is inequitable and unreasonable, contrary to the EP&A Act and the objectives draft CP 2024.**

### 2.1.3 Transport Infrastructure

The 2020 IPART Review recommended that Stages 1-4 and Stage 5 be separate contributions catchments for the purposes of transport infrastructure and stated:

*Our recommendation considered the administrative burden and potential funding shortfall of separating costs in the West Dapto CP (2020). On balance, we consider that separately apportioning the costs of transport works, with Stages 1-4 and Stage 5 being considered as two separate catchments, will better signal the costs of development and ensure residents pay cost reflective developer charges.*

Council has made no attempt to review this approach, noting that most of the proposed transport works are located in the northern stages which Stage 5 does not rely upon for access to the wider road network or for which a considerably reduced demand should be attributed.

Only the following items are identified in draft CP 2024 as being attributable, in full or part, to Stage 5:

- TR16 Yallah Road – Stage 5
- TR17 Marshall Mount Road – Stage 5
- TR25 Western Ring Road– Stages 1-5
- TR29 Yallah Road – Stage 5
- TR30 Bus Shelters – Stages 1-5
- TR31 Bus Transport Kiosk – Stages 1-5
- TR35 Stage 5 Shared Use Pathway – Stage 5
- TR36 Shared Use Pathway Bridges – Stages 1-5

If 100% of the cost of the Stage 5 Items is attributed to development in Stage 5 and the “shared” Stages 1-5 items are applied on a per capita basis, the resulting residential contribution rate for transport infrastructure in Stage 5 would be \$8,707.53 per person - i.e. significantly lower than the \$17,014.72 per person in draft CP 2024.

**The effect of Council’s apportionment methodology is that Stage 5 residential development will be subsidising Stages 1-4 to the order of \$97.5 million which is inequitable and unreasonable.**

In addition to Council’s flawed methodology outlined above, any non-residential development in Stage 5 is expected to heavily subsidise non-residential development in Stages 1-4, particularly non-residential development in Stages 1-2.

It is well accepted that commercial development, particularly retail, has much higher traffic generation per square metre of floor space than residential development. For instance, a dwelling house in a metropolitan area generates about 1 peak hour vehicle trip (PVT) which, assuming a dwelling size of say 200m<sup>2</sup> GFA, equates to 0.5 PVTs per 100m<sup>2</sup>. Offices generate about 1.6 PVTs per 100m<sup>2</sup> (more than 3x residential) and specialty retail generates about 7 PVTs per 100m<sup>2</sup> (14x more than residential).

Given that Stage 5 accommodates only 4.4% of the forecast commercial floorspace and only 4.8% of the forecast industrial floorspace, non-residential development in Stage 5 should not be contributing the same as development in other stages, where the vast majority of the demand for infrastructure is generated by development in Stages 1-4. This supports IPART’s view that transport contributions should be calculated using traffic modelling (not per capita) and on a stage basis.

#### **2.1.4 Administration**

In accordance with the comments above regarding apportionment of stormwater and transport infrastructure, any administration costs attributable to Stage 5 should be adjusted such that they reflect the proportion of the cost of infrastructure attributable to Stage 5 relative to the total cost of infrastructure under draft CP 2024.

## 2.2 Land Value Rate

Council's Report (30 October 2023) (Business Paper pp122-123) discusses an outstanding recommendation arising from an IPART review of an earlier iteration of the CP (i.e. 2016) in respect of developing a Land Value Index (LVI).

IPART recommended using the Valuer General's (VG's) land valuation data to index land valuations between years and the Minister for Planning requested that this be done by 30 June 2019. Notwithstanding, this has still not been done and the CP 2020 continues to use CPI to index land values.

In response to this outstanding item, Council has utilised the VG's data to derive a suggested index rate of 15.66% which is based on the 5-year average percentage change across all Residential, Commercial, Industrial, Rural and Other land in the Wollongong LGA between 2018-2022 (inclusive).

It would appear that Council may be intending to apply the 15.66% index in the first year of the operation CP 2024 and then the rolling 5-year average (to be updated annually) is to be applied to the land values in the CP going forward. Notwithstanding, the Draft CP has not yet been amended to reflect this and we assume this is because Council is seeking IPART feedback before this is done.

Whilst we are supportive of an approach to introduce a Land Value Index (LVI) in the CP, the approach intended is too broad-brushed, does not reflect the attributes of the land to be acquired and uses historical data which is not relevant to future land value changes (i.e. using a 15.66% annual increase as a starting point for future indexation is flawed).

Given that the land to be acquired under the CP is known, it should be possible for Council to prepare valuations for all parcels to be acquired or, for a representative sample of parcels to be acquired, then re-value those parcels on an annual basis for the purposes of deriving a locality-specific (i.e. WDURA) LVI. This approach has been implemented in the Lake Macquarie City Council (LMCC) LGA for various contributions catchments and utilised successfully for many years.

The LMCC approach does not look at historical land value changes before the contributions plan/s came into force. It merely values the land at, or near, the date of plan commencement and adopts a Base LVI of 100. The LVI is then adjusted on an annual basis using updated valuations for the sample acquisition parcels.

We are aware that IPART has reviewed the LVI used by Council however we request that IPART consider the above comments and the following suggestions in their final report:

1. The proposed methodology for land indexation is clearly explained;
2. The methodology should not use whole of LGA data derived from the VG and instead, should use locality-specific, representative samples for the known acquisition parcels;
3. Any LVI should be reviewed on an annual basis and data published on Council's website in a timely fashion.

## 2.3 Total Dwellings in Stage 5

Our submission to Council noted that Table 5 of draft CP 2024 (p17) shows that the total dwelling forecast for Stage 5 is 3,703 dwellings. This a reduction from the current CP 2020 forecast of 4,260 dwellings. Council's post exhibition report states:

*Council staff have reviewed the land use and density assumptions informing the draft 2024 Plan. An error has been noted in the dwelling density assumption for a portion of R3 zoned land within stage 5. The assumption informing the exhibited plan assumed a*

*density of 13 dwellings per ha. Staff have reviewed this and note the correct density assumption is 30 dwellings per ha. The overall dwelling yield for stage 5 is in the order of 4264 dwellings.*

*The impact of this change is that means will be a small overall reduction in the development contribution rates.*

*Staff recommend this change is reviewed by IPART.*

We agree with Council's response which better aligns with the density being used by Sydney Water to plan for its infrastructure. In this regard we noted in our submission to Council that Sydney Water has been provided with a yield of 4,850 dwellings for Sydney Water to design its infrastructure. This is based on the client's knowledge of various Development Applications, Neighbourhood Plans (lodged and in preparation) which account for the majority of the development land in Stage 5. We also note that the traffic modelling for the DA for Highgate Hills is based on a total of 4,850 dwellings for Stage 5 and the traffic model aligns with the road infrastructure planned in the current CP 2020 (and draft CP 2024) and was found to operate successfully.

## **2.4 Calderwood Shortfall**

Page 11 of Council's report (30 October 2023) notes that there is an infrastructure cost relating to the Calderwood development that is not captured by the Planning Agreements in place for Calderwood. The shortfall is estimated to be \$75million. Council's report (30 October 2023) notes that the shortfall cannot be levied to other development in the West Dapto Urban Release Area (WDURA). Council's post exhibition report confirms that draft CP 2024 is not intending to 'claw back' losses which Council agrees would be unreasonable. However, we believe that draft CP 2024 should contain a statement to that makes it abundantly clear that the development in the WDURA is not funding infrastructure demands generated by Calderwood.

## **2.5 Total Cost for Open Space**

As summarised in Table 4 of Council's report (30 October 2023), the total cost for Open Space and Recreation in the current 2020 CP is \$75,830,325. The proposed cost for Open Space and Recreation in the draft CP 2024 is \$326,736,645 (embellishment and land acquisition costs). This is a significant increase of \$250,906,320 or 331%. A comparison of Schedule 1 from the current CP 2020 and draft CP 2024 shows that there is an increase in the cost of works for open space of \$223,984,571 (560% increase). This has a large impact on the total contributions.

The additional cost of open space and recreation accounts for 42% of the total increase in infrastructure and obviously has a significant impact on the contribution rates that are proposed to apply.

We note that IPART has reviewed costs of open space and found them to be reasonable but IPART also noted that there is a large increase in costs, which clearly has an impact on contribution rates. Our submission to Council suggested three sensible opportunities that should be explored by Council to reduce the total cost of Open Space and Recreation. We suggest that IPART should also give consideration to these suggestions in an attempt to reduce the very large impact the increase in open space costs has to the contribution rates.

### **Costs to be Informed by Concept Designs**

Given the significantly large increase in the cost provision for Open Space, Council should ensure that, at a minimum, a concept design is prepared for each open space infrastructure item with a cost estimate by a quantity surveyor. This can then be reviewed against IPART's benchmarks. Council (and then IPART) should also scrutinise the design to ensure that the scope is justifiable and not overproviding / over embellishing the open space to meet the future needs.

### **Better Use / Recognition of C2 and C3 Zoned Land For Recreation**

Regarding the cost of land, we understand that the increase in costs has arisen from the recommendations contained in the West Dapto Social Infrastructure Needs Assessment prepared by Ethos Urban and Otium in June 2023 (SINA 2023).

It appears that SINA 2023 is based on net functional areas which is explained as follows:

*“Functional Public Open Space is defined as the total area within an open space/park suitable for or used for, recreational activities like playgrounds, kick-a-bout areas, sports grounds, etc. Net functional area is exclusive of constrained land that is not fit for purpose due to slope, flooding, incompatible infrastructure (drains, high voltage lines etc.) size, shape and environmental constraints such as riparian and bushland vegetation cover.”*

The definition/approach appears to operate to exclude land zoned C2 or C3 which therefore places a greater emphasis on providing open space in other zones, accounting for an increase in costs.

The land use tables in WLEP 2009 permits recreation areas as a land use permissible with consent in both the C2 and C3 zones.

Inevitably land with these characteristics is a feature of most residential subdivisions and provides a useful function contributing to the open space needs of a community. These spaces can provide useful open space such as playgrounds, kick-about areas, fitness stations, structured walking and cycling networks, more natural walking trails. The West Dapto Open Space Design Manual recognises that C2 and C3 zoned land are an important community asset and whilst conservation is a primary purpose, they also provide passive (informal) recreation space a “*key secondary function of natural areas in an urban setting*”.

If these spaces were recognised as areas that can, in part, meet the demands for open space they could reduce the quantum of other land needed for open space and reduce the land cost element of Open Space and Recreation costs. This could assist in rectifying the 106ha error (p23 of the draft CP 2024) in the current CP 2020.

### **Role of Existing Open Space in Horsley**

SINA 2023 found that:

*A surplus of 7.97Ha in district sport and district recreation parks was identified in the suburb of Horsley. However, with the anticipated marginal population increase (through infill development) in Horsley along with existing and future demand from Dapto residents, it is doubtful this surplus will provide any significant capacity to meet the needs of future residents of WDURA.*

However, CP 2024 plans for an anticipated population increase in Horsley of 77 people (p16 of the CP 2024). This population increase will not absorb the 7.97ha surplus. This should be recognised in the draft CP 2024 to help reduce the planned open space and therefore total costs.

## **2.6 Savings Provisions**

Clause 2.19 of draft CP 2024 states:

### *2.19 Savings and transitional arrangements*

*An application that has been submitted, but not determined, prior to the adoption of this Plan shall be determined in accordance with the provisions of the plan that applies at the date of determination of the application. That is, the plan in force as at the date of determination will apply.*

*Any modifications to an existing approval shall be determined in accordance with the plan that applied at the date of the original determination*



Given the massive increase in contribution rates, it is not reasonable that DAs already lodged should be subject to the new rates. The feasibility and funding for projects where DAs have already been lodged would be severely compromised by an increase in the order of 34% (residential) more than the rates that applied when the DA was made.

We request that IPART considers the reasonableness of the above savings and transitional provision and specifically consider a savings provisions for DAs already lodged.

### 3.0 Project Related Comments

This section of the submission provides commentary relating to specific infrastructure works that are identified for two projects in which the Client has an interest including:

- Highgate Hills at 200-330 Marshall Mount Road (the subject of the Concept DA and Stage 1 DA (DA-2023/481)); and
- 84 Marshall Mount Road being part of Elm Park Neighbourhood Plan.

The comments relate to various matters including:

- The reasonableness or requirements for specific Items currently in the draft CP
- The reasonableness of adding specific Items currently not in the draft CP
- The cost assumptions of specific works
- The land value assumptions for specific works.

To support the comments relating to works cost and land values, a civil contractor has advised on works cost estimates and Dyson Valuations has prepared a Valuation Report (provided to Council) to assist with the review of the **draft CP 2024**.

### 3.1 Community Facility CF05

Draft CP 2024 provides for a sub-district multi-purpose community centre and library in the Marshall Mount Town Centre. A land area of 10,000m<sup>2</sup> is allocated with a gross floor area of 3,600m<sup>2</sup>.

We have the following concerns:

- The size of the facility and its land area requirement;
- The location of the facility which has been amended from the current CP 2020; and
- The cost of land for the facility.

We have reiterated our concerns made to Council below for IPART's consideration.

#### 3.1.1 Size Requirement

The *West Dapto Social Infrastructure Needs Assessment and Gap Analysis, August 2023* recommends that the CF05 community facility identified in the current CP 2020 be upgraded from a neighbourhood scale facility to a sub-district scale facility to serve a population catchment size of 20,000-30,000 people.

The current CP 2020 [updated to 2024 assumptions] estimates a residential population of 12,651 for Stage 4 and 12,360 for Stage 5 of the West Dapto Urban Release Area. A total of some 25,000 people. However, Maps 2 and 3 of *Places for the Future* indicates that Stage 4 is covered by existing facilities in Dapto, Horsley and Wongawilli, and planned facilities in Bong Bong Town Centre. Therefore the projected population of Stage 4 is not reliant upon facilities in Stage 5.

Stage 5 should therefore be catering for a forecast population of some 12,000 people. The *West Dapto Social Infrastructure Needs Assessment and Gap Analysis* notes that a population benchmark of 20,000 people equates to a sub-district scale of facility. A local or neighbourhood scale of facility correlates with a population of 8,000 to 10,000 people. Given the Calderwood community facilities are close to Stage 5, a local or neighbourhood scale of facilities would appear to meet the required demand.

The GFA benchmark for different scales of community facilities is contained Table 7.1 in *Places for the Future*, as reproduced in **Figure 1**.

**Table 7.1 Facility Location Type GFAM<sup>2</sup> Ratio Benchmarks by Social Infrastructure Type**

Facility Location Type	Community Centre / Hall GFAM <sup>2</sup> Ratios per 1000 Pop Benchmarks	Co-located Library & Community Centre GFAM <sup>2</sup> Ratios per 1000 Pop Benchmarks	Library or Cultural Facility GFAM <sup>2</sup> Ratios per 1000 Pop Benchmarks
<i>Regional/District/Sub District</i>	60	53.5	47
<i>Local/Neighbourhood</i>	100	84.5	69

NSW State and Local Government Benchmarks

Figure 1 Benchmark GFA ratios from *Places for the Future*

A local / neighbourhood facility would require the following GFA allocation for a population of 12,000 people.

- Community Centre / Hall - 1,200m<sup>2</sup>
- Co-located library / community centre – 1,014m<sup>2</sup>
- Library or cultural facility – 828m<sup>2</sup>

This would equate to a total GFA of about 3,000m<sup>2</sup> assuming that there were no other facilities meeting the demand.

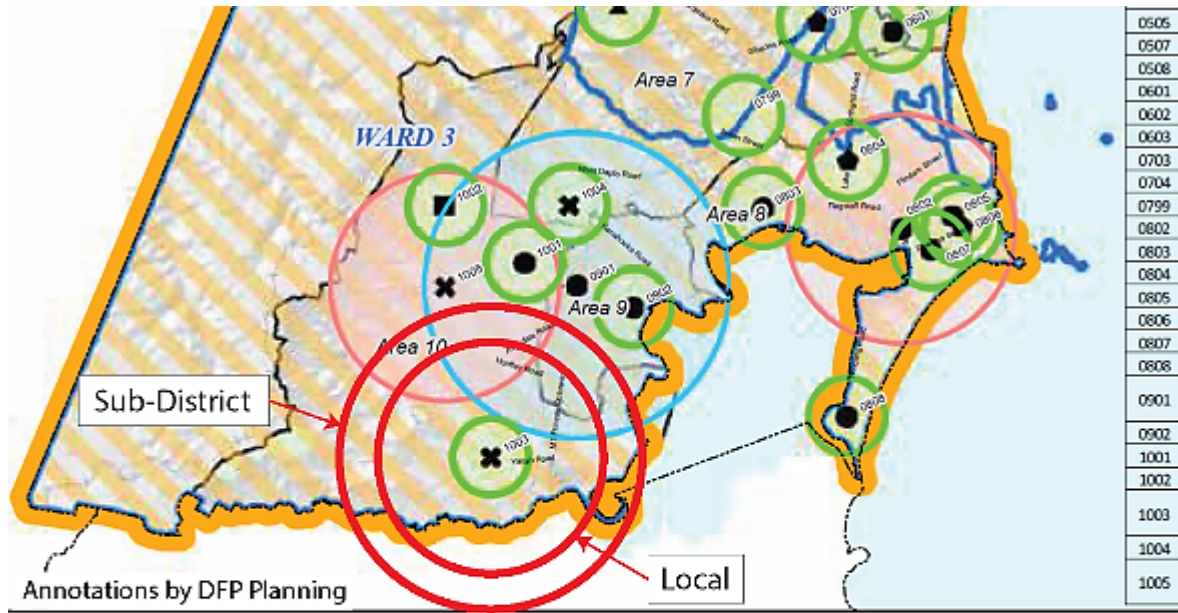
The *Places for the Future: Social Infrastructure Future Directions Plan 2023-2036* provides a spatial analysis of existing and proposed libraries and community centre/halls in Maps 2 and 3 (extracts of which are reproduced in **Figures 2 and 3**).

We have overlaid the recommendation in the *West Dapto Social Infrastructure Needs Assessment and Gap Analysis* for a sub-district facility on the spatial analysis contained in *Places for the Future* – Refer **Figure 2**. This clearly illustrates that a sub-district scale facility will have a significant catchment overlap with Planning Area 9 and the Bong Bong Town Centre in Planning Area 10.

**Figure 3** shows that the Dapto Ribbonwood Centre in Area 9 is well used, but notes that it has additional capacity to accommodate future community demand. Its catchment overlaps with the eastern end of Marshall Mount. Council should explore this spare capacity which could reduce the additional community space needed in Marshall Mount.

Council should also explore the option of providing two local centres utilising the North Marshall Mount Road progress hall and the CF05 (as located and sized in the current CP 2020), then two neighbourhood facilities would be available which still gives good coverage of Area 10 catchment as illustrated in **Figure 3**.

We are not aware of the scale of the community facilities proposed for Calderwood but they are also likely to overlap with Marshall Mount area.



### Map 3 - Extg/Prop. Community Centres & Halls (incl. Co-located Libraries and Community Centres)



Figure 2 Community Centres/Halls Spatial Analysis from Places for the Future with additional sub-district facility



### Map 3 - Extg/Prop. Community Centres & Halls (incl. Co-located Libraries and Community Centres)

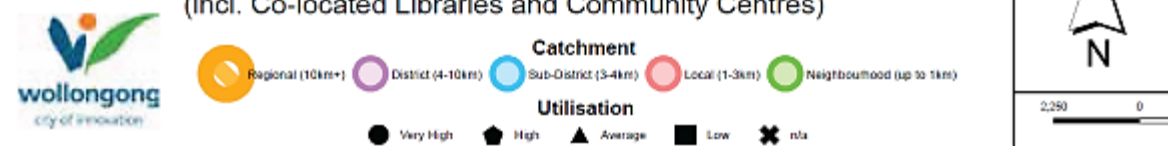


Figure 3 Extract from Community Centres/Halls Spatial Analysis from Places for the Future with two neighbourhood facilities

In summary, the allocation of some 3,600m<sup>2</sup> of GFA in the Marshall Mount Town Centre appears to be an overprovision based on Council's social infrastructure assessments. Council's post exhibition report recognises that it may be reasonable to explore the scale of this facility and that it could be reduced from a sub-district scale to local scale. However, we still raise a question whether the reduced scale is an over provision and whether it should be on the essential works list. Other alternatives could be explored as outlined in Section 3.1.3 below.

The timing of when Council will consider the review of the scale of the facility is not clear.

### 3.1.2 Land Area

A land area of 10,000m<sup>2</sup> has been allocated for CF05 in draft CP 2024. CF05 is proposed to be located in the MU1 zone in the Marshall Mount Town Centre. The MU1 zone has a 15m building height and 1.5:1 floor space ratio applying to the land under Wollongong Local Environmental Plan 2009.

The built form envisaged by the LEP controls would be buildings of up to at least 4 storeys in scale. A land area of 10,000m<sup>2</sup> for a building with a GFA of 3,600m<sup>2</sup> is a significant under-utilisation of the MU1 zone. A community facility integrated into a mixed use building will require less land.

If a single storey built form is envisaged under draft CP 2024 then such an outcome is inconsistent with the objectives of the MU1 and E1 zones and the accompanying development standards of a 15m building height and 1.5:1 FSR. A single storey built form outcome is also inconsistent with Section 11.1 – Town Centre development controls in Chapter D16 of the DCP. In particular, the DCP is seeking to create a strong urban form with street walls of 2-3 storeys.

As noted above, Council's post exhibition report recognises that it may be reasonable to explore the scale of this facility which would then reduce the land area required. Master planning of the Marshall Mount Town Centre (which includes CF05) has been undertaken by Council during 2023/2024. When this review is proposed is not clear. Ideally, this work should be done now and reflected in draft CP 2024.

### 3.1.3 Location of CF05

CF05 has been relocated from land zoned R2 low density residential to land zoned MU1 (in the Marshall Mount town centre) that has a higher value and has a strategic function to deliver housing density. Its relocation and land area requirement undermines the potential outcomes for the Marshall Mount Town Centre.

Council should explore other opportunities for locating community facilities on lower value land, land already identified for acquisition, existing buildings or shared facilities with Shellharbour Council. We have made the following observations.

- The RE1 zone to the west of the Town Centre identified in CP 2020 for acquisition (OS23) should be considered as a location for community facilities to avoid duplicating land to be acquired by Council. This land will contain two sports fields and passive open space. There is likely to be a building associated with the sporting facilities that could provide an ideal opportunity to incorporate the community facilities with a sports centre building. In addition, a school site is proposed directly adjacent to OS23. This presents a good opportunity to co-locate community facilities which would have good synergies with the sporting fields and future school.
- CP 2020 also identifies a Neighbourhood multi-purpose community centre of 1500m<sup>2</sup> GFA (CF05) on the eastern side of Marshall Mount Road which lies just west of the Town Centre. Council should explore this land and what opportunities it might provide.
- Chapter D16 identifies that the "corner of Marshall Mount Road and North Marshall Mount Road contains heritage items, including a community hall, which provides opportunities

*for a community focus around this point.” A community facility could also be located at the western end of the Marshall Mount area providing two local facilities that would be consistent with the catchments upon which the *Places for the Future: Social Infrastructure Future Directions Plan 2023-2036* is based.*

- There is a proposed community facility site identified within the adopted Calderwood masterplan within the Shellharbour LGA and adjoining Stage 5 of the West Dapto Urban Release Area. This appears to have a considerable land allocation providing options for the scale of facility envisaged. It is not clear why this future Community Facility has been overlooked in the catchment Maps 1 and 2 in *Places for the Future: Social Infrastructure Future Directions Plan 2023-2036*. This facility will reduce the need for additional community infrastructure in the Marshall Mount area.
- Consultation with Shellharbour Council to ascertain whether there is an opportunity for this and other shared facilities in Calderwood. This is an action identified in *Places for the Future: Social Infrastructure Future Directions Plan 2023-2036* and the *West Dapto Social Infrastructure Needs Assessment and Gap Analysis, August 2023* prepared by Ethos Urban.

These options could provide a more cost effective alternative for Council and potentially still meet the demands identified in the recently completed social infrastructure studies noted above.

The quantum and location of the community facility should be carefully evaluated so as not to jeopardise the dwelling density and economic viability of the Town Centre and avoid duplication of facilities.

Council and IPART should explore these opportunities as utilising facilities already earmarked for community uses would free up land in the MU1 zone for other land uses that can deliver retail, commercial and residential uses.

### **3.1.4 Cost of Land for CF05**

Draft CP 2024 nominates a cost of land of \$1,300,000 which equates to \$130/m<sup>2</sup>. This rate has been applied to all 6 of the Community Facilities in the WDURA and appears to be a value assigned to R2 zoned land, whereas CF05 is now proposed to be located on land zoned MU1.

Council’s Excel spreadsheet which Council has shared with the client and IPART, contains the costing input assumptions for draft CP 2024. CF05 is nominated as Acquisition Key Type ‘Urban’. The Variable Inputs tab applies a rate of \$130/m<sup>2</sup> for R2 zoned urban land. CF05 is located on land zoned MU1 (not R2) which applies a higher rate.

Note: Council shared the Excel spreadsheet with the following caveat:

*All costing information is as of 30 June 2022. The costing would be subject to indexation in a final adopted version of the West Dapto Development Contributions Plan 2024.*

*The attached information is provided for information purposes only. The information presented is draft and includes costing elements only relevant to the preparation of the Draft West Dapto Development Contributions Plan 2024. The draft West Dapto Development Contributions Plan will be reviewed by Council staff following completion of the public exhibition and consideration of all submissions (including any late submissions received up to **18 December 2023**). The contributions plan will also be subject to independent review by the NSW Independent Pricing and Regulatory Tribunal (IPART). A final adopted contributions plan will be subject to the direction of the NSW Minister for Planning and Public Spaces and adoption by Wollongong City Council. Therefore, the information attached is subject to change. Any reliance on this draft information for your own project planning purposes is at your own risk.*

Assigning the same land value is not an accurate approach or a reasonable cost estimate to the cost of land which will vary on a site by site basis.

Council's post exhibition report notes that "a commercial rate based on the Walsh & Monaghan valuation is expected to be used for CF05." The response is not certain. IPART should review this and make a recommendation to Council so that CP 2024 is clear on the land value rate to be applied and avoid disputes in the future.

Dyson Valuers (on behalf of the client) prepared an independent land valuation of the land to be dedicated for CF05. The land is zoned MU1 and is flood free. The valuation supports a land value of \$3,500,000.00. Draft CP 2024 has significantly undervalued this land and should be revised to adopt this value, and avoid generalised rates that does not take in account site specific characteristics.

Alternatively, IPART should consider whether this additional item is an essential work or our suggestion of the facility being co-located with OS23 (adjacent to Marshall Mount Town Centre) which would remove an additional land cost item from the contributions plan whilst still enabling a sub-district multi-purpose community centre to be provided proximate to the town centre.

## 3.2 East West Link Road

### 3.2.1 Inclusion in the Plan

Council's post exhibition report has included the bridge over Duck Creek on the East West Link Road in draft CP 2024 in recognition that the bridge facilitates flood reliable access. Council's post exhibition report (p6 of Attachment 1) states that the road forms part of the flood reliable road network for Stage 5 and provides a connection from North Marshall Mount Road, through Duck Creek Marshall Vale and Woodville Neighbourhood Plan areas, to the Western Ring Road. This indicates that the road (not just the bridge) serves a function for Stage 5 of the WDURA. For the reasons explained below it should be included in draft CP 2024.

The West Dapto Vision 2018 includes a Structure Plan which illustrates the road typology / hierarchy planned for the WDURA. An extract of the Structure Plan is provided in **Figure 4**. This includes an east-west aligned road to the north of and roughly parallel with Marshall Mount Road, as annotated in **Figure 4**.

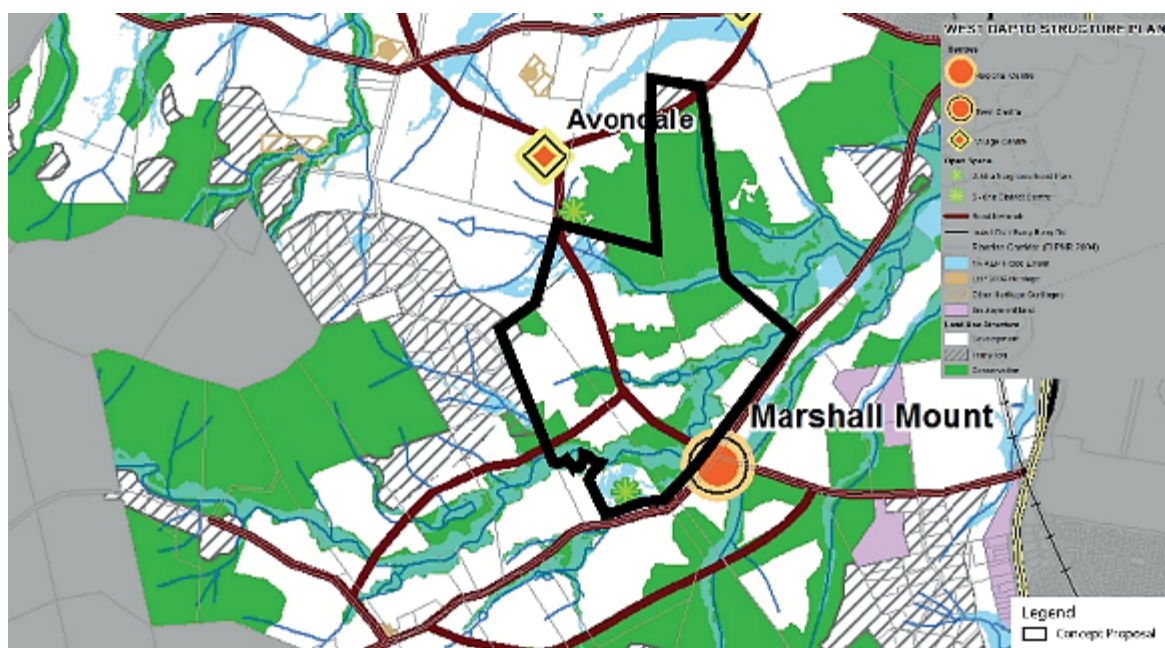


Figure 4 Extract of West Dapto Structure Plan: Source - West Dapto Vision 2018

Chapter D16 of Wollongong DCP 2009 illustrates the road typology for West Dapto, an extract of which is provided in **Figure 5**.

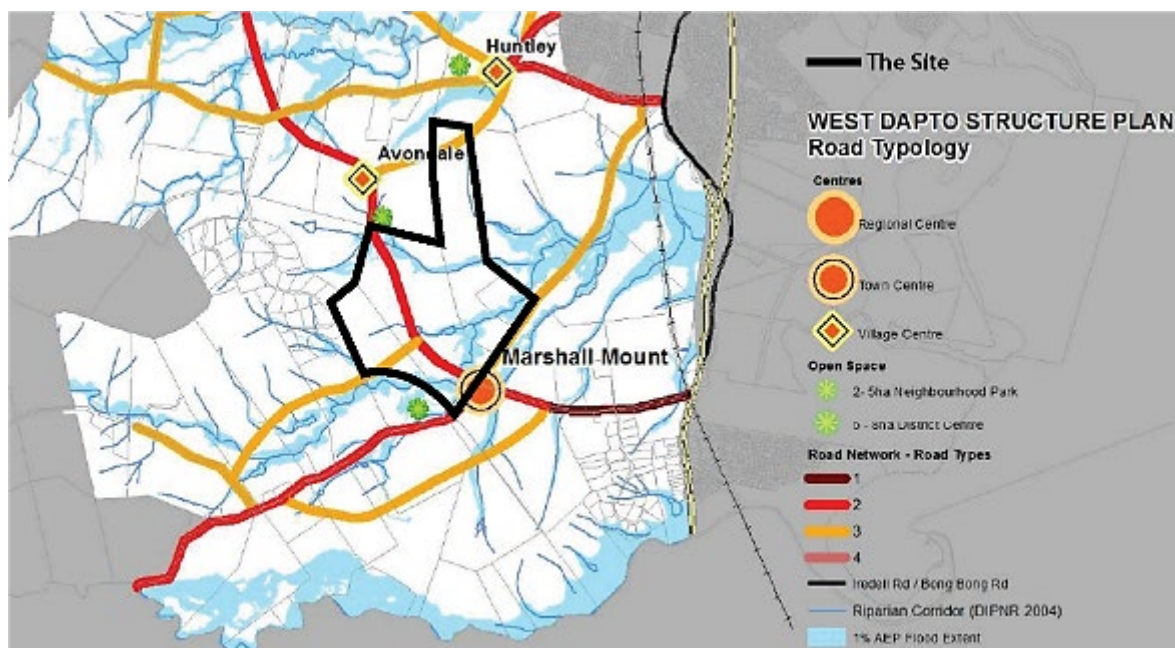


Figure 5 Extract from Chapter D16: Road Typology

The east-west link road (gold shading) is a Type 3 road which will be 2 lanes as illustrated in Figure 6 of Chapter D16.

Chapter B2 of the DCP provides the specifications for a Type 3 road. In terms of hierarchy a Type 3 road is a “major collector road” being access denied and carry between 3,000 and 15,000 vehicles per day. The roads are also designed to have parking and bus services. The objectives for Type 3 roads (as per Chapter B2 of the DCP) also state that they “provide connectivity between neighbourhoods and local centres/higher order roads.”

The following design features of the major collector road determine the road function:

- The road is labelled as a major collector road and the design volume indicates it will serve more than just the road for any given development, but will serve a wider area beyond each development.
- Access denied, such that a residential subdivision will not have lots with direct access to the road and therefore not reliant upon that road.
- The road will serve as a bus route indicating it will serve more than just the immediate subdivision through which the road will pass.

Further, the east-west link road includes bridges (none of which are funded by the Plan) including a bridge at the common boundary between 330 and 346 Marshall Mount Road and at least four (4) other bridges heading west. The design standard of the road including bridges is unlikely to be economically viable for a developer to build, particularly if it is access denied and other roads for access to lots will need to be built.

The east-west link road on 330 Marshall Mount Road also traverses the land zoned C2 Environmental Conservation and roads are not a permitted land use. Council will need to take carriage of the road construction by way of an authorisation under Part 5 of the EP&A Act or undertake a Planning Proposal process to amend the zoning to make roads permissible with consent.

It is also noted that many (if not most) of the other Type 3 roads in the West Dapto Structure Plan and Chapter D16 are included in the current CP 2020 and draft CP 2024.

These characteristics indicate that the road is an important part of the WDURA, in particular Stage 5, and it should therefore be included as an infrastructure item in the Contributions Plan.

### 3.3 Bridge/culvert along Western Ring Road (segment NR42)

Section 4.3.1 – Demand for Transport of draft CP 2024 identifies the need for infrastructure works resulting from the WDURA including bridging structures over creeks. Figure 12 of draft CP 2024 identifies the location of bridges to be funded under the Plan. **Figure 6** is a copy of Figure 12 from draft CP 2024 which illustrates the bridges funded under the Plan along the Western Ring Road. The works illustrated in Figure 12 are the same as shown in the current CP 2020.

**Figure 6** has been annotated to show a bridge over Creek C1 along the Western Ring Road (segment NR42) which is not included in the draft CP 2024 (or the current CP 2020).

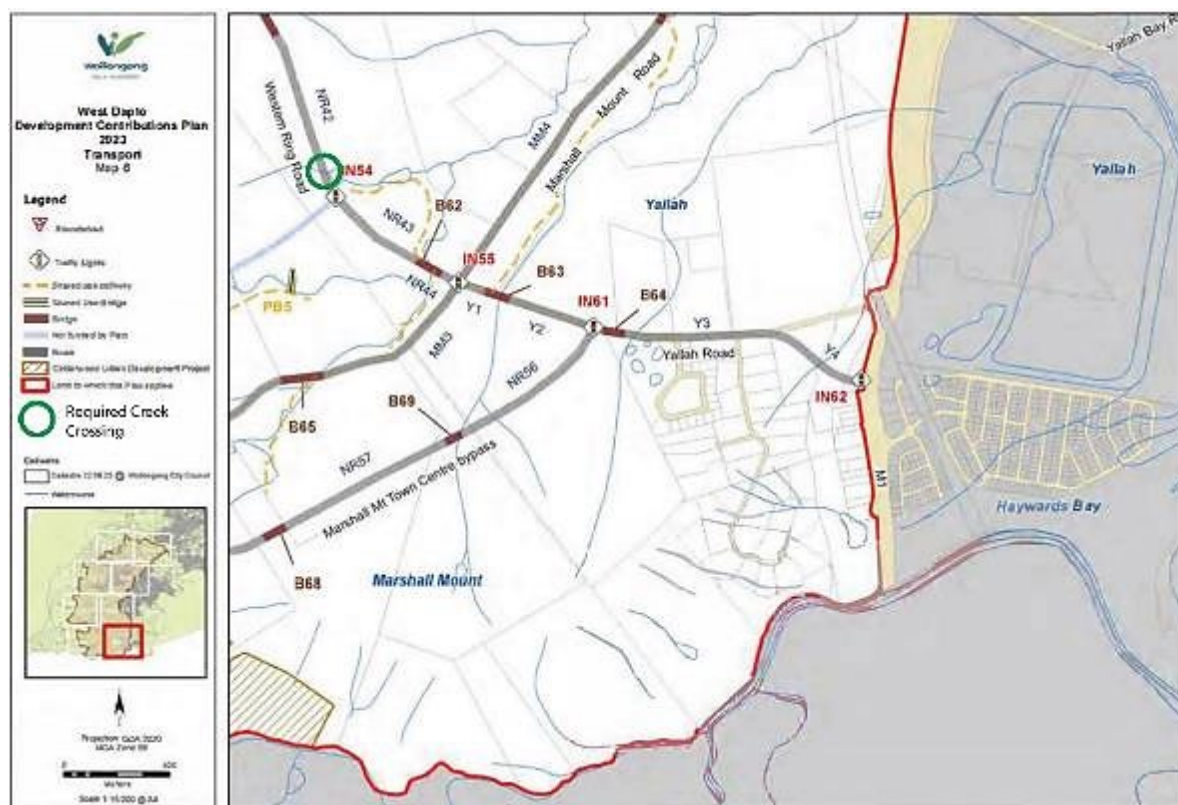


Figure 6 Transport Infrastructure - Extract from draft West Dapto Contributions Plan 2024

Council's post exhibition report recognises a crossing over the C1 creek corridor is needed, and has stated it will be a bridge (page 7 of Attachment 1). Council's 80% road design for the Western Ring Road proposes a culvert over this creek (not a bridge). However, the post exhibition report does not indicate if draft CP 2024 will be updated to make provision for a culvert (or a bridge) over Creek C1. IPART should review draft CP 2024 to ensure that is included.

The DA (as lodged) has planned for a culvert over the upper extent of the C1 creek which has been estimated at a cost of approximately \$2.5million. Given the fact that the Western Ring Road is a road funded under the Plan, then a culvert for C1 should also be funded. This approach is consistent with the funding of other creek crossings along the alignment of the Western Ring Road.



### 3.4 Bridges

The cost of bridges should be reviewed to ensure that their costs are realistic.

Elm Park and Highgate Hills contain the following five bridges in draft CP 2024

- TR17 (Marshall Mount Road) – Bridges B65, B66 and B67
- TR25 (Western Ring Road) - Bridges B61 and B62

We understand that Council has engaged GHD to assist in designing the above four bridges and those works are well advanced. The designs of these bridges should be used in draft CP 2024 to ensure that a more accurate cost is assigned to these items.

### 3.5 OS23 – Land Value

Draft CP 2024 has amended OS23 from 4ha to 8.5ha.

OS23 is positioned in the location of land zoned RE1. The RE1 zoned land has an area of approximately 7.8ha. Draft CP 2024 should be reduced from 8.5ha to 7.8ha to reflect the RE1 zone.

Council's Excel spreadsheet (subject to Council's caveat noted earlier) which Council has shared with the client, contains the costing assumptions for draft CP 2024 (we assume IPART has had the benefit of that spreadsheet). In the 'Land Acquisition' Tab, a rate of \$80/m<sup>2</sup> is used for Open Space. This appears to be a composite rate to include a mix of flood affected and flood free land. This valuation approach is not appropriate as each site has other characteristics that inform the underlying zone.

For example, of the 7.7ha relating to OS23, 55,159m<sup>2</sup> of land to the north of the riparian corridor that is flood free and is not subject to land slip hazard, mine subsidence, significant bushfire constraints, does not contain steep slopes, does not contain contaminated land, does not contain or adjoin heritage items, watercourses, significant trees, or native vegetation<sup>3</sup>. All necessary urban services are (or will be) available close to the site. Accordingly, this land should be valued as R2 zoning. The balance of OS23 (21,977m<sup>2</sup>) is flood affected and constrained land and should therefore be valued as C3 zoning.

Council should determine the underlying zoning of the Open Space and apply the land value rate applicable to that underlying zoning. Council has flood mapping data available to undertake this exercise and it will provide a more accurate land value to inform draft CP 2024.

This approach is supported by the Valuation report (provided to Council) which relies on a Town Planning Report (prepared by others) and which provides that the underlying zoning of the RE1 zone is R2 Low Density Residential with small areas of environmental and flood affected land which are unsuitable for subdivision other than a single rural-residential lot. Further, the Town Planning advice provides that the northern part could be developed and therefore should be compared to englobo residential sites of similar flood free area. On this basis, Dyson Valuer has valued OS23 at \$11,700,000 and the draft CP 2024 should adopt this value.

If the area of OS23 is retained at 8.5ha, then a revised valuation for the larger area will be required.

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<sup>3</sup> Refer to specialist report submitted with DA 2023/481

### 3.6 NR42, NR43, and NR44 – Land Value

NR42, NR43 and NR44 are segments of the Western Ring Road (TR25) passing through Lot 5 DP1280030.

Dyson Valuers has valued the three segments at \$18,910,000 based on the various current zonings applying the alignment of the Western Ring Road. The land value for these three segments is \$18,910,000. The draft CP 2024 should adopt this value.

Council's post exhibition report defers this matter for a future review of the West Dapto Contributions Plan. If the information is available now, then we question why draft CP 2024 does not incorporate the values.

### 3.7 TR35 (Shared Use Path – Stage 5) – Cost of Land

The total land value for TR35 in the CP is \$58,075 for 4,650m, or \$12.49 per linear metre.

The width of TR35 ranges from 1m to 2.5m, which implies a rate of \$12.49/m<sup>2</sup> to \$31.22/m<sup>2</sup>.

Almost all of TR35 (shared use path - Stage 5) is situated within residential zonings (R2 and R3) which Dyson Valuations values at \$200/m<sup>2</sup>. On this basis, the cost of land in Schedule 3 of draft CP 2024 is significantly undervalued.

Additionally, there is a segment of TR35 on 84 Marshall Mount Road as shown on Figure 10 in draft CP 2024. As part of the Neighbourhood Plan process for Elm Park, Council has requested that the path be increased in length from 300m to 700m. The increased length has not been reflected in Figure 10 (Map 6) in draft CP 2024 as illustrated in the comparison of **Figure 7** below between the current CP 2020 and draft CP 2024.

TR35 should be added to Figure 10 Map – Transport (Sheet 6) and Schedule 3 – Transport (cost of infrastructure) should be revised for the increased length

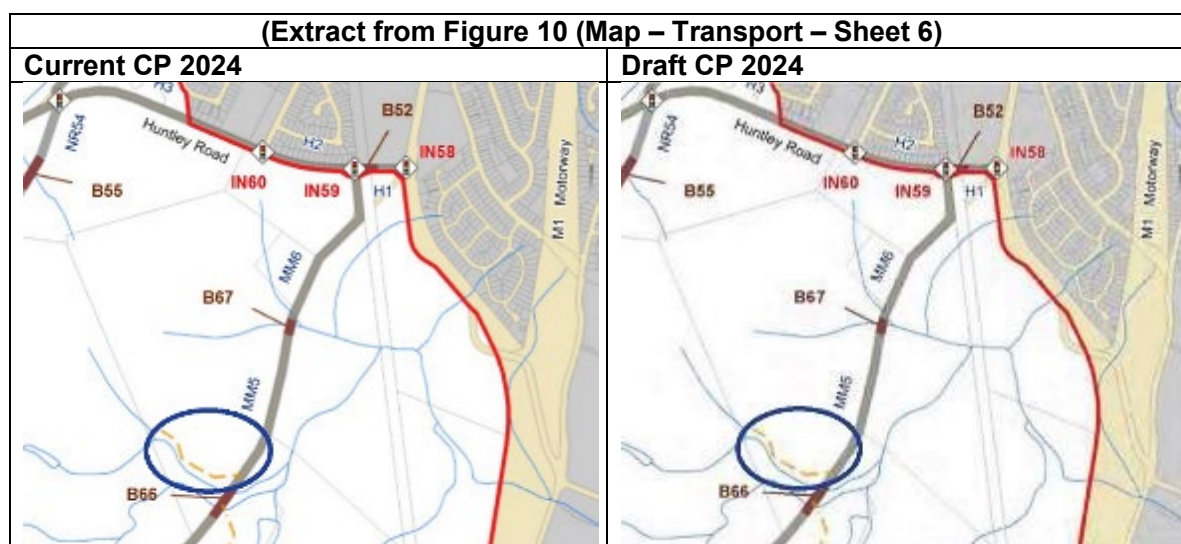


Figure 7 Extracts from Transport Map 6 comparing current and draft CP 2024

Council's post exhibition report (p.23 of Attachment 1) details the changes made and invited IPART to review this item. It is not clear in IPART's draft report whether this specific detail has been reviewed, including our comments above.

### 3.8 PB5 (Shared Use Path Bridge) – Cost of Work

PB5 is a pedestrian bridge relating to infrastructure item TR36 (being bridges for the shared paths – TR35). PB5 has a length of 167m. A civil contractor has estimated the cost of PB5 to be \$17,500 / linear metre. This equates to \$2,922,500 for one bridge. If the on-costs contained in draft CP 2024 for design, project management and contingency are applied, the amount for this bridge is \$4,091,500.

Draft CP 2024 (page 70) provides a single amount for TR36 (6 bridges) of \$1,912,112. Given the cost allowance for all 6 bridges is less than half the civil contractor's estimate for one of the bridges, it is demonstrated that TR36 is significantly undervalued.

Council's post exhibition report (p.23 of Attachment 1) details the changes made and invited IPART to review this item. It is not clear in IPART's draft report whether this specific detail has been reviewed, including our comments above.

### 3.9 Additional Local Parks in Highgate Hills

The Concept and Stage 1 DA for Highgate Hills includes two new local parks designed to serve a 600m catchment and as illustrated by the light green in **Figure 8** overleaf (being an extract from the Design Plan Series prepared by RPS for the Highgate Hills DA).

This the Concept and Stage 1 DA includes the following two parks:

1. A local park in Stage 1 of 1.4ha in size.
2. A local park in Stage 7 of 1.6ha in size

Numerous Local Parks are included in the draft CP 2024 and these parks should also be included.

Council's post exhibition report (p.16 of Attachment 1) formed the opinion that because these parks serve a small catchment that they should not be included. These parks are planned as part of a Concept DA (DA-2023/481) that is expected to deliver over 1000 lots/dwellings and a town centre and would also serve future residents beyond the boundaries of the DA. These are significant public facilities that serve a wide catchment.

Accordingly, these two local parks should be included in the draft CP 2024 at reasonable valuations.

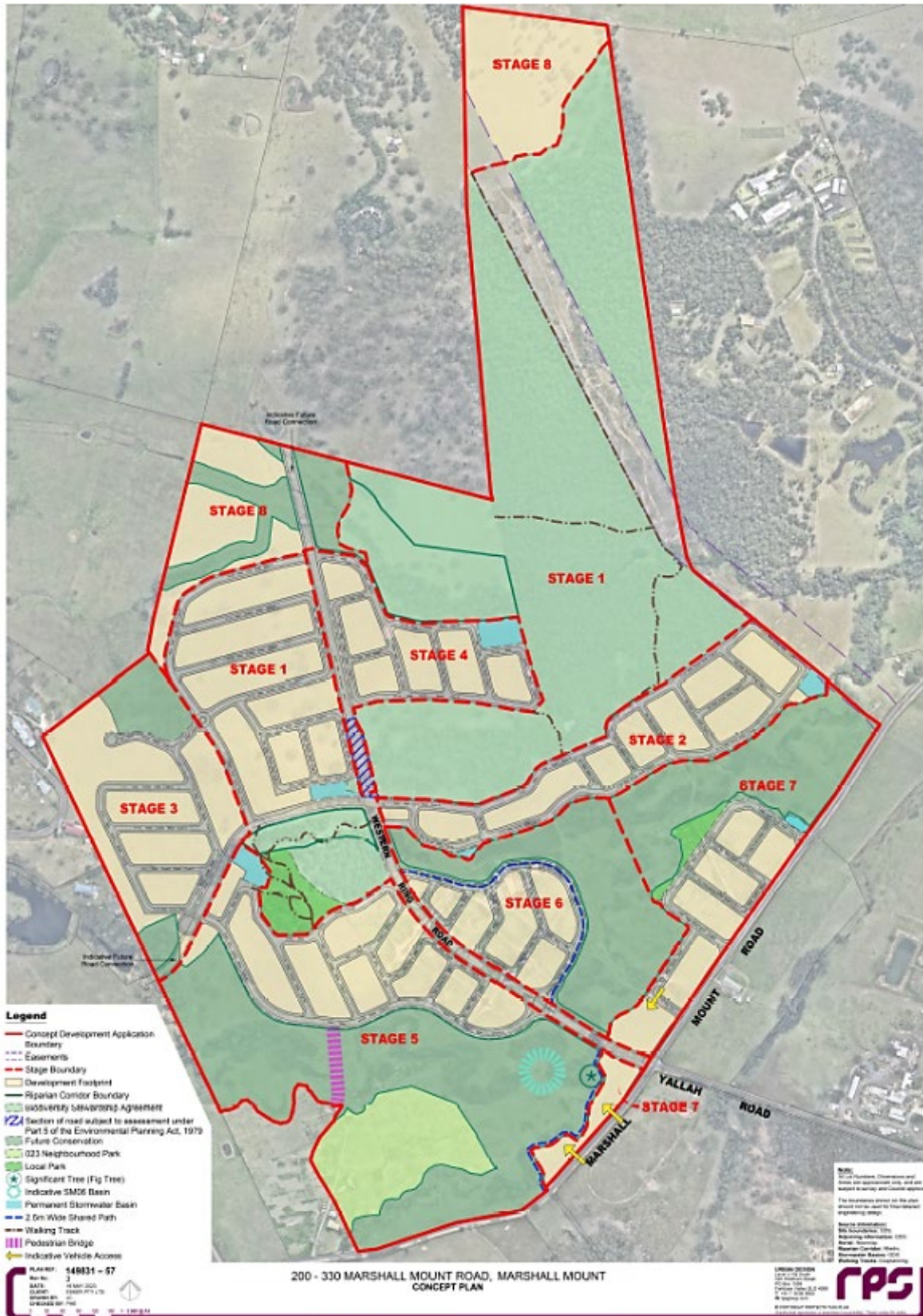


Figure 8 Extract from RPS Urban Design Series of plans showing additional parks



#### 4.0 Conclusion

We support Council's review of the current CP 2020 with the objective of providing an update of forecast demands and costs. DFP provided a submission to Council on the draft DCP 2024. However, there are still concerns with draft CP 2024 that we believe IPART should review and we have refined our comments having reviewed Council's post exhibition report.

Draft CP 2024 clearly has a very large increase in the per lot/dwelling rate increasing from \$60,081.65 (June 2023 indexed rate) to \$80,553.56 per lot/dwelling. This has a large impact on the cost of developing land in the WDURA.

Whilst this submission has identified infrastructure that should be included in the Plan, we have also identified infrastructure that could be explored to assist in reducing overall costs of the Plan.

We appreciate that this a complex balancing act, to provide a contribution rate that can deliver infrastructure for the WDURA whilst not being a disincentive to land development and housing supply. Council should therefore be working to investigate how the Plan can be refined to provide infrastructure more efficiently and not jeopardise land delivery and housing supply. Key considerations for Council and IPART are summarised below:

1. Create separate contributions catchments for Stage 1-4 and Stage 5 for transport, stormwater and administration;
2. Review the open space demand and costs;
3. Derive a Land Value Index using current land values for a sample of representative land types;
4. Ensure any new CP does not apply to DAs already lodged but not yet determined; and
5. Review specific infrastructure size and/or costs including:
  - a. Community Facility CF05
  - b. East-west link Road
  - c. Land values and bridges/culverts on the Western Link Road (TR25)
  - d. Open Space OS23
  - e. Local Parks in Highgate Hills

Should you have any questions in relation to this submission please do not hesitate to David Kettle (DFP Planning) or our Client representative Adam Volpe.

Yours faithfully

**DFP PLANNING PTY LTD**

**DAVID KETTLE**  
**PARTNER**

Reviewed: [REDACTED]