



Our reference: InfoStore
Contact: Claudia Amendolia
Telephone: [REDACTED]

26 June 2024

Ms Sheridan Rapmund
Director
Independent Pricing and Regulatory Tribunal

Sent by email: ipart@ipart.nsw.gov.au
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bronwen.sandland@ipart.nsw.gov.au

Dear Sheridan,

Review of Penrith City Council's Glenmore Park Stage 3 Contributions Plan

Thank you for the opportunity to provide feedback on IPART's Review of Penrith City Council's Glenmore Park Stage 3 Contributions Plan. Council thanks IPART for the collaborative approach in working with Council officers for the review the Plan.

IPART accepted Councils request for an extension to the submission deadline to enable Council officers to achieve reporting timeframes for Councillor feedback and endorsement.

Please find attached Penrith City Council's submission on IPART's draft review of Penrith City Councils Glenmore Park Stage 3 Contribution Plan. This submission was endorsed by Council at its ordinary meeting of 24 June 2024

In summary, Council does not object to the recommendations presented in the draft report. Information is also provided in relation to matters IPART have sought additional comment on from Council.

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Council is particularly aware of the need to balance the impacts of high development contributions costs on housing affordability and infrastructure delivery risk and seek to find a balance between mitigating risk, delivering the enabling infrastructure and ensuring that the contribution rates are fair with minimal impacts on housing affordability.

Given the nature of the draft recommendations, Council met with Mirvac and Vianello, the major landowners of the precinct to discuss the recommendations and questions. Council will continue to work alongside Mirvac and Vianello to provide IPART with any additional information where required.

Council would welcome the opportunity to discuss the attached submission with IPART.

If you have any questions about this matter, please contact Natalie Stanowski, Principal Planner on [REDACTED] or Claudia Amendolia, Planner – Contributions on [REDACTED]

Yours sincerely

[REDACTED]

Christine Gough
City Planning Manager

Attach.

1. *Penrith City Council submission.*

Submission – draft recommendations for Glenmore Park Stage 3 Contributions Plan

IPART RECOMMENDATION	OFFICER COMMENT
1. Update admin to be 1.5% of the revised total work costs	NO OBJECTION
2. Use the following contingency allowances: <ol style="list-style-type: none"> a. 30% for stormwater work items MB1, VB2, MB3, MB4 and MB5 b. 20% for transport works c. 15% for open space embellishment 	NO OBJECTION <ul style="list-style-type: none"> • IPART contingency benchmarks are acknowledged and recognised in mitigating uncertainty and potential financial risk to Council, particularly where a contributions plan is based on high level costings/estimates. • Council officers seek to carefully manage risks associated with under costing works items and the impacts of increased development contributions on housing affordability. • At this time in the development process of the precinct, detailed costings are not yet available for infrastructure items. • IPARTs recommendation will result in an overall increase of \$3,400,297 to the plan an additional \$1,577 per residential lot.
3. Remove contingency allowance from base cost of INT1-5.	NO OBJECTION – The recommendations relate to calculating errors within the works schedule.
4. Update CPI values for transport works and land costs to reflect the September 23 indexed value	NO OBJECTION – The recommendations relate to calculating errors within the works schedule.
5. Reduce land disturbance allowance for transport items T3.4, INT4 and INT3 to 5%	NO OBJECTION – The recommendations relate to calculating errors within the works schedule.
6. Use the R2 (>10,000 sqm) rate for T2.1 and T3.1, the R3 (<10,000 sqm) rate for T3.4 and use the R2 (<10,000 sqm) rate for T3.5 from the land valuation report.	NO OBJECTION – The recommendations relate to calculating errors within the works schedule.

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

Council notes that indicative timing for the delivery of infrastructure has been provided in the work schedule. Please refer to the document attached to this submission indicating the relative stage for each infrastructure item.

Response to Request for information on the Glenmore Park Stage 3 Contributions Plan

IPART QUESTION	OFFICER RESPONSE
<p>The Council provide further information on whether the land and/or works of the linear parks (LIN1-4) meets the essential works list.</p>	<p>Linear Park 1:</p> <ul style="list-style-type: none"> • Linear Park 1 is 19.98ha in size, the majority of which is identified as 'avoided land' under the Cumberland Plain Conservation Plan (CPCP). Linear Park 1 is recognised in the Public Domain and Open Space Strategy supporting the precinct. • This land is proposed to serve a dual purpose, containing water cycle management facilities, a riparian corridor and linear open space. • The land and works required for water cycle management are within the contribution plan and meet the essential works list. • The plan also includes works for environmental purposes in respect to the riparian corridor (Mulgoa Creek) and the linear park. This includes tree canopy planting works to ensure compliance with Councils gateway conditions on tree canopy in the precinct. • In addition, there are works within the plan to create a network of linkages between open spaces and adjacent residential areas (i.e. linear park works). The costs that relate to the provision of active transport links and related embellishments provide spaces for passive recreation, walking and cycling through bushland areas and provide connections across the precinct. The active transport links throughout the linear parks are identified in the TMAP, strategically positioned throughout the precinct, and promote connections with external network to enhance local movement. • All proposed works have nexus to the development. They are appropriately apportioned across the development as they result from and serve the needs of the new community. • Land that is not for the purpose of water management is not included in the contributions plan. Mirvac and Vianello have offered to dedicate

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	<p>the subject land that is in their ownership to Council through a planning agreement. This is land mainly subject to the riparian corridors and CPCP 'Avoided Land'.</p> <ul style="list-style-type: none"> • It is noted that there is another single private landowner in linear park 1, not subject to water management devices or riparian corridors. • Notwithstanding the above, the shared pathway networks are identified on the TMAP and are critical to the function of the precinct. These pathways are necessary, whether provided within the linear park or on road. Council may consider alternate on road locations for the shared pathway where land is not in Councils ownership or has not been offered to Council.
	<p>Linear Park 2:</p> <ul style="list-style-type: none"> • Linear Park 2 has a dual purpose, providing water cycle management and linear open space. The land is identified as 'Avoided Land' under the CPCP. Linear Park 2 is recognised in the Public Domain and Open Space Strategy supporting the precinct. • The land and works required for water cycle management are within the contribution plan and meet the essential works list. • The plan also includes works for environmental purposes in respect to the riparian corridor (Mulgoa Creek) and the linear park. This included tree canopy planting works to ensure compliance with Councils gateway conditions on tree canopy in the precinct. • In addition, there are works within the plan to create a network of linkages between open spaces and adjacent residential areas (i.e. linear park works). The costs that relate to the provision of active transport links and related embellishments provide spaces for passive recreation, walking and cycling through bushland areas and provide connections across the precinct. The active transport links throughout the linear parks are identified in the TMAP, strategically positioned throughout the precinct, and promote connections with external network to enhance local movement.

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	<ul style="list-style-type: none"> • All proposed works have nexus to the development. They are appropriately apportioned across the development as they result from and serve the needs of the new community. • Land that is not for the purpose of water management is not included in the contributions plan. The remainder of this land is not included in the contributions plan as the landowner has offered to dedicate the land to Council through a planning agreement. • Notwithstanding the above, the shared pathway networks are identified on the TMAP and are critical to the function of the precinct. These pathways are necessary, whether provided within the linear park or on road. Council may consider alternate on road locations for the shared pathway where land is not in Councils ownership or has not been offered to Council.
	<p>Linear Park 3 & 4</p> <ul style="list-style-type: none"> • Linear Park 3 & 4 are provided for linear open space and are recognised in the Public Domain and Open Space Strategy supporting the precinct. Works have been identified in the contributions plan to create a network of linkages between open spaces and adjacent residential areas (i.e. linear park works). The costs that relate to the provision of active transport links and related embellishments provide spaces for passive recreation, walking and cycling through bushland areas and provide connections across the precinct and into Mulgoa Nature Reserve. The active transport links throughout the linear parks are identified in the TMAP, strategically positioned throughout the site and promote connections with external network to enhance local movement. Works for environmental purposes are included in respect to the linear park. This included tree canopy planting works to ensure compliance with Councils gateway conditions on tree canopy in the precinct.

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	<ul style="list-style-type: none"> • The subject developers have offered to dedicate the land that is in their ownership to Council through a planning agreement. • All proposed works have nexus to the development. They are appropriately apportioned across the development as they result from and serve the needs of the new community. • Notwithstanding the above, the shared pathway networks are critical to the function of the precinct and are necessary, whether provided within a linear park or on road.
<p>Council to provide information as to why 25 ha of open space has not been included when considering the provision of open space in the plan.</p>	<ul style="list-style-type: none"> • The plan contains 22 hectares of proposed open space on land that is one land that is not impacted by CPCP. This land is considered the primary open space serving the new community. • The 25ha of proposed linear park open space includes 7.15 ha of non CPCP recreation land and 18 ha of conservation only land. Developers Mirvac and Vianello have committed through letter of offer, to dedicating these lands to Council. It was proposed to retain the land's conservation values, while also including active transport links to promote linkages throughout the precinct and to external networks, as recommended and endorsed through the TMAP.
<p>Council to provide information on costs that should be included in the plan for LINI-4 that meet the essential works list</p>	<p>As noted above, Council officers believe that the work items for Linear Parks 1-4 have nexus to the development and meet the essential works list.</p>
<p>Council to provide further information to support the cost estimates for transport items T3.1-T3.5</p>	<ul style="list-style-type: none"> • It is noted that IPART consider the cost of these items lower compared to similar items in other plans and benchmarks. • As detailed in IPART's "Guidelines for Contribution Plans" dated 8th October 2018, IPART prefer that "Councils use the best available information to estimate the cost of the necessary local infrastructure. This will generally involve preparing, or commissioning, independent advice on estimates specific to each plan, or relying on such advice prepared during precinct planning".

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	<ul style="list-style-type: none"> ADW Johnson was engaged by Mirvac to prepare the detailed costings for the road infrastructure items. ADW Johnson also verified the rates for adequacy against known site conditions at the time of preparing the Plan. Based on the information provided in support of the Plan, Council officers do not consider adjustments to the rates necessary.
<p>Council to provide further information on whether the underlying zoning for transport items T2.2, T3.4, T4.4 and T5 could be used to determine the land value.</p>	<ul style="list-style-type: none"> The subject transport items traverse across different land use zones, with the exception of T5 which is wholly located in the C4 zone. Council sought to apply the rate of the zone which the item was predominately in. This was due to difficulties determining the exact length or portion of each road which would be within each zone. For example, T2.2 is primarily within the R2 zone, with a small section falling within land zoned C4. As we were unable to determine the exact percentage of road which would fall within this zone, the R2 rate was applied. It is also noted that when road delivery occurs, it is not uncommon for the exact location of the road to move. A rate based on exact zone areas may become inaccurate. It is expected that most of the subject roads will be delivered as works in kind, it is noted that T3.4 falls within land which is currently under private ownership and may have to be acquired by Council. Officers are receptive to the exploration of a blended rate with IPART where it can be guaranteed that the rate can accurately reflect the zoning boundaries, that any financial risk to Council is mitigated and costs in the plan are not increased unreasonably. Officers request that the C4 rate is applied to T5.
<p>Council to advise why the rates for C2 land differ from land valuation report.</p> <p>Council to advise why stormwater land items that appear to be under 1ha in size differ from value used in the land valuation report</p>	<ul style="list-style-type: none"> IPART has sought further information on the C2 valuation rates to under the reasonability of Council approach. A rate of \$10.00, regardless of land area of the land was applied for C2 land, including stormwater land items. This was based on a comparison and review against a previous land valuation Council received by

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	<p>developer Mirvac and the constrained nature of the C2 zoned land under the CPCP provisions.</p> <ul style="list-style-type: none"> • A copy of this previous valuation will be provided to IPART.
<p>Provide further information about the methodology used to determine the 5% land disturbance allowance</p>	<ul style="list-style-type: none"> • IPART has sought further information on the methodology for the land disturbance allowance to assess whether the rate is reasonable. • A 5% disturbance allowance for land acquisition is proposed for compensation for stamp duty and legal fees. • Previous land valuation advice, provided by Mirvac, proposed a 5% disturbance allowance. A copy of this previous valuation will be provided to IPART. • The rate was not the subject of review in the most recent valuation report undertaken by Council. • Councils Property team reviewed the 5% disturbance rate and did not object to its inclusion or methodology. The compensation assessment was undertaken under the provisions of the Land Acquisition Just terms compensation Act, 1991 with regard to IPART methodology. • The 5% disturbance allowance should also be considered in the context of other Plans reviewed by IPART. It is understood that the plan for Lowes Creek Maryland (LCM) proposed contains a 5% allowance on the basis that LCM was primarily controlled by a few large landowners, with only some degree of fragmentation. This was supported in-principle by IPART via its draft report in September 2023 and final report in December 2023. • Council officers believe that the subject precinct has consistent land fragmentation characteristics with LCM, providing further justification for the 5% disturbance allowance.
<p>Explain why transport costs have not been apportioned to non-residential development</p>	<ul style="list-style-type: none"> • Non-residential development in the precinct includes the school and local centre. These land uses are proposed as they are necessary to meet the demand of the precinct to which the plan applies. • The plan does not attribute contributions to non-residential development.

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	<ul style="list-style-type: none"> • Development for the purposes of a school is highly unlikely to trigger the payment of contributions. Coupled with the need of the development to support the precinct, Council officers do not support the application of development contributions to this land use. This is consistent with other IPART reviewed plans. • Technical studies supporting the precinct do not provide sufficient detail for Council officers to clearly determine a specific apportionment of transport costs to the retail centre. • The plan has been prepared apportioning costs of all works by way of projected residential population. If IPART require Council to apportion infrastructure costs to non-residential development, the plan will need to be revised to apply all costs for items such as stormwater and transport on a per NDA basis. • It is noted that Councils Contributions Plan for Glenmore Park Stage 2- land for the purpose of schools is exempt from all development contributions and retail/commercial areas are not charged contributions for transport works. • Council officers are receptive to the exploration of this matter with IPART.