



24 January 2025

Ms Bronwen Sandiland
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Bronwen,

DRAFT REPORT – ASSESSMENT OF DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024

1. I write in response to the Draft Report prepared by the Independent Pricing and Regulatory Tribunal (IPART) during its assessment of the Draft Appin Growth Area Contributions Plan 2024 (Draft Appin CP) prepared by Wollondilly Shire Council (Council).
2. Walker Corporation (Walker) is the lead landowner and developer within the Appin (Part) Precinct which comprises the only rezoned land within the Appin Growth Area. Walker controls approximately 95% of the Appin (Part) Precinct with the ability to deliver 12,000+ new homes.
3. Walker wrote to IPART on 27 August 2024 to raise our concern with the Draft Appin CP, specifically the significant inconsistencies between the Draft Appin CP and the spatial allocation of land uses that underpinned the rezoning of the Appin (Part) Precinct and the expected dwelling yields.
4. These issues have not been resolved and any premature approval and adoption of the Draft Appin CP will result in a misalignment between the planning and infrastructure contributions frameworks.
5. The spatial allocation of land uses under the Draft Appin CP does not reflect the site-responsive master planning that supported the rezoning. It poses a significant impact to the delivery of the agreed master planned outcome for the Appin (Part) Precinct, including a reduction in the supply of land and housing to market, and reduced demand for infrastructure proposed to be delivered through the contributions plan.
6. A copy of Walker's previous correspondence to IPART is included as an attachment to this submission.

Planning Context for Appin (Part) Precinct

7. The Appin (Part) Precinct rezoning was finalised in June 2023 and is the outcome of the Department of Planning, Housing and Infrastructure's (DPHI) Technical Assurance Panel (TAP) process which involved expert advice from specialist consultants and engagement with key agencies including Wollondilly Shire Council.
8. The rezoning included the gazettal of a Precinct Plan and land use and zoning regime under Appendix 10 of the State Environmental Planning Policy (Precincts - Western Parkland City) 2021, along with an exhibited draft Precinct Structure Plan (PSP) which provided more granular detail on how the Appin (Part) Precinct will be developed.
9. A significant body of detailed work was undertaken during the rezoning stage for the Appin (Part) Precinct which informed lot yields, densities, and the amount and location of infrastructure.

10. Exhibition of an updated Precinct Structure Plan (PSP) and a draft Development Control Plan (DCP) by DPHI is imminent. The seventh iteration of the PSP is consistent with the rezoning masterplan having been refined through detailed master planning in collaboration with DPHI and the Council over a period of more than two years.
11. The Draft Appin CP is however inconsistent with the rezoning masterplan and the PSP and DCP meaning that the planned outcome for the Appin (Part) precinct will be compromised if the spatial allocation of land uses under the Draft Appin CP is pursued in favour of the masterplan informed by the technical studies that informed DPHI finalisation of the rezoning.

Previous exhibition of Draft Appin CP by Council

12. Walker engaged infrastructure contributions specialists GLN Planning (GLN) to review the Draft Appin CP when it was exhibited by Council in March 2024.
13. GLN's submission identified the misalignment between the Draft Appin CP and the planning framework that underpins the rezoning, along with discrepancies in works cost estimates and land valuations informing the contributions plan.
14. Following the public exhibition period, the Council updated the Draft Appin CP to address some of the cost-related aspects of the submission, however the inconsistencies between the planning framework for the Appin (Part) Precinct and the Draft Appin CP remain.

Information used to prepare Draft Appin CP

15. Section 3.2.1 of IPART's report advises that there are several key documents that have not been prepared or published which will be used to inform and support the contributions plan. Despite these inadequacies, IPART has proposed to proceed with the assessment of the Draft Appin CP on merit.
16. The Council has advised that it does not expect material changes to the Draft Appin CP once it receives the supporting documents.
17. Walker respectfully submits that this position is inherently flawed as the Draft Appin CP disregards the PSP and DCP. The misalignment between the Draft Appin CP and the underlying planning framework must be resolved before the Draft Appin CP is finalised.
18. The infrastructure provision for land outside the Appin (Part) Precinct is often pro-rated or based upon Council's estimates. As detailed planning occurs for these areas, updated documents and strategies are released, and the broader Appin precinct is developed over an anticipated 30 to 40 year period, the implications for the contributions plan will likely be significant.
19. The rezoning of the Appin (Part) Precinct was finalised based on a suite of supporting studies that informed the masterplan and spatial allocation of land uses. It is considered inappropriate to preference the recommendations of a new study over those that informed the rezoning of the Appin (Part) Precinct.
20. The Draft Appin CP relies upon a new social infrastructure study, commissioned at significant cost to ratepayers, which disregards the TAP process and the previously recognised and supported site responsive and culturally respectful open space needs analysis and spatial arrangements.
21. The basis for determining the size of the open space areas in the Draft Appin CP is unclear. Comparing the land area allocated for several of the active open space areas to the areas included in other contemporary growth area contributions plans, it appears that Council has over-estimated the land area required for these assets. This results in greater land take than is likely required, and in turn increases land acquisition costs and contribution rates.
22. We request that IPART require the Council prepare indicative layouts for each open space area to justify the land allocations proposed.

Alignment of Draft Appin CP with Planning Framework

23. The Draft Appin CP should align with the underlying planning framework that applies to the Appin (Part) Precinct including the PSP and DCP currently being considered by DPHI. The most significant inconsistencies relate to the allocation of land identified in the rezoning masterplan for residential purposes being repurposed for open space under the Draft Appin CP. We enclose an overlay of the Draft Appin CP and the PSP that demonstrated the inconsistencies and the resultant impacts.
24. In its current form, the Draft Appin CP will result in adverse planning outcomes including:
- The vision for a new community at Appin, designed to capitalise on the unique site opportunities and constraints, and agreed through the TAP process, is compromised. The impacts are broad and undermine the planned provision, amenity and design of open space and public domain, design response to both Country and conservation, and dwelling yield and typologies.
 - The Draft Appin CP apportions approximately 60% of the infrastructure with the Appin (Part) Precinct land which represent only 55% of the dwelling yield, representing a disproportionate infrastructure burden.
 - The proposed Draft Appin CP open space regime poses a reduction of approximately 3,800 dwellings (29%) to the yield approved under the rezoning, at a time when land releases, housing supply and housing affordability is a key focus of both the NSW and Commonwealth governments.
 - The Draft Appin CP fails to consider that the reduced land area proposed for residential development reduces the achievable dwelling yield which in turn translates to a reduced demand for the infrastructure proposed under the Draft Appin CP.

Benchmarks

25. Benchmarking does not consider the practicality to deliver infrastructure, especially types with significant land area requirements, and particularly in places of high land value or with constrained land availability. Provision standards should be interpreted as a guide only. The Draft Appin CP should aim for a well-researched and evidence-based balanced outcome, tailored for site specific conditions, which was the outcome of the TAP process.

Council's Dedication of Land Policy

26. The site-responsive masterplan for the Appin (Part) Precinct is predicated upon the efficient use of land, consistent with the DPHI's direction, and maximises opportunities for the use of otherwise constrained land for open space purposes.
27. This includes the primary open space network, secondary open space network corridors and connections, riparian corridors and ridgelines which provide significant visual and public amenity for the future community and are significant to First Nations peoples. Much of this land contains existing mature trees which contribute towards tree canopy cover, improves air quality and is critical to the mitigation of the urban heat. It includes the use of a mix of constrained and unconstrained land in a variety of locations, whilst the Draft Appin CP proposes to use only unconstrained land which impacts on dwelling yield.
28. In December 2024, Council adopted an updated Dedication of Land policy which, among other things, does not permit the Council to accept the dedication of constrained lands, which are defined as transmission easements, conservation land, riparian corridors and the like.
29. This position is reflected in the Draft Appin CP and means that only unconstrained developable land – land which is often best suited for neighbourhood centres and housing of a variety of typologies and densities – is identified for open space purposes. The implications of this approach are two-fold – a reduction in dwelling yield and net developable area as noted earlier in this submission, along with increased land acquisition costs under the Draft Appin CP.

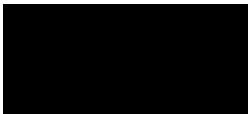
30. We understand that this matter falls outside the remit of IPART's powers, it is directly relevant to the inconsistency between the Draft Appin CP and the underlying planning framework and should be acknowledged by both IPART and DPHI when making their recommendations on the Draft Appin CP.

Conclusion

31. Walker's landholdings in Appin have the potential to deliver supply 12,000+ dwellings over 20+ years and play an important role in addressing housing supply and affordability within Greater Metropolitan Sydney.
32. The Draft Appin CP is inconsistent with the planning framework that underpins the rezoning of the Appin (Part) Precinct and has the potential to reduce planned housing supply by approximately 3,800 dwellings or 29%, whilst simultaneously increasing land acquisition costs, and infrastructure costs per dwelling.
33. Walker requests that IPART and DPHI require the immediate amendment of the Draft CP to align with the underlying adopted planning framework, including the PSP and DCP (when finalised) to ensure consistency. This will also ensure that the vision for Appin agreed during the TAP process can be realised, supporting land release and housing supply and the creation of a vibrant and well-serviced community.
34. Walker would appreciate an opportunity to meet with IPART to discuss the Appin planning context and the issues outlined in this letter.
35. Should you have any questions or require additional information, please do not hesitate to contact Nathan Croft at [REDACTED]

Yours faithfully,

Walker Corporation Pty Limited



Nathan Croft

Principal Planner

Attachments

Overlay of Draft Appin CP and PSP mapping

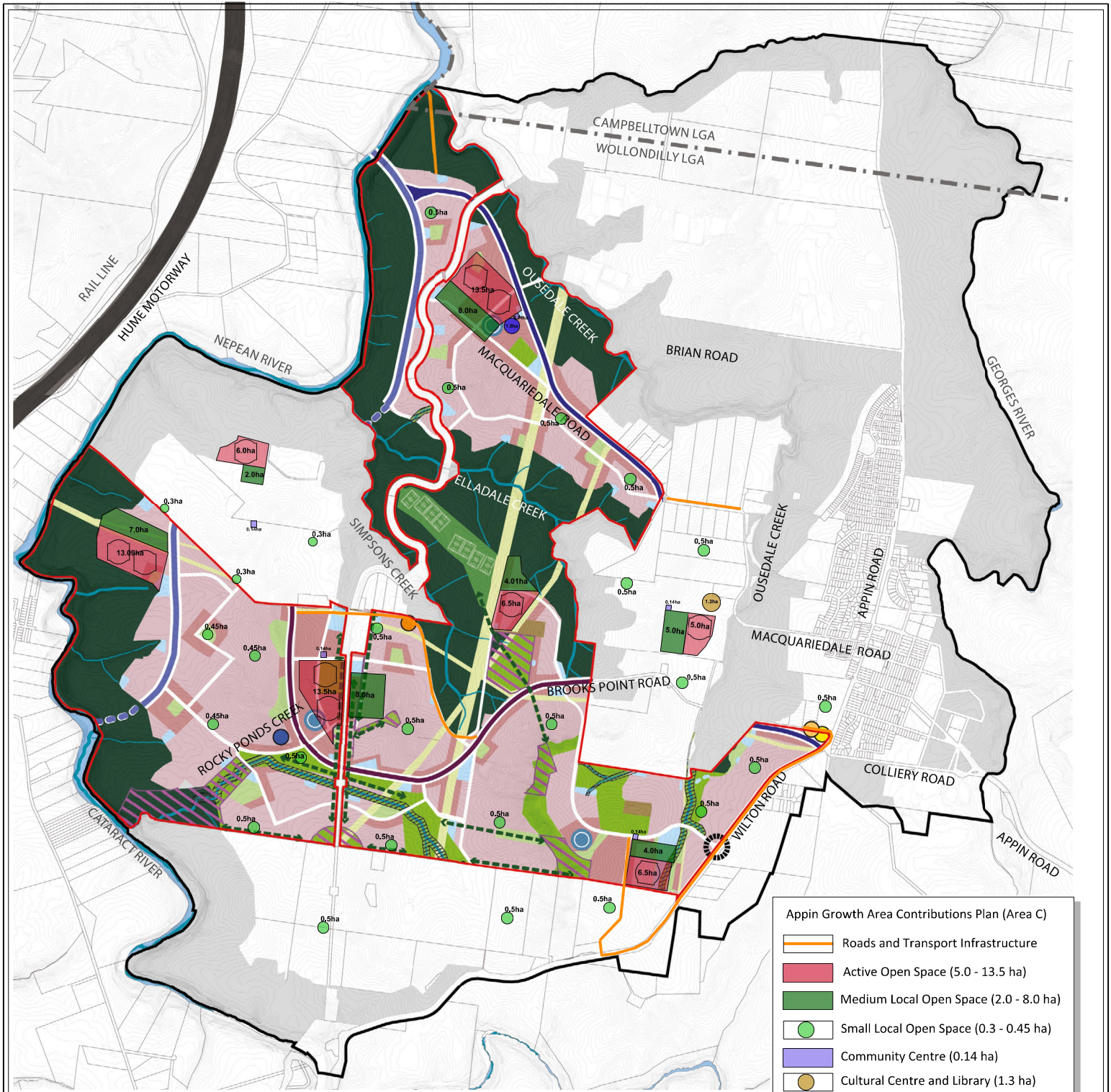
Submission to Wollondilly Shire Council on Draft Appin Growth Area Contributions Plan

WT Partnership peer review of works costs – Draft Appin Growth Area Contributions Plan

Letter to IPART on Draft Appin Growth Area CP – August 2024

Link to planning proposal documentation for Appin

[Appin \(part\) precinct | Planning Portal - Department of Planning and Environment](#)



LEGEND:

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> Appin & North Appin Precincts Boundary Appin (Part 1) Precinct Boundary LGA Boundary Waterways C2 Conservation Land Existing Road within C2 Conservation Land Local Park District Park Regional Open Space Easements (Active and passive recreation) Green Links Riparian Corridor | <ul style="list-style-type: none"> NSW State Heritage listing Curtilage (Place of First Nations Cultural Landscape) SHR 02067 Plan 3294 Heritage Items Low Density Residential Medium Density Residential Stormwater Management Schools Employment Lands Mixed Use Centres (including retail/commercial) East-West Connection Road Public Transport Corridor Outer Sydney Orbital Stage 2 | <p>Appin Growth Area Contributions Plan (Area C)</p> <ul style="list-style-type: none"> Roads and Transport Infrastructure Active Open Space (5.0 - 13.5 ha) Medium Local Open Space (2.0 - 8.0 ha) Small Local Open Space (0.3 - 0.45 ha) Community Centre (0.14 ha) Cultural Centre and Library (1.3 ha) Indoor Recreation Facility (1.0ha) <ul style="list-style-type: none"> Road Connection - By Others Collector Streets Roundabout Proposed Zone Substation Proposed Fire & Rescue Depot Proposed Police Station Proposed Ambulance Depot |
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APPIN (PART 1) PRECINCT STRUCTURE PLAN

10 May 2024

Our Ref: 12183 Submission to Draft Appin Growth Area CP

Mr Ben Taylor
Chief Executive Officer
Wollondilly Shire Council
62-64 Menangle Street
PICTON NSW 2571

Via email: council@wollondilly.nsw.gov.au; contributions@wollondilly.nsw.gov.au

[Attention: Mr Rob Seidel, Chief Financial Officer](#)

RE: Exhibition of Draft Appin Growth Area Contribution Plan

Dear Mr Seidel,

We refer to the Draft Appin Growth Area Contribution Plan 2024 (**Draft CP**) placed on public exhibition by Council until 3 May 2024.

We act for Walker Corporation (the **proponent**) and have been engaged by them to review the Draft CP.

The proponent has extensive land holdings within the Appin Growth Area, and an established track record of delivering high amenity residential communities which are well serviced by local infrastructure that is predominantly provided by the proponent through the negotiation of planning agreements with government.

This letter forms the proponent's submission on the Draft CP and outlines our findings following a detailed review of the Draft CP by GLN, the proponent, and its consultant team.

We have made recommendations for Council's consideration and we would welcome the opportunity to discuss this submission with Council officers prior to the finalisation of the Draft CP, particularly given the significant cost savings and refinements identified throughout this submission, and the implications of the increasing cumulative cost of state and local infrastructure contributions, charges, and other levies upon development feasibility, land release, housing supply and affordability.



Summary of submission

The proponent welcomes Wollondilly Shire Council's invitation to review the Draft CP for the Appin Growth Area.

The proponent shares Council's objectives for the Appin Growth Area that the new communities are provided with appropriate infrastructure in a timely fashion. The proponent intends to deliver local infrastructure aligned to housing delivery through future planning agreement(s) with the Council.

However, before that can happen there needs to be a robust and reasonable contributions plan in place that identifies the location, detailed scope, cost and timing of local infrastructure delivery to be shared amongst all developers in the growth area.

The draft CP largely meets this purpose, however there are several areas that the proponent believes requires Council's attention prior to the draft plan being referred to IPART for review. These matters are fully described in the submission, with a summary listed below.

Reduces housing potential that can be delivered in the Appin Growth Area

- a. The distribution and quantum of district level sportsfields combined with additional district level passive parklands, across locations planned for well-defined and connected Mixed Use Neighbourhood Centres, could result in a reduction of dwelling yield of approximately 3,800 dwellings which substantially reduces the opportunity to deliver essential and affordable housing choice and quantum in this precinct of the Greater Macarthur Growth Area.
- b. The proposed allocation of large tracts of centrally located, flat developable area for district level playing fields and associated passive open spaces, unnecessarily undermines the investment case for State and Local Infrastructure in the GMGA, and contrasts with NSW Government policy.

Inconsistency with endorsed Precinct Plan and gazetted SEPP

- c. The draft CP disregards the gazetted SEPP and aims of the Precinct Plan (Western Parkland City Part 10), the exhibited Precinct Structure Plan, and approved strategic studies that informed the rezoning of Appin, including:
 - i. The Social Infrastructure and Open Space Report by Urbis, that defines a well-connected and balanced open space structure, that would integrate the diverse passive open space opportunities afforded by Cumberland Plain remnant bushland, Riparian Corridors, Ridgeline Cultural Trails and NSW State Heritage Registered Lands.
 - ii. The Urban Context Report also prepared by Urbis, which defines Design Principles for a 20-minute walkable, convenient and sustainable community.
 - iii. Residential Density Discussion Paper by Atlas Economics that nominates housing density bands and target dwelling yields.
 - iv. Connection to Country Cultural Values and open space connectivity including interpretive opportunities along District Trail linkages, song lines and key views.



Draft CP exceeds NSW State Government district level sportsfield benchmarks and distribution metrics

- d. The Council-commissioned Cred Consulting report identifies the NSW Office of Sports benchmark rate of provision of 1 double playing field per 5,000 people, equating to 13 double playing fields for the anticipated population of Appin. The WSC Draft CP which proposes 16 double playing fields, exceeding both the Cred report and NSW State Government referenced benchmarks for open space provision and distribution by 3 double playing fields.
- e. The over provision nominated in the Draft CP disregards the approved Precinct Structure Plan, that has been informed by the Urbis Consulting Appin (Part) Precinct Social Infrastructure and Open Space Report, including opportunities to utilise the proposed Regional Park for active open space purposes.

Combining district-level sportsfields and district level passive open space.

- f. The Draft CP is proposing to combine/co-locate double sized district sports ovals (10-13.5ha), with dedicated and separate district passive open spaces (2ha-10ha), to deliver in some instances, combined open spaces of over 23ha in total size across Urban Development zoned lands. This model of combined open space provision is unprecedented in its distribution, with 6 proposed locations of similar size nominated in the Draft CP for the Appin Precinct.
- g. The location and combination of District Level Open Spaces as nominated in the Draft CP disregards the approved Urbis Open Space network and Precinct Structure Plan, which provides for a wide variety of community experiences across District Level passive open spaces afforded by remnant Cumberland Plain bushland, Riparian Corridors, Ridgeline Cultural Trails and NSW State Heritage Registered Lands.

Exceeds Council-nominated community facilities benchmarks

- h. Cred Consulting recommends the delivery of a total of seven community facilities, consisting of a community hub of 8,239m² and six multi-purpose community centres of 570m² each. This equates to of 80m² of community facility space per 1,000 people which has been adopted in the Draft CP.
- i. However, this provision exceeds agreed community infrastructure as part of the rezoning of the Appin (Part) Precinct of four community facilities including:
 - i. One district multi-purpose community centre of approximately 4,420m² to be located within the local mixed used centre; and
 - ii. Three local level multipurpose facilities of approximately 935m² located within each neighbourhood mixed use centre.



High Contribution Land and Embellishment Rates

- j. Some classes of land identified for acquisition by Council's quantity surveyors do not align with current market values.
- k. Many of the unit rates that have been used by Council's quantity surveyors to derive the costs of certain infrastructure works are high and are not reflective of contemporary construction costs.
- l. The peer review of works cost estimates and land acquisition costs identifies a potential reduction on the overall works program cost of over **\$419 million or 21%**.
- m. Updating the works schedule to reflect the peer reviewed costs estimates plus the removal of six sports fields reduces the overall works program cost by the cost of the overall works program in the draft CP by approximately **\$510 million or 26%**. Aligning the open space provision to the approved Appin (Part) Precinct studies reduces the costs further.

Disproportionate Burden of Local Infrastructure over the proponent Land Holdings

- n. The Draft CP proposes that the proponent's land accommodates approximately 60% of all the shared local infrastructure on unconstrained developable land (based on Council's draft CP costs), yet the land will contain only 55% of the dwellings and residents in the Appin Growth area. The infrastructure burden should be balanced so that it is proportionate to the infrastructure demands generated by the proponent's and others' developments.

Stormwater Infrastructure Assumptions

- o. The Draft CP allocates 4.4% of developable area in the Appin Growth Area to Stormwater Infrastructure. This percentage was calculated as the ratio of Stormwater Infrastructure to developable area of Release Area 1 in JWP's preliminary Water Cycle Management Report to support the rezoning.
- p. The proponent has now progressed the design for stormwater infrastructure and as a result a percentage closer to 2.4% of developable area is now considered more accurate.

Review of Draft CP

- q. Minor amendments should be made to the Draft CP document to clarify Council's approach to the pooling of funds so it is consistent with the relevant Ministerial Direction, clarifying Council's requirements for the provision of security for the deferral of works, reviewing and updating the works maps to ensure all infrastructure items are appropriately identified, and a general review of the Draft CP for consistency and grammar.



List of recommendations

This submission recommends the following actions by Council to ensure the draft CP is equitable and reasonable:

Recommendation 1

Reduce the over-provision of active open space currently required under the Draft CP by three double fields to accurately reflect NSW State Government open space benchmarks and to meet the recommendations of the Cred Consulting Report. Review the provisions and location of open space to accurately reflect the endorsed Structure Plan and Supporting Reports endorsed through the gazettal of the Appin (Part) Precinct rezoning.

Recommendation 2

Reconfigure the proposed open space on the proponent's land by utilising a combination of constrained and unconstrained land, including opportunities for dual use and co-location of sports fields with complementary land uses, and to better respond to the existing topography. This will assist in lowering land acquisition costs and to ensure the 12,900 homes within Appin (Part) Precinct (including Release Areas 1, 2 3 and 4) as identified in the draft CP can be delivered.

Recommendation 3

Note the findings of the peer review of the Draft CP's land valuation \$/m² rates undertaken by Lunney Watt and Associates for low density residential land and adjust the Draft CP infrastructure schedule accordingly.

Recommendation 4

Note the findings of the peer review of the Draft CP's works cost estimates undertaken by WT Partnership. Review the embellishment inclusions for active and passive open space and roadworks to ensure they are reasonable. Adjust the Draft CP infrastructure schedule to reflect the revised costs and scope inclusions.

Recommendation 5

Allocate the burden of open space and community infrastructure equitably over the whole of the Appin Precinct. The location of this infrastructure should have regard to site constraints and opportunities to ensure the efficient and cost-effective delivery of infrastructure under the Draft CP.

Recommendation 6

Review the rate and amount of community facility provision under the Draft CP, including opportunities to provide fewer facilities with a larger floor area and rationalising the amount of land proposed to be acquired for these facilities.



Recommendation 7

Council should consult with the proponent and J Wyndham Prince on the proposed stormwater management outcomes for the Appin Growth Area resulting from design work undertaken for the Appin (Part) Precinct, and reflect any changes in the Draft CP.

Recommendation 8

Update the works schedule to reflect the outcomes of the Transport, Movement and Access Plan (TMAP) for Appin once it is completed, and adjust the location of Brooks Point Road to the south to reflect the Precinct Structure Plan.

Recommendation 9

Amend the Draft CP to clarify Council’s approach to the pooling of funds so it is consistent with the relevant Ministerial Direction, and clarify Council’s requirements for the provision of security for the deferral of works.

Recommendation 10

Review and update the works maps to align with the planning proposal for the Appin Growth Area, Precinct Structure Plan and updated Draft CP infrastructure schedule, ensuring that all infrastructure items are appropriately identified, and undertake a general review of the Draft CP for consistency and grammar.



1 Introduction and background

The purpose of this submission is to provide constructive feedback to the Council on the Draft CP to ensure that the final Draft CP that is adopted by Council is robust, contains an appropriate schedule of infrastructure to support the anticipated development, is appropriately costed, and is able to be delivered either by developers through future developer agreement, or by Council via funds collected under the future finalised plan.

1.1 Site and development summary

The Draft CP area covers all the Greater Macarthur Growth Area (GMGA) located in the Wollondilly LGA, comprising a total of 2,951ha. Of this land, the Appin (Part) Precinct – which is the only land within the GMGA's Appin and North Appin Precincts that has been rezoned at this time – is approximately 1,378ha in size.

The proponent owns or controls other land within, and adjacent to, the Appin Growth Area and is pursuing further rezonings of some of that land.

1.2 The proponent's role within the precinct

The proponent is the precinct proponent for the Appin (Part) Precinct which came into effect in December 2023 and the proponent controls over 90% of land within the Appin (Part) Precinct. As a result, the proponent will be responsible for much of the lead-in infrastructure required to catalyse and support the development and growth of the Appin Growth Area.

The proponent has engaged with Council regarding the delivery of local infrastructure through planning agreement(s) to support the proposed development. The progression of the planning agreement(s) will be informed by the Draft CP prepared by Council. For this reason, the proponent wishes to ensure that the Draft CP reflects its development plans and the strategic planning completed to inform the rezoning, includes the correct scope of infrastructure, is reasonably priced, and can be delivered by developers in conjunction with the process of development approvals, land release and housing supply.

1.3 Structure of submission

The submission is structured to reflect the key tasks undertaken during our review of the Draft CP:

- Review of infrastructure scope and location
- Review of CP infrastructure specifications and costs
- Review of local infrastructure contribution rates
- Review of CP local infrastructure burden
- Review of CP structure and implementation

- Recommendations on each item (included as a summary table at the beginning of the submission document)

2 Infrastructure scope and location

2.1 Overview

The Draft CP levies contributions from new development towards the provision of essential infrastructure required to support the anticipated development within the Appin Growth Area including:

- Roads and transport facilities (land and works)
- Stormwater facilities (land and works)
- Open space facilities (land and works)
- Community facilities (land)
- Plan management and administration.

Table 1 shows the attributable value of land and works for infrastructure included in the Draft CP and their percentage of total infrastructure value. The table shows that of the total **\$1.97 billion** worth of infrastructure in the Draft CP, **\$1.54 billion** or **78%** relates to the provision of open space facilities within the precinct.

Table 1: Draft contributions plan infrastructure

Local Infrastructure	Total cost (Land and Works)*	% of Contributions Plan
Roads and Transport	\$118,930,902	6%
Stormwater Facilities	\$273,906,549	14%
Open Space	\$1,540,571,229	78%
Community Facilities	\$13,345,000	1%
Plan Management and Admin	\$18,994,084	1%
Total	\$1,965,747,763	100%

*Contributions towards Community Facilities are for Land Acquisition costs only in accordance with IPART's essential infrastructure list.

2.2 Inconsistencies between draft CP and site planning documents

A review of the Draft CP against the exhibited Precinct Structure Plan and approved Planning Proposal suggests that Council has deviated from these documents when preparing the Draft CP. The amount, location, and distribution structure in the Draft CP is significantly different. These



documents were prepared during the rezoning of the Appin (Part) Precinct approved by the former Department of Planning and Environment (now the Department of Planning, Housing and Infrastructure) following a rigorous assessment process, involving consultation with Council and state agencies. These documents have subsequently informed the detailed design process currently underway by the proponent in preparation of the Development Applications. The inconsistencies are explained in further detail below.

Open space and recreation facilities

The location and distribution of local active and passive open space in the Draft CP differs from the approved rezoning studies and the exhibited Precinct Structure Plan.

The Appin (Part) Precinct anticipates the delivery of 12,900 lots within the Appin Growth Area and the combined use of development constrained and unconstrained land in the delivery of open space facilities. The SEPP Precinct Plan identifies the specific open space requirements for the Appin (Part) Precinct including a total quantum that includes constrained land open space opportunities as part of the required provision. The Draft CP does not consider siting open space on any of these constrained areas.

The proposed Open Space network for Appin (Part) Precinct incorporates multi-functional landscapes of varying scale and form, building on the opportunities presented by detailed analysis and consultation, including a strong Connection with Country Framework. Enabling the community to connect and gather in a variety of public spaces, to engage in multiple activities, and complementing these activities with natural features and functions, maximises benefits for both people and the environment.

Council's over-reliance on developable land to accommodate open space facilities under the Draft CP, rather than utilising a combination of developable and constrained land, is counter to the open space approach agreed with the State and approved as part of the rezoning and does not represent the orderly and efficient use of the land. The Draft CP also reduces the amount of available developable land and the overall number of lots that can be achieved. Each of these factors contribute to higher contributions rates than would otherwise be the case.

Sportsfield provision exceeds benchmarks

Council recently commissioned the preparation of the Wilton Community Needs Assessment by Cred Consulting which considers the open space and community infrastructure needs of both the Wilton and Appin Growth Areas. Cred Consulting's report identifies a benchmark rate of provision of 1 double playing field per 5,000 people, equating to 13 double playing fields for the anticipated additional population of Appin.

It is noted that Cred Consulting's gap analysis nominates that between 10-11 additional double sportsfields are required in the Appin Growth Area to meet the benchmark demand. We assume this has been calculated based the demand generated by the new population of Appin, minus the existing sportsfields located within the Appin township. However, this is not immediately clear and should be further clarified.

The over provision nominated in the Draft CP disregards the approved Precinct Structure Plan, that has been informed by the Urbis Consulting Appin (Part) Precinct Social Infrastructure and Open Space Report, including opportunities to utilise the proposed Regional Park for active open space



purposes. The co-location of multiple sets of double sportsfields is not always the best fit for a community that needs diverse, varied and interesting open spaces. The Draft CP proposes and inordinately high number of large active playing fields of the same scale and format, with the resultant proposed open space network lacking an obvious hierarchy.

The Draft CP playing field provision and allocation should be updated and be reconsidered to address the discrepancy in demand between Cred Consulting's report and the Draft CP in terms of double playing field provision, along with the overall allocation and distribution of the active open space within the precinct.

Community facilities

The Precinct Structure Plan includes provision for four community facilities including:

- one district multi-purpose community centre of approximately 4,420m² incorporating 2,000m² of multipurpose community space, 2,000m² of library space, and 420m² of shared meeting spaces, staff spaces and amenities to be located within the local mixed used centre; and
- Three local level multipurpose facilities of approximately 935m² located within neighbourhood mixed use centres.

This approach is consistent with Council's adopted benchmark of 80m² of community facility space per 1,000 people. The provision of four facilities sits towards the upper end of the population thresholds of 1 facility per 10,000-20,000 people and seeks to maximise the opportunity for co-locating facilities in local and neighbourhood mixed used centres.

Cred Consulting recommends the delivery of a total of seven community facilities including a community hub of 8,239m² and six multi-purpose community centres of 570m² each. This rate of provision significantly exceeds provisions agreed as part of the rezoning of the Appin (Part) Precinct.

It is recommended that Council revisits the rate and amount of community facility provision under the Draft CP, including opportunities to provide fewer facilities with a larger floor area and rationalising the amount of land to be acquired for these facilities which is disproportionately located within the proponent's landholdings.

Roads and transport

The proponent understands that an upcoming Transport, Movement and Access Plan (TMAP) for Appin may clarify the role of Wilton Road and recommend other infrastructure funding options. If this occurs, the Wilton Road works should be removed from the Draft CP.

The Brooks Point Road upgrade is shown in the Draft CP to the north of the location identified in the Precinct Structure Plan. It is recommended that the Draft CP be amended to align Books Point Road with the Precinct Structure Plan to reduce the cost of delivering this infrastructure.

Stormwater facilities

As acknowledged on page 56 of the Draft CP, Council has not undertaken its own Growth Area-wide Stormwater Management Strategy and has not developed its own comprehensive approach to the delivery of stormwater infrastructure for the Appin Growth Area. The Draft CP is informed by the J



Wyndham Prince October 2022 report (approved as part of the rezoning of the Appin (Part) Precinct) and the separate report prepared by Craig and Rhodes for the Ingham Property Group's North Appin Planning Proposal.

A preliminary review of the Draft CP against these reports suggests that:

- Council has used the information in those reports to estimate the total land area to be used, in addition to street swales, for stormwater infrastructure. However, Council has not differentiated between the Ousedale Creek catchment that requires a complete basin and raingarden solution, and Nepean River catchment which requires raingardens only those which can achieve appropriate stormwater outcomes with reduced infrastructure.
- The Draft CP has included provision of stormwater management infrastructure at the rate of 4.4% of Net Developable Area (NDA), but acknowledges that it may be necessary to review the approach to stormwater management for the precinct.

The proponent has continued to refine the stormwater management approach for the Appin (Part) Precinct which has identified a rate of stormwater infrastructure at 2.4% of NDA. The proponent would appreciate the opportunity to provide Council with additional detail which may assist in refining the Draft CP.

3 Infrastructure specifications and costs

Land cost unit rates comparison

As part of its review of the Draft CP, The proponent engaged a registered land valuer, Lunney Watt and Associates, to undertake a peer review of the land values used to inform infrastructure land costs in the Draft CP. A copy of the peer review is included as Attachment 1.

Table 2 shows the \$/m² land values for the various categories of land included in the Draft CP and The proponent's peer reviewed \$/m² land values.

A comparison of the rates highlights the following key issues:

- The difference between the value of low density and constrained land is significant given that Council has located open space on developable land, rather than utilising constrained land where possible. This approach significantly increases the cost of land acquisition plan and increases contribution rates.
- The difference between the Council and peer-reviewed land values for low density residential land (\$350m² vs \$325m²) is 7%. Given the amount of low density residential land that the plan proposes to acquire, adopting the peer-reviewed rate will result in a considerable cost saving for the Draft Plan.

It is recommended that Council adopts the peer-reviewed land values, and revisits opportunities to locate infrastructure on constrained land where possible, reducing the cost of land acquisition under the plan and reducing contribution rates.

Table 2: Land value comparison table

Land category	Council rates (\$/m ²)	Peer reviewed rates (\$/m ²)
Low density residential	\$350	\$325
Medium density residential	\$400	\$400
Rural residential	\$95	\$80
Retail and civic centre	\$410	\$500
Mixed use commercial & residential	\$425	\$425
Other enterprise or employment	\$350	\$250
Constrained	\$80	\$80

Works costs unit rates comparison

As part of its review of the Draft CP, The proponent engaged an accredited quantity surveyor, WT Partnership, to undertake a peer review of the cost estimates used to inform infrastructure works costs in the Draft CP. A copy of the peer review is included as Attachment 2. The peer review identified major discrepancies between the unit rates for specific open space items or components, and industry standards. Selected examples include:

- The cost of sourcing and laying turf in the Draft CP costed at \$105/m². The proponent's peer review suggests a rate of \$65/m² is more appropriate.
- Steel posts and mesh fence in the Draft CP is costed at \$198/m². The proponent's peer review suggests a rate of \$60/m² is more appropriate.
- The Playset equipment and installation rate in the Draft CP is costed at \$793,000 for two playspaces per 5,000m² local park. The proponent's peer review suggests for a park this size (5,000m²), the provision of two playspaces is excessive, and the rate per playspace suggests that the playspace has been scoped and costed to a standard which does not represent "base level embellishment" as required by IPART. By adopting this rate across all local open space in the Draft CP, the costs are increased exponentially.

Table 3 shows unit rate assumptions prepared by Council's quantity surveyor used to inform costs estimates for the various categories of local infrastructure works under the Draft CP, along with the findings of the proponent's peer review of these costs and the percentage difference between the rates.

The results show a considerable difference in unit rate costs across all infrastructure categories ranging from +30% from the Draft CP value for collector road upgrade works to -54% from the Draft CP value for certain stormwater management works.

In most cases the proponent's peer reviewed costs are considerably lower than Council's estimates. Further, the differences in cost estimates are significant, with most ranging between -20% to -50%.

Mr Ben Taylor

RE: Exhibition of Draft Appin Growth Area
Contribution Plan



This is particularly important in the differences in costs estimates for passive and active open space infrastructure, which make up approximately 75% of the total cost of works under the Draft CP.

Given the significant variation between the two sets of unit rate cost estimates and the impact this may potentially have on substantially lowering overall infrastructure works costs and contribution rates it is recommended that Council conduct its own peer review of its cost estimates to ensure accuracy, including reviewing the underlying costing spreadsheets and unit rate assumptions.

Table 3: Works costs unit rates comparison

Description	Unit	Altus Group estimate (\$/rate)	Peer reviewed estimate (\$/rate)	% Difference from Draft Plan
Roads and Transport Infrastructure				
19.8m new local road with WSDU stormwater treatment	\$/m ²	\$459	\$396	-14%
22.8m wide collector road	\$/m ²	\$493	\$393	-20%
Upgrade to collector road	\$/m ²	\$295	\$390	30%
Signalised intersection (2 lanes) - 4-way intersection	\$/Unit	\$1,805,000	\$1,113,800	-38%
4 leg - single lane roundabout - in urban renewal	\$/Unit	\$754,000	\$521,200	-31%
2.5m wide concrete pathway/share way only	\$/m ²	\$490	\$367	-25%
Bus shelter	\$/Unit	\$31,000	\$33,388	8%
Stormwater Management Infrastructure				
BAU-Scenario 2 - 3.6mm/hr infiltration and 5% slope	\$/Unit	\$60	\$29	-52%
BAU-Scenario 3 - 3 x point of discharge	\$/Unit	\$65	\$32	-51%
BAU-Scenario 4 - 0.51mm/hr infiltration and 1% slope	\$/Unit	\$59	\$29	-51%
WSUD-Scenario 2 - 3.6mm/hr infiltration and 5% slope	\$/Unit	\$49	\$24	-51%
WSUD-Scenario 3 - 3 point of discharge	\$/Unit	\$59	\$33	-44%
WSDU-Scenario 4 - 0.51mm/hr infiltration and 1% slope	\$/Unit	\$69	\$32	-54%
Vegetated swale for infiltration	\$/m ²	\$350	\$300	-14%
Separate raingarden with filter media, planting and landscaping	\$/m ²	\$500	\$280	-44%
Detention Basin with landscaping	\$/m ²	220	\$210	-5%
Raingarden & Basin (2000m ² raingarden and 7000m ² basin)	\$/m ²	\$290	\$220	-24%
Community Facilities				
Indoor Recreation Facility (Wet and Dry)	\$/m ²	\$4,458	\$3,995	-10%
Library / District Community Facility Hib with Performing Space	\$/m ²	\$4,171	\$3,354	-20%
Local Multi-Purpose Community Centre	\$/m ²	\$4,895	\$4,003	-18%
Upgrade of Existing Community Hall	\$/m ²	\$2,083	\$1,842	-12%
Passive Open Space				
Park with Play Space	\$/m ²	\$650	\$363	-44%
Park (Low Embellishment Without Play Space)	\$/m ²	\$240	\$169	-30%
Existing Park Upgrade (Low Embellishment Without Play Space)	\$/m ²	\$109	\$87	-42%
Park with Play Space and Fitness Station	\$/m ²	\$1,145	\$668	-18%
Active Open Space				
1 Double Playing Field and 4 Multipurpose Courts	\$/m ²	\$276	\$226	-18%
2 Double Playing Field and 8 Multipurpose Courts	\$/m ²	\$291	\$226	-22%
AIS Sportsground Upgrade	\$/m ²	36	\$21	-42%
Appin Park Upgrade	\$/m ²	\$142	\$116	-18%



3.1 Cumulative impact of the land and works costs comparison

Table 4 shows the impact of applying the proponent's peer reviewed land values and unit rates on total infrastructure costs under the Draft CP.

In summary, applying the alternate peer reviewed unit costs to the schedule would reduce:

- open space facilities costs by 24% (including open space works costs by 36%)
- stormwater facilities costs by 20% (including stormwater works costs by 24%)
- plan administration costs by 31%
- the cost of the overall works program in the draft CP by 21%, or over **\$419 million**.

Based on these results and given that any reduction in infrastructure costs will ultimately reduce local infrastructure contributions for future development, it is recommended that Council review its land and works costs to ensure they are accurate and therefore reasonable.

As outlined earlier in this submission, further cost savings to the Draft CP could be achieved through aligning the Draft CP with the approved strategic planning completed for the rezoning of the Appin (Part) Precinct including:

- identifying opportunities to utilise constrained land for open space and infrastructure purposes, rather than developable land which bears higher acquisition costs.
- alignment with the Urbis Consulting Appin (Part) Precinct Social Infrastructure and Open Space Report.

Table 4: Infrastructure cost comparison

Local Infrastructure Items	Draft Appin Growth Area Contributions Plan	Peer Reviewed Cost	% Difference from Draft CP
Roads and Transport			
Land	\$25,410,000	\$25,295,000	0%
Works	\$93,520,902	\$99,262,990	6%
Sub total	\$118,930,902	\$124,557,990	5%
Stormwater Facilities			
Land	\$47,101,472	\$47,101,472	0%
Works	\$226,805,077	\$171,302,166	-24%
Sub total	\$273,906,549	\$218,403,638	-20%

Local Infrastructure Items	Draft Appin Growth Area Contributions Plan	Peer Reviewed Cost	% Difference from Draft CP
Open space			
Land	\$594,625,000	\$574,437,500	-3%
Works	\$945,946,229	\$602,884,356	-36%
Sub total	\$1,540,571,299	\$1,177,322	-24%
Community Facilities			
Land	\$13,345,000	\$13,345,000	0%
Works	\$0	\$0	0%
Sub total	\$13,345,000	\$13,345,000	0%
Other			
Plan Management and Administration	\$18,994,084	\$13,101,743	-31%
Total	\$1,965,747,763	\$1,546,730,227	-21%

4 Review of local infrastructure contribution rates

Table 5 shows the impact on Draft CP residential and non-residential contribution rates if the proponent's peer reviewed total infrastructure land and works costs replaced the current contributions plan's costs.

The table shows there would be a reduction in contribution rates across all residential development categories of 21% and a reduction of 13% for non-residential development contribution rates.

Table 5 Contribution rates comparison

Development type	Draft Appin Growth Area Contributions Plan	Peer reviewed costs	% Difference from Draft CP
Final lot or dwelling house, dual occupancy dwelling, rural workers dwelling	\$94,037	\$74,180	-21%
Semi-detached dwelling, attached dwelling, multi dwelling housing, manor home dwelling	\$79,085	\$62,216	

Development type	Draft Appin Growth Area Contributions Plan	Peer reviewed costs	% Difference from Draft CP
Apartment, residential flat building, or shop top housing	\$66,918	\$52,644	
Seniors living self-contained dwelling	\$45,626	\$35,894	
Secondary dwelling, studio dwelling	\$30,416	\$23,929	
Per hectare of non-residential development	\$310,053	\$270,581	-13%

5 Local infrastructure burden

The proponent owns or controls approximately 1,413ha of land in the Appin Growth Area.

The Draft CP area itself comprises 2,950ha, 45% of which is 'developable land' and the remainder being 'constrained land'. The proponent's developable land area comprises approximately 804.5ha (or 60% of the total developable area).

The total estimated dwelling yield for the Draft CP area is 21,511 dwellings. The proponent's share of the potential dwellings on zoned land is approximately 11,875 dwellings (or 55% of the total dwellings), noting that the proponent does not control all of the land within the Appin (Part) Precinct and may pursue other development opportunities in the Appin Growth Area, increasing their dwelling yield.

Table 5 shows various metrics comparing the proponent's land holdings and total Draft CP area.

Table 5: The proponent land and others' land metrics

	Draft Appin CP area	The proponent land	% of CP total	Others' land	% of CP total
Site area	2,950ha	1,413ha	48%	1,537	52%
Developable area	1,338ha	804.5ha	60%	533ha	40%
Estimated dwelling potential	21,511	11,875	55%	9,636	45%
Estimated future residents	64,580	35,651	55%	28,929	45%

The Draft CP has identified – for the various classes of infrastructure included in the plan – the land area to be acquired by Council, the acquisition costs, and the works costs for local infrastructure. **Table 6** breaks this data down further into the proponent and others' land, and therefore shows the relative local infrastructure burden placed on the proponent and others.

Table 6 Relative infrastructure burden

	Draft Appin CP	The proponent land	% of draft CP	Others' land	% of draft CP
Open space & recreation					
Land to be acquired	158.75ha	112.85ha	70%	45.9ha	30%
Land costs	\$594,625,000	\$426,225,000	72%	\$168,400,000	28%
Works costs	\$945,946,229	\$511,401,295	54%	\$434,544,934	46%
Traffic and transport management					
Land to be acquired	6.38ha	2.92ha	45%	3.46ha	55%
Land costs	\$25,410,000	\$11,696,000	46%	\$13,714,000	54%
Works costs	\$93,520,902	\$62,611,290	70%	\$30,909,612	30%
Community and cultural					
Land to be acquired	3.14ha	2.86ha	91%	0.28ha	9%
Land costs	\$13,345,500	\$12,155,000	91%	1,190,500	9%
Works costs	N/A	N/A	N/A	N/A	N/A
Stormwater management					
Land to be acquired	58.88ha	35.40ha	58%	23.48	42%
Land costs	\$47,101,472	\$28,319,104	60%	\$18,782,368	40%
Works costs	\$226,805,077	\$103,010,741	45%	\$123,794,336	55%
All draft CP infrastructure					
Land to be acquired	224.15ha	154.03ha	68%	73.12ha	32%
Land costs	\$680,481,472	\$478,395,104	70%	\$202,086,368	30%
Works costs	\$1,266,272,208	\$677,023,326	53%	\$589,248,882	47%
Total infrastructure costs (i.e. land + works)	\$1,946,753,680	\$1,155,418,430	59%	\$791,335,250	41%

The above table shows that whilst the proponent's development will generate 55% of the infrastructure demand in the Appin Growth Area (using dwelling yield as the proxy for demand and



assuming full development of all land), the Draft CP proposes that the proponent’s land is to be burdened with accommodating or providing 59% of the local infrastructure. Further, the Draft CP proposes to acquire 154.03ha of predominantly developable land within the proponent’s landholdings, representing 68% of the total land area to be acquired by the Draft CP.

Each of these outcomes are disproportionate to the infrastructure demand to be generated by the proponent’s development and will have significant impact on realising the forecast dwelling and population yield for the Appin Growth Area and the proponent’s landholdings more specifically.

The following tables compare and quantify the extra burden over four scenarios using the Draft CP infrastructure cost estimates, the peer-reviewed costs prepared by the proponent’s land valuation and quantity surveying experts, and a reduction in active open space in accordance with the overprovision noted earlier in this submission. The four scenarios examined include:

- Table 7 – The proponent infrastructure burden based on draft CP costs.
- Table 8 – The proponent infrastructure burden based on peer-reviewed land and works costs.
- Table 9 – The proponent infrastructure burden based on Draft CP costs and removal of 6 sports fields substituted with additional dwelling yield.
- Table 10 – The proponent infrastructure burden based on peer reviewed costs and removal of 6 sports fields substituted with additional dwelling yield.

Table 7 The proponent infrastructure burden based on Draft CP costs

	Exhibited draft CP costs	The proponent infrastructure burden based on demand	Draft CP infrastructure proposed on The proponent land	Difference
Land costs (\$)	\$680,481,472	\$375,625,773	\$478,395,104	\$102,769,331
Works costs (\$)	\$1,266,272,208	\$698,982,259	\$677,023,326	-\$21,958,933
Total infrastructure costs (\$)	\$1,946,753,680	\$1,074,608,031	\$1,155,418,430	\$80,810,399

Table 8 The proponent infrastructure burden based on peer reviewed costs

	Peer reviewed draft CP costs	The proponent infrastructure burden based on demand	Draft CP infrastructure proposed on The proponent land	Difference
Land costs (\$)	\$660,178,972	\$364,418,793	\$365,807,604	\$1,388,811
Works costs (\$)	\$873,449,512	\$482,144,131	\$417,245,318	-\$64,898,813



	Peer reviewed draft CP costs	The proponent infrastructure burden based on demand	Draft CP infrastructure proposed on The proponent land	Difference
Total infrastructure costs (\$)	\$1,533,628,484	\$846,562,923	\$783,052,922	-\$63,510,001

Tables 7 and 8 examine the proponent’s infrastructure burden based on Draft CP cost estimates and peer-reviewed costs respectively. The amount of infrastructure in these two scenarios remain unchanged from the Draft CP.

The scenario in **Table 7** shows the total cost of infrastructure under the Draft CP at approximately \$1.94B with the cost of infrastructure on the proponent’s land totalling \$1.15B. The table also shows that where the proponent delivers all infrastructure located on their land the cost of that infrastructure is expected to exceed its demand generated infrastructure burden by approximately \$80M.

However, where peer-reviewed cost estimates are applied, as shown in **Table 8**, the total cost of infrastructure is significantly reduced from approximately \$1.94B to \$1.53B. This significant reduction in costs is also reflected in the proponent’s infrastructure delivery costs reducing from \$1.15B to \$0.78B, reducing the proponent’s infrastructure overburden from approximately \$80M to approximately -\$63.5M.

Tables 9 and 10 examine the proponent’s infrastructure burden based on Draft CP and peer-reviewed cost once again, however each scenario now accounts for the removal of three double sports fields (approximately 15ha) in accordance with the active open space overprovision discussed in section 2.2 of this letter and substituted with additional dwelling yield at 25 dwellings/ha.

Using the Draft CP costs estimates, **Table 9** shows only a minor decrease in total infrastructure costs across the precinct and for the proponent, \$1.84B and \$1.05B respectively. This minor decrease in infrastructure costs also results in the proponent again exceeding its demand generated infrastructure burden by approximately \$20M.

However, where peer-reviewed cost estimates are applied, along with the reduction in active open space, as shown in **Table 10**, total infrastructure costs reduce significantly from \$1.9B in table 1 to \$1.44B. The proponent’s total infrastructure costs are also reduced from \$1.15B to \$0.68B. Utilising the peer-review costs again reduces the proponent’s infrastructure overburden from approximately \$20M in Table 9 to approximately -\$118M.

The results show that where peer-reviewed costs are applied the total infrastructure costs for the Appin Growth Area and the proponent’s landholding reduce significantly. The reduction in total infrastructure costs also translate to lower overall contribution rates under the Draft CP in the order of -21% for residential development and -13% for non-residential development, as shown in **Table 5**.

Where a reduction in active open space is also applied to peer-reviewed infrastructure costs, total infrastructure costs are further reduced.

Table 9 The proponent infrastructure burden based on Draft CP costs and removal of 6 sports fields substituted with additional dwelling yield

	Draft CP total costs	The proponent infrastructure burden based on demand	Draft CP infrastructure proposed on The proponent land	Difference
Land costs (\$)	\$620,481,472	\$347,294,985	\$418,395,104	\$71,100,119
Works costs (\$)	\$1,222,428,708	\$684,216,014	\$633,179,826	-\$51,036,188
Total infrastructure costs (\$)	\$1,842,910,180	\$1,031,510,998	\$1,051,574,930	\$20,063,932

Table 10 The proponent infrastructure burden based on peer reviewed costs and removal of 6 sports fields substituted with additional dwelling yield

	Draft CP total costs	The proponent infrastructure burden based on demand	Draft CP infrastructure proposed on The proponent land	Difference
Land costs (\$)	\$608,491,472	\$340,583,959	\$305,807,604	-\$34,776,355
Works costs (\$)	\$6833,826,231	\$466,708,002	\$383,345,318	-\$83,362,684
Total infrastructure costs (\$)	\$1,442,317,703	\$807,291,961	\$689,152,922	-\$118,139,039

6 Plan compliance and implementation

A review of the Draft CP has been undertaken to identify opportunities for refinement and improvement. Whilst the structure and content of the contributions plan is ultimately a matter for Council to decide upon, we make the following suggestions for Council's consideration.

Pooling of contributions

The opening sentence in section 6.4 Pooling of Contributions Funds appears to be counter to the act of pooling contributions, which typically allows for the pooling of contributions collected under the contributions plan to be applied across the different categories of infrastructure included in the contributions plan. This approach is consistent with the objective of the *Environmental Planning and Assessment (Local Infrastructure Contributions – Pooling of Contributions) Direction 2020*. It is recommended that Council reviews this section to allow the pooling of contributions funds collected by this plan for the delivery of infrastructure under different categories within this plan, or within other plans adopted by Council, in accordance with the Ministerial Direction.

Security requirements for deferred payments

Although the security requirements for the deferral of contributions are in accordance with Council's existing Wollondilly Contributions Plan 2020, requiring security of 200% of the amount being



deferred is considered onerous and excessive. An alternative approach used by many Councils who also permit the deferral of contributions for a period not exceeding 12 months is to require the provision of security to the full value of the deferred contribution, plus an additional amount which equates to 13 months interest. Alternatively, for ease of calculation and implementation, the provision of security at 110-115% of the contribution amount being deferred achieves a similar outcome.

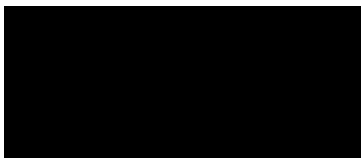
7 Conclusion

The proponent and GLN appreciate the opportunity to review and provide comment on the Draft CP. We would be happy to meet with Council officers to discuss any aspect of this submission prior to the finalisation of the Draft CP.

Please contact me on [REDACTED] if you have any questions.

Yours sincerely,

GLN PLANNING PTY LTD



**PETER MCKENNA
ASSOCIATE DIRECTOR – INFRASTRUCTURE AND DEVELOPMENT**

Attachments

Attachment 1 – Peer review of land values by Lunney Watt

Attachment 2 – Peer review of works costs by WT Partnership

LUNNEY WATT & ASSOCIATES PTY LTD

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10 May 2024

Mr Ruairi Shaughnessy
Assistant Development Manager
Walker Corporation
Level 21, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Email: [REDACTED]

Dear Mr O'Shaughnessy,

RE: APPIN PRECINCT – LAND ACQUISITION BUDGET FOR CONTRIBUTIONS PLAN

Scope

1. Land Valuation Assessment of the Appin Precinct, which will include the following items:
 - a. Residential Land (\$/m²),
 - i. Low Density Residential Land (15-25 dwellings per hectare (**dw/ha**)),
 - ii. Medium Density Residential Land (25-44 dw/ha),
 - iii. Rural Residential Lands (Suitable for large-lot rural residential housing),
 - b. Retail and Civic Centre Land (\$/m²),
 - i. General Rate,
 - c. Mixed Use Commercial & Residential Land (\$/m²),
 - i. 45+ dw/ha,
 - d. Other Enterprise or Employment Land (\$/m²),
 - i. Commercial and Industrial suitable land,
 - e. Constrained Land (\$/m²),
 - i. includes but not limited to: slope of land, environmental values, bushfire restrictions, water cycle management requirements etc,

Liability limited by a scheme approved under Professional Standards Legislation

- Peer review existing Land Valuations Report used to form the basis of Wollondilly Shire Council's Draft Contributions Plan for the Appin Growth Area 2024 and provide comparison Summary.

Background Documents

- A draft Section 7.11 Appin Contributions Plan 2024 (CP), prepared by Wollondilly Shire Council (Council), and
- A Valuation Report prepared by AEC Group (Property Valuers) on behalf of the Council, dated 12 September 2023 (Council Valuation).

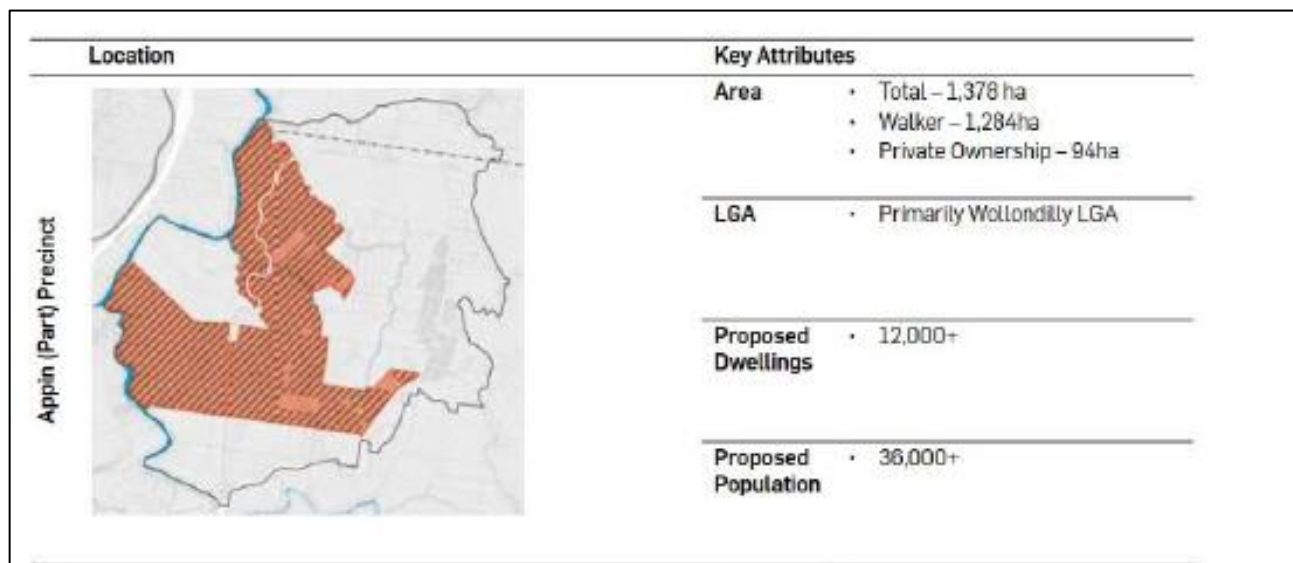
The Appin Precinct

Walker Corporation Pty Ltd (Walker) owns or controls over 50% of the area of land to which the CP and the Council Valuation apply, in an area known as the Appin (Part) Precinct (Precinct) which was recently rezoned for urban purposes.

The Precinct was rezoned on 15 December 2023 pursuant to an amendment of the State Environmental Planning Policy (Precincts – Western Parkland City) 2021 (SEPP).

Figure 1 below is an extract of plan which depicts the land which is within the CP.

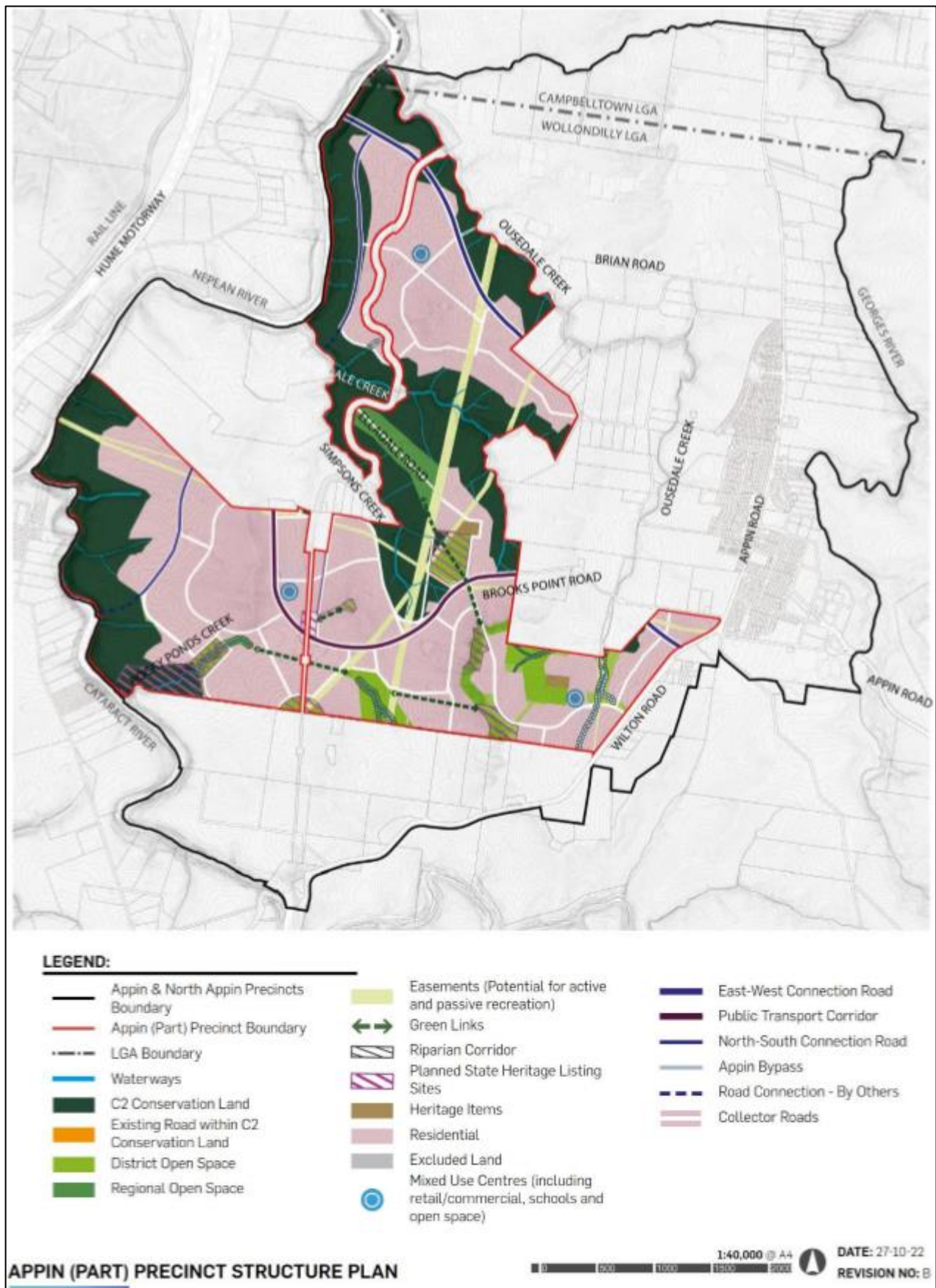
Figure 1



The areas of land to the north, south and west of the brown shaded area is an area which is not yet rezoned for urban purposes.

Figure 2 below is an indicative plan showing the structure of proposed urban development within the Precinct.

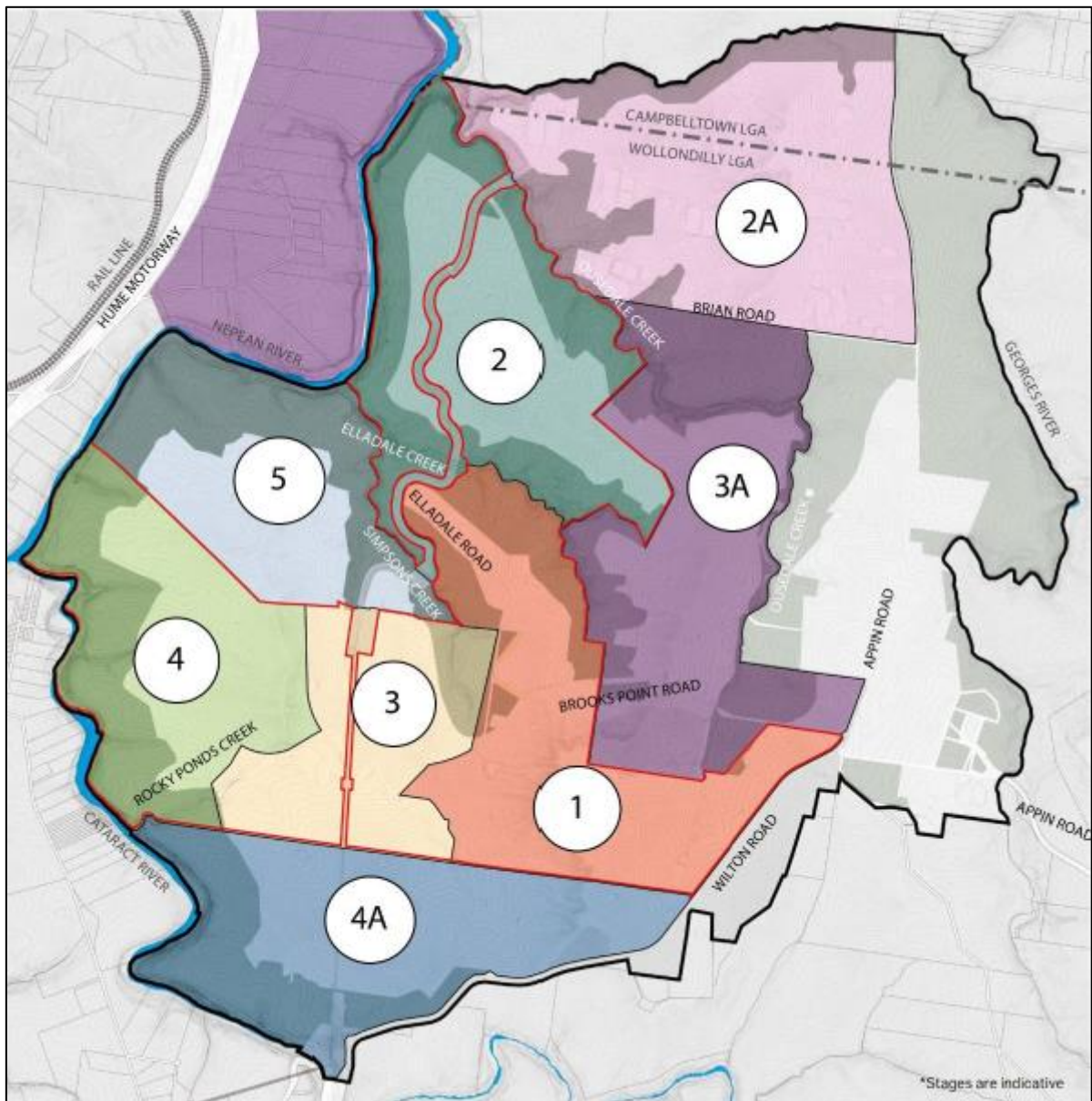
Figure 2



The Precinct is anticipated to accommodate 12,000+ dwellings, infrastructure, retail, services and open space to support the incoming population as well as substantial environmental conservation areas.

Given the scale of the Precinct, as depicted in Figure 3 below, development will be undertaken on a staged basis. Release areas 1, 2, 3 and 4 are the subject of the rezoning which are predominantly owned by Walker.

Figure 3



The CP and Proposed Land Dedications

As part of the strategic planning for the Precinct and to enable the orderly development of the Precinct, certain infrastructure will need to be provided.

Some of this infrastructure will be local infrastructure, to be funded through the CP, whilst some of this infrastructure will be regional infrastructure, to be funded by a State Government levy, which applies within identified growth centres to the northwest and the southwest of Sydney.

In my experience, it is common for Section 7.11 Contributions Plans to include a land acquisition budget which is prepared on a “broad brush” basis, by the application of unitary rates (\$/m²) to land within different categories.

The CP appears to limit the offset value available to a developer from any land dedication to the “Attributable Cost”¹ of that land, as calculated in accordance with the CP. The CP states at [4.2] that the “*Council will credit only the amount provided in the plan*”.

I noted that the CP states at [7.2.1] that the Council valuation is consistent with IPART’s² “*valuation of land contributions plan*”.

I have obtained an Information Paper, prepared by IPART, which is dated June 2020, which is entitled “*Contributions Plan Assessment: Land Costs*” (**IPART Guideline**).

The IPART Guideline states, that ideally, estimates of land costs would be based on individual valuations of the lots specifically zoned for public infrastructure purposes³.

The IPART Guideline acknowledges that when a local infrastructure plan is prepared, councils may not have sufficient information or resources to obtain large numbers of individual valuations, particularly for plans that apply to greenfield areas.

For the purpose of this report, I have assumed that the land required for dedication (**Dedication Land**) within each of the individual land use/zone categories, is dedicated in an englobo state⁴ and with a notional area of 2-5 hectares.

Council Valuation Rates

Figure 4 below is an extract of the Council Valuation which sets out the adopted land rates for the purpose of the CP.

¹ The expression “attributable cost” does not appear to be defined in the CP.

² The NSW Independent Pricing And Regulatory Tribunal.

³ In my opinion, this methodology should extend to land either zoned or required for public infrastructure purposes.

⁴ Without extensive road frontages.

Figure 4

Classification/Typology	Adopted Land Rates
<u>Residential Land (\$/m²)</u>	
- Low Density Residential Land (15-25 dwellings per hectare)	\$350/m ²
- Medium Density Residential Land (25-44 Dwellings per hectare)	\$400/m ²
- Rural Residential Lands (Suitable for large-lot rural residential housing)	\$95/m ²
<u>Retail and Civic Centre Land (\$/m²)</u>	
- General rate	\$410/m ²
<u>Mixed use Commercial & Residential Land (\$/m²)</u>	
- 45 dwellings per hectare	\$425/m ²
<u>Other Enterprise or Employment Land (\$/ha)</u>	
- Commercial and Industrial suitable land	\$350/m ²
<u>Constrained Land (\$/m²)</u>	
- Significant slope	\$80/m ²
- Environmental value	\$80/m ²
- Riparian corridor	\$80/m ²
- Habitat corridor	\$80/m ²
- Bushfire prevention restrictions	\$80/m ²
- Flood prone land (1% AEP)	\$80/m ²

In my opinion, and for the reasons set out later in this report, it is my opinion that the foregoing \$/m² rates, set out in the Council Valuation are, generally speaking, within acceptable market parameters with the exception of the Low Density land rate which is slightly lower.

I have addressed each of the individual components of the valuation below as follows:

Low Density Residential Land (15-25 dwellings per hectare)

A land value rate of \$350/m² has been adopted for land in the draft CP.

The assessment of the value of the “raw” englobo land value in the Precinct is slightly more difficult than would usually be the case given that the majority of the land within the Precinct has been acquired⁵ many years ago.

⁵ Or entered into Option Agreements and the like.

To my knowledge, there is only one recent sale of englobo land within the precinct, which is summarised below:

Address: 75 Wilton Road, Appin
Title: Lot 61 in Deposited Plan 850925
Area: 2.4 hectares
Sale Date: 1 December 2023
Zoning: Urban Development (UD) pursuant to the SEPP
Analysis: \$247/m²

This sale property is a triangular shaped lot at the south eastern extremity of the Precinct. It was formerly used for rural residential purposes and included a dwelling and associated outbuildings.

The “highest and best” use of the property is for future development as part of the Precinct.

I note that the sale contract predated the rezoning by 15 days.

To some degree, the purchaser incurred some rezoning risk however I have assumed that the purchaser was familiar with the proposed rezoning⁶ such that any rezoning risk was minimal.

Despite this, it is my experience that the market perceives risk associated with all rezonings, however certain and imminent they may appear at a particular point in time.

In my opinion, some upward adjustment to the rate of \$247/m² would be required to bring into account the inherent rezoning risk. I have adjusted the sale up by 5% to calculate the “as if rezoned” value at \$260/m² (appropriately rounded).

I have not been able to identify any material development constraints suffered by this sale property.

In my opinion, this sale property is the best evidence of the market value of “raw” englobo land in this locality which, in my opinion, likely has a lead time of 12 months or more before the land may be considered to be “ripe” for development.

If the land was “ripe” for immediate development, simple hypothetical development calculations which I have undertaken would indicate that a higher englobo land value would apply, perhaps in the order of \$325/m².

I have adjusted the “raw” value of \$260/m² up by 25% to bring into account the perceived advantages in terms of time, cost and risk the land would enjoy in its “dedication state” in comparison to its existing state.

⁶ And its certain and imminent status as at the date of the sale contract.

This adjustment is greater than the simple time value of money and saving of holding costs⁷. In other urban development precincts wherein, some parts are subject to a development delay⁸ the discount which is typically applied by the market to the englobo properties within the delayed development area is usually much greater than that which would be derived from applying simple time value of money calculations.

On this basis, it is my opinion that the offset value for the east west connection road, the north south connection road, the transit corridor, and the regional park should be assessed at the rate of \$325/m².⁹

In assigning this offset value I have assumed that the dedication land did not suffer any material, physical or environmental constraints.

The rate of \$325/m² which I have calculated above is similar (albeit slightly lower) than the rate of \$350/m² which was assessed in the Council Valuation.

I note that the rate of \$325/m² is significantly lower than the value of englobo “R2” residential land at Austral, in the developing south west growth centre of Sydney, which is currently in the order of \$600/m².

In my opinion, a significantly lower englobo value should apply at Appin in comparison to Austral given:

- i) The significantly lower Gross Realisation Value (**GR Values**) at Appin in comparison to Austral¹⁰, and
- ii) The more central nature of Austral compared to Appin is such that a faster take up rates of lots would likely be expected at Austral, in comparison to Appin.

It is therefore my opinion and assessment that a value of \$325/m² for low density residential land for Appin is a reasonable assumption and use for a CP.

⁷ Which would likely warrant an adjustment in the order of 10%.

⁸ Caused, for example, by a servicing delay in part of a precinct.

⁹ As I have indicated above simple hypothetical development calculations would support a valuation of \$325/m² or greater, if the land was “ripe” for immediate development.

¹⁰ I have set out at Annexure 1, an analysis I have undertaken of recent sales within Walker’s “Appin Grove” development at Appin in comparison to contemporaneous sales of similar size residential lots at Austral.

Medium Density Residential Land (25-44 dwellings per hectare)

A land value rate of \$400/m² has been adopted for land in the draft CP.

I am unaware of any recent sales within the immediate or general locality which may be analysed to determine the amount of any premium which may be applicable to apply to medium density residential land in comparison to low density residential land.

In other precincts such as Austral, there is market evidence to indicate that medium density land may attract a premium in the order of 40-50% compared to low density residential land however, as I have indicated above, the Austral Precinct is distinguishable in many respects to the Appin Precinct.

I am aware of sales generally within developing “greenfield” localities wherein early on in the development phase, the market is not prepared to assign any demonstrable premium to medium density residential land compared to the value of low density residential land.

One example of such a situation is the release Precinct known as “Area 20” in the north west growth centre of Sydney wherein, for a number of years following the rezoning of the Precinct, “R3 – Medium Density Residential” land was selling for the same \$/m² rates as land within the “R2 – Low Density Residential” zone.

As development within that Precinct advanced and significant infrastructure changes occurred, including the provision of the North West Rail Project, the market appreciated that there would be demand for high density forms of residential development. This witnessed a change in the market wherein the value of “R3” land increased to the point where it reflected premiums of 50% or more to the value of “R2” land.

Even on the assumption that the various dedication areas were in an advanced state of development readiness compared to the current “raw” state of the land, I do not consider that premiums of 50% or more would be applicable for medium density land as at the current date. I hold this opinion as the market would likely anticipate that it would be a number of years until there would be sufficient demand for higher density forms of residential development to render such development economically viable.

I note that the rate of \$400/m² in the Council Valuation reflects a premium of approximately 14% to the value of low density residential land. In my opinion, a premium between 15% - 20% is appropriate as at the current date.

It is therefore my opinion and assessment that a value of \$390/m² for medium density residential land for Appin is a reasonable assumption and use for a CP.

Rural Residential Lands (suitable for large-lot rural residential housing)

A land value rate of \$95/m² has been adopted for land in the draft CP.

I have set out, at Annexure 3, an analysis of sales of rural properties within the general locality which do not (to my knowledge) have any significant potential for a future urban rezoning.

When analysed to reflect a land value¹¹, these three (3) sales reflect values ranging from \$12/m² to \$80/m².

I note that the smaller sale properties generally reflect the higher values, on a \$/m² basis, and the larger sale properties generally reflects the lower values, on a \$/m² basis. In my experience this is usual. This market phenomenon exists as a significant portion of the value of a rural (or rural lifestyle) property is referable to the so-called “*dwelling entitlement*”.

I note the sales of “rural” land were included in the Council Valuation which reflected the following rates:

Size of Lot	Reflected Value	Comment
0.4 hectares	\$205/m ² - \$250/m ²	Sales 11, 12 & 13 in the Council Valuation, which are located within the “R5 – Large Lot Residential” zone
10.58 hectares	\$54/m ²	Future urban land within potential rezoning area
28.3 hectares	\$101/m ²	Possibly considered to be future urban land given the purchaser (the Lendlease Group)
10.31 hectares	\$97/m	Described as being earmarked for a future rezoning to “IN2 – Light Industrial”
10 hectares	\$107/m ²	Described as being located within the Wilton Priority Growth Precinct with a proposed rezoning for employment land uses

In my opinion, the “comparable” sales relied upon by the author of the Council Valuation are not likely to be reliable indicators of the market value of rural residential lands, suitable for large lot rural residential housing.

These sales are all described as having potential for a future urban rezoning. There is a risk that these sales would therefore overestimate the pure “rural” value of any land to be dedicated.

If further guidance could be given as to the approximate size of any “rural” land to be dedicated, it would be possible for the \$/m² rates to be refined, having regard to the analysis of pure “rural” sales, to which I have referred above.

On the assumption that the dedication land is in the range of 2ha to 5ha, it is my opinion that the rate of \$80/m² in the Council Valuation is within acceptable market parameters. If the dedication land is much larger, such as, for example, (10ha-20ha), the rate of \$95/m² which is set out in the Council Valuation is too high due to my point earlier that land rates tend to decrease as land size increases.

¹¹ By removing the estimated added value of existing structural improvements.

The sales relied upon by the author of the Council Valuation reflected rates ranging from \$17/m² to \$146/m². Sales at the top end of this range are essentially small “rural lifestyle” properties (2 hectares) which reflect the “rural lifestyle” value of the land.

In the present matter, if the constrained land is assumed to be incapable of development for any purpose (including a single residential dwelling)¹³ the “rural lifestyle” sales would, in my opinion, be unreliable indicators of the market value of the constrained land.

I note that a somewhat “artificial” market exists for constrained land in which Local Government Authorities acquired constrained land through funding from the Section 7.11 Contribution Process, in which constrained land value rates of \$50/m² to \$100/m² are typically applied. These rates are usually determined by reference to previous sales (or acquisitions) of similarly constrained land.

In the absence of a funding mechanism of this nature, the true value of constrained land would likely be much lower than \$50/m² or \$100/m².

In my opinion, it could be argued that the “true” value of the constrained land is very low. For example, Sale 32 in the Council Valuation reflects a value of \$17/m² for land which appears to be highly constrained.

Alternatively, if material weight were to be placed on the “artificial” sales to which I have referred to above, a value as high as \$80/m²¹⁴ could be supported.

It is therefore my opinion and assessment that a value of \$80/m² for constrained land for Appin is a reasonable assumption and use for a CP.

Summary Comparison


Classification/Typology	Draft Council CP Rate	Proposed Rate	Variance
Rural-residential	\$95/m ²	\$80/m ²	-\$15/m ²
Low density residential land	\$350/m ²	\$325/m ²	-\$25/m ²
Medium density residential land	\$400/m ²	\$400/m ²	\$0/m ²
Mixed use commercial / residential land	\$425/ m ²	\$425/ m ²	\$0/ m ²
Retail & Civic Centre Land	\$410/m ²	\$500/m ²	+\$90/m ²
Other enterprise/employment/industrial land	\$350/m ²	\$250/m ²	-\$100/m ²
Constrained land	\$80/m ²	\$80/m ²	\$0/m ²

¹³ However is suitable for open space, water cycle management and essential infrastructure.

¹⁴ Being the rate set out in the Council Valuation.

I trust the foregoing analysis and recommendation is sufficient for your requirements. Please do not hesitate to contact me with any questions arising.

Yours faithfully,



David Lunney *B.Com(D.Ec) AAPI*
Director
API Member No. 68801
Certified Practising Valuer

Limiting Conditions & Liabilities

This valuation is for the use only of the party to whom it is addressed, and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures.

Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or in full in any way, without written approval of the form and context in which it may appear.

No liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the property market subsequent to the date of valuation.

This valuation is for the use only of the party to whom it is addressed, and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures.

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No liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the property market subsequent to the date of valuation

Annexure 1 – GR Analysis

Appin Grove				Wilton				Catherine Field				Austral			
GRs 2022 - 2023				GRs 2022 - 2023				GRs 2022 - 2023				GRs 2022 - 2023			
GRS	Area	Av \$	Av \$/sqm	GRS	Area	Av \$	Av \$/sqm	GRS	Area	Av \$	Av \$/sqm	GRS	Area	Av \$	Av \$/sqm
	450 - 475	\$561,120	\$ 1,239		275 - 375	\$484,313	\$ 1,526		275 - 375	\$607,313	\$ 1,812		275-375	\$665,523	\$ 2,075
	476 - 575	\$593,196	\$ 1,167		376 - 475	\$585,944	\$ 1,385		376 - 475	\$748,333	\$ 1,733				
	576 - 775	\$673,100	\$ 980		476 - 575	\$711,528	\$ 1,393		476 - 575	\$831,250	\$ 1,570				
					576 - 775	\$758,571	\$ 1,101		575 - 622	\$900,000	\$ 1,445				

Note the Austral sales were only within selected Crownland Development subdivisions.

Annexure 2 – Retail/Commercial Sales

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 1: 51 Renwick Drive, Renwick	\$1,525,000	8-Nov-21	1,983 m ²	<p>Comprises Lot 21 in DP 1241460. Zoned B1 Neighbourhood Centre pursuant to Wingecarribee LEP 2010. No FSR or HoB apply.</p> <p>Vacant, serviced infill allotment located off the western side of Renwick Drive within a new estate in the suburb of Renwick which is immediately to the east of Mittagong. Renwick is a Masterplanned community which was master developed by Landcom.</p> <p>Property is located with a neighbourhood centre adjacent to the Renwick Community Centre and Village Square, and opposite a playground and park.</p> <p>Land is level and has additional rear frontage to Whitfield Lane.</p> <p>An Easement for Padmount Substation is located within the south-western corner of the lot.</p> <p>Marketed as “All services available including power supply at rear ... Approximate lettable area 750sqm and 850sqm”.</p> <p>The property has close access to the Mittagong town centre and the Hume Motorway via the Old Hume Highway.</p>



Analysis:

\$769 per m² of land area.

Location within a new estate where development has significantly progressed.

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 2: 233 Argyle Street, Moss Vale	\$14,000,000	23-Nov-22	34,120 m ²	<p>Comprises Lot 1 in DP 1192022. Zoned B5 Business Development pursuant to Wingecarribee LEP 2010, with an FSR of 0.9:1 and a maximum HoB of 12.5 metres.</p> <p>A vacant, irregular shaped infill site located off the western side of Argyle Street at the northern fringe of the Moss Vale town centre, which is located behind established buildings which directly front Argyle Street and therefore does not have direct Argyle Street frontage.</p> <p>Site is located within short walking distance to Moss Vale railway station, and is positioned to the north of a commuter carpark accessed from Dalys Way.</p> <p>The land has a slight downward slope from south to north, and has partial northern frontage to Hoskins Street. Part of the rear boundary adjoins the railway line.</p>



Analysis:

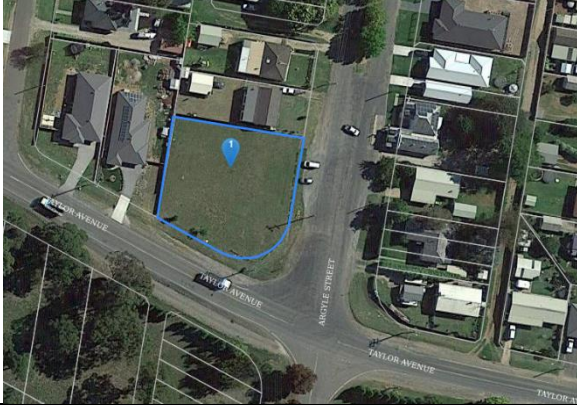
\$410 per m² of land area.

Established township location with close access to railway station.

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 3: 237 Argyle Street, Moss Vale	\$1,075,000	23-Apr-21	1,579.3 m ²	<p>Comprises Lots 3-4 in DP 832397.</p> <p>Zoned B2 Local Centre pursuant to Wingecarribee LEP 2010, with an FSR of 0.7:1 and a maximum HoB of 7.5 metres.</p> <p>A slightly irregular shaped allotment located on the corner of Argyle Street and Dalys Way, at the northern fringe of the Moss Vale town centre and approximately 195 metres north-east of Moss Vale Railway Station.</p> <p>The Lot 4 portion of the property comprises a land area of 343.3m² and is improved with single level older style commercial building which is configured as two separate tenancies, and a small car parking area at the rear.</p> <p>The Lot 3 portion of the property comprises a land area of 1,236m² and is located on the corner. It has a slight downward slope from front to rear.</p> <p>The property was marketed as “Land for potential development plus ... Existing building on land”.</p> <p>After deducting \$85,000 for the added value of the improvements on the land, the analysed land value equates to \$985,000, or \$627/m².</p> <p><i>Analysis:</i></p> <ul style="list-style-type: none"> \$681 per m² of land area (improved). \$627 per m² of land area (analysed unimproved). <p>Established township location with close access to railway station.</p>





Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 4: 104-106 Taylor Avenue, New Berrima	\$725,000	13-Aug-20	1,606 m ²	<p>Comprises Lot 21 in DP 1122805.</p> <p>Zoned B1 Neighbourhood Centre pursuant to Wingecarribee LEP 2010, with a maximum HoB of 5 metres.</p> <p>A slightly irregular shaped allotment located on the corner of Taylor Avenue and Argyle Street, New Berrima, at the southern fringe of an established residential neighbourhood and to the north of the entrance to the Boral Cement Berrima site.</p> <p>A vacant level allotment, which has since been developed to provide a service station with General Store & post office.</p> <p>Construction works commenced early 2021.</p> <p>The property is located approximately 2 kilometres south-east of the Hume Motorway on-ramp (north bound) and off-ramp (south bound).</p> <p><i>Analysis:</i> \$451 per m² of land area.</p>



Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 5: 33-35 Lagoon Street, Goulburn	\$1,200,000	17-Jun-22	1,018 m ²	<p>Comprises Lot 9 in DP 14879, Lot 33 in DP 24243 and Lot 35 in DP 662823.</p> <p>Zoned B4 Mixed Use pursuant to Goulburn Mulwaree LEP 2009, with an FSR of 1.5:1 and a maximum HoB of 10 metres.</p> <p>A rectangular shaped, level allotment located on the corner of Lagoon Street and Bruce Street, on the main road at the northern fringe/entry to the Goulburn business precinct. Property backs onto a tennis club and is made up of 3 adjoining lots.</p> <p>The property sold with development consent under DA/0327/1920 for the "Consolidation of 3 Lots into 1 and Construction of New Service Station".</p> <p><i>Analysis:</i> \$1,179 per m² of land area.</p> <p>An established main road location. Property benefits from development consent.</p>



Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 6: 112 RAILSIDE AVENUE, BARGO	\$785,000	24-Aug-21	1,562 m ²	<p>Comprises Lot 50 in DP 1204084. Zoned B2 Local Centre pursuant to Wollondilly LEP 2011, with a maximum HoB of 9 metres.</p> <p>A vacant, parallelogram shaped allotment located on the western side of RAILSIDE AVENUE, approximately 165 metres south of the BARGO RAILWAY STATION and 200 metres south of the BARGO CENTRAL SHOPPING VILLAGE. Property has a very slight downward slope from front to rear, and is located between a service station and a mechanics workshop. Property is located in a 560 metre long business zoned strip which services an established low density suburb surrounded by rural holdings, and is located on the primary road through that suburb.</p> <p><i>Analysis:</i> \$503 per m² of land area.</p>
				

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 7: 260 EDMONDSON AVENUE, AUSTRAL	\$3,700,000	5-Nov-21	2,555 m ²	<p>Comprises Lot F in DP 385534. Zoned B1 Neighbourhood Centre pursuant to SEPP (Precincts—Western Parkland City) 2021, with a maximum HoB of 17 metres.</p> <p>A generally rectangular shaped allotment located on the western side of Edmondson Avenue, within an existing small neighbourhood centre in the South West Growth Centre in the Liverpool LGA.</p> <p>The land is level and faces existing shops. A bus stop is located to the front.</p> <p>The property was marketed as a DA approved mixed use site with 30m frontage to Edmondson Avenue, with approval for a mixed use development over 5 levels providing 48 units plus 7 retail shops, with a GFA of 8,518sqm (862sqm commercial). Marketed as being “serviced and ready for construction”.</p> <p><i>Analysis:</i> \$1,448 per m² of land area.</p> <p>Site benefits from existing development consent and is positioned within an existing small neighbourhood centre.</p>
				

Annexure 3 – Rural Sales

Address	Zoning	Sale Date	Sale Price (Exc. GST)	Land Area (ha)	Improved \$/m ²	Land Value \$/m ²
195 East Parade, Buxton	RU4	1 Aug 23	\$857,764	1.88	\$46	\$40
52 Blackburn Rd, Wedderburn	C3	14 Jun 23	\$1,465,000	2	-	\$73
95 Hassall Rd, Buxton	RU2	5 Jan 23	\$1,602,000	2	\$80	\$60
260 Douglas Park Dr, Douglas Park	RU2	2 Dec 22	\$1,750,000	4.11	\$43	\$40
80 Ashwood Rd, Wilton	RU2	26 Sep 23	\$1,640,000	14.2	-	\$12
200 Appin Road, Appin	RU2	23 Dec 23	\$2,800,000	2.5	\$112	\$80



9 May 2024

Ahmad Ali
Senior Development Manager
Walker Corporation
Level 21, Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000
[REDACTED]

Dear Ahmad

DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024
INDEPENDENT COST PEER REVIEW

Thank you for the opportunity to carry out an Independent Cost Peer Review of the Wollondilly Shire Council – Appin Growth Area Contributions Plan 2024 and accompanying Appin Contributions Plan Quantity and Cost Estimation Report prepared by Altus Group. Please find enclosed our Peer Review report.

Yours faithfully



SAM MENDOZA
National Director
WT REF: PR-015348





DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024

INDEPENDENT COST PEER REVIEW

9 May 2024

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CONTACT

DETAIL	DESCRIPTION
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DOCUMENT STATUS	NAME	DATE
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REVIEWED BY	Sam Mendoza	09/05/2024
E-SIGNATURE APPROVED		

REVISION NO.	REVISION DATE	DRAFT.FINAL
1	09/05/2024	DRAFT

1 EXECUTIVE SUMMARY

The Draft Appin Growth Area Contributions Plan 2024 has been prepared by the Wollondilly Shire Council to enable developers of land in the Wollondilly Shire Council to make a monetary contribution to help meet the cost of providing the local infrastructure in precincts over the next 30 years.

WT has been appointed by Walker Corporation to provide an independent cost peer review of the rates prepared by Altus Group and used by the Wollondilly Shire Council in their Draft Appin Growth Area Contributions Plan 2024 and provided in the report named 'Professional Services for Appin Contributions Plan Quantity and Cost Estimation for Wollondilly Shire Council' dated 17 November 2023.

Whilst WT has not carried out a full peer review of the aforementioned report, we have assessed the cost rates included for reasonableness. Please see Section 5 of this Report for a more detailed analysis of the cost rates.

The key cost rates differences between the Altus Group Report and our own database are summarised below:

DESCRIPTION	ALTUS RATE	WT RATE	DIFFERENCE
Roads and Transport Infrastructure Items			
22.8m wide collector road (l/m)	\$11,238	\$8,961	\$2,277
Signalised intersection 2 lanes – 4way (each)	\$1,805,000	\$1,113,800	\$691,200
4 leg – 2 lane roundabout – greenfield (each)	\$869,000	\$543,200	\$325,800
2.5m wide concrete pathway/share way (l/m)	\$1,226	\$918	\$308
Stormwater Management Infrastructure			
Raingarden and Basin (2000m ² /7000m ²) (\$/sqm)	\$290	\$220	\$70
Passive Open Space			
Park with Play Space (\$/sqm)	\$650	\$363	\$287
Active Open Space			
2 Double Playing Field and 8 MPC (\$/sqm)	\$291	\$226	\$65

We note that when comparing Altus Group rates with our own database benchmark, it resulted in Altus Group rates being generally higher than ours, from 5% up to 108%.

Moreover, we note in our review that several rates include certain items that are not expected to be part of a local contribution calculation have been included or overly conservative assumptions have been made.

We recommend that a further review of the rates used in the local contribution calculation is to be undertaken, ensuring that assumptions, inclusions, and exclusions are aligned with expectations and output rates aligned with industry benchmarks.

2 DISCLAIMER

This report was prepared by WTP Australia Pty Ltd (WT) for the sole purpose and exclusive benefit of Walker Corporation (the “Client”) for the sole purpose of assisting the Client to assess the proposed contribution costs of the “Draft Appin Growth Area Contributions Plan 2024” (the “Project”). Any use of this report by the Client is subject to the terms and conditions of the contractual agreement between WT and the Client.

This report is meant to be read as a whole, and sections should not be read or relied upon out of context. The report includes information provided by the Client and by certain other parties on behalf of the Client. Unless specifically stated otherwise, WT has not verified such information and disclaims any responsibility or liability in connection with such information.

This report contains the expression of the professional opinion of WT, based upon information available at the time of preparation. The quality of the information, conclusions and estimates contained herein is consistent with the intended level of accuracy as set out in this report, as well as the circumstances and constraints under which this report was prepared.

3 LIMITATIONS

WT has not prepared a full independent cost estimate for comparative review and consequently have not carried out a detailed line-by-line review of the Altus Group report. This report is not to be considered an “Estimated Development Cost (EDC)”.

This report does not include the review of the following:

- Review and suitability of design assumptions,
- Constructability factors,
- Design,
- On-Costs,
- Risk and Contingency, and
- Escalation.

This report has been compiled from information provided to WT by third parties, however WT does not warrant the accuracy of that information. If the information provided to WT is inaccurate or incomplete, then it may invalidate the conclusions and advice in this report.

4 METHODOLOGY

In preparing this report, and to the extent possible from the information available, WT has:

- Taken receipt of and reviewed documentation,
- Reviewed the cost estimates and cost rates, including:
 - Information and assumptions: reviewed the report and specifications to determine if and what assumptions have been made in the preparation of the cost rates.
 - Quantities: WT has not reviewed the quantities included in the report.
 - Rates: WT has undertaken an independent review of the cost rates to verify their reasonableness.

WT has not prepared an independent cost estimate for comparative review.

In carrying out our review, we have utilised our own in-house benchmark database including supplier's quotes, tender returns, and our own first-principles build-ups.

4.1 DOCUMENTATION USED

The documentation provided to WT includes:

- Wollondilly Shire Council – Draft Appin Growth Area Contributions Plan 2024
- Altus Group – Professional Services for Appin Contributions Plan Quantity and Cost Estimation for Wollondilly Council – dated 17 November 2023

5 DETAILED REVIEW

Greater Macarthur Growth Area (GMGA) was identified by the NSW Government and declared as such in December 2019. Appin Growth Area is part of the GMGA and located towards the north-east corner of the Wollondilly LGA and is the southernmost land release precinct of the GMGA.

The Draft Contributions Plan has been prepared by Wollondilly Shire Council to accommodate the provision of infrastructure in a timely fashion.

The capital costs for the transport, stormwater, open space, recreation, and community facility infrastructure used for the contributions' calculation have been prepared by Altus Group on behalf of the Wollondilly Shire Council.

WT has been appointed by Walker Corporation to provide an independent cost peer review of the rates prepared by Altus Group and used by the Wollondilly Shire Council in their Draft Appin Growth Area Contributions Plan 2024 and provided in the report named 'Professional Services for Appin Contributions Plan Quantity and Cost Estimation for Wollondilly Shire Council' dated 17 November 2023.

The Section below describes the key differences found in the analysis of the build-up of rates provided in the Altus Group report. This is not a line-by-line comparison and therefore not all the rates are shown.

5.1 ROADS AND TRANSPORT INFRASTRUCTURE

The following rates are part of the Roads and Transport Infrastructure as per Altus Group Report:

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
19.8m new local road with WSDU	\$9,085	\$7,833	\$1,252	16%
22.m wide collector road	\$11,238	\$8,961	\$2,277	25%
Upgrade to collector road	\$6,720	\$8,891	-\$2,171	-25%
Signalised intersection 2 lanes – 4way	\$1,805,000	\$1,113,800	\$691,200	62%
4leg - single lane roundabout - in urban	\$754,000	\$521,200	\$232,800	45%
4leg - 2 lane roundabout - in greenfield	\$869,000	\$543,200	\$325,800	60%
2.5m wide concrete pathway/share way	\$1,226	\$918	\$308	34%
Bus shelter	\$31,000	\$ 33,388	-\$2,388	-7%
2-lane bridge at Broughton Pass	\$495,000,000	N/A *note	N/A	N/A

When reviewing the build-up of the rates in detail, the following is noted:

- **Supply and place 250mm DGS20 sub-base @ \$324 per l/m.** This allowance is found significantly higher than benchmark with our rate per l/m sitting at \$233.
- **Supply and place 150mm DGB20 base course @ 252 per l/m.** This allowance is found significantly higher than benchmark with our rate per l/m sitting at \$167.

- **Supply and place single coat bitumen primer seal 10mm thick @ \$108 per l/m.** This rate is found significantly lower than benchmark with our rate per l/m sitting at \$270.
- **Line-marking at \$60 per l/m** is found to be above our benchmark rate of \$32 per l/m.
- **Shared Services Trenching at \$1,802 per l/m** is found above our benchmark rate of \$1,100 per l/m.
- **2.5m-wide Shared Path at \$671 per l/m.** This rate is found above our benchmark rate of \$548 per l/m (including kerbs).
- **We note that 3m-wide driveways have been included,** however we note that driveways don't usually get delivered as part of a road construction and typically placed on the purchaser of the lots and therefore it should not be included in the contribution calculation.
- **There seems to be significant differences with our benchmark in the allowances included for Road Surfaces and Traffic Signals within the Signalised Intersections,** however since a build-up has not been included, we cannot assess in detail.
- **6m diameter trafficable concrete roundabout at \$40,000** is found significantly above benchmark. Our allowance of \$16,800 includes \$280 per m² for the concrete which suggest that Altus allowance is closer to \$550 per m².
- **The key difference in the 2.5m concrete pathway is driven by the 75mm FCR base course at \$208 l/m** which is found significantly above benchmark with our rate sitting at \$75 l/m.
- **The build-up provided for the 2-lane bridge over gorge at Broughton Pass does not equal to the total provided. The build-up equates to \$245,510,000 whilst the table total equates to \$495,000,000.** Therefore, WT has not been able to carry out an assessment of this cost and we recommend Council to re-estimate this element.

5.2 STORMWATER MANAGEMENT INFRASTRUCTURE

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
BAU-Scenario 2	\$1,881,322	\$902,412	\$978,910	108%
BAU-Scenario 3	\$2,038,876	\$982,336	\$1,056,540	108%
BAU-Scenario 4	\$1,843,034	\$888,891	\$954,143	107%
WSUD-Scenario 2	\$1,519,547	\$736,384	\$783,163	106%
WSUD-Scenario 3	\$1,843,695	\$1,040,764	\$802,931	77%
WSUD-Scenario 4	\$2,140,719	\$999,971	\$1,140,748	114%
Vegetated swale for infiltration	\$350	\$300	\$50	17%
Separate raingarden	\$500	\$280	\$220	79%
Detention basin with landscaping	\$220	\$210	\$10	5%
Raingarden and basin (2000m ² /7000m ²)	\$290	\$220	\$70	32%

When reviewing the build-up of the rates in detail, the following is noted:

- **The BAU-Scenario and WSUD-Scenario have been difficult to assess due to the lack of detail.** Where possible, we tried to do a valid side-by-side comparison of the rates but in many cases the rates are provided as “1 item” or lump-sums and therefore unable to ensure we are providing a valid comparison.
- **The separate raingarden rate is provided at \$500 per square metre,** our benchmark rate sits at \$280 per square metre.

5.3 COMMUNITY FACILITIES

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
Indoor Recreation Facility	\$34.3M	\$30.8M	\$3.5M	12%
Library / District Community Hub	\$40.0M	\$32.2M	\$7.8M	24%
Local Multi-Purpose Community Centre	\$2.8M	\$2.3M	\$0.5M	22%
Upgrade of Existing Community Hall	\$0.85M	\$0.75M	\$0.09M	13%

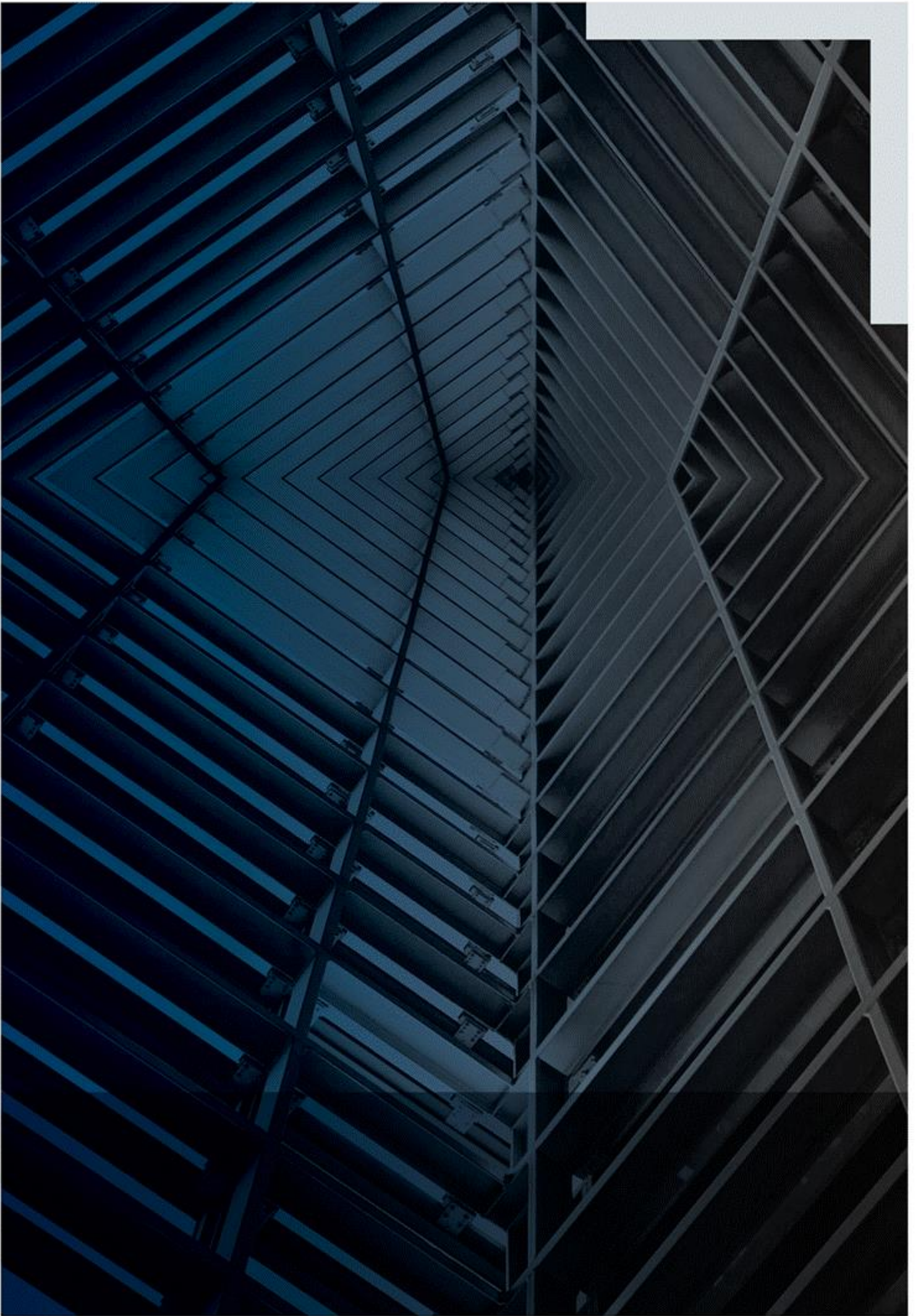
5.4 OPEN SPACE

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
Park with Play Space (5,000sqm)	\$3,248,215	\$1,816,845	\$1,431,370	79%
<i>Rate per square metre</i>	<i>\$650</i>	<i>\$363</i>	<i>\$287</i>	
Park (Low Embellishment with Play) (5,000sqm)	\$1,199,564	\$846,945	\$352,619	42%
<i>Rate per square metre</i>	<i>\$240</i>	<i>\$169</i>	<i>\$71</i>	
Existing Park Upgrade (5,000sqm)	\$542,576	\$434,695	\$107,881	25%
<i>Rate per square metre</i>	<i>\$109</i>	<i>\$87</i>	<i>\$22</i>	
Park with Play Space and Fitness Station (5,000sqm)	\$5,724,871	\$3,337,525	\$2,387,346	72%
<i>Rate per square metre</i>	<i>\$1,145</i>	<i>\$668</i>	<i>\$477</i>	
1 Double-Playing Field and 4 MPC (50,000sqm)	\$13,820,481	\$11,307,470	\$2,513,011	22%
<i>Rate per square metre</i>	<i>\$276</i>	<i>\$226</i>	<i>\$50</i>	
2 Double-Playing Field and 8 MPC (100,000sqm)	\$29,114,484	\$22,550,361	\$6,564,123	29%
<i>Rate per square metre</i>	<i>\$291</i>	<i>\$226</i>	<i>\$65</i>	

AIS Sportsground Upgrade (100,000sqm)	\$3,909,638	\$ 2,267,092	\$1,642,546	72%
<i>Rate per square metre</i>	<i>\$36</i>	<i>\$21</i>	<i>\$15</i>	
Appin Park Upgrade	\$6,335,113	\$ 5,186,625	\$1,148,488	22%
<i>Rate per square metre</i>	<i>\$142</i>	<i>\$116</i>	<i>\$26</i>	

When reviewing the build-up of the rates in detail, the following is noted:

- **Playset Equipment and Installation is priced at \$396,900 each with two or three of them being allowed per park.** There are no details of the playset allowed but we note that this allowance sits at the higher range of the typical playset installation. We believe that details should be provided as what type of equipment is allowed to form the basis of the contribution calculation.
- **Paved Areas (asphalt, pedestrian) are priced at \$397 per square metre** which sits above our benchmark range of \$220 per square metre.
- **Steel post and mesh has been allowed for 200 meters (length) but the quantity actually reflects 2,500 square meters which would equate to a fence of 12.5 meters high.** We believe this assumption to be erroneous and would recommend Council to review Altus assumption.
- **Allowances for signage has been included with up to \$75,000** with no details or substantiation of what is included.
- **Seating bench (aluminium) has been included at \$6,930 each** which is found above expected benchmark.





27 August 2024

Mr Scott Chapman
Director
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Dear Mr Chapman,

RE: DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024 AND APPIN (PART) PRECINCT STRUCTURE PLAN

Wollondilly Shire Council (**Council**) has recently made an application to the Independent Pricing and Regulatory Tribunal (**IPART**) to review the Draft Appin Growth Area Contributions Plan 2024 which includes infrastructure to support the future delivery of approximately 22,000 homes (the **Draft Appin CP**).

Walker Corporation (**Walker**) is the lead landowner and developer within the Appin (Part) Precinct which comprises the only rezoned land within the Appin Growth Area. Walker controls approximately 90% of the Appin (Part) Precinct with the ability to deliver approximately 12,000 homes.

Preface

I write to seek early engagement with IPART during its review of the Draft Appin CP given that Walker has identified significant inconsistencies between the land use and zoning regime that applies to the Appin (Part) Precinct and the Draft Appin CP prepared by the Council.

These inconsistencies increase the cost of works and land acquisition, with corresponding increases in contributions rates and a reduction in developable land area and housing supply. Further, it means that the strategic vision for open space, conservation land and the public domain in Appin that was embedded during the rezoning process cannot be achieved and will not be realised.

Background

The Appin (Part) Precinct rezoning came into effect in December 2023 and resulted from the Department of Planning and Environment's Technical Assurance Panel (**TAP**) process which involved expert advice from specialist consultants, engagement with key agencies, and the involvement of the Council.

The rezoning included the gazettal of a Precinct Plan and land use and zoning regime under Appendix 10 of the *State Environmental Planning Policy (Precincts - Western Parkland City) 2021*, along with an exhibited draft Precinct Structure Plan (**PSP**) which provides more granular detail on how the Appin (Part) Precinct will be developed.

Draft Appin CP

In March 2024 the Council exhibited the Draft Appin CP which included a schedule of local infrastructure required to support the development of the Appin Growth Area. Walker commissioned a review of the Draft Appin CP by infrastructure contributions specialists GLN Planning who identified that the Draft Appin CP was inconsistent with the planning framework that applies to the Appin (Part) Precinct. A detailed submission on the Draft Appin CP was lodged with the Council and is provided as an **attachment** for your reference.

Amended Draft Appin CP

Following an exhibition period, the Council prepared an amended Draft Appin CP which addressed some aspects of Walker's submission, including a reduction of open space and social infrastructure, adjustments to population, and the cost of certain items of work. However, the following fundamental issues remain largely unaddressed:

- The Draft Appin CP is inconsistent with the endorsed Precinct Plan and the exhibited Precinct Structure Plan regarding the quantity and spatial location and distribution of infrastructure.
- The Draft Appin CP includes the acquisition of more land than envisaged during the planning process, and only uses unconstrained developable land for open space and social infrastructure purposes, rather than a mix of constrained and unconstrained land. This reduces the dwelling yield that can be achieved in the Appin (Part) Precinct by approximately **3,800 dwellings or 29%** and also increases land acquisition costs.
- Many of the costs included in the Draft Appin CP are greater than the peer-reviewed infrastructure costs and adopted industry benchmarks, and exceed the costs included in recent IPART-reviewed contributions plans for Orchard Hills North, Glenmore Park Stage 3, and West Dapto. The embellishment rates for local open space under these contributions plans are shown below, highlighting the unreasonably high rates used in the Draft Appin CP.

Draft Appin CP	Glenmore Park Stage 3	Orchard Hills North	West Dapto
\$174 - \$492/m ² depending upon the level of embellishment	\$131 – 273/m ² depending upon the level of embellishment	\$155/m ²	\$190/m ²

- IPART has recently supported the inclusion of bushland and dual-purpose open space and conservation land in the Orchard Hills North and Glenmore Park Stage 3 contributions plans where consistency with the 2019 Practice Note has been demonstrated. The embellishment rate for bushland open space in the Orchard Hills North CP is \$55/m² and the embellishment rate for passive district parks is between \$60/m² and \$108/m² which are significantly less than the local open space embellishment costs included in the Draft Appin CP. Revising the approach to open space to align with the endorsed Precinct Plan and the exhibited Precinct Structure Plan would result in a significant cost saving to the Draft Appin CP.
- Council's Draft Appin CP includes a land acquisition value of between \$350/m² and \$425/m² for unconstrained land and \$80/m² for constrained land. Council's approach to locate open space infrastructure on predominantly unconstrained land results in significantly higher land acquisition costs and contribution rates than if the Draft Appin CP aligned with the endorsed Precinct Plan and exhibited Precinct Structure Plan.

We have **attached** a copy of an external peer review of costs undertaken by WT Partnership which covers all categories of infrastructure and formed an annexure to our detailed submission to Council. The findings of the external peer review are summarised in Table 3 of the submission which is also provided as an **attachment**. Both of these documents will assist IPART's review of the full suite of costs included in the Draft Appin CP.

Summary

Walker's landholdings in Appin have the potential to deliver supply more than 12,000 dwellings over 20+ years which will play an important role in addressing housing supply and affordability within Sydney.

The Draft Appin CP prepared by the Council is inconsistent with the planning framework adopted for the Appin (Part) Precinct and has the potential to reduce planned housing supply by approximately 3,800 dwellings (or 29%), whilst simultaneously increasing land acquisition costs, and infrastructure cost per dwelling. Further, it includes works costs which exceed recent peer reviews and industry benchmarks. The cumulative result is higher infrastructure costs and contribution rates than if the Draft Appin CP was consistent with the planning framework.

Conclusion

Walker requests that IPART meet with Walker to discuss the Appin planning context and the issues outlined in this letter.

Further, Walker requests that IPART reviews the Draft Appin CP cognisant of the issues raised in this letter and in GLN's submission to Council, and requires the Council to align the Draft Appin CP to the Appin planning framework and reduce the cost of works to ensure that the cost of infrastructure is reasonable so that Appin can be developed as originally planned, supporting land release and housing supply and the creation of a vibrant and well-serviced community.

I would be happy to discuss any aspects of this letter with you in greater detail. Please contact me on [REDACTED]

Yours faithfully,
Walker Corporation Pty Ltd

[REDACTED]
Nathan Croft
Principal Planner

Attachments

Submission to Wollondilly Shire Council on Draft Appin Growth Area Contributions Plan

WT Partnership peer review of works costs – Draft Appin Growth Area Contributions Plan

Links to planning proposal documentation for Appin

<https://www.planningportal.nsw.gov.au/ppr/lep-decision/appin-part-precinct>

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10 May 2024

Mr Ruairi Shaughnessy
Assistant Development Manager
Walker Corporation
Level 21, Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Email: [REDACTED]

Dear Mr O'Shaughnessy,

RE: APPIN PRECINCT – LAND ACQUISITION BUDGET FOR CONTRIBUTIONS PLAN

Scope

1. Land Valuation Assessment of the Appin Precinct, which will include the following items:
 - a. Residential Land (\$/m²),
 - i. Low Density Residential Land (15-25 dwellings per hectare (**dw/ha**)),
 - ii. Medium Density Residential Land (25-44 dw/ha),
 - iii. Rural Residential Lands (Suitable for large-lot rural residential housing),
 - b. Retail and Civic Centre Land (\$/m²),
 - i. General Rate,
 - c. Mixed Use Commercial & Residential Land (\$/m²),
 - i. 45+ dw/ha,
 - d. Other Enterprise or Employment Land (\$/m²),
 - i. Commercial and Industrial suitable land,
 - e. Constrained Land (\$/m²),
 - i. includes but not limited to: slope of land, environmental values, bushfire restrictions, water cycle management requirements etc,

Liability limited by a scheme approved under Professional Standards Legislation

- Peer review existing Land Valuations Report used to form the basis of Wollondilly Shire Council's Draft Contributions Plan for the Appin Growth Area 2024 and provide comparison Summary.

Background Documents

- A draft Section 7.11 Appin Contributions Plan 2024 (CP), prepared by Wollondilly Shire Council (Council), and
- A Valuation Report prepared by AEC Group (Property Valuers) on behalf of the Council, dated 12 September 2023 (Council Valuation).

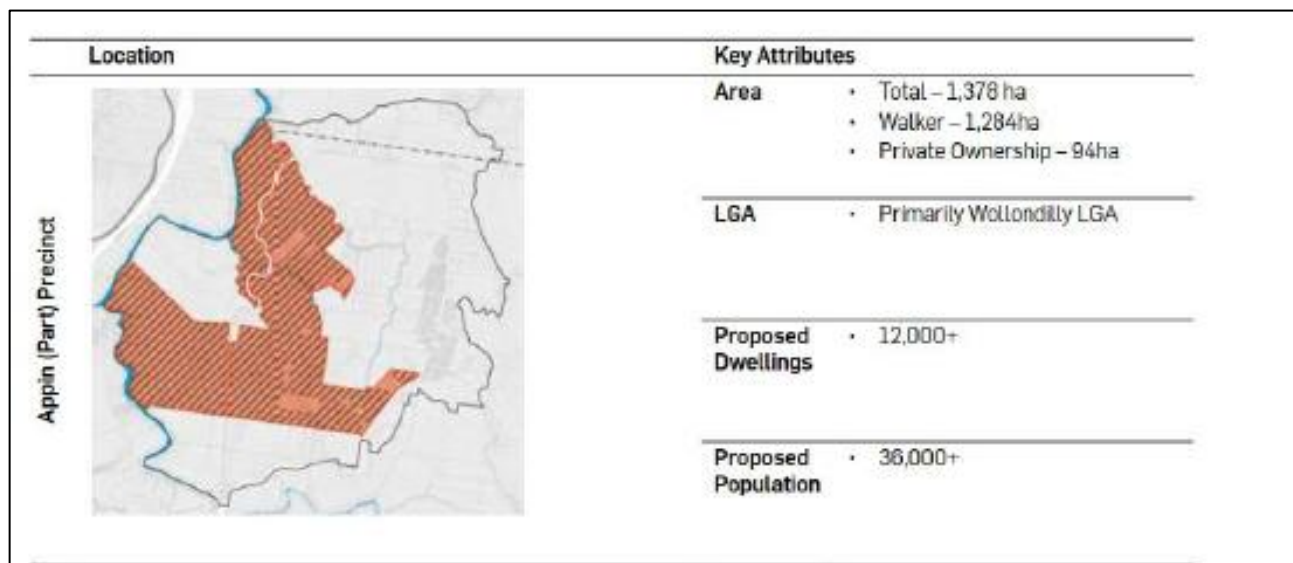
The Appin Precinct

Walker Corporation Pty Ltd (**Walker**) owns or controls over 50% of the area of land to which the CP and the Council Valuation apply, in an area known as the Appin (Part) Precinct (**Precinct**) which was recently rezoned for urban purposes.

The Precinct was rezoned on 15 December 2023 pursuant to an amendment of the State Environmental Planning Policy (Precincts – Western Parkland City) 2021 (**SEPP**).

Figure 1 below is an extract of plan which depicts the land which is within the CP.

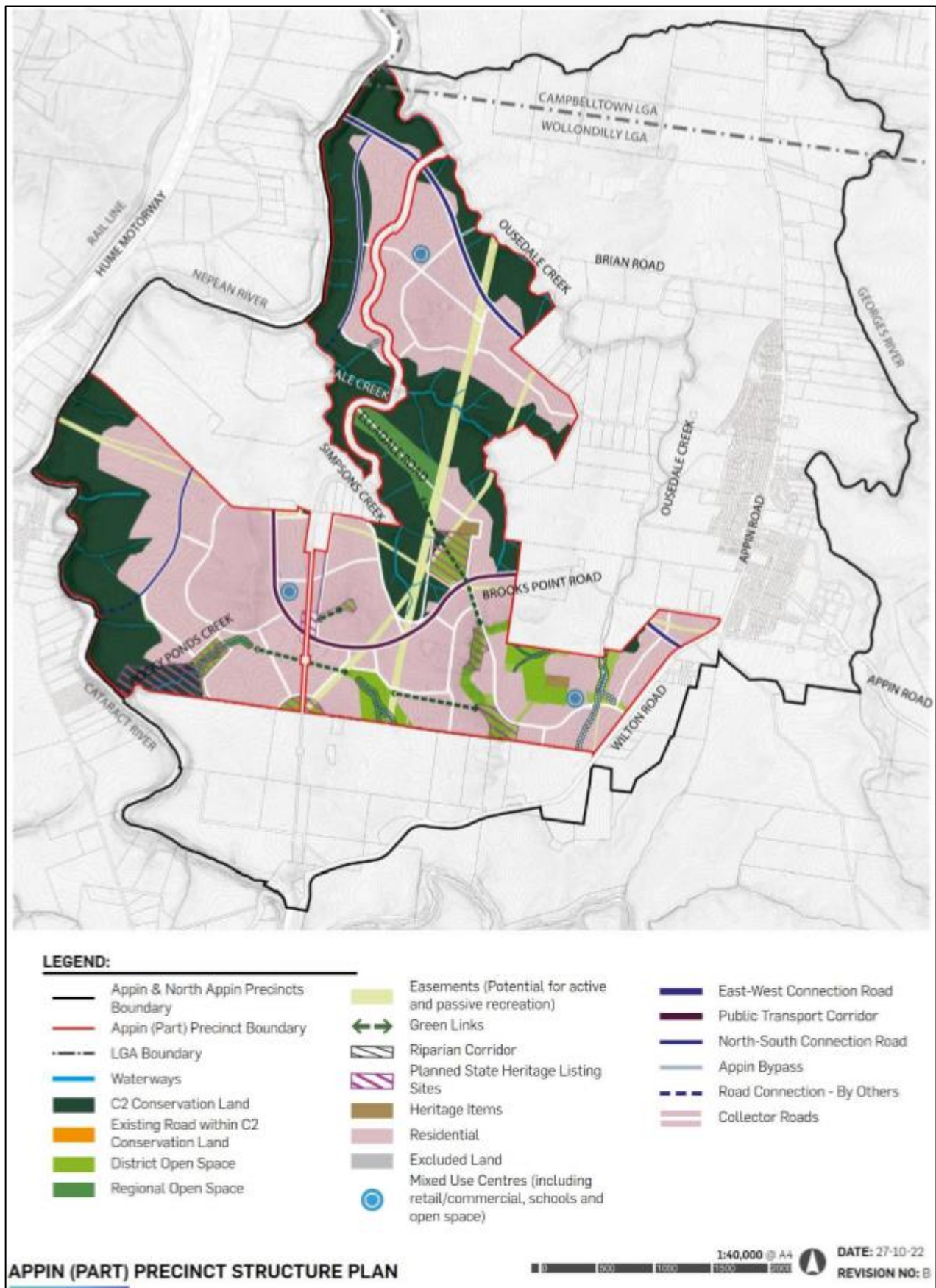
Figure 1



The areas of land to the north, south and west of the brown shaded area is an area which is not yet rezoned for urban purposes.

Figure 2 below is an indicative plan showing the structure of proposed urban development within the Precinct.

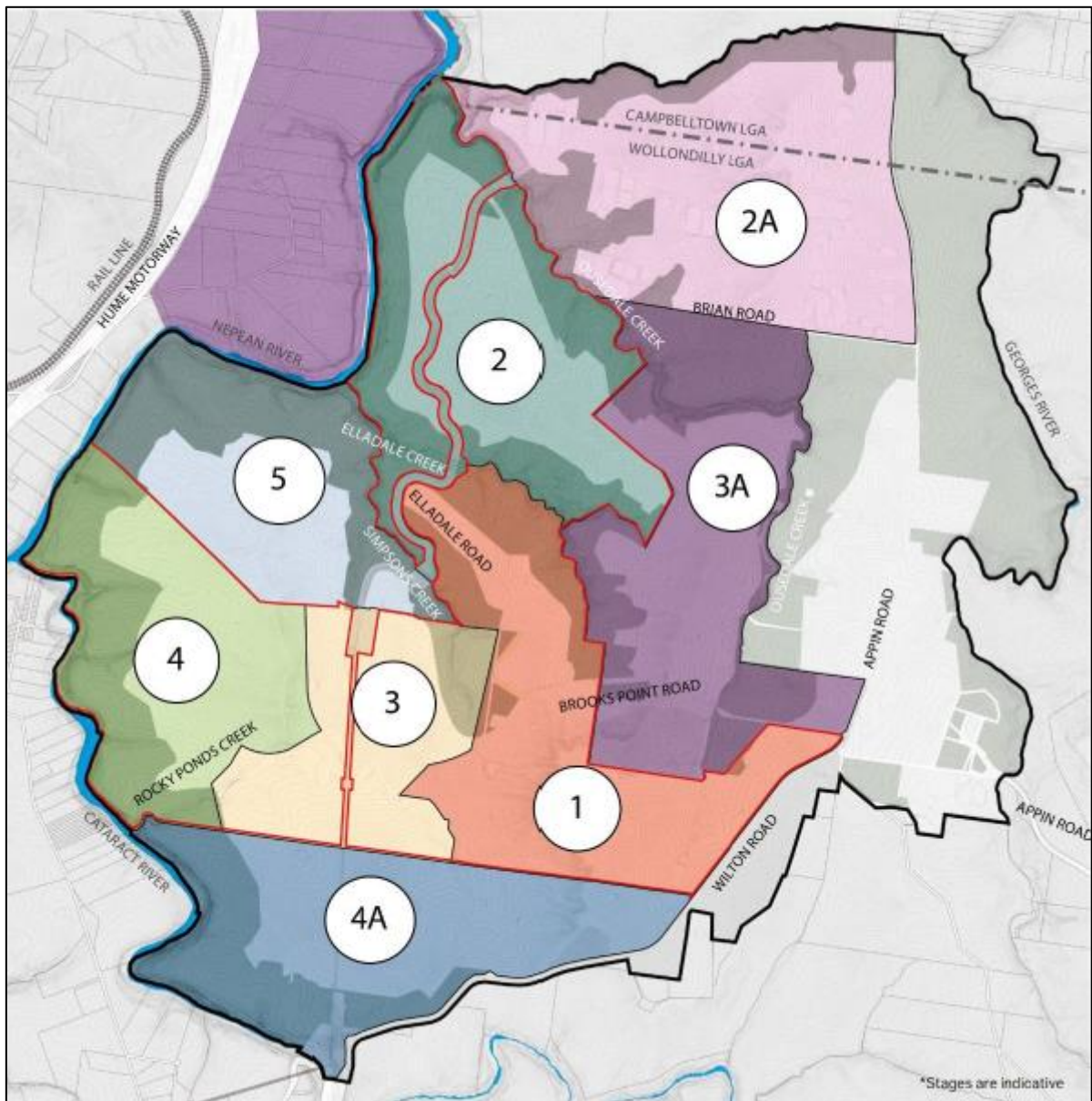
Figure 2



The Precinct is anticipated to accommodate 12,000+ dwellings, infrastructure, retail, services and open space to support the incoming population as well as substantial environmental conservation areas.

Given the scale of the Precinct, as depicted in Figure 3 below, development will be undertaken on a staged basis. Release areas 1, 2, 3 and 4 are the subject of the rezoning which are predominantly owned by Walker.

Figure 3



The CP and Proposed Land Dedications

As part of the strategic planning for the Precinct and to enable the orderly development of the Precinct, certain infrastructure will need to be provided.

Some of this infrastructure will be local infrastructure, to be funded through the CP, whilst some of this infrastructure will be regional infrastructure, to be funded by a State Government levy, which applies within identified growth centres to the northwest and the southwest of Sydney.

In my experience, it is common for Section 7.11 Contributions Plans to include a land acquisition budget which is prepared on a “broad brush” basis, by the application of unitary rates (\$/m²) to land within different categories.

The CP appears to limit the offset value available to a developer from any land dedication to the “Attributable Cost”¹ of that land, as calculated in accordance with the CP. The CP states at [4.2] that the “*Council will credit only the amount provided in the plan*”.

I noted that the CP states at [7.2.1] that the Council valuation is consistent with IPART’s² “*valuation of land contributions plan*”.

I have obtained an Information Paper, prepared by IPART, which is dated June 2020, which is entitled “*Contributions Plan Assessment: Land Costs*” (**IPART Guideline**).

The IPART Guideline states, that ideally, estimates of land costs would be based on individual valuations of the lots specifically zoned for public infrastructure purposes³.

The IPART Guideline acknowledges that when a local infrastructure plan is prepared, councils may not have sufficient information or resources to obtain large numbers of individual valuations, particularly for plans that apply to greenfield areas.

For the purpose of this report, I have assumed that the land required for dedication (**Dedication Land**) within each of the individual land use/zone categories, is dedicated in an englobo state⁴ and with a notional area of 2-5 hectares.

Council Valuation Rates

Figure 4 below is an extract of the Council Valuation which sets out the adopted land rates for the purpose of the CP.

¹ The expression “attributable cost” does not appear to be defined in the CP.

² The NSW Independent Pricing And Regulatory Tribunal.

³ In my opinion, this methodology should extend to land either zoned or required for public infrastructure purposes.

⁴ Without extensive road frontages.

Figure 4

Classification/Typology	Adopted Land Rates
<u>Residential Land (\$/m²)</u>	
- Low Density Residential Land (15-25 dwellings per hectare)	\$350/m ²
- Medium Density Residential Land (25-44 Dwellings per hectare)	\$400/m ²
- Rural Residential Lands (Suitable for large-lot rural residential housing)	\$95/m ²
<u>Retail and Civic Centre Land (\$/m²)</u>	
- General rate	\$410/m ²
<u>Mixed use Commercial & Residential Land (\$/m²)</u>	
- 45 dwellings per hectare	\$425/m ²
<u>Other Enterprise or Employment Land (\$/ha)</u>	
- Commercial and Industrial suitable land	\$350/m ²
<u>Constrained Land (\$/m²)</u>	
- Significant slope	\$80/m ²
- Environmental value	\$80/m ²
- Riparian corridor	\$80/m ²
- Habitat corridor	\$80/m ²
- Bushfire prevention restrictions	\$80/m ²
- Flood prone land (1% AEP)	\$80/m ²

In my opinion, and for the reasons set out later in this report, it is my opinion that the foregoing \$/m² rates, set out in the Council Valuation are, generally speaking, within acceptable market parameters with the exception of the Low Density land rate which is slightly lower.

I have addressed each of the individual components of the valuation below as follows:

Low Density Residential Land (15-25 dwellings per hectare)

A land value rate of \$350/m² has been adopted for land in the draft CP.

The assessment of the value of the “raw” englobo land value in the Precinct is slightly more difficult than would usually be the case given that the majority of the land within the Precinct has been acquired⁵ many years ago.

⁵ Or entered into Option Agreements and the like.

To my knowledge, there is only one recent sale of englobo land within the precinct, which is summarised below:

Address: 75 Wilton Road, Appin
Title: Lot 61 in Deposited Plan 850925
Area: 2.4 hectares
Sale Date: 1 December 2023
Zoning: Urban Development (UD) pursuant to the SEPP
Analysis: \$247/m²

This sale property is a triangular shaped lot at the south eastern extremity of the Precinct. It was formerly used for rural residential purposes and included a dwelling and associated outbuildings.

The “highest and best” use of the property is for future development as part of the Precinct.

I note that the sale contract predated the rezoning by 15 days.

To some degree, the purchaser incurred some rezoning risk however I have assumed that the purchaser was familiar with the proposed rezoning⁶ such that any rezoning risk was minimal.

Despite this, it is my experience that the market perceives risk associated with all rezonings, however certain and imminent they may appear at a particular point in time.

In my opinion, some upward adjustment to the rate of \$247/m² would be required to bring into account the inherent rezoning risk. I have adjusted the sale up by 5% to calculate the “as if rezoned” value at \$260/m² (appropriately rounded).

I have not been able to identify any material development constraints suffered by this sale property.

In my opinion, this sale property is the best evidence of the market value of “raw” englobo land in this locality which, in my opinion, likely has a lead time of 12 months or more before the land may be considered to be “ripe” for development.

If the land was “ripe” for immediate development, simple hypothetical development calculations which I have undertaken would indicate that a higher englobo land value would apply, perhaps in the order of \$325/m².

I have adjusted the “raw” value of \$260/m² up by 25% to bring into account the perceived advantages in terms of time, cost and risk the land would enjoy in its “dedication state” in comparison to its existing state.

⁶ And its certain and imminent status as at the date of the sale contract.

This adjustment is greater than the simple time value of money and saving of holding costs⁷. In other urban development precincts wherein, some parts are subject to a development delay⁸ the discount which is typically applied by the market to the englobo properties within the delayed development area is usually much greater than that which would be derived from applying simple time value of money calculations.

On this basis, it is my opinion that the offset value for the east west connection road, the north south connection road, the transit corridor, and the regional park should be assessed at the rate of \$325/m².⁹

In assigning this offset value I have assumed that the dedication land did not suffer any material, physical or environmental constraints.

The rate of \$325/m² which I have calculated above is similar (albeit slightly lower) than the rate of \$350/m² which was assessed in the Council Valuation.

I note that the rate of \$325/m² is significantly lower than the value of englobo “R2” residential land at Austral, in the developing south west growth centre of Sydney, which is currently in the order of \$600/m².

In my opinion, a significantly lower englobo value should apply at Appin in comparison to Austral given:

- i) The significantly lower Gross Realisation Value (**GR Values**) at Appin in comparison to Austral¹⁰, and
- ii) The more central nature of Austral compared to Appin is such that a faster take up rates of lots would likely be expected at Austral, in comparison to Appin.

It is therefore my opinion and assessment that a value of \$325/m² for low density residential land for Appin is a reasonable assumption and use for a CP.

⁷ Which would likely warrant an adjustment in the order of 10%.

⁸ Caused, for example, by a servicing delay in part of a precinct.

⁹ As I have indicated above simple hypothetical development calculations would support a valuation of \$325/m² or greater, if the land was “ripe” for immediate development.

¹⁰ I have set out at Annexure 1, an analysis I have undertaken of recent sales within Walker’s “Appin Grove” development at Appin in comparison to contemporaneous sales of similar size residential lots at Austral.

Medium Density Residential Land (25-44 dwellings per hectare)

A land value rate of \$400/m² has been adopted for land in the draft CP.

I am unaware of any recent sales within the immediate or general locality which may be analysed to determine the amount of any premium which may be applicable to apply to medium density residential land in comparison to low density residential land.

In other precincts such as Austral, there is market evidence to indicate that medium density land may attract a premium in the order of 40-50% compared to low density residential land however, as I have indicated above, the Austral Precinct is distinguishable in many respects to the Appin Precinct.

I am aware of sales generally within developing “greenfield” localities wherein early on in the development phase, the market is not prepared to assign any demonstrable premium to medium density residential land compared to the value of low density residential land.

One example of such a situation is the release Precinct known as “Area 20” in the north west growth centre of Sydney wherein, for a number of years following the rezoning of the Precinct, “R3 – Medium Density Residential” land was selling for the same \$/m² rates as land within the “R2 – Low Density Residential” zone.

As development within that Precinct advanced and significant infrastructure changes occurred, including the provision of the North West Rail Project, the market appreciated that there would be demand for high density forms of residential development. This witnessed a change in the market wherein the value of “R3” land increased to the point where it reflected premiums of 50% or more to the value of “R2” land.

Even on the assumption that the various dedication areas were in an advanced state of development readiness compared to the current “raw” state of the land, I do not consider that premiums of 50% or more would be applicable for medium density land as at the current date. I hold this opinion as the market would likely anticipate that it would be a number of years until there would be sufficient demand for higher density forms of residential development to render such development economically viable.

I note that the rate of \$400/m² in the Council Valuation reflects a premium of approximately 14% to the value of low density residential land. In my opinion, a premium between 15% - 20% is appropriate as at the current date.

It is therefore my opinion and assessment that a value of \$390/m² for medium density residential land for Appin is a reasonable assumption and use for a CP.

Rural Residential Lands (suitable for large-lot rural residential housing)

A land value rate of \$95/m² has been adopted for land in the draft CP.

I have set out, at Annexure 3, an analysis of sales of rural properties within the general locality which do not (to my knowledge) have any significant potential for a future urban rezoning.

When analysed to reflect a land value¹¹, these three (3) sales reflect values ranging from \$12/m² to \$80/m².

I note that the smaller sale properties generally reflect the higher values, on a \$/m² basis, and the larger sale properties generally reflects the lower values, on a \$/m² basis. In my experience this is usual. This market phenomenon exists as a significant portion of the value of a rural (or rural lifestyle) property is referable to the so-called “*dwelling entitlement*”.

I note the sales of “rural” land were included in the Council Valuation which reflected the following rates:

Size of Lot	Reflected Value	Comment
0.4 hectares	\$205/m ² - \$250/m ²	Sales 11, 12 & 13 in the Council Valuation, which are located within the “R5 – Large Lot Residential” zone
10.58 hectares	\$54/m ²	Future urban land within potential rezoning area
28.3 hectares	\$101/m ²	Possibly considered to be future urban land given the purchaser (the Lendlease Group)
10.31 hectares	\$97/m	Described as being earmarked for a future rezoning to “IN2 – Light Industrial”
10 hectares	\$107/m ²	Described as being located within the Wilton Priority Growth Precinct with a proposed rezoning for employment land uses

In my opinion, the “comparable” sales relied upon by the author of the Council Valuation are not likely to be reliable indicators of the market value of rural residential lands, suitable for large lot rural residential housing.

These sales are all described as having potential for a future urban rezoning. There is a risk that these sales would therefore overestimate the pure “rural” value of any land to be dedicated.

If further guidance could be given as to the approximate size of any “rural” land to be dedicated, it would be possible for the \$/m² rates to be refined, having regard to the analysis of pure “rural” sales, to which I have referred above.

On the assumption that the dedication land is in the range of 2ha to 5ha, it is my opinion that the rate of \$80/m² in the Council Valuation is within acceptable market parameters. If the dedication land is much larger, such as, for example, (10ha-20ha), the rate of \$95/m² which is set out in the Council Valuation is too high due to my point earlier that land rates tend to decrease as land size increases.

¹¹ By removing the estimated added value of existing structural improvements.

It is therefore my opinion and assessment that a value of \$80/m² for rural residential land for Appin is a reasonable assumption and use for a CP based on a 2ha – 5ha range which would be typical of the area.

Retail and Civic Centre Land

A land value rate of \$410/m² has been adopted for land in the draft CP.

I have set out at Annexure 2 a number of “commercial” sales within the same regional locality. These sales are dated, having been transacted between 2020 and 2022. When analysed on a \$/m² basis they reflect rates ranging from \$410/m² (Moss Vale) through to rates exceeding \$1,000/m² at Goulburn (fringe of Goulburn business precinct) and Austral.

The “commercial” sales relied upon by the author of the Council Valuation were located at Appin, Thirlmere and Camden and reflected rates ranging from \$380/m² (Appin) to \$775/m² (Thirlmere).

The significant variation in \$/m² rates appears to be a reflection of differences in size, location and nature. The highest sale (\$1,448/m²) had potential (and development consent) for a mixed use building (48 units and 7 shops).

On one view, Sale 19 in the Council Valuation (1 Macquariedale Road, Appin - \$380/m²) would appear to be the best evidence of value of the retail, civic centre and mixed use land given its location at Appin.

On another view, this sale is now quite dated (October 2020). It also does not form part of a large master planned development like the Precinct.

In my opinion a slightly higher value, perhaps a value in the range of \$500/m² - \$600/m² should be applied to the retail, civic centre and mixed use sales. Given Council’s adoption of a \$410/m² rate, the lower end of the range would be considered something in between.

It is therefore my opinion and assessment that a value of \$500/m² for retail and civic centre land for Appin is a reasonable assumption and use for a CP.

Mixed Use Commercial and Residential Land

A land value rate of \$425/m² has been adopted for land in the draft CP.

I have assumed that the value of the land is to be assessed on an englobo basis rather than an individual lot basis.

The sale properties relied upon by the author of the Council Valuation reflected values of:

- “E1 – Local Centre” zoned land \$380/m² - \$775/m²
- “B5 – Business Development” \$676/m²

Although not directly comparable, in terms of location, I note that there are recent sales of “Mixed Use” development sites adjacent to the proposed Western Sydney Airport at Bradfield (Badgerys Creek), reflecting values generally in the order of \$650/m² to \$800/m² for land suitable for high density redevelopment, at a Floor Space Ratio in the order of 2.5:1 and 3:1. These sales are in an area where there is a servicing and development delay of 2-3 years+, however where GR Values and take up rates will be much stronger than Appin.

I would expect much lower values at Appin than at Bradfield.

It is therefore my opinion and assessment that a value of \$425/m² for mixed use commercial and residential land for Appin is a reasonable assumption and use for a CP which was ascribed in the Council Valuation appears to be within acceptable market parameters.

Other Enterprise and Employment Land Sales

A land value rate of \$350/m² has been adopted for land in the draft CP.

I have assumed that the value of the land is to be assessed on an englobo basis rather than an individual lot basis.

The sale properties relied upon by the author of the Council Valuation reflected values of:

- “E4 – General Industrial” zoned land \$378/m² - \$735/m²
- “B5 – Business Development” \$566/m² - \$662/m²

If the value is to be assessed on an englobo basis, the rate applied in the Council Valuation of \$350/m² appears to be me to be on the high side.

I say this as I am aware of englobo industrial sales within developing industrial precincts in Western Sydney¹² reflecting values in the order of \$500/m² wherein GR Values for that land are currently well in excess of \$1,000/m² (on a subdivided and fully serviced and benched basis).

If I was to assume that the land is to be valued on an englobo basis, I would ascribe a value of \$250/m² to this category of land.

If the land is to be valued on a subdivided, serviced and benched basis, I would ascribe a higher value of \$500/m² to this land.

It is therefore my opinion and assessment that a value of \$250/m² for other enterprise and employment land for Appin is a reasonable assumption and use for a CP assuming an englobo basis.

Constrained Land

A land value rate of \$80/m² has been adopted for land in the draft CP.

¹² Such as, for example, the Mamre Road Precinct.

The sales relied upon by the author of the Council Valuation reflected rates ranging from \$17/m² to \$146/m². Sales at the top end of this range are essentially small “rural lifestyle” properties (2 hectares) which reflect the “rural lifestyle” value of the land.

In the present matter, if the constrained land is assumed to be incapable of development for any purpose (including a single residential dwelling)¹³ the “rural lifestyle” sales would, in my opinion, be unreliable indicators of the market value of the constrained land.

I note that a somewhat “artificial” market exists for constrained land in which Local Government Authorities acquired constrained land through funding from the Section 7.11 Contribution Process, in which constrained land value rates of \$50/m² to \$100/m² are typically applied. These rates are usually determined by reference to previous sales (or acquisitions) of similarly constrained land.

In the absence of a funding mechanism of this nature, the true value of constrained land would likely be much lower than \$50/m² or \$100/m².

In my opinion, it could be argued that the “true” value of the constrained land is very low. For example, Sale 32 in the Council Valuation reflects a value of \$17/m² for land which appears to be highly constrained.

Alternatively, if material weight were to be placed on the “artificial” sales to which I have referred to above, a value as high as \$80/m²¹⁴ could be supported.

It is therefore my opinion and assessment that a value of \$80/m² for constrained land for Appin is a reasonable assumption and use for a CP.

Summary Comparison

Classification/Typology	Draft Council CP Rate	Proposed Rate	Variance
Rural-residential	\$95/m ²	\$80/m ²	-\$15/m ²
Low density residential land	\$350/m ²	\$325/m ²	-\$25/m ²
Medium density residential land	\$400/m ²	\$400/m ²	\$0/m ²
Mixed use commercial / residential land	\$425/ m ²	\$425/ m ²	\$0/ m ²
Retail & Civic Centre Land	\$410/m ²	\$500/m ²	+\$90/m ²
Other enterprise/employment/industrial land	\$350/m ²	\$250/m ²	-\$100/m ²
Constrained land	\$80/m ²	\$80/m ²	\$0/m ²

¹³ However is suitable for open space, water cycle management and essential infrastructure.

¹⁴ Being the rate set out in the Council Valuation.

I trust the foregoing analysis and recommendation is sufficient for your requirements. Please do not hesitate to contact me with any questions arising.

Yours faithfully,



David Lunney *B.Com(D.Ec) AAPI*
Director
API Member No. 68801
Certified Practising Valuer

Limiting Conditions & Liabilities

This valuation is for the use only of the party to whom it is addressed, and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. No responsibility will be accepted for photocopied signatures.

Neither the whole nor any part of this valuation or any reference thereto may be included in any published documents, circular or statement, nor published in part or in full in any way, without written approval of the form and context in which it may appear.

No liability is accepted for any loss, harm, cost or damage (including special, consequential or economic harm or loss) suffered as a consequence of fluctuations in the property market subsequent to the date of valuation.

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Annexure 1 – GR Analysis

Appin Grove				Wilton				Catherine Field				Austral			
GRs 2022 - 2023				GRs 2022 - 2023				GRs 2022 - 2023				GRs 2022 - 2023			
GRS	Area	Av \$	Av \$/sqm	GRS	Area	Av \$	Av \$/sqm	GRS	Area	Av \$	Av \$/sqm	GRS	Area	Av \$	Av \$/sqm
	450 - 475	\$561,120	\$ 1,239		275 - 375	\$484,313	\$ 1,526		275 - 375	\$607,313	\$ 1,812		275-375	\$665,523	\$ 2,075
	476 - 575	\$593,196	\$ 1,167		376 - 475	\$585,944	\$ 1,385		376 - 475	\$748,333	\$ 1,733				
	576 - 775	\$673,100	\$ 980		476 - 575	\$711,528	\$ 1,393		476 - 575	\$831,250	\$ 1,570				
					576 - 775	\$758,571	\$ 1,101		575 - 622	\$900,000	\$ 1,445				

Note the Austral sales were only within selected Crownland Development subdivisions.

Annexure 2 – Retail/Commercial Sales

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 1: 51 Renwick Drive, Renwick	\$1,525,000	8-Nov-21	1,983 m ²	Comprises Lot 21 in DP 1241460. Zoned B1 Neighbourhood Centre pursuant to Wingecarribee LEP 2010. No FSR or HoB apply. Vacant, serviced infill allotment located off the western side of Renwick Drive within a new estate in the suburb of Renwick which is immediately to the east of Mittagong. Renwick is a Masterplanned community which was master developed by Landcom. Property is located with a neighbourhood centre adjacent to the Renwick Community Centre and Village Square, and opposite a playground and park. Land is level and has additional rear frontage to Whitfield Lane. An Easement for Padmount Substation is located within the south-western corner of the lot. Marketed as “All services available including power supply at rear ... Approximate lettable area 750sqm and 850sqm”. The property has close access to the Mittagong town centre and the Hume Motorway via the Old Hume Highway.



Analysis:

\$769 per m² of land area.

Location within a new estate where development has significantly progressed.

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 2: 233 Argyle Street, Moss Vale	\$14,000,000	23-Nov-22	34,120 m ²	Comprises Lot 1 in DP 1192022. Zoned B5 Business Development pursuant to Wingecarribee LEP 2010, with an FSR of 0.9:1 and a maximum HoB of 12.5 metres. A vacant, irregular shaped infill site located off the western side of Argyle Street at the northern fringe of the Moss Vale town centre, which is located behind established buildings which directly front Argyle Street and therefore does not have direct Argyle Street frontage. Site is located within short walking distance to Moss Vale railway station, and is positioned to the north of a commuter carpark accessed from Dalys Way. The land has a slight downward slope from south to north, and has partial northern frontage to Hoskins Street. Part of the rear boundary adjoins the railway line.



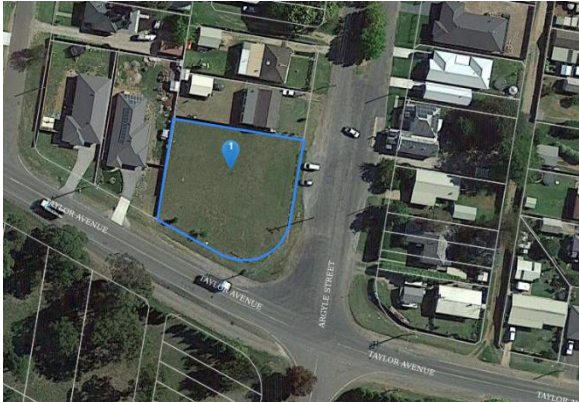
Analysis:


\$410 per m² of land area.

Established township location with close access to railway station.

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 3: 237 Argyle Street, Moss Vale	\$1,075,000	23-Apr-21	1,579.3 m ²	<p>Comprises Lots 3-4 in DP 832397.</p> <p>Zoned B2 Local Centre pursuant to Wingecarribee LEP 2010, with an FSR of 0.7:1 and a maximum HoB of 7.5 metres.</p> <p>A slightly irregular shaped allotment located on the corner of Argyle Street and Dalys Way, at the northern fringe of the Moss Vale town centre and approximately 195 metres north-east of Moss Vale Railway Station.</p> <p>The Lot 4 portion of the property comprises a land area of 343.3m² and is improved with single level older style commercial building which is configured as two separate tenancies, and a small car parking area at the rear.</p> <p>The Lot 3 portion of the property comprises a land area of 1,236m² and is located on the corner. It has a slight downward slope from front to rear.</p> <p>The property was marketed as “Land for potential development plus ... Existing building on land”.</p> <p>After deducting \$85,000 for the added value of the improvements on the land, the analysed land value equates to \$985,000, or \$627/m².</p> <p><i>Analysis:</i></p> <ul style="list-style-type: none"> \$681 per m² of land area (improved). \$627 per m² of land area (analysed unimproved). <p>Established township location with close access to railway station.</p>



Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 4: 104-106 Taylor Avenue, New Berrima	\$725,000	13-Aug-20	1,606 m ²	<p>Comprises Lot 21 in DP 1122805.</p> <p>Zoned B1 Neighbourhood Centre pursuant to Wingecarribee LEP 2010, with a maximum HoB of 5 metres.</p> <p>A slightly irregular shaped allotment located on the corner of Taylor Avenue and Argyle Street, New Berrima, at the southern fringe of an established residential neighbourhood and to the north of the entrance to the Boral Cement Berrima site.</p> <p>A vacant level allotment, which has since been developed to provide a service station with General Store & post office.</p> <p>Construction works commenced early 2021.</p> <p>The property is located approximately 2 kilometres south-east of the Hume Motorway on-ramp (north bound) and off-ramp (south bound).</p> <p><i>Analysis:</i> \$451 per m² of land area.</p>
				

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 5: 33-35 Lagoon Street, Goulburn	\$1,200,000	17-Jun-22	1,018 m ²	<p>Comprises Lot 9 in DP 14879, Lot 33 in DP 24243 and Lot 35 in DP 662823.</p> <p>Zoned B4 Mixed Use pursuant to Goulburn Mulwaree LEP 2009, with an FSR of 1.5:1 and a maximum HoB of 10 metres.</p> <p>A rectangular shaped, level allotment located on the corner of Lagoon Street and Bruce Street, on the main road at the northern fringe/entry to the Goulburn business precinct. Property backs onto a tennis club and is made up of 3 adjoining lots.</p> <p>The property sold with development consent under DA/0327/1920 for the "Consolidation of 3 Lots into 1 and Construction of New Service Station".</p> <p><i>Analysis:</i> \$1,179 per m² of land area.</p> <p>An established main road location. Property benefits from development consent.</p>
				

Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 6: 112 RAILSIDE AVENUE, BARGO	\$785,000	24-Aug-21	1,562 m ²	<p>Comprises Lot 50 in DP 1204084. Zoned B2 Local Centre pursuant to Wollondilly LEP 2011, with a maximum HoB of 9 metres.</p> <p>A vacant, parallelogram shaped allotment located on the western side of RAILSIDE AVENUE, approximately 165 metres south of the BARGO RAILWAY STATION and 200 metres south of the BARGO CENTRAL SHOPPING VILLAGE. Property has a very slight downward slope from front to rear, and is located between a service station and a mechanics workshop. Property is located in a 560 metre long business zoned strip which services an established low density suburb surrounded by rural holdings, and is located on the primary road through that suburb.</p> <p><i>Analysis:</i> \$503 per m² of land area.</p>



Address	Sale Price (Exc. GST)	Sale Date	Land Area (m ²)	Comments
Sale 7: 260 EDMONDSON AVENUE, AUSTRAL	\$3,700,000	5-Nov-21	2,555 m ²	<p>Comprises Lot F in DP 385534. Zoned B1 Neighbourhood Centre pursuant to SEPP (Precincts—Western Parkland City) 2021, with a maximum HoB of 17 metres.</p> <p>A generally rectangular shaped allotment located on the western side of EDMONDSON AVENUE, within an existing small neighbourhood centre in the South West Growth Centre in the Liverpool LGA.</p> <p>The land is level and faces existing shops. A bus stop is located to the front.</p> <p>The property was marketed as a DA approved mixed use site with 30m frontage to Edmondson Avenue, with approval for a mixed use development over 5 levels providing 48 units plus 7 retail shops, with a GFA of 8,518sqm (862sqm commercial). Marketed as being “serviced and ready for construction”.</p> <p><i>Analysis:</i> \$1,448 per m² of land area.</p> <p>Site benefits from existing development consent and is positioned within an existing small neighbourhood centre.</p>



Annexure 3 – Rural Sales

Address	Zoning	Sale Date	Sale Price (Exc. GST)	Land Area (ha)	Improved \$/m ²	Land Value \$/m ²
195 East Parade, Buxton	RU4	1 Aug 23	\$857,764	1.88	\$46	\$40
52 Blackburn Rd, Wedderburn	C3	14 Jun 23	\$1,465,000	2	-	\$73
95 Hassall Rd, Buxton	RU2	5 Jan 23	\$1,602,000	2	\$80	\$60
260 Douglas Park Dr, Douglas Park	RU2	2 Dec 22	\$1,750,000	4.11	\$43	\$40
80 Ashwood Rd, Wilton	RU2	26 Sep 23	\$1,640,000	14.2	-	\$12
200 Appin Road, Appin	RU2	23 Dec 23	\$2,800,000	2.5	\$112	\$80



9 May 2024

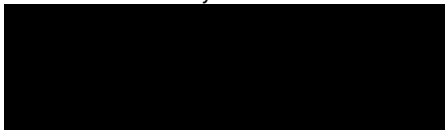
Ahmad Ali
Senior Development Manager
Walker Corporation
Level 21, Governor Macquarie Tower
1 Farrer Place, Sydney NSW 2000
[REDACTED]

Dear Ahmad

DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024
INDEPENDENT COST PEER REVIEW

Thank you for the opportunity to carry out an Independent Cost Peer Review of the Wollondilly Shire Council – Appin Growth Area Contributions Plan 2024 and accompanying Appin Contributions Plan Quantity and Cost Estimation Report prepared by Altus Group. Please find enclosed our Peer Review report.

Yours faithfully



SAM MENDOZA
National Director
WT REF: PR-015348



DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024

INDEPENDENT COST PEER REVIEW

9 May 2024

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CONTACT

DETAIL	DESCRIPTION
Name of Company/Trading Name	WTP Australia Pty Ltd
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Name of Representative	Sam Mendoza
Position	National Director
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DOCUMENT STATUS	NAME	DATE
PREPARED BY	Ryan Worthington	09/05/2024
REVIEWED BY	Sam Mendoza	09/05/2024
E-SIGNATURE APPROVED		

REVISION NO.	REVISION DATE	DRAFT.FINAL
1	09/05/2024	DRAFT

1 EXECUTIVE SUMMARY

The Draft Appin Growth Area Contributions Plan 2024 has been prepared by the Wollondilly Shire Council to enable developers of land in the Wollondilly Shire Council to make a monetary contribution to help meet the cost of providing the local infrastructure in precincts over the next 30 years.

WT has been appointed by Walker Corporation to provide an independent cost peer review of the rates prepared by Altus Group and used by the Wollondilly Shire Council in their Draft Appin Growth Area Contributions Plan 2024 and provided in the report named 'Professional Services for Appin Contributions Plan Quantity and Cost Estimation for Wollondilly Shire Council' dated 17 November 2023.

Whilst WT has not carried out a full peer review of the aforementioned report, we have assessed the cost rates included for reasonableness. Please see Section 5 of this Report for a more detailed analysis of the cost rates.

The key cost rates differences between the Altus Group Report and our own database are summarised below:

DESCRIPTION	ALTUS RATE	WT RATE	DIFFERENCE
Roads and Transport Infrastructure Items			
22.8m wide collector road (l/m)	\$11,238	\$8,961	\$2,277
Signalised intersection 2 lanes – 4way (each)	\$1,805,000	\$1,113,800	\$691,200
4 leg – 2 lane roundabout – greenfield (each)	\$869,000	\$543,200	\$325,800
2.5m wide concrete pathway/share way (l/m)	\$1,226	\$918	\$308
Stormwater Management Infrastructure			
Raingarden and Basin (2000m ² /7000m ²) (\$/sqm)	\$290	\$220	\$70
Passive Open Space			
Park with Play Space (\$/sqm)	\$650	\$363	\$287
Active Open Space			
2 Double Playing Field and 8 MPC (\$/sqm)	\$291	\$226	\$65

We note that when comparing Altus Group rates with our own database benchmark, it resulted in Altus Group rates being generally higher than ours, from 5% up to 108%. Moreover, we note in our review that several rates include certain items that are not expected to be part of a local contribution calculation have been included or overly conservative assumptions have been made.

We recommend that a further review of the rates used in the local contribution calculation is to be undertaken, ensuring that assumptions, inclusions, and exclusions are aligned with expectations and output rates aligned with industry benchmarks.

2 DISCLAIMER

This report was prepared by WTP Australia Pty Ltd (WT) for the sole purpose and exclusive benefit of Walker Corporation (the “Client”) for the sole purpose of assisting the Client to assess the proposed contribution costs of the “Draft Appin Growth Area Contributions Plan 2024” (the “Project”). Any use of this report by the Client is subject to the terms and conditions of the contractual agreement between WT and the Client.

This report is meant to be read as a whole, and sections should not be read or relied upon out of context. The report includes information provided by the Client and by certain other parties on behalf of the Client. Unless specifically stated otherwise, WT has not verified such information and disclaims any responsibility or liability in connection with such information.

This report contains the expression of the professional opinion of WT, based upon information available at the time of preparation. The quality of the information, conclusions and estimates contained herein is consistent with the intended level of accuracy as set out in this report, as well as the circumstances and constraints under which this report was prepared.

3 LIMITATIONS

WT has not prepared a full independent cost estimate for comparative review and consequently have not carried out a detailed line-by-line review of the Altus Group report. This report is not to be considered an “Estimated Development Cost (EDC)”.

This report does not include the review of the following:

- Review and suitability of design assumptions,
- Constructability factors,
- Design,
- On-Costs,
- Risk and Contingency, and
- Escalation.

This report has been compiled from information provided to WT by third parties, however WT does not warrant the accuracy of that information. If the information provided to WT is inaccurate or incomplete, then it may invalidate the conclusions and advice in this report.

4 METHODOLOGY

In preparing this report, and to the extent possible from the information available, WT has:

- Taken receipt of and reviewed documentation,
- Reviewed the cost estimates and cost rates, including:
 - Information and assumptions: reviewed the report and specifications to determine if and what assumptions have been made in the preparation of the cost rates.
 - Quantities: WT has not reviewed the quantities included in the report.
 - Rates: WT has undertaken an independent review of the cost rates to verify their reasonableness.

WT has not prepared an independent cost estimate for comparative review.

In carrying out our review, we have utilised our own in-house benchmark database including supplier's quotes, tender returns, and our own first-principles build-ups.

4.1 DOCUMENTATION USED

The documentation provided to WT includes:

- Wollondilly Shire Council – Draft Appin Growth Area Contributions Plan 2024
- Altus Group – Professional Services for Appin Contributions Plan Quantity and Cost Estimation for Wollondilly Council – dated 17 November 2023

5 DETAILED REVIEW

Greater Macarthur Growth Area (GMGA) was identified by the NSW Government and declared as such in December 2019. Appin Growth Area is part of the GMGA and located towards the north-east corner of the Wollondilly LGA and is the southernmost land release precinct of the GMGA.

The Draft Contributions Plan has been prepared by Wollondilly Shire Council to accommodate the provision of infrastructure in a timely fashion.

The capital costs for the transport, stormwater, open space, recreation, and community facility infrastructure used for the contributions' calculation have been prepared by Altus Group on behalf of the Wollondilly Shire Council.

WT has been appointed by Walker Corporation to provide an independent cost peer review of the rates prepared by Altus Group and used by the Wollondilly Shire Council in their Draft Appin Growth Area Contributions Plan 2024 and provided in the report named 'Professional Services for Appin Contributions Plan Quantity and Cost Estimation for Wollondilly Shire Council' dated 17 November 2023.

The Section below describes the key differences found in the analysis of the build-up of rates provided in the Altus Group report. This is not a line-by-line comparison and therefore not all the rates are shown.

5.1 ROADS AND TRANSPORT INFRASTRUCTURE

The following rates are part of the Roads and Transport Infrastructure as per Altus Group Report:

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
19.8m new local road with WSDU	\$9,085	\$7,833	\$1,252	16%
22.m wide collector road	\$11,238	\$8,961	\$2,277	25%
Upgrade to collector road	\$6,720	\$8,891	-\$2,171	-25%
Signalised intersection 2 lanes – 4way	\$1,805,000	\$1,113,800	\$691,200	62%
4leg - single lane roundabout - in urban	\$754,000	\$521,200	\$232,800	45%
4leg - 2 lane roundabout - in greenfield	\$869,000	\$543,200	\$325,800	60%
2.5m wide concrete pathway/share way	\$1,226	\$918	\$308	34%
Bus shelter	\$31,000	\$ 33,388	-\$2,388	-7%
2-lane bridge at Broughton Pass	\$495,000,000	N/A *note	N/A	N/A

When reviewing the build-up of the rates in detail, the following is noted:

- **Supply and place 250mm DGS20 sub-base @ \$324 per l/m.** This allowance is found significantly higher than benchmark with our rate per l/m sitting at \$233.
- **Supply and place 150mm DGB20 base course @ 252 per l/m.** This allowance is found significantly higher than benchmark with our rate per l/m sitting at \$167.

- **Supply and place single coat bitumen primer seal 10mm thick @ \$108 per l/m.** This rate is found significantly lower than benchmark with our rate per l/m sitting at \$270.
- **Line-marking at \$60 per l/m** is found to be above our benchmark rate of \$32 per l/m.
- **Shared Services Trenching at \$1,802 per l/m** is found above our benchmark rate of \$1,100 per l/m.
- **2.5m-wide Shared Path at \$671 per l/m.** This rate is found above our benchmark rate of \$548 per l/m (including kerbs).
- **We note that 3m-wide driveways have been included,** however we note that driveways don't usually get delivered as part of a road construction and typically placed on the purchaser of the lots and therefore it should not be included in the contribution calculation.
- **There seems to be significant differences with our benchmark in the allowances included for Road Surfaces and Traffic Signals within the Signalised Intersections,** however since a build-up has not been included, we cannot assess in detail.
- **6m diameter trafficable concrete roundabout at \$40,000** is found significantly above benchmark. Our allowance of \$16,800 includes \$280 per m² for the concrete which suggest that Altus allowance is closer to \$550 per m².
- **The key difference in the 2.5m concrete pathway is driven by the 75mm FCR base course at \$208 l/m** which is found significantly above benchmark with our rate sitting at \$75 l/m.
- **The build-up provided for the 2-lane bridge over gorge at Broughton Pass does not equal to the total provided. The build-up equates to \$245,510,000 whilst the table total equates to \$495,000,000.** Therefore, WT has not been able to carry out an assessment of this cost and we recommend Council to re-estimate this element.

5.2 STORMWATER MANAGEMENT INFRASTRUCTURE

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
BAU-Scenario 2	\$1,881,322	\$902,412	\$978,910	108%
BAU-Scenario 3	\$2,038,876	\$982,336	\$1,056,540	108%
BAU-Scenario 4	\$1,843,034	\$888,891	\$954,143	107%
WSUD-Scenario 2	\$1,519,547	\$736,384	\$783,163	106%
WSUD-Scenario 3	\$1,843,695	\$1,040,764	\$802,931	77%
WSUD-Scenario 4	\$2,140,719	\$999,971	\$1,140,748	114%
Vegetated swale for infiltration	\$350	\$300	\$50	17%
Separate raingarden	\$500	\$280	\$220	79%
Detention basin with landscaping	\$220	\$210	\$10	5%
Raingarden and basin (2000m ² /7000m ²)	\$290	\$220	\$70	32%

When reviewing the build-up of the rates in detail, the following is noted:

- **The BAU-Scenario and WSUD-Scenario have been difficult to assess due to the lack of detail.** Where possible, we tried to do a valid side-by-side comparison of the rates but in many cases the rates are provided as “1 item” or lump-sums and therefore unable to ensure we are providing a valid comparison.
- **The separate raingarden rate is provided at \$500 per square metre,** our benchmark rate sits at \$280 per square metre.

5.3 COMMUNITY FACILITIES

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
Indoor Recreation Facility	\$34.3M	\$30.8M	\$3.5M	12%
Library / District Community Hub	\$40.0M	\$32.2M	\$7.8M	24%
Local Multi-Purpose Community Centre	\$2.8M	\$2.3M	\$0.5M	22%
Upgrade of Existing Community Hall	\$0.85M	\$0.75M	\$0.09M	13%

5.4 OPEN SPACE

DESCRIPTION	ALTUS RATE	WT RATE	DELTA	% HIGHER
Park with Play Space (5,000sqm)	\$3,248,215	\$1,816,845	\$1,431,370	79%
<i>Rate per square metre</i>	<i>\$650</i>	<i>\$363</i>	<i>\$287</i>	
Park (Low Embellishment with Play) (5,000sqm)	\$1,199,564	\$846,945	\$352,619	42%
<i>Rate per square metre</i>	<i>\$240</i>	<i>\$169</i>	<i>\$71</i>	
Existing Park Upgrade (5,000sqm)	\$542,576	\$434,695	\$107,881	25%
<i>Rate per square metre</i>	<i>\$109</i>	<i>\$87</i>	<i>\$22</i>	
Park with Play Space and Fitness Station (5,000sqm)	\$5,724,871	\$3,337,525	\$2,387,346	72%
<i>Rate per square metre</i>	<i>\$1,145</i>	<i>\$668</i>	<i>\$477</i>	
1 Double-Playing Field and 4 MPC (50,000sqm)	\$13,820,481	\$11,307,470	\$2,513,011	22%
<i>Rate per square metre</i>	<i>\$276</i>	<i>\$226</i>	<i>\$50</i>	
2 Double-Playing Field and 8 MPC (100,000sqm)	\$29,114,484	\$22,550,361	\$6,564,123	29%
<i>Rate per square metre</i>	<i>\$291</i>	<i>\$226</i>	<i>\$65</i>	

AIS Sportsground Upgrade (100,000sqm)	\$3,909,638	\$ 2,267,092	\$1,642,546	72%
<i>Rate per square metre</i>	<i>\$36</i>	<i>\$21</i>	<i>\$15</i>	
Appin Park Upgrade	\$6,335,113	\$ 5,186,625	\$1,148,488	22%
<i>Rate per square metre</i>	<i>\$142</i>	<i>\$116</i>	<i>\$26</i>	

When reviewing the build-up of the rates in detail, the following is noted:

- **Playset Equipment and Installation is priced at \$396,900 each with two or three of them being allowed per park.** There are no details of the playset allowed but we note that this allowance sits at the higher range of the typical playset installation. We believe that details should be provided as what type of equipment is allowed to form the basis of the contribution calculation.
- **Paved Areas (asphalt, pedestrian) are priced at \$397 per square metre** which sits above our benchmark range of \$220 per square metre.
- **Steel post and mesh has been allowed for 200 meters (length) but the quantity actually reflects 2,500 square meters which would equate to a fence of 12.5 meters high.** We believe this assumption to be erroneous and would recommend Council to review Altus assumption.
- **Allowances for signage has been included with up to \$75,000** with no details or substantiation of what is included.
- **Seating bench (aluminium) has been included at \$6,930 each** which is found above expected benchmark.

