

Bronwen Sandland  
The Independent Pricing and Regulatory Tribunal (IPART)  
2-24 Rawson Place,  
Sydney NSW 2000

24 January 2025

Dear Ms Sandland,

**DRAFT APPIN GROWTH AREA CONTRIBUTIONS PLAN 2024 - SUBMISSION  
ON IPART's ASSESSMENT**

Wollondilly Shire Council welcomes the release of the Independent Pricing and Regulatory Tribunals' (IPART) draft assessment of the Appin Contributions Plan (CP). Council's draft CP meets 28 of the 35 assessment criteria. This is good news for Council and the community, which supports our plan to provide vital local infrastructure, such as new parks, community facilities, local roads, cycleways and stormwater management to support new growth area community around Appin.

Council supports all draft recommendations, but one (Recommendation 5), however all recommendations result in no change to local infrastructure to be delivered on the ground.

Providing local infrastructure for a new community comes with significant cost. Council's priority for Appin is to ensure a fully-funded and binding infrastructure plan is in place prior to development proceeding to provide certainty to Council and the Wollondilly community that appropriate infrastructure will be in place as the community grows.

Council will continue to work with IPART to address their recommendations

**Council's Position on Appin**

At its June 2024 meeting, in considering the Draft Appin Growth Area Contributions Plan (the Draft CP), Council reiterated its long-held position that large scale

development in Appin is premature without a fully funded, binding infrastructure plan linked to the delivery of housing. Further council notes that such plans continue to not be in place.

A Contributions Plan is inextricably linked with the broader planning frameworks for Appin, specifically:

- The State Infrastructure Sequencing and Funding Strategy, set out in the Infrastructure Opportunities Plan, that must be finalised and published by the Department. State VPA(s) is also we understand being negotiated with the Department to provide certainty on state infrastructure delivery, and it is critical local infrastructure will need to align with this. To date Council has not been provided any of these documents.
- TMAP for the whole Growth Area to be finalised and endorsed by DPHI and TfNSW, providing clarity on required transport infrastructure, timing of delivery and funding.
- Development Control Plan (DCP) and Precinct Structure Plan (PSP) for Appin (Part) Precinct to be finalised by the proponent and endorsed by the State Government.
- Rezoning and dwelling yields. Planning Proposals that exceed the dwelling cap in West Appin have already been lodged and a resolution in this matter is needed by the Department. The Department has not yet given resolution to this cap. This issue has significant implications on the scope of infrastructure proposed within this agreement, particularly on facilities serving the broader Growth Area.
- Stormwater Management Strategy for the whole precinct to be finalised, detailing infrastructure items as well as their management and maintenance schedules. This will give enable Council better understand the scope of future assets being proposed to be transferred.
- Wastewater management and recycled water. If a recycled water network is anticipated, there must be sufficient open space or landscaping available for irrigation and use of that water, noting that bushland does not count towards this land requirement.
- Asset Dedication to be consistent with Council's adopted policy framework.
- Ownership and management of Cultural heritage lands be taken on by State and First nations authorities.

Rates income or other sources will continue to be the main source of operational funds for the community's needs. It is well and truly time for the Minister to amend the Essential List, to permit the \$90M capital cost of local community facilities required for the Appin growth area to be levied in Contributions Plan.

Council expresses its deep concern that important and necessary State-led infrastructure such as a replacement link for Broughton Pass may fall through the gaps between local contribution plan and what is provided for within the future state contribution plan, leading to critical infrastructure either not being provided at all, or not being provided to the community in a timely manner.

### **IPART Assessment Process**

Council appreciates the extensive work undertaken to assess the draft contributions plan that aims to fund and deliver the appropriate infrastructure the future community will need in Appin Growth Area.

Council has taken note that, according to IPART, the plan meets most of the 2019 Practice Note criteria even though there exists a level of uncertainty as supporting documentation, to be finalised by the State Government as the planning authority of this area, is not yet available.

The Council will receive a further report upon receipt of IPART recommendations to the NSW Minister for Planning and Public Spaces, and after receiving the Minister's directions in relation to that assessment of the Draft Appin Growth Area Contributions Plan.

### **Comment on Draft Recommendations**

Recommendation No. 1: *Before the council next submits the Appin CP to IPART, that the council reviews the scope and costs of stormwater infrastructure.* Recommendation noted. This recommendation does not require Council's immediate action, but is rather relevant for future revisions of the CP.

Recommendation No. 2: *That the council adjust the work schedule to correct transport road lengths.* Council provided updated transport road lengths in its October RFI to points 2a to 2e. We do expect the final quantity of bus shelters under 2f to be located at 400m intervals based on our October response.

Recommendation No. 3: *That the council develops tailored rates per square meter for each size and type of open space infrastructure item included in the CP.* Council appreciates IPART recommendation to develop tailored rates per square meter for each size and type of open space infrastructure. Council has undertaken detailed review of costs of works each category of open space. The output of draft recommendations 3 and 4 are combined in the table below (Recommendation No. 4).

Recommendation No. 4.: *That Council considers the analysis outlined in this Draft Report and revises, embellishment quantities (i.e. amounts of play equipment, etc.), and the scope and cost of open space works.*

Related to draft recommendation 3, Council has undertaken a further review of open space works. However, it is to be noted that given to fixed items, the costs of works rate per sqm does not vary much from one park size to another, with the result that smaller parks have a higher works rate per sqm. the obtained. Council compared the cost of work estimated for the Appin CP not only against the tender's sought, but also against cost estimates that developers have lodged for parks DA approvals.

Council considers that the costs accurately reflect current construction prices in the area, helping to prevent any funding gap when these works are undertaken. While the works represent base-level embellishments, they are designed to meet the needs of the future Appin community, ensuring that parks are fit for purpose and that embellishment standards are maintained over time.

Council also notes that IPART is updating its 2014 and 2021 benchmark costs and hopes the information lodged by WSC results in a database that more accurately reflects actual construction costs.

Item	Rates Lodged to IPART	Rates with Draft IPART Recommendations 3 & 4
Park with Play Space - 5,000m2	\$ 417	\$ 342
Park with Play Space - 4,000 m2		\$ 360
Park with Play Space - 3,000 m2		\$ 381
Park (Low Embellishment Without Play Space)- 5,000m2	\$ 174	\$ 156
Park (Low Embellishment Without Play Space)- 4,000m2		\$ 160
Park with Play Space and Fitness Station - 5,000m2	\$ 493	\$ 412
Park with Play Space and Fitness Station - 4,000 m2		\$ 427
Park with Play Space and Fitness Station - 3,000 m2		\$ 453
Medium Local Open Space - 50,000 m2		\$ 191
Medium Local Open Space - 40,000 m2		\$ 202
Medium Local Open Space - 20,000 m2		\$ 252
1 Double Playing Field and 4 Multipurpose Courts	\$ 266	\$ 246
2 Double Playing Field and 8 Multipurpose Courts	\$ 281	\$ 240

Council also appreciates IPART acknowledging that Voluntary Planning Agreements (VPAs) may be entered with the major developers in the Appin Growth Area, wherein instances of economies of scale could be achieved by developers to reduce works costs in favour of levied contributions at the amount stipulated in the plan. This is in line with the fact that about 116 ha of open spaces is located within 3 main landholdings, representing about 83% of the total local open space to be dedicated to Council.

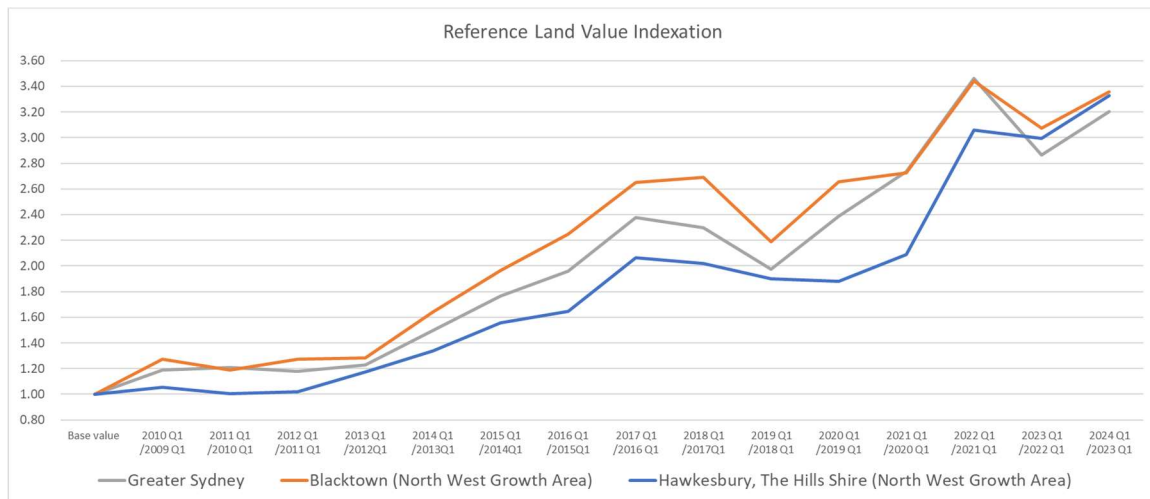
The below table shows the quantity and % of local open space per release area.

Release Area	Open Space (ha)	% Landholding
Appin (Part) Precinct 1	89	64%
North Appin Planning Proposal	26	18%
North Appin Remaining Land	1	1%
<b>Sub-Total - Major landholdings</b>	<b>116</b>	<b>83%</b>
Remaining Fragmented Land	24	17%
<b>Total (Ha)</b>	<b>139</b>	<b>100%</b>

Recommendation No. 5: *That the council consider developing a bespoke Land Value Index (LVI) for the Appin Growth Area, opting for one of the North West Growth Area indexes, or proposing a functional alternative to help ensure that land acquisition costs are as reflective of market value as possible.*

Council disagrees with the draft recommendation and considers the Greater Sydney LVI is the most appropriate land index. We are concerned that, at great cost to the developers paying to administer the Plan, there would not be sufficient input information to develop a bespoke LVI for Appin GA, which leads us to utilise an existing and publicly available index.

Council has undertaken a comparison of Land Value Indexes (LVIs) for the North West Growth Area against those for Greater Sydney. This analysis was performed by applying a base value of \$1 and indexing it over the past 14 years, as a comparison, resulting in the following outcomes.



Utilising a product intended for the North West Sector and that does not to reflect the CP is ultimately confusing and ineffective for users and customers of the Plan. Council considers the Greater Sydney LVI to be the most appropriate free, trusted and publicly accessible LVI for use in its Contributions Plan. Over the past 14 years, its variation has consistently remained between the higher and lower extremes observed in the other two regions and, on balance, remains the most appropriate LVI for Wollondilly.

**Recommendation No. 6:** *‘That the council should include a land acquisition allowance for the purposes of land acquisition under the Land Acquisition (Just Terms Compensation) Act 1991.’*

This is consistent with other contributions plans assessed by IPART, like the Orchard Hills North and the Lowes Creek Maryland (LCM) CP,

Under the Land Acquisition (Just Terms Compensation) Act 1991, Council has calculated an allowance of 5% of total land acquisition costs for heads of land acquisition compensation. where the majority of the land to be acquired is in large land holdings and only a small percentage in fragmented holdings.

**Recommendation No. 7:** *‘That the council update the cost of plan administration to be 1.5% of the revised total works cost.’*

Recommendation noted and considered appropriate to applied to the final value of total works costs.

**Recommendation No. 8:** *‘That the council revise the allocation of commercial land in the Appin CP to be commensurate with an expected additional population of*

55,950, and update the apportionment and contribution rates to reflect the revised allocation of commercial land.

Recommendation noted and considered appropriate to apply, as outlined in Council's October's 2024 RFI response.

Recommendation No. 9: *That the council use an ABS PPI to apply to the base contribution rates at the time of payment for each specific category of works, to more accurately reflect movements in the cost of works over time.*

Noting that IPART's recommendation aims to avoid future funding gaps. Council raise has no objection to this recommendation being included in the final report.

Recommendation No. 10: *'That the council update the plan as and when relevant supporting documentation and actual cost values become available.'* Recommendation accepted. Council notes that this recommendation does not require immediate action, but is rather relevant for future revisions of the plan lodged to IPART.

Recommendation No. 11: *'The council should make adjustments for any grant funding received for infrastructure in the plan, following the adoption of the plan.'* Recommendation accepted. Council notes that this recommendation does not require immediate action, but is rather relevant for future revisions of the plan lodged to IPART.

### Impact of Recommendation

Considering all the various recommendations, if accepted, will result of the following impacts to costs;

Item	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Variation		Comments
			\$M	%	
Open Space	\$1,130,264,918	\$975,569,803	-\$155	-14%	Costs if draft recommendations 3, 4 and 6 accepted
Roads and Transport	\$106,778,912	\$86,245,517	-\$21	-19%	Road lengths adjusted and costs with land acquisition allowance (Draft Recommendations 2 and 6)
Stormwater Facilities	\$271,590,267	\$274,397,705	\$3	1%	Cost with land acquisition allowance (Draft Recommendation 6)

Community Facilities	\$12,750,000	\$13,516,433	\$1	5%	Cost with land acquisition allowance (Draft Recommendation 6)
Plan Management and Administration	\$13,934,940	\$11,008,663	-\$3	-21%	Figure updated if draft Recommendation 7 accepted.
<b>TOTAL</b>	<b>\$1,535,319,038</b>	<b>\$ 1,360,738,120</b>	<b>-\$ 175</b>	<b>-11%</b>	

The draft recommendations will result in the following impacts on provision;

Item	Provision Lodged to IPART	Provision with Draft IPART Recommendation	Provision Change	
			Rate	%
Open Space	139 ha	139 ha	0 ha	0%
Roads and Transport	7 km	5.9 km	- 1.1 km	-15%
Stormwater Facilities	58 ha	58 ha	0 ha	0%
Community Facilities	5.8 ha	5.8 ha	0 ha	0%
Plan Management and Administration	1.5% of Works Costs	1.5% of Works Costs	0	0%

I look forward to ongoing collaboration to achieve an outcome that supports sustainable growth and public benefit.

Please feel free to reach out if further discussion on these matters is required.

Yours faithfully,

Ron Dowd  
**Contributions Planning Team Leader**  
**Financial Services**



Summary Rates - Comparison	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Cost Lodged to IPART	Cost with Draft IPART Recommendation
Local Infrastructure Items	per person		per final lot or dwelling house, dual occupancy dwelling, rural workers dwelling		per semi detached dwelling, attached dwelling, multi dwelling housing, manor home dwelling		per apartment, residential flat building, or shop top housing		per seniors living self contained dwelling		per secondary dwelling, studio dwelling		per hectare of non-residential development	
<b>Open Space</b>														
Land	\$ 9,110	\$ 9,567	\$ 28,241	\$ 29,658	\$ 23,686	\$ 24,875	\$ 20,042	\$ 21,048	\$ 13,665	\$ 14,351	\$ 9,110	\$ 9,567		
Works	\$ 11,090	\$ 7,870	\$ 34,379	\$ 24,397	\$ 28,834	\$ 20,462	\$ 24,398	\$ 17,314	\$ 16,635	\$ 11,805	\$ 11,090	\$ 7,870		
<b>Sub total</b>	<b>\$ 20,200</b>	<b>\$ 17,437</b>	<b>\$ 62,620</b>	<b>\$ 54,055</b>	<b>\$ 52,520</b>	<b>\$ 45,337</b>	<b>\$ 44,440</b>	<b>\$ 38,362</b>	<b>\$ 30,300</b>	<b>\$ 26,156</b>	<b>\$ 20,200</b>	<b>\$ 17,437</b>		
<b>Roads and Transport</b>														
Land	\$ 413	\$ 313	\$ 1,281	\$ 971	\$ 1,074	\$ 814	\$ 909	\$ 689	\$ 620	\$ 470	\$ 413	\$ 313	\$ 18,098	\$ 12,946
Works	\$ 1,488	\$ 1,221	\$ 4,613	\$ 3,786	\$ 3,869	\$ 3,175	\$ 3,274	\$ 2,687	\$ 2,232	\$ 1,832	\$ 1,488	\$ 1,221	\$ 65,161	\$ 50,563
<b>Sub total</b>	<b>\$ 1,901</b>	<b>\$ 1,534</b>	<b>\$ 5,894</b>	<b>\$ 4,757</b>	<b>\$ 4,943</b>	<b>\$ 3,989</b>	<b>\$ 4,183</b>	<b>\$ 3,376</b>	<b>\$ 2,852</b>	<b>\$ 2,302</b>	<b>\$ 1,901</b>	<b>\$ 1,534</b>	<b>\$ 83,259</b>	<b>\$ 63,509</b>
<b>Stormwater Facilities</b>														
Land	\$ 832	\$ 882	\$ 2,580	\$ 2,735	\$ 2,164	\$ 2,294	\$ 1,831	\$ 1,941	\$ 1,248	\$ 1,323	\$ 832	\$ 882	\$ 36,416	\$ 36,459
Works	\$ 4,004	\$ 4,005	\$ 12,413	\$ 12,416	\$ 10,411	\$ 10,413	\$ 8,809	\$ 8,811	\$ 6,006	\$ 6,008	\$ 4,004	\$ 4,005	\$ 175,351	\$ 165,603
<b>Sub total</b>	<b>\$ 4,836</b>	<b>\$ 4,887</b>	<b>\$ 14,993</b>	<b>\$ 15,151</b>	<b>\$ 12,575</b>	<b>\$ 12,707</b>	<b>\$ 10,640</b>	<b>\$ 10,752</b>	<b>\$ 7,254</b>	<b>\$ 7,331</b>	<b>\$ 4,836</b>	<b>\$ 4,887</b>	<b>\$ 211,767</b>	<b>\$ 202,062</b>
<b>Community Facilities</b>														
Land	\$ 230	\$ 246	\$ 713	\$ 763	\$ 598	\$ 640	\$ 506	\$ 542	\$ 345	\$ 369	\$ 230	\$ 246		
Works	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
<b>Sub total</b>	<b>\$ 230</b>	<b>\$ 246</b>	<b>\$ 713</b>	<b>\$ 763</b>	<b>\$ 598</b>	<b>\$ 640</b>	<b>\$ 506</b>	<b>\$ 542</b>	<b>\$ 345</b>	<b>\$ 369</b>	<b>\$ 230</b>	<b>\$ 246</b>		
<b>Other</b>														
Plan Management and Administration	\$ 250	\$ 198	\$ 713	\$ 763	\$ 650	\$ 515	\$ 550	\$ 436	\$ 375	\$ 297	\$ 250	\$ 198	\$ 3,608	\$ 3,243
<b>TOTAL</b>	<b>\$ 27,417</b>	<b>\$ 24,302</b>	<b>\$ 84,933</b>	<b>\$ 75,489</b>	<b>\$ 71,286</b>	<b>\$ 63,188</b>	<b>\$ 60,319</b>	<b>\$ 53,468</b>	<b>\$ 41,126</b>	<b>\$ 36,455</b>	<b>\$ 27,417</b>	<b>\$ 24,302</b>	<b>\$ 298,634</b>	<b>\$ 268,814</b>

Item	Cost Lodged to IPART	Cost with Draft IPART Recommendation	Variation		Comments
			\$M	%	
<b>Open Space</b>					
Land	\$509,725,000	\$ 535,211,250	\$ 25	5%	Cost with land acquisition allowance (Draft Recommendation 6)
Works	\$620,539,918	\$ 440,358,553	-\$ 180	-29%	Costs with tailored rates for OS size and type; and consideration OS scope (Draft recommendations 3 and 4)
<b>Sub total</b>	<b>\$1,130,264,918</b>	<b>\$ 975,569,803</b>	<b>-\$ 155</b>	<b>-14%</b>	
<b>Roads and Transport</b>					
Land	\$23,210,000	\$ 17,580,360	-\$ 6	-24%	Road lengths adjusted and costs with land acquisition allowance (Draft Recommendations 2 and 6)
Works	\$83,568,912	\$ 68,665,157	-\$ 15	-18%	
<b>Sub total</b>	<b>\$106,778,912</b>	<b>\$ 86,245,517</b>	<b>-\$ 21</b>	<b>-19%</b>	
<b>Stormwater Facilities</b>					
Land	\$46,703,160	\$ 49,510,597	\$ 3	5%	Cost with land acquisition allowance (Draft Recommendation 6)
Works	\$224,887,107	\$ 224,887,107	\$ -	0%	
<b>Sub total</b>	<b>\$271,590,267</b>	<b>\$ 274,397,705</b>	<b>\$ 3</b>	<b>1%</b>	
<b>Community Facilities</b>					
Land	\$12,750,000	\$ 13,516,433	\$ 1	5%	Cost with land acquisition allowance (Draft Recommendation 6)
Works	\$0	\$ -	\$ -	-	
<b>Sub total</b>	<b>\$12,750,000</b>	<b>\$ 13,516,433</b>	<b>\$ 1</b>	<b>5%</b>	
<b>Other</b>					
Plan Management and Administration	\$13,934,940	\$ 11,008,663	-\$ 3	-21%	Cost updated (Draft Recommendation 7)
<b>TOTAL</b>	<b>\$1,535,319,038</b>	<b>\$ 1,360,738,120</b>	<b>-\$ 175</b>	<b>-11%</b>	