

ITEM 3

DRAFT WEST DAPTO DEVELOPMENT CONTRIBUTIONS PLAN (2020) POST EXHIBITION

On 24 June 2019 Council endorsed the Draft West Dapto Development Contributions Plan (2020) for exhibition, and it was exhibited between 29 June and 2 August 2019 (late submissions were accepted up until Friday 16 August). A total of 33 submissions were received.

This report provides a summary of key issues raised in the submissions (see Attachment 1) and recommends that the Draft 2020 Plan, as exhibited along with full copies of all submissions be submitted to IPART for review.

RECOMMENDATION

- 1 The key issues raised in submissions be noted.
- 2 The Draft West Dapto Development Contributions Plan (2020) be submitted to IPART (as exhibited) along with full copies of all submissions received for independent review.
- 3 A report be presented back to Council with the IPART recommendations and NSW Minister for Planning's advice in relation to the finalisation of the 2020 Plan. The report will clearly outline how all public submissions have been considered and responded to during preparation of the final 2020 Plan.

REPORT AUTHORISATIONS

Report of: David Fitzgibbon, Manager City Strategy (Acting)
Authorised by: Chris Stewart, Director Planning and Environment - Future City and Neighbourhoods (Acting)

ATTACHMENTS

- 1 Summary of submissions

BACKGROUND

The current adopted West Dapto Section 94 Development Contributions Plan 2017 (2017 Plan) came into force following review by the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) and advice from the Minister for Planning.

A minor amendment to the 2017 Plan was endorsed by Council on 27 May 2019, exhibited during July, and will be reported back to Council seeking adoption on 2 September 2019.

This report relates to the broader review of the 2017 Plan, as recommended by IPART. The Draft West Dapto Development Contributions Plan 2020 (Draft 2020 Plan) is the first biennial review of the 2017 Plan. On 24 June 2019, the Draft 2020 Plan was endorsed by Council for exhibition and subsequent submission to IPART for review. Council resolved that -

- 1 *The advice from the NSW Department of Planning and Environment dated 17 January 2019 be noted.*
- 2 *The Draft West Dapto Development Contributions Plan 2020 be endorsed for exhibition for a minimum period of 28 days.*
- 3 *Following exhibition and consideration of any submissions, the Draft 2020 Plan be updated to incorporate any relevant post exhibition amendments and submitted to the Independent Pricing and Regulatory Tribunal (IPART) for review, noting that the outcome of this review will be in the form of recommendations to the NSW Minister for Planning.*
- 4 *That a report be presented back to Council with the IPART recommendations and NSW Minister for Planning's advice in relation to the adoption of the 2020 Plan.*

The Draft 2020 Plan was exhibited from 29 June to 2 August 2019. Late submissions were accepted up until Friday 16 August. A total of 33 submissions were received as a consequence of the exhibition process (see summary at Attachment 1).

The majority of submissions were received from landowners in Stages 4 and 5 in relation to the proposed continued levying of one flat contribution rate across all stages, rather than separate contribution rates for each stage, or separate contribution rates for stages 1-3 & 4-5 referred to in the 2016 IPART Report (i.e. recommendation 29). The 24 June 2019 Council Report, and specifically Attachment 2 of that report, detailed how this recommendation was considered and the reasons for the flat rate position put forward in the Draft 2020 Plan.

Other issues raised in submissions were -

- Proposed (indicative) location of open space (specifically Item OS25);
- Increased cost for Duck Creek Enhanced Storage Area (Item SM06);
- The high level and cost of transport infrastructure being proposed;
- A perceived conflict of interest with regard to Council's land holdings in Stages 1-3;
- Potential impacts of road NR40 on a heritage listed house;
- Impact of the proposal to levy the full per lot/dwelling rate on small dual occupancy development;
- The proposed levying of secondary dwellings;
- Reduced information provided (as opposed to 2017 Plan);
- Contribution rate is high when compared to land values;
- Design and cost of road infrastructure through Industrial land within stages 1&2;
- Consider alternative funding mechanisms to accelerate Marshall Mount Town Centre;
- Alignment of infrastructure with adopted Neighbourhood Plans and WLEP 2009;
- Providing credits for stormwater management where detention basins are provided;
- Combined impact of State removal of a cap on local development contributions, including the phase of the State's Local Infrastructure Growth Scheme (LIGS) as well as general uncertainty regarding State Infrastructure Contributions.

In addition to the above submissions, it should be noted that -

- A submission on the Draft 2017 Plan (minor amendment) raised the issue of how secondary dwellings are levied. This was not resolved as part of the finalisation of the Draft 2017 Plan and will be further considered as part of the Draft 2020 Plan post exhibition and IPART process.

PROPOSAL

The IPART review process will provide an open, transparent and third party review of the Draft 2020 Plan and all issues raised in submissions. The Department of Planning, Industry and Environment 2019 Practice Note highlights that the involvement of the Independent Pricing and Regulatory Tribunal in the implementation of the local infrastructure contributions system continues to bring enhanced transparency and accountability to the system through an independent assessment of local infrastructure contributions plans.

This IPART independent review process is also considered important due to Council's landholder interest in West Dapto.

It is therefore proposed that the submissions be noted by Council and that the Draft 2020 Plan and full copies of submissions are submitted to IPART so the independent review process can commence. This is consistent with the 24 June 2019 Council Resolution and all statutory requirements.

It is important to note that there will be further opportunity for stakeholder input to the IPART process, which will occur prior to Council adoption of the 2020 Plan. The steps to finalise the Draft 2020 Plan (post Council exhibition) are proposed as follows -

- IPART reviews draft 2020 Plan and considers submissions
- IPART to publish draft recommendations for public comment
- IPART finalise and publish recommendations, which are also made to the Minister for Planning
- Minister for Planning provides advice to Council
- Council considers final 2020 Plan consistent with Minister for Planning advice

CONSULTATION AND COMMUNICATION

Internal:

Relevant officers and managers within Land Use Planning, Urban Release, Finance and other teams as required have been involved throughout the process of preparing and exhibiting the Draft 2020 Plan.

External:

Both IPART and the Department of Planning, Industry and Environment (DPIE) have been consulted throughout the process of preparing the Draft 2020 Plan.

The Draft 2020 Plan was exhibited between 29 June and 2 August 2019. 33 submissions were received. Late submissions were accepted until Friday 16 August 2019.

The following briefings were provided during the exhibition period -

- 5 July 2019 a presentation was provided to the Illawarra-Shoalhaven Urban Development Program Committee meeting.
- 10 July 2019 a presentation was provided at the Neighbourhood Forum 8 meeting.
- 24 July 2019 a presentation was provided at the UDIA meeting.
- 12 August 2019 the General Manager and Director Planning & Environment (Acting) met with the Property Council and UDIA.

Urban Release and Land Use Planning staff continue to be available to discuss specific comments / issues with individual submitters and interested parties.

Council officers will continue to work with IPART throughout the review process to ensure that all submissions are adequately considered.

PLANNING AND POLICY IMPACT

This report contributes to the delivery of Our Wollongong 2028 goal “We have an innovative and sustainable economy”. It specifically delivers on the following:

Community Strategic Plan	Delivery Program 2018-2021	Operational Plan 2019-20
Strategy	3 Year Action	Operational Plan Actions
2.1.5 West Dapto urban growth is effectively managed to balance employment and population growth	2.1.5.1 Continued to implement the infrastructure Delivery Program to support the West Dapto Urban Release Area	Continue to implement the Infrastructure Delivery Program to support the West Dapto Urban Release Area

RISK ASSESSMENT

Council is committed to biennial review of the 2017 Plan consistent with IPART’s October 2016 recommendation 40, which recommended that the Plan be reviewed at least every two years during the next 10 years.

On 1 July 2020 the State Government LIGS funding will be removed and it is therefore imperative that Council has an adopted IPART reviewed contributions plan to ensure it can continue to levy more than the \$30,000 cap amount.

To ensure the 2020 Plan is adopted before 1 July 2020, the Draft 2020 Plan needs to be submitted to IPART as soon as possible, to allow the independent review process to commence. Council staff understands that this process is likely to take a minimum of six months.

Should the 2020 Plan not be adopted before 1 July 2020, Council will be limited to levy developments at \$30,000 per lot or dwelling. This would create a financial shortfall of approximately \$22,950.94 for each lot or additional dwelling levied until the 2020 Plan is adopted. Essential infrastructure delivery would also be affected.

FINANCIAL IMPLICATIONS

Development of the West Dapto Urban Release Area will result in significant demands for both state and local infrastructure. The Draft 2020 Plan provides an important mechanism to levy a development contribution toward the cost of providing local infrastructure.

The current 2017 Plan assisted in addressing the risk associated with a shortfall in funding essential local infrastructure to support West Dapto, which was estimated by IPART at the time of their 2016 report to be \$428 million. Finalising this Draft 2020 Plan will further address the risk by ensuring that the full cost of local infrastructure eligible to be funded under Section 7.11 can be funded through development contributions and/or LIGS funding after 1 July 2020.

CONCLUSION

The West Dapto Development Contributions Plan is a key document for the Urban Release Area as it provides the mechanism to collect development contributions to fund essential local infrastructure required to support new development in the future communities.

It is recommended that the 33 submissions and issues raised be noted and that in accordance with the 24 June 2019 Council resolution, the Draft West Dapto Development Contribution Plan (2020) and full copies of exhibition submissions be submitted to IPART for independent review. Following the IPART review and advice from the Minister for Planning, the 2020 Plan will be reported back to Council for further consideration and possible adoption. The subsequent report will also clearly outline how all public submissions have been considered and responded to during preparation of the final 2020 Plan.

Summary of Submissions
Draft West Dapto Development Contributions Plan (2020) Post Exhibition

No.	Stakeholder	Summary of key issue(s) raised in submission
1.	Landowner in Stage 4	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages. - Supports and reiterates submission number 18. Not directly informed of the proposed changes or exhibition period. - Not directly informed of the proposed changes or exhibition period.
2.	Landowner in Stage 5	<ul style="list-style-type: none"> - No prior consultation with the landowner regarding the indicative location of a local park on the landowners land; - Supports and reiterates submission number 18.
3.	Landowner in Stage 5	<ul style="list-style-type: none"> - Supports and reiterates submission number 18.
4.	Landowner in Stage 4	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Supports and reiterates submission number 18.
5.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to the payment of Section 94 (7.11) contributions; - Supports and reiterates submission number 18.
6.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises probity concerns in relation to Councils interest in the land; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Supports and reiterates submission number 18.
7.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Supports and reiterates submission number 18.
8.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Raises probity concerns in relation to Councils interest in the land.
9.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Supports and reiterates submission number 18.
10.	Landowner in Stage 4	<ul style="list-style-type: none"> - Supports and reiterates submission number 18.
11.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and

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		<ul style="list-style-type: none"> - infrastructure requirements; - Supports and reiterates submission number 18.
12.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Supports and reiterates submission number 18.
13.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises probity concerns in relation to Councils interest in the land; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Supports and reiterates submission number 18.
14.	Landowner in Stage 4	<ul style="list-style-type: none"> - Raises concern about potential impacts that Road NR40 may have as it runs through a property which has a heritage listed house. - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Mentions that open space provided at Yallah TAFE & Silkari Golf Course has not been considered.
15.	Landowner in Stage 4/5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages;
16.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Supports and reiterates submission number 18.
17.	Representing three landholdings in Stage 5	<ul style="list-style-type: none"> - The level of information provided in document appears to be reduced, specifically in relation to costs; - The residential contribution rate is high in proportion to land values; - It may disincentives and be inequitable to levy small (i.e. 1 bedroom) dual occupancy developments the standard per lot/dwelling rate; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Stormwater management – there is a significantly higher cost for the Duck Creek Enhanced Storage Area (ESA) (SM06); - Objects to a flat contribution rate being levied across all stages and provides detailed responses to the five considerations put forward in the 24 June 2019 council report (Attachment 2). - Raises probity concerns in relation to Councils interest in the land;

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No.	Stakeholder	Summary of key issue(s) raised in submission
18.	Landowner in Stage 5	<ul style="list-style-type: none"> - The maps, structure and formatting of the 2020 Plan differ from the 2017 Plan making it harder to read; - Objects to a flat contribution rate being levied across all stages and that 'despite IPART's clear <i>'recommendation for WCC to split Stages 1 to 3 from Stages 4 and 5 for the purposes of determining contribution rates,' (p101)</i> Council (incorrectly, in our view) chooses to interpret recommendation 29 as a consideration of two options, both of which Council rejects.' Detailed responses to councils 5 considerations in relation to this matter are also provided; - Suggests that costs should be apportioned on a stage by stage basis to increase equitable apportionment; - Raises probity and potential conflict of interest concerns in relation to Councils interest in the land (notes that Council has a commercial interest in stages 1 – 3, and that this is not made explicit in the Plan). Notes that a Probity Plan has been prepared; - Suggests that an independent party should review apportionment of costs in the Plan.
19.	Landowner in Stages 4/5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Raises probity concerns in relation to Councils interest in the land; - Supports and reiterates submission number 18.
20.	Landowner in Stages 1&2	<ul style="list-style-type: none"> - Requests that all options for road design, costings and priorities are reviewed in relation to the Northern Access Road; - Queries the omission of a culvert at the northern end of Paynes Road; - Queries the proposed intersection treatment for West Dapto Road and Sheaffes Road; - Supports reduced Industrial contributions; - Requests detailed review by external industry expert on transport and stormwater costs.
21.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Raises concern regarding traffic generation, including movement of traffic between stages, and infrastructure requirements; - Supports and reiterates submission number 18.
22.	On behalf of Landowner in Stage 5	<ul style="list-style-type: none"> - Supports the reduction in commercial contribution rate and seeks explanation of how that rate was calculated; - Objects to the increase in residential contribution rate due to impact on development cost; - Objects to shared nexus strategy and abandonment of IPART recommendation 29; - Infrastructure costs require further detailed estimates for accuracy (accelerate IPART recommendation 16); - Suggests alternative funding mechanisms are considered to accelerate the development of Marshall Mount Town Centre.

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No.	Stakeholder	Summary of key issue(s) raised in submission
23.	Landowner in Stage 5	<ul style="list-style-type: none"> - Objects to a flat contribution rate being levied across all stages; - Includes the template submission (see submission number 18).
24.	Landowner in Stages 3/4	<ul style="list-style-type: none"> - Suggests that map layers and infrastructure items be updated to align with Wollongong LEP 2009 and adopted Neighborhood Plans (DCP Chapter D16). Specifically, that OS14 include an informal playing field and a wetland detention basin and the riparian corridor watercourse layer be updated; - The Plan should allow credits for construction of detention basins that are provided in the absence of regional detention basins; - Amend clause 2.18 to make it explicit that contributions will not be levied for single dwellings constructed on single lots; - Provide more detail in relation to transport costings.
25.	Gareth Ward MP - representation on behalf of Landowner in Stage 5	<ul style="list-style-type: none"> - A copy of submission number 8 provided with a request for these concerns to be investigated.
26.	Landowner in Stage 4	<ul style="list-style-type: none"> - Supports and reiterates submission number 18.
27.	Landowner in Stage 4	<ul style="list-style-type: none"> - Supports and reiterates submission number 18.
28.	Property Investment Company	<ul style="list-style-type: none"> - The levying of secondary dwellings in relation to planning controls and limitations, the contribution rate as a high proportion to the building cost and provision of affordable housing. Suggests the contribution for secondary dwellings be waived or reduced.
29.	Landowner in Stage 4	<ul style="list-style-type: none"> - Supports and reiterates submission number 18.
30.	Landowner in Stage 4	<ul style="list-style-type: none"> - Supports and reiterates submission number 18.
31.	Property Sector industry group	<ul style="list-style-type: none"> - Impact of contributions cap removal will result in significant increases in contributions (from 2017 rates). This and the State Infrastructure Contribution may have a detrimental impact on investment confidence and development feasibility; - Suggests that the contribution rates be compared to other councils' contributions plans and provides some examples. Notes that the contribution rate is comparable to Sydney growth centers; - Potential reductions in cost could be achieved through reducing the number of roads and signalised intersections, more considered road design, potential reduction in contingencies through detailed design; - Reductions and savings in costs of infrastructure should be made wherever possible, and suggests there may be cost savings of \$200 million, or approximately \$10,000 per dwelling; - Suggests that a review panel be convened to review the cost estimates before the Plan is submitted to IPART.

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No.	Stakeholder	Summary of key issue(s) raised in submission
32.	Property and construction industry representative	<ul style="list-style-type: none"> - The recommendation of IPART and the Minister for Planning to apportion contribution rates based on the infrastructure requirements for each development precinct/stage of release should be adopted; - The detailed costings for each infrastructure category should be provided to IPART; - The transport contribution rate should be split into stage 1-3 and stages 4-5; - The stormwater management rate should be split into stages 1-3 and stages 4-5; - The contingency rates should be reviewed to ensure they are in line with industry best practice; - Reconsider the proposed contribution rates for stages 4-5 to reflect the actual cost of infrastructure in that area and to ensure housing is affordable once the LIGS ends.
33.	Consulting firm	<ul style="list-style-type: none"> - Cost of contributions is comparable to Sydney but high compared to land prices in west Dapto; - The removal of the cap and LIGS funding, and the uncertainty around the SIC, impacts transparency; - Transport infrastructure is beyond what should be funded through Section 7.11, and suggests that many can be removed, increase is not proportional to the increase in other categories, concerned that proposed timing of transport infrastructure delivery may impact on development timeframes; - Clarification is sought on how works in kind will value works delivered and credit received; - Suggests that a panel be established to review contingencies and cost estimates prior to the endorsement of the Plan; - Specific comments are provided on a number of transport items including bridge lengths; - Suggests that the Enhanced Storage Areas are not good value for rate payers and should be removed from the Plan; - Suggests a number of ways in which the infrastructure items, costs and rates can be reduced.