

Ordinary Council Meeting 7 December 2020
ST LEONARDS SOUTH - REVISED DRAFT SECTION 7.11 CONTRIBUTIONS PLAN (RE-EXHIBITION)

Subject: St Leonards South - Revised Draft Section 7.11 Contributions Plan (re-exhibition)
Record No: SU6702 - 65557/20
Division: Environmental Services Division
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Executive Summary

The purpose of this report is to outline the next steps to formalise the St Leonards South draft Section 7.11 Contributions Plan. The Section 7.11 Contributions Plan for the St Leonards South area has been amended to incorporate previous Council resolutions, legislative changes, finalisation of Planning Proposal 25 and supporting documents. Due to the nature of these changes it is recommended that Council re-exhibit the draft Section 7.11 Contributions Plan before it is submitted to the NSW Independent Pricing and Regulatory Tribunal (IPART). As Council has determined to suspend the application of the existing *Lane Cove Section 94 Contributions Plan*, VPAs will be used in the interim for DAs submitted before the IPART adjustment is approved. Given the incentives have been adopted by Council, for administrative efficiency delegation is sought to exhibit the VPA and report to Council the results of the consultation.

Background

On 11 May 2020, Council resolved to amend and endorse Planning Proposal 25. As part of Council's resolution it also resolved, inter alia, the following:

- "E. Amend Planning Proposal 25, DCP and associated documents to reflect A, B, C and D above and submit the revised Planning Proposal 25 to the Minister for Planning and Public Spaces together with updated respective supporting reports and letters in relation to infrastructure support (e.g. Department of Education), being consistent with Council's current position.*
- F. Delegate Authority to the General Manager to update the draft s7.11 Plan having regard to the amended Planning Proposal and seek approval from IPART for the Plan.*
- G. Subject to Ministerial approval of Planning Proposal 25:-
 - a. commence the process to close Canberra Avenue, between River Road at its intersection with Duntroon Avenue to integrate the land into Newlands Park once the section 7.11 Plan funding has been confirmed."**

Following this, the NSW Department of Planning, Industry and Environment finalised the St Leonards and Crows Nest 2036 Plan on 29 August 2020.

The area now has a Special Infrastructure Contributions (SIC) levy of \$15,100 per additional new dwelling to be implemented at the Development Application stage. It is important to note that the SIC does not affect Council's Section 7.11 Contributions Plan because it will not collect funds for the same infrastructure items.

Council's Planning Proposal was gazetted on 31 August 2020 and took effect from 1 November.

Further, on 19 October 2020, Council resolved to:

- 1. Receive a report at the November 2020 meeting on the amended Section 7.11 Contributions Plan for the St Leonards South Residential Precinct, prior to being re-exhibited*

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Staff and Council's consultants have amended the draft Section 7.11 Contribution Plan to reflect Council's 11 May 2020 resolution. However, having regard to the amendments by Council, the amended Draft Section 7.11 Contributions Plan (see **AT-1**) must be re-notified before being formally considered and endorsed by Council.

Discussion

Council's draft Section 7.11 Contributions Plan must be amended to take into account:

- The 11 May 2020 Council report and resolution on St Leonards South,
- Legislative changes to the *NSW Environmental Planning and Assessment Act* in 2018, and
- Finalised Planning Proposal 25 (LEP amendment 25), Development Control Plan and Landscape Master Plan.

The draft Section 7.11 Contributions Plan:

- Does not include the widening of River Road footpath – this is to be investigated separately with NSW Roads and Maritime Services;
- Does not include the new road between Park and Berry Roads – this is to be provided by the developer via the LEP bonus mechanisms;
- Includes the proposed partial road closure of Canberra Avenue at this stage – for costing purposes only (including landscape works);
- Includes pedestrian/cyclist works including shared use pathways and footpaths;
- Proposes increased contribution rates, due to decreased number of dwellings; and
- Includes Consumer Price Index (CPI) and Established House Price Index for Sydney to adjust rates set out in the plan to reflect quarterly movements in the value of land acquisition and works.
- Has regard to the reduced dwelling yield, 2400 to 1974 dwellings and 20/20/20 dwelling mix when the LEP was finalised.

Previously Exhibited Draft s7.11 Contribution Rates (2017)

		Per resident*	Per studio or 1 bed dwelling	Per 2 bed dwelling	Per 3 or more bed dwelling
Essential works					
Social infrastructure (open space)	Land	\$6,908.27	\$9,671.57	\$13,816.53	\$21,415.62
	Works	\$993.35	\$1,390.69	\$1,986.70	\$3,079.38
Roads & drainage	Land	\$1,729.04	\$2,420.66	\$3,458.08	\$5,360.02
	Works	\$2,034.02	\$2,847.63	\$4,068.04	\$6,305.46
Plan administration		\$45.41	\$63.57	\$90.82	\$140.77
Essential works total		\$11,710.08	\$16,394.12	\$23,420.17	\$36,301.26
Non essential works					
Community services (fit-out of multi-purpose facilities)	Works	\$645.59	\$903.83	\$1,291.18	\$2,001.33

* the per person rate is relevant to calculating the contributions for residential accommodation that is boarding houses, group homes, and hostels

Updated Draft s7.11 Contribution Rates

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The following table is the summarised contribution rates from the revised Section 7.11 Contributions Plan (see **AT-1**).

	Infrastructure cost	per resident*	per studio or 1 bed dwelling	per 2 bed dwelling	per 3 or more bed dwelling
Essential works					
Open space - land	\$29,214,755	\$8,052	\$11,273	\$16,104	\$24,962
Open space - works	\$6,041,700	\$1,665	\$2,331	\$3,330	\$5,162
Transport - land	\$0	\$0	\$0	\$0	\$0
Transport - works	\$9,877,500	\$2,722	\$3,811	\$5,445	\$8,440
Plan administration	\$238,788	\$66	\$92	\$132	\$204
Essential works total	\$45,372,743	\$12,506	\$17,508	\$25,011	\$38,767
Non-essential works					
Community fac - works	\$3,004,214	\$828	\$1,159	\$1,656	\$2,567
Non-essential works total	\$3,004,214	\$828	\$1,159	\$1,656	\$2,567

** rate is used to calculate the contributions for residential accommodation that is boarding houses, group homes, and hostels.*

The following provides a comparison between the original draft Plan and new Draft Plan, for Essential and Nonessential works combined.

Net	Original Draft	% Diff	New Draft	Total with SIC
1 Bedroom	\$17,298	+8%	\$18,667	\$33,767
2 Bedroom	\$24,711	+8%	\$26,667	\$41,767
3 Bedroom	\$38,302	+8%	\$41,334	\$56,434
Total to be collected	\$53,741,013	-10%	\$48,376,957*	*incl. admin. costs

It is recommended that Council re-exhibit and consider submissions regarding the draft Section 7.11 Contributions Plan before submitting it to IPART for final approval. This would not affect the General Manager's delegation issued on 11 May 2020.

Community Consultation

Statement of Intent

The consultation is designed to obtain community feedback on the Draft Section 7.11 Contributions Plan. Any comments received will be reviewed and considered to help refine the plan's content, before being forwarded to the NSW Independent Pricing and Regulatory Tribunal (IPART).

Method

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Level of Participation	Inform	Inform	Consult
Form of Participation	Open	Targeted	Open
Target Audience	Lane Cove Community and community groups	Government Agencies, and affected property owners	Lane Cove Community and community groups
Proposed Medium	eNewsletter and social media	Notification Letters	Website Exhibition and Survey
Indicative Timing	December 2020 – February 2021	December 2020 – February 2021	December 2020 – February 2021

Suspension of s7.11 Contributions

Council has resolved to suspend the application of the existing *Lane Cove Section 94 Contributions Plan (August 1996)* to the St Leonards South area pending the new Section 7.11 Contributions Plan being adopted. During the suspension period it is proposed to utilise the VPA process to seek a contribution equivalent to that being sort through the IPART process as an offset against the s7.11 contribution requirement. The VPA would confirm the existing incentives outlined in the LEP and DCP, No additional considerations would be available. Given these incentives have previously been determined by Council, delegation is sought to allow such VPAs to be exhibited with any Development Application. A report would be presented to Council with the results of the consultation for consideration prior to determination of the Development Application.

Conclusion

Council's draft Section 7.11 Contributions Plan for the St Leonards South precinct has been amended to respond to Council's resolution, legislative changes, and finalisation of other strategic planning documents.

Due to the nature of the changes it is recommended that Council re-exhibit the draft Section 7.11 Contributions Plan before it is submitted to NSW Independent Pricing and Regulatory Tribunal (IPART) for assessment.

RECOMMENDATION

That Council:-

1. Publicly exhibit the amended Section 7.11 Contributions Plan for the St Leonards South area, as stated in the Consultation Strategy in this report;
2. A further report be submitted to Council on the results of the consultation process; and
3. Council, delegate authority to the General Manager to exhibit for 42 days, with any Development Application for the St Leonards South precinct to include a VPA whose incentives accord with Council's previously adopted incentives contained in the DCP for each Area, and a report be submitted to Council with the results of the consultation for consideration prior to determination of that Development Application.

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Environmental Services Division

ATTACHMENTS:

AT-1	View	Revised St Leonards South S7.11 Plan	47 Pages	Available Electronically
AT-2	View	Estimates - St Leonards South S7.11	20 Pages	Available Electronically