

Briefing note



To Sydney West Central Planning Panel
From Manager Developer Contributions through DCS and DDD
Date 26 June 2018
Topic SPP-17-00010, 44 and 56 Cudgegong Rd, Rouse Hill – Section 7.11 condition
File No SPP-17-00010

Topic Request from the applicant for the panel to amend consent condition 4.1.1 – Section 7.11 condition to apply the previous contribution plan.

Analysis Condition 4.1.1 of the draft consent is valid as it will be conditioned in accordance with the relevant contributions plan/s that are in force when SPP-17-00010 is determined.

It is acknowledged that had the development been levied under the previous contributions plan, the contributions would have been substantially lower. Contributions under this development application are capped at \$35,000 per dwelling.

SPP-17-00010 has been levied Section 7.11 contributions under Section 94 (7.11) contributions plans CP22L and CP22W – Rouse Hill, which were publicly notified, adopted by Council and came into force on Wednesday, 7 March 2018, when published in local papers as required by the *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2000*.

Recommendations

1. Condition of consent 4.1.1 should be imposed as drafted.

1. Key information

a. Adoption of revised Section 94 (7.11) contributions plans CP22L and CP22W – Rouse Hill

At its Ordinary Meeting on 28 February 2018, Council adopted revised Section 94 Contributions Plans No's 22L and 22W – Rouse Hill. Council resolved to:

1. Adopt revised Section 94 Contributions Plans No's 22L – Rouse Hill (Land) and 22W – Rouse Hill (Works).
2. Write to submitters advising of Council's decision.
3. Submit both plans to IPART and the Minister for Planning and Environment for assessment and approval.

The 3rd resolution is now a criteria requirement to be edible for the State Government's Local Infrastructure Growth Scheme (LIGS), if a contributions plan proposes a contribution in excess of the relevant Section 7.11 cap. Prior to adoption, both plans had been publicly exhibited for 28 days in accordance with the Act.

Following the plans being adopted by Council, they were submitted to IPART on 13 April 2018 and are currently under its assessment before IPART sends its report to the Minister.

b. Letter to the panel from the applicant

We were informed by the applicant that they were writing to the panel and asking for its consideration to amend condition 4.1.1, the Section 7.11 condition. We understand that they wish the previous plan to be imposed.

Under the previous CP22, contributions equated to \$20,879 per unit. The revised plan equates to \$45,697 per unit, which is currently capped at \$35,000 per unit. This cap will increase on 1 July 2018 to \$40,000 per unit.

The comparative contributions as at the date of this brief are:

Impact on Council

Full Contributions under CP22L and CP22W	\$32,490,563
Contributions under CP22 (previous plan)	\$14,844,804
Adverse financial impact to Council	\$17,645,759

Impact on Developer

Capped Contributions under CP22L and CP22W (\$35,000 per Unit)	\$24,885,000
Contributions under CP22 (previous plan)	\$14,844,804
Increased contributions to be paid if DA determined on 27 June 2018	\$10,040,196
Capped Contributions under CP22L and CP22W (\$40,000 per Unit)	\$28,440,000
Contributions under CP22 (previous plan)	\$14,844,804
Increased contributions to be paid if DA determined after 1 July 2018	\$13,595,196

Section 7.11 contributions on consents are imposed by applying the applicable contributions plan/s in force at the date of determination. The applicable plans are CP22L and CP22W.

c. Potential significant adverse financial impact on Council

It is noted that the Panel, in its operating procedures, has an obligation to consult with the General Manager if any decision it makes will have a significantly adverse financial impact on Council. We consider the applicant's request, if agreed to by the Panel, will do exactly that, i.e the adverse financial impact on Council will be \$17,645,759 (refer above table).

The impact of the loss of \$17.645 million will be that Council will be unable to provide for the new community, all of the required land and infrastructure for stormwater drainage and open space infrastructure. This is unacceptable. New communities need these facilities.

Should the panel contemplate not imposing the Section 7.11 contributions under the adopted and in force CP, then we request that the DA be deferred so that formal consultation can occur with our General Manager in accordance with adopted procedure.

2. Context

a. Section 94 Contributions Plan No.22 – Area 20 Precinct (previous plan)

Council adopted Section 94 Contributions Plan No.22 – Area 20 Precinct in 2013. As contributions plans require regular review, we reviewed that plan last year primarily to:

- ensure rising land acquisition prices were as current as possible
- add the Rouse Hill Infrastructure Consortium Development Area to the plan as we had been nominated by the Department of Planning as the land acquisition authority since we last made the plan
- add the partially rezoned Riverstone East Precinct to the Area 20 precinct for the purposes of the contributions plan area (now referred to as Rouse Hill).

b. Separating land and works will allow more frequent review of land values

As noted above, new or revised Section 94 contributions exceeding the relevant cap (per lot/dwelling) are required to be submitted to IPART and the Minister for Planning and Environment for assessment to be eligible for Local Infrastructure Growth Scheme (LIGS) funding. As this process takes up to 18 months, we decided to split CP22 into 2 separate contributions plans, a land plan, and a works plan.

Separating land to be acquired for local infrastructure from the capital cost of that infrastructure would allow us to submit a revised 'land plan' more frequently. Typically, there is a more rapid increase in land values, and it is important we regularly review our plans to keep pace with this increase.

Land reviews can be done quite quickly with land acquisition values being provided by our panel valuers.

Approval

	Name and position	Signature
Prepared by	Dennis Bagnall Manager Developer Contributions	
Approved by	Wayne Rogers Director Corporate Services	
Approved by	Glennys James Director Design & Development	