

**Note: Councillor Barrak declared a pecuniary interest in Item 17.2. He left the meeting at 7.48pm prior to consideration and vote on the matter.**

17.2      SUBJECT      FOR APPROVAL: Post Exhibition - Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021

REFERENCE    F2019/00796 - D08093512

REPORT OF    Team Leader Land Use Planning

3336      RESOLVED      (Esber/Tyrrell)

(a)    **That** Council receives and notes the submissions made during the public exhibition of the "Draft City of Parramatta (Outside CBD)

Development Contributions Plan 2021” – a summary of submissions is provided at Attachment 1.

- (b) **That** Council endorses the Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021 Attachment 2 for finalisation with the following amendments:
- (i) The addition of *“affordable housing or social housing by a social housing provider. If the development is mixed use, only the affordable housing/social housing component will be excluded”* as development which is exempted from this Plan, and associated amendments to Section 1.3 of the Plan to support this addition.
  - (ii) Amend works program item C02 (new local community facility, Epping) to remove reference to location of Chambers Court to not have a specified location consistent with Council’s resolution of 9 July 2018.
  - (iii) Amend works program item C01 (new hub, Epping) to change the timing for the new hub from 0 to 5 years to 0 to 10 years to align with the Civic Plaza timing and better reflect the project’s complexity.
  - (iv) Various other administrative or minor changes as outlined in Table 5 of this report.
- (c) **That** Council endorse the Plan to come into effect within 8 weeks from the date of the public notice of Council’s decision to allow sufficient time to incorporate the final Plan in Council’s systems and processes.
- (d) **That** Council authorises the Chief Executive Officer to make any minor amendments and corrections of a non-policy and administrative nature that may arise during the Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021 finalisation process.
- (e) **Further, that** Council authorise the Chief Executive Officer, on behalf of Council, to amend the following Council-endorsed planning agreements for the purposes of public re-exhibition (if required), in order to include provisions which require any future development approvals granted on the associated land to contribute the equivalent to what they would have paid under current development contributions plans in lieu of any other development contribution requirement that may be in place at the time the approval is granted, as follows:
- (i) Amendment of the planning agreement for 14-16 Hill Road, Sydney Olympic Park with Sekisui House Australia Pty Ltd and SH Hill Road Development Pty Ltd to include the application of equivalent rates contained within the Auburn Development Contributions Plan 2007 (Amendment No. 1); and
  - (ii) Amendment of the planning agreement for 38-42, 44 and 44A Wharf Road, Melrose Park, 657 Victoria Road, Melrose Park and 27-29 Hughes Avenue, Ermington with Payce MP2 Pty Ltd and associated parties to include the application of

equivalent rates contained within Parramatta Section 94A Development Contributions Plan (Amendment No. 5) 2017, and that the outcomes of the re-exhibition will be reported to Council.

DIVISION	A division was called, the result being:-
AYES:	Councillors Davis, Dwyer, Esber, Garrard, Issa, Jefferies, Pandey, Prociv, Tyrrell and Zaiter
NOES:	Councillors Bradley, Wearne and Wilson

**Note:**

- 1. Councillor Esber declared a non-pecuniary but significant interest in Item 17.3. He left the meeting at 7.54pm prior to consideration and vote on the matter.**
- 2. Councillor Pandey declared a non-pecuniary but significant interest in Item 17.3. He left the meeting at 7.54pm prior to consideration and vote on the matter.**
- 3. Councillor Wearne declared a non-pecuniary but significant interest in Item 17.3. She left the meeting at 7.54pm prior to consideration and vote on the matter.**
- 4. Councillor Zaiter declared a non-pecuniary but significant interest in Item 17.3. He left the meeting at 7.54pm prior to consideration and vote on the matter.**

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**INNOVATIVE**

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<b>ITEM NUMBER</b>	17.2
<b>SUBJECT</b>	FOR APPROVAL: Post Exhibition - Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021
<b>REFERENCE</b>	F2019/00796 - D08093512
<b>REPORT OF</b>	Team Leader Land Use Planning

**WORKSHOP/BRIEFING DATE:**

7 June and 7 July 2021.

**PURPOSE:**

Council to consider the outcomes of the public exhibition of the Draft Parramatta (Outside CBD) Development Contributions Plan 2021 and to seek Council's endorsement for finalisation of the Plan.

**RECOMMENDATION**

- (a) **That** Council receives and notes the submissions made during the public exhibition of the "Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021" – a summary of submissions is provided at **Attachment 1**.
- (b) **That** Council endorses the Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021 [**Attachment 2**] for finalisation with the following amendments:
- (i) The addition of "*affordable housing or social housing by a social housing provider. If the development is mixed use, only the affordable housing/social housing component will be excluded*" as development which is exempted from this Plan, and associated amendments to Section 1.3 of the Plan to support this addition.
  - (ii) Amend works program item C02 (new local community facility, Epping) to remove reference to location of Chambers Court to not have a specified location consistent with Council's resolution of 9 July 2018.
  - (iii) Amend works program item C01 (new hub, Epping) to change the timing for the new hub from 0 to 5 years to 0 to 10 years to align with the Civic Plaza timing and better reflect the project's complexity.
  - (iv) Various other administrative or minor changes as outlined in **Table 5** of this report.
- (c) **That** Council endorse the Plan to come into effect within 8 weeks from the date of the public notice of Council's decision to allow sufficient time to incorporate the final Plan in Council's systems and processes.
- (d) **That** Council authorises the Chief Executive Officer to make any minor amendments and corrections of a non-policy and administrative nature that may arise during the Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021 finalisation process.
- (e) **Further that**, Council authorise the Chief Executive Officer, on behalf of Council, to amend the following Council-endorsed planning agreements for the

purposes of public re-exhibition (if required), in order to include provisions which require any future development approvals granted on the associated land to contribute the equivalent to what they would have paid under current development contributions plans in lieu of any other development contribution requirement that may be in place at the time the approval is granted, as follows:

- (i) Amendment of the planning agreement for 14-16 Hill Road, Sydney Olympic Park with Sekisui House Australia Pty Ltd and SH Hill Road Development Pty Ltd to include the application of equivalent rates contained within the Auburn Development Contributions Plan 2007 (Amendment No. 1); and
- (ii) Amendment of the planning agreement for 38-42, 44 and 44A Wharf Road, Melrose Park, 657 Victoria Road, Melrose Park and 27-29 Hughes Avenue, Ermington with Payce MP2 Pty Ltd and associated parties to include the application of equivalent rates contained within Parramatta Section 94A Development Contributions Plan (Amendment No. 5) 2017.

and that the outcomes of the re-exhibition will be reported to Council.

## BACKGROUND

1. At its meeting of 30 November 2020, Council endorsed the Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021” (Draft Plan) for public exhibition as follows:
  - “(a) That Council approve the “Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021” (Draft Plan) at Attachment 1 for the purposes of public exhibition for a minimum period of 28 days.
  - (b) That a report on the outcomes of the public exhibition be provided to Council prior to finalisation of the Draft Plan.”
2. The preparation of the Draft Plan is a key component of the “Harmonisation Project”, which also seeks to create a single consolidated local environmental plan and development control plan for the LGA.
3. As a result of NSW Government changes to council boundaries in May 2016, eight separate development contributions plans currently apply to areas in the LGA outside the Parramatta CBD and Sydney Olympic Park (refer **Figure 1**). The current plans are also more than 10 years old and no longer fully reflect current population projections, infrastructure demand and costs, or Council's current infrastructure priorities.
4. Current Council strategies, including the Local Strategic Planning Statement (2020) and Community Infrastructure Strategy (2020), forecast significant population growth in the City of Parramatta LGA. The area outside the Parramatta CBD and Sydney Olympic Park will grow by approximately 166,839 new residents and 33,131 new workers between 2021 and 2041. This is a comparatively high rate of growth compared to other council areas in NSW.
5. This new population will use local infrastructure and contribute to demand for its use. This local infrastructure includes open space, recreation facilities, community facilities such as libraries, and traffic and transport works.

6. It is noted that the development contributions framework applying to land inside the CBD is being reviewed separately in connection with the Parramatta CBD Planning Proposal. Sydney Olympic Park is also excluded as this area falls outside Council's land use jurisdiction.

### **Overview - Draft Plan**

7. The exhibited Draft Plan will replace all existing contributions plans that apply outside the Parramatta CBD and Sydney Olympic Park with a single, consolidated section 7.11 nexus-based plan. A section 7.11 plan is proposed instead of a 1 per cent fixed-rate section 7.12 plan as it will deliver a higher share of the costs of infrastructure required as a result of the significant development forecast.

#### *Population forecasts*

8. The Draft Plan includes updated population forecasts. All development contributions plans include population forecasts, as the forecasts are the key indicator of anticipated development and associated infrastructure demand and cost.
9. The Draft Plan is based on forecast development and associated infrastructure demand during the 20-year period from 2021 to 2041.
10. Council's Community Infrastructure Strategy, adopted by Council in July 2020, forecasts an additional 253,000 people will live in the City of Parramatta LGA by 2041. Of this, 66 per cent of this growth, or 166,839 residents, is forecast in the area where the Draft Plan will apply. The remaining balance is forecast to be located in the Parramatta CBD and Sydney Olympic Park.
11. In addition, 33,131 workers and 2,306 visitors are forecast in the Draft Plan area between 2021 and 2041. It is anticipated that the economic impacts of the COVID-19 pandemic will only impact on development and subsequent rates of population growth in the short term, without impacting on long term population forecasts.

#### *Updated works program*

12. Contributions plans include a works program, which identifies the infrastructure required to meet the needs of the forecast development and an estimate of the timeframe within which it will be delivered. The works program also includes an estimate of the capital costs to Council of building each infrastructure item, and the share of costs that the plan seeks to recover through development contributions (known as 'apportionment').
13. The Draft Plan's works program reflects Council's current strategic infrastructure priorities. Infrastructure items identified in the Draft Plan have been drawn from existing Council plans and strategies that identify infrastructure needs, including:
  - Community Infrastructure Strategy;
  - Parramatta Bike Plan;
  - Parramatta Ways Walking Strategy;

- Road network improvement projects identified by the Traffic Engineering and Advisory Group;
- Projects identified through growth precinct strategic planning; and
- Projects identified in existing plans, which remain consistent with identified needs.

14. The Draft Plan's works program (detailed in Appendix F of the Draft Plan provided at **Attachment 2**) has an estimated capital cost to Council of \$1.69 billion over 20 years (2020 costs). A breakdown of the costs is provided at **Table 1**.

**Table 1:** Draft Plan works program cost and cost apportioned to development

Infrastructure works category	Estimated cost	Cost apportioned to development
Community facilities	\$252.8M	\$101.0M
Recreation facilities – aquatic facilities	\$47.0M*	\$23.5M
Recreational facilities – open space/outdoor	\$924.1M	\$887.1M
Recreational facilities – indoor recreation	\$153.7M	\$76.9M
Traffic and transport	\$301.0M	\$287.8M
Plan administration costs	\$14.9M	\$14.9M
<b>Total (approx.)</b>	<b>\$1.69B</b>	<b>\$1.39B</b>

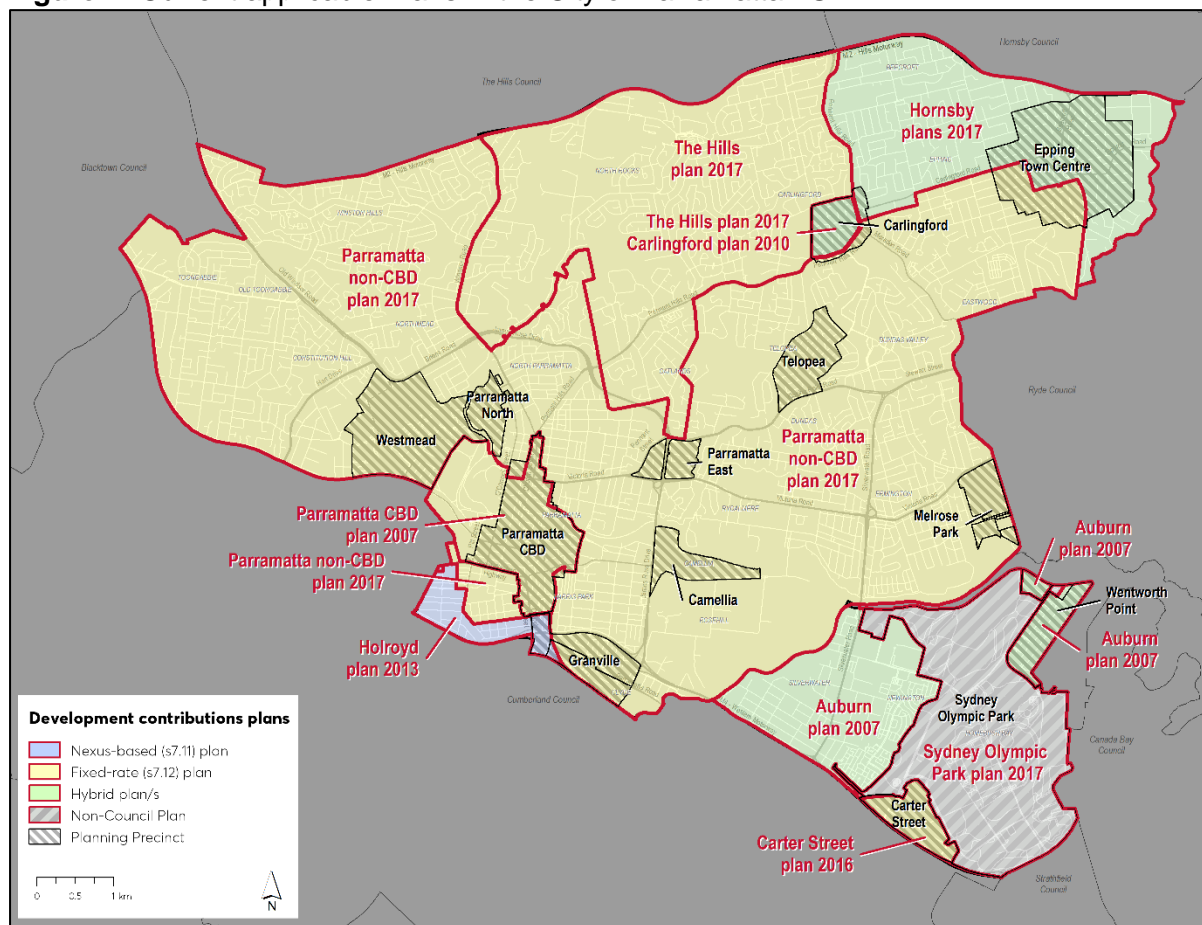
\*Covers Epping and Parramatta aquatic facilities. Balance of costs to Council, excluding costs for which funding has already been confirmed through State Government grants/funding.

15. The Draft Plan works program has been prepared in accordance with key legal requirements underpinning section 7.11 plans of 'nexus' and 'apportionment'. Nexus refers to the connection between development and identified infrastructure – only projects which can be demonstrated to meet a need created by future development can be included in the Draft Plan.
16. 'Apportionment' refers to the share of infrastructure costs that can be recovered through development contributions – this needs to be proportionate to the extent to which a works item is required to serve the demand created by new development.

#### *Contribution rates*

17. The Draft Plan includes updated contribution rates that will replace the existing plans' various contribution rates as shown in **Figure 1** and detailed in **Table 2**.

**Figure 1: Current applicable Plans in the City of Parramatta LGA.**



**Table 2: Current Plans contribution rates, 2-bedroom dwellings**

Contributions Plan	Plan Type	Contributions rate	Equivalent rate (\$/dwelling)
Development Contributions Plans (formerly Hornsby LGA land and Epping Town Centre) Plan 2017	s7.11/s7.12	\$15,892	\$15,892
Holroyd Plan 2013 – Mays Hill Centre	s7.11	\$14,477	\$14,477
Contributions Plan 14 - Carlingford Precinct 2010	s7.11/s7.12	\$14,391	\$14,391
Holroyd Plan 2013 – Infill	s7.11	\$8,866	\$8,866
Auburn Plan 2007	s7.11/s7.12	\$6,373	\$6,373
Carter Street Precinct Plan 2016	s7.12	1% of development cost	\$3,759*
Parramatta Section 94A Development Contributions Plan (Amendment No. 5) 2017	s7.12	1% of development cost	\$3,077*
Development Contributions Plan (former Hills LGA land) Plan 2017	S7.12	1% of development cost	\$2,412*

\*Estimated by Council Officers based on an analysis of development applications and associated development costs.



18. Contribution rates are specified in section 2.1 of the Draft Plan (at **Attachment 2**) and an extract provided below **Figure 2**.

**Figure 2:** Contributions rates - Draft City of Parramatta (Outside CBD) Development Contributions Plan 2021 (Extract Table 3 from the Draft Plan)

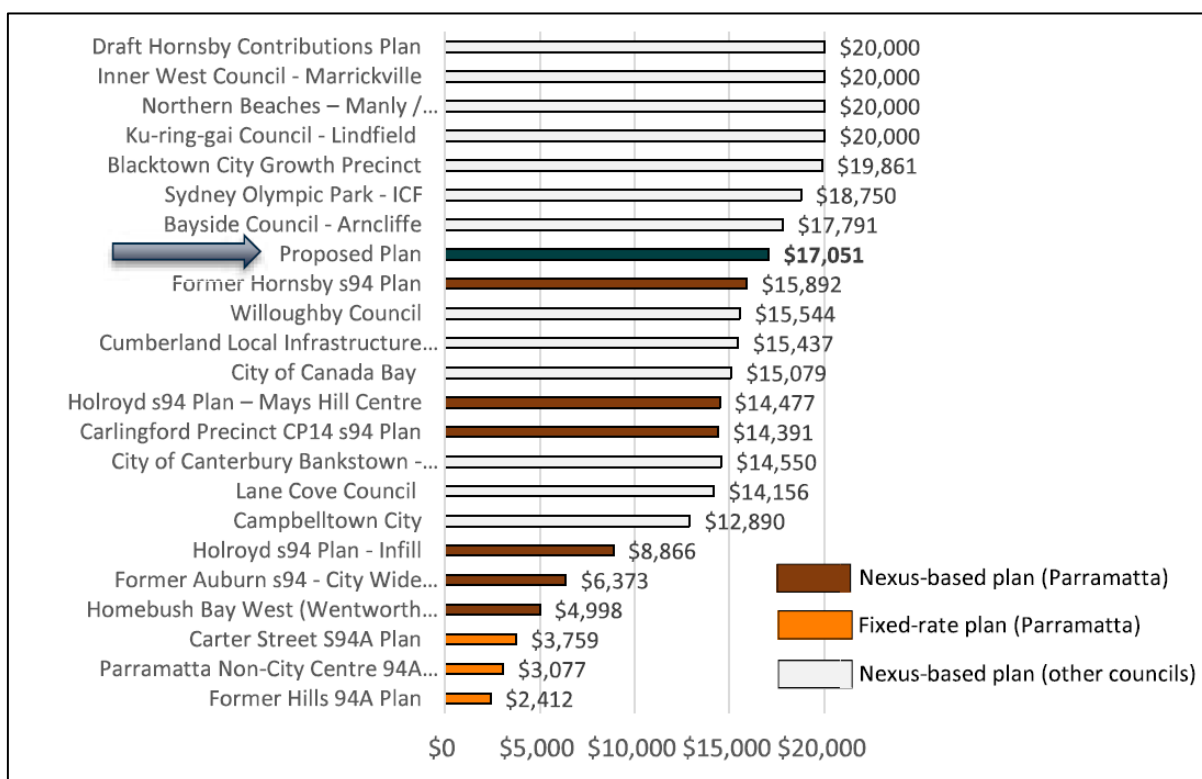
Development type	Contribution rates
Per additional worker	\$2,506
Per additional visitor <sup>13</sup>	\$6,543
Per additional resident	\$7,750
Per 1-bed dwelling (assumes 1.9 residents) <sup>14</sup>	\$14,726
Per 2-bed dwelling (assumes 2.2 residents)	\$17,051
Per 3 bed dwelling (assumes 3.0 residents)	\$23,251
Per 4+ bed dwelling (assumes 3.5 residents)	\$27,126
Per 1-bed Secondary Dwelling (assumes 1 resident) <sup>15</sup>	\$3,875

19. Contribution rates are determined based on the infrastructure costs that can be reasonably apportioned to development. The contribution payable by a particular development is calculated by multiplying the population increase that will arise from the development by the applicable contribution rate.
20. The Draft Plan proposes rates comparable to those already paid in some existing plans, such as those around the Carlingford train station (formerly part of The Hills Council) and land formerly part of Hornsby Council. In other areas like the Carter Street precinct, existing residential contribution rates are low and do not reflect current land values and infrastructure costs.
21. A chart comparing contribution rates for 2-bedroom dwellings in existing plans, the Draft Plan and other various other councils' plans is shown in **Figure 3** below. Rates for 2-bedroom dwellings are the most pertinent comparator as this will be the most common number of bedrooms in new residential development.
22. The Draft Plan's proposed rates are also comparable to rates currently being charged by many neighbouring and high growth councils in Sydney, including Cumberland City Council, which recently adopted its own harmonised development contributions plan.
23. The Draft Plan does not propose to exceed contribution caps imposed by the NSW Government. Since 2010, this has been set at a maximum of \$20,000 per dwelling, despite land and infrastructure costs having increased significantly since that time. This cap means the full contribution rate for 3 and 4 bedroom dwellings is currently not able to be charged (\$23,251 and \$27,126 respectively under the Draft Plan).
24. The Draft Plan includes provisions that will enable Council to recover the full contribution rate for 3-bedroom and 4-bedroom dwellings should the current contributions cap be increased by the NSW Government in the future.
25. In 2020 the NSW Productivity Commission undertake a review of the NSW infrastructure contributions framework and recommended removing the cap. In 2021 the NSW Government accepted all the Productivity Commissions. It is

understood the government is aiming to exhibit draft provisions later in 2021 so that they can commence in the middle of 2022. The Productivity Commission also recommended that all plans be updated consistent with the new provision by 2024. Council Officers will review draft provisions when they are released and provide advice to Council on possible further amendments to the Council Developer Contributions Framework at that time.

26. To ensure that the value of contributions is not eroded over time, the contributions rates in the Draft Plan will be indexed on a quarterly basis in line with changes to the consumer price index (CPI) published by the Australian Bureau of Statistics so that they reflect changes in the cost of facilities. Contributions applied to development consents will also be indexed so that they account for inflation at the time of payment.

**Figure 3: Contribution rates, 2-bedroom dwellings comparison with various councils**



**PUBLIC EXHIBITION**

27. The Draft Plan was publicly exhibited from 17 March 2021 to 16 April 2021 in accordance with Council’s resolution of 30 November 2020 and relevant provisions of the *Environmental Planning and Assessment Regulations 2000*.
28. Public exhibition included:
  - Public exhibition period of 31 days (minimum legislative requirement 28 days);
  - Materials placed on Council’s website and in hard copy at Council’s Customer Contact Centre and all Council libraries.
  - Public notice was published on the Sydney Morning Herald newspaper on 17 March 2021.

- Notification emails to over 1,800 stakeholders, including:
    - Surrounding Councils and the Sydney Olympic Park Authority;
    - Applicants of development applications and complying development certificates from last two years
    - Applicants of current planning proposals;
    - Stakeholder lists from the Harmonisation Planning Proposal and CBD Planning Proposal which includes industry and community groups, developers, authorities and agencies; and
    - Participate Parramatta Online Community Panel members (9,949 contacts).
  - Electronic copy of exhibition material on Participate Parramatta website
  - Promotion across Council's social media channels;
  - Availability of Council staff via phone and email, including four 'after hours' phone sessions.
29. In response to the exhibition, Council received 27 submissions from:
- a) Public agencies or authorities (5 submissions);
  - b) Industry groups (5 submissions);
  - c) Landowners or developers (10 submissions);
  - d) Residents (6 submissions); and
  - e) Community groups (1 submission).
30. Submission issues and Council officers' responses are summarised in **Attachment 1**. Key issues and Council officers' responses are summarised below. The submissions table in **Attachment 1** uses colour-coding to indicate the category or type of recommendation, as follows:
- a) Red: No change is recommended in response to the submission issue.
  - b) Green: A minor change is recommended in response to the submission issue. Re-exhibition of the Draft Plan is not required.
  - c) Orange: It is recommended that the submission issue be considered as part of the plan's next scheduled review or prior.
31. In relation to scheduled reviews of the plan, the Draft Plan indicates it will be reviewed at least every five years. In this respect, it is noted that the NSW Government has indicated draft reforms relating to local contributions will be released for public exhibition later in 2021 with the aim of the reforms commencing in 2022. The NSW Government has also indicated that Councils will need to update their contributions plans to be consistent with the reforms by 2024. Council staff will review the draft reforms when they are released and provide recommendations to Council at that point in relation to the scope and timing of the review of the Plan.
32. Matters for which it is recommended that the issue be considered as part of the Plan's next scheduled review mainly relate to submitters' requests for changes to the Plan's works program items, or for additional works to be included in the

works program. The works program reflects Council's current strategic infrastructure priorities and strategies. If priorities change, or if the scope and cost of the works change, these changes can be reflected in the plan's next scheduled review. If necessary, any additional costs (above the Draft Plan's estimated costs) can also be included as a recoupment item when the plan is next reviewed.

## **SUMMARY OF ISSUES BY GROUP**

### *Agency Submissions*

33. Five (5) submissions were received from agencies. Submissions were received from Transport for NSW (TfNSW), NSW Environment Protection Authority (EPA), Endeavour Energy, School Infrastructure NSW (SINSW) and Sydney Olympic Park Authority (SOPA).
34. The submissions from SINSW and SOPA generally support the Draft Plan but include suggestions to improve the Draft Plan. Remaining agency submissions are neutral, that is, they neither support nor oppose the Draft Plan, but include suggestions to improve the Draft Plan.
35. As detailed in the Submissions Table shown at Attachment 1 to this report, the most significant agency issue raised related to SINSW's recommendation amend the Draft Plan to exempt government schools from the need to pay development contributions. This is discussed in the 'Key Issues' section of this report. Other submission issues relate to the Draft Plan's works program.
36. As noted, most other agency submission issues relate to the Draft Plan's works schedule. Examples include:
  - a) TfNSW noted in its submission that some of the traffic works in the Draft Plan's works schedule will need approval from TfNSW and if approval is not provided the works will not be able to proceed.
  - b) NSW EPA recommended that works item costs include remediation costs for potentially contaminated sites.
  - c) Endeavour Energy raised concern about the potential for some works to interfere with electricity infrastructure.
  - d) SINSW recommended including additional active transport infrastructure.
  - e) SOPA included various comments on open space and traffic works list items located in the adjoining Carter Street precinct and recommended shorter timeframes for delivery, amendments to works or additional inclusions.
37. In response, for most issues it is recommended the issues be considered when the plan is next reviewed (the Draft Plan indicates Council will review it at least every five years). For other agency works program issues no change to the Draft Plan is recommended.

### *Industry Groups / Associations*

38. Five (5) submissions were received from industry groups comprising Community Housing Industry Association NSW (CHIA NSW), Tennis NSW, Urban Taskforce, Property Council of Australia (PCA), and the Urban Development Institute of Australia NSW (UDIA).
39. Industry group submissions range from providing in-principle support to the Draft Plan, opposing certain elements of the Draft Plan, to not expressing support or opposition but recommending certain changes.
40. Key issues raised in industry group submissions relate to affordable housing exemptions, development feasibility, phasing in of new contribution rates, and NSW Productivity Commission recommendations including payment at occupation certificate stage which are addressed in the 'Key Issues' section of this report.
41. Other industry group submission issues include:
  - a) Tennis NSW's request to prioritise the upgrade of PH Jeffries Reserve.
  - b) Urban Taskforce's request for further industry consultation and recommendation that the works program align with areas identified for growth.
  - c) PCA's recommendation that contribution rates remain under the government's current \$20,000 per dwelling IPART-review threshold, that residential occupancy rates be reduced, that employment density rates be reviewed and section 7.12 contributions at 1 per cent of the development cost be imposed on non-residential development, and that the Draft Plan be amended to allow for deferred / stage payments.
42. Response to issues are detailed in the Submissions Table at **Attachment 1**. But the only amendment to the plan as a result of these submissions is the amendment related to exemptions for affordable housing which is discussed in more detail later in this report.

#### *Landowner / Developer Issues*

43. A total of 10 submissions were received from landowners or developers. Submissions were received from Payce, Kings School, Meriton, Sekisui House, Walker Corporation, Ramsay Health Care, Property and Development NSW, Western Sydney University, Billbergia Group, and Frasers Property Australia.
44. Key submission issues relate to development feasibility, planning agreements, payment at occupation certificate stage and phase-in of new contribution rates. Planning agreements are discussed below. Development feasibility, payment at occupation certificate stage and phase-in of contribution rates are discussed in the 'Key Issues' section of this report. Other issues are summarised in **Attachment 1**.

#### *Community Issues*

45. Six (6) submissions were received from the community that live in Parramatta LGA. Issues raised and Council Officers' responses are summarised in Attachment 1. Issues raised include:

- a) *Transitional provisions* – a resident submitter recommended that contributions be determined at the construction certificate stage instead of when the development consent is issued.
  - b) *Contribution rates* – one submitter recommended increasing contribution rates by 200 per cent to provide increased capacity to fund infrastructure needed by development
  - c) *Works program (traffic signals)* – one submitter does not support the new traffic signals proposed on Carlingford Road and Pennant Hills Road as he considers they will worsen congestion.
  - d) *Works program (request for new traffic infrastructure)* – one submission supports proposed traffic calming on Klein Road between Hammers Road and Moxham Road but asked if second / additional traffic calming can be included on Klein Road, between Frances Street and Raymond Avenue, or between Frances St and Roslyn Ave.
  - e) *Works program (indoor sporting facilities)* – one submission asks if a new indoor sports centre can be provided in or near North Parramatta as residents currently have to travel to the Hills. Also
  - f) *Works program (new shopping centre)* – one submission asks if development contributions can be used to help provide a new shopping centre in Ermington as existing shopping centre considered to be unsuitable.
46. Council Officers do not recommend amending the Draft Plan's works program as it reflects Council's strategic infrastructure priorities. It is recommended that the request for new traffic infrastructure be considered when the plan is next reviewed. As noted, the Draft Plan indicates Council will review it at least every five years.

#### *Community Group Issues*

47. One submission was received from a resident group, the Epping Civic Trust. In its submission, the Trust welcomed the Draft Plan as a mechanism to deliver infrastructure, however, raised issues relating to various works item.
48. Issues raised and Council Officer responses are summarised in Attachment 1. Key issues relate to the Epping Library and Civic Plaza. The Trust is opposed to moving the existing library from the east side to the west side of the town centre. The Trust also recommended aligning the delivery timeframe for the Civic Space (0 to 10 years) with the new library (0 to 5 years).
49. In response, Council Officers recommend amending the Draft Plan's works program to
- a) remove reference to location of Chambers Court in item C02 to not have a specified location consistent with Council's resolution of 9 July 2018 (note item C01 new community hub for Epping does not have a specified location); and

- b) Amend the timing for the new hub from 0 to 5 years to 0 to 10 years to align with the Civic Plaza timing and better reflect the project's complexity.
50. For all other issues as summarised in **Attachment 1** no change to the Draft Plan is recommended or it is recommended that the relevant issues be considered during the Draft Plan's next scheduled review.

## KEY ISSUES

51. The following are issues that were raised by multiple submissions (and groups):
- a) Government school exemptions;
  - b) Social and affordable housing exemptions;
  - c) Development feasibility and phasing-in of contribution rates; and
  - d) NSW Productivity Commission recommendations - payment at occupation certificate stage; and
  - e) Contributions and Planning agreements.

### *School and university exemptions*

52. In their submission, Schools Infrastructure NSW recommended amending the Draft Plan to exempt government schools from the need to pay local infrastructure contributions under the Draft Plan. SINSW contends that schools' provision of open space reduces their need for public open space. It also notes that government schools are a type of social infrastructure and provide a community service. The Kings School also requests exemption from payment of contributions in relation to its future developments.
53. The University of Western Sydney objects to the 50 per cent discount for Crown development, as they contend that Crown developments relating to educational establishments should only be liable for their share of additional infrastructure demand and that an exemption is considered for certain developments e.g. those that have an onsite facilities.
54. In response, it is acknowledged that schools and universities provide an important public benefit and their provision of open space will help to reduce their infrastructure demand. However, on balance, it is considered for the following reasons to not include schools and universities as development types exempt from payment of contributions for the following reasons:
- a) Schools, including their large number of students and workers/staff generate significant infrastructure demand and costs including local roads, footpaths, cycleways and libraries. It is noted that development that results in increases to student numbers are not subject to contributions, contributions are only required for development associated with increases in workers. Contributions required associated with workers is low, usually less than 1% of development cost;
  - b) The Draft Plan provides discounts of up to 50% on contributions payable for development by or on behalf of the Crown (which includes government

schools (public authority) and Australian Universities and TAFEs). It is expected that most government school and university development would qualify for this discount. This is considered to provide an appropriate balance between incentivising development that provides a public benefit while ensuring Council's ability to fund infrastructure needed by the development is not unreasonably impacted.

- c) Government schools and universities will still be able to seek full exemptions under Crown development provisions of the Environmental Planning and Assessment Act 1979. These provisions will not be affected by the Draft Plan.

### *Social and Affordable housing exemptions*

55. Community Housing Industry Association (CHIA), Urban Taskforce and Frasers recommended amending the Draft Plan to exempt affordable housing. Frasers request the amendment extends to Crown development relating to social housing and CHIA request that the exemption also extends to social housing developed by a community housing provider. The submissions note that social and affordable housing is currently exempt in some areas under some of Council's existing contributions plans. CHIA also noted that community housing providers (CHPs) typically have an operating margin of two to three per cent and their viability will be disproportionately impacted if current exemptions are lost.
56. The Draft Plan does not exempt affordable housing from payment of development contributions. The Draft Plan currently proposes to provide a 50 per cent discount to Crown Developments, including social housing. Therefore, the discount would only apply to development on behalf of the Crown, such as NSW Land and Housing Corporation, not extend to community housing providers.
57. The majority of existing development contributions plans applying to the Parramatta LGA are s7.12 plans (s94a), they currently exempt affordable housing in line Part 25J of the Environmental Planning and Assessment Regulations 2000.
58. Due to the relatively low number of social and affordable housing developments, as compared to private market housing, it is anticipated that exempting social and affordable housing development from the need to pay local infrastructure contributions will have a limited budget impact on Council.
59. An exemption to affordable housing development supports Council's affordable housing targets in its Council's Local Housing Strategy - a target of 9,500 affordable housing dwellings being delivered by 2036, an increase of 8,800 over 2016 levels.
60. In response, it is recommended that the Draft Plan be amended to exempt "affordable housing or social housing by a social housing provider. If the development is mixed use, only the affordable housing/social housing component will be excluded." Given that this is retaining the provision for affordable housing already in place for the majority of the LGA and the social housing exclusion will result in a reduced financial burden for social housing



providers, re-exhibition of this amendment alone does not warrant re-exhibition of the plan. Further, refer to Legal Implications of this report which confirms re-exhibition is not required.

61. Additional amendments would be required to Section 1.3 – Crown Development to remove ‘social housing’ as a listed example of Crown development that would be eligible for a 50 per cent on the contributions payable. In line with the recommendation above additional text would be added to the Plan which outlines the exemption of affordable and social housing from contributions payable.

#### *Development feasibility and phasing-in of contribution rates*

62. In seven (7) submissions from industry groups, developers and landowners, the issue of feasibility was raised on the basis that land was purchased on the presumption of current contribution rates. There is concern that the Draft Plan will lead to substantial increases in contribution rates in some areas and undermine development viability, especially where significant local infrastructure will be delivered through planning agreements. To address these concerns, some submissions recommend reducing the contribution rates and phasing them in over three years.
63. On balance, Council officers consider the Draft Plan’s proposed contribution rates provide an appropriate balance between minimising feasibility impacts and providing sufficient funding to meet development-generated infrastructure demand and cost for the following reasons:
  - a) *Parramatta LGA is one of the highest growth council areas in NSW and this growth will generate significant infrastructure demand and cost.* The Draft Plan’s proposed contribution rates are considered the minimum rates necessary to fund infrastructure costs. If the Draft Plan’s rates are reduced, infrastructure service levels for both the existing and future population will decline. There are no alternative funding sources that could be used to fund the ‘gap’ created by reducing the Draft Plan’s contribution rates.
  - b) *There is significant precedent for the draft plan’s proposed rates – in both Parramatta LGA and other council areas including neighbouring councils.* As an example, Epping and Carlingford are currently levied section 7.11 contribution rates comparable to the Draft Plan’s proposed rates. A comparison of the draft plan’s contribution rates with various other councils’ contribution rates is shown in **Figure 2** of this report.
  - c) *Council’s harmonisation program including the development contributions review has been public for many years (refer to Action 6.1.1.1 in Council’s Delivery Program 2018-2021, adopted by Council in 2018)*
  - d) *There is a legal requirement for section 7.11 nexus-based contributions to be ‘reasonable’.* Unlike existing fixed-rate plans, the draft plan is a ‘nexus-based’ plan where there is a legal requirement for contributions to be reasonable. This means the level of infrastructure demand and cost apportioned to development must be reasonable and documented in the

plan. Applicants can appeal to the NSW Land and Environment Court if they believe that a contribution is unreasonable.

- e) *The Draft Plan's contribution rates are within the NSW Government's 2010 cap of \$20,000 per dwelling.* The government introduced the cap in 2010 but has not indexed since then. Meanwhile, local infrastructure costs including land and capital costs that Council needs to fund have increased significantly, more than doubling in many areas.
- f) *The Draft Plan includes generous transitional provisions.* The Draft Plan proposes that it will only apply to development applications lodged on or after the plan's commencement date. Many other councils' contributions plans apply to development applications lodged before but determined after the plan's commencement date.
- g) *Payments for large scale developments have been temporarily deferred.* In June 2020, a new Ministerial Direction was made to temporarily defer the payment of local infrastructure contributions for large scale development over \$10 million from the issuing of a construction certificate until the issuing of an occupation certificate. This Direction is in effect 31 March 2022.
- h) *The Draft Plan includes generous exemption and discount provisions.* The draft plan will not apply to residential alterations and additions. Currently, this type of development is required to pay local infrastructure contributions (at 1% of development cost) in most areas of Parramatta LGA. This will make it easier for growing families to stay in the local area. Similarly, the Draft Plan provides a 50% discount for secondary dwellings, commonly referred to as granny flats.
- i) *Councils surrounding City of Parramatta do not have plans with phase-in provisions.* Current contributions Plans for Blacktown Council, The Hills Shire Council, Cumberland Council, Canada Bay Council and City of Ryde Council did or do not have phase in provisions.

64. In view of the above, Council officers do not recommend reducing the Draft Plan's contribution rates or phasing the contribution rates in.

*NSW Productivity Commission recommendations - payment at occupation certificate stage*

- 65. Three (3) submissions (developer and industry groups) recommend amending the Draft Plan to align with the NSW Productivity Commission's recommendations in late 2020 to reform the NSW infrastructure funding framework as accepted by NSW Government in early 2021, particularly its recommendation to defer development contributions payments from the construction certificate stage to occupation certificate stage.
- 66. In response, it is noted the NSW Government has indicated it will release draft provisions to implement the reforms for public exhibition in late 2021 so that the provisions can be finalised and adopted in the middle of 2022. It has also indicated that draft contributions plan exhibited before the new provisions

- commence can be finalised and do not need to be amended. All contributions plan will need to be amended by 2024 to be consistent with the new provisions.
67. Given the detail of the proposed changes is unknown, the final changes will not commence for at least 12 months, and draft plans exhibited before the changes commence do not need to be amended, amending the draft plan to defer payment from construction certificate to occupation certificate is not recommended by Council officers at this stage. Instead, it is recommended that the draft provisions be reviewed when they are released by the NSW Government and contributions plans updated or amended, if necessary, after the final provisions are adopted by the government.
68. This includes the Productivity Commission's recommendation to defer payment of contributions from the construction certificate stage to occupation certificate stage. Council officers do not recommend amending the Draft Plan to defer payments in this manner at this stage. Following a Ministerial Direction issued in June 2020, development contributions payments for large scale development over \$10 million are already temporarily deferred to the construction certificate stage until 31 March 2022. This direction is not affected by the Draft Plan.

#### *Contributions and Planning agreements*

69. The submissions from PAYCE and Sekisui House raise concerns about feasibility impacts from the Draft Plan's proposed contribution rates. Specifically, they raise issues in relation to their current planning agreements (listed below) in connection with their proposed developments at Melrose Park and Wentworth Point which did not contemplate Council's development contributions review including a new works program and increased contribution rates. The submissions raise concern in relation to the requirement to provide certain land and/or works under the planning agreements but the planning agreements do not provide for offsets against local infrastructure contributions. They are also concerned that they may be required to provide the land and/or works but also pay a contribution under the Draft Plan towards the land and/or works they are providing.
70. The relevant proposed amendments to planning controls, planning agreements and currently applicable development contributions plans relating to these areas are outlined in **Table 3** below:

**Table 3:** Planning proposals, planning agreements & relevant contributions plans associated with PAYCE and Sekisui

<b>Proposal to amend planning controls</b>	<b>Associated Planning Agreement</b>	<b>Currently applicable Development Contributions Plan</b>
Planning Proposal, draft Site-Specific Development Control Plan (DCP) for Melrose Park North.	PAYCE MP2 Pty Ltd and associated parties for land at 38-42, 44 and 44A Wharf Road, Melrose Park, 657 Victoria Road, Melrose Park and 27-29 Hughes Avenue, Ermington (known as	Parramatta Section 94A Development Contributions Plan (Amendment No. 5) 2017

	Melrose Park North) and valued at \$96,745,226.	
Planning proposal and draft amendments to the Wentworth Point DCP 2014 for the Sekisui site located at 14-16 Hill Road, Sydney Olympic Park.	Sekisui House Australia Pty Ltd and SH Hill Road Development Pty Ltd for land at 14-16 Hill Road, Sydney Olympic Park is valued at \$20m.	Auburn Development Contributions Plan 2007 (Amendment No. 1).

71. In response, Council Officers acknowledge that the concerns raised are reasonable for a number of reasons:

- The draft planning agreements have been negotiated between the parties and Council for some time and parties were negotiating on the basis that future development on these sites would pay development contributions under the existing development contributions plan applicable at the time of negotiation.
- The draft planning agreements are endorsed by Council and have been on public exhibition;
- The planning agreements currently include items that are in the works programs of the Draft Plan and it is considered reasonable that they should not also be required to pay contributions towards the cost of these works, that is Council should not 'double dip' for contribution or delivery of these works.
- The works proposed to be undertaken by each developer include the provision of land and/or works listed in the Draft Plan's works schedule that Council would otherwise have to fund and deliver if the proponents do not provide the land and/or works.
- There remains the risk that both applicants could withdraw from their current Draft Planning Agreements as they have not yet been executed. Applicants are still able to seek to renegotiate them or refuse to enter into the agreements at all. If the Planning Agreements were not to proceed Council would need to rely solely on contributions generated from application of the Draft Plan that is the subject of this report. In this case the net contribution received from the developer would be less than that proposed to be contributed under each Planning Agreement.

72. The estimated financial implications of the following three scenarios are presented in **Table 4** below:

- a) Scenario A (Council Officer recommended approach) - where the equivalent rates of the currently applicable development contributions plans apply to future development approvals (that is Parramatta Section 94A (s7.12) Contributions Plan and Auburn Development Contributions Plans 2007 (s7.11) and the value of the Planning Agreement.

- b) Scenario B – where the Draft City of Parramatta (Outside CBD) Contributions Plan 2021 (s7.11) apply and no Planning Agreement is entered into between the parties; and
- c) Scenario C – where the Draft City of Parramatta (Outside CBD) Contributions Plan 2021 (s7.11) apply in addition to the value ascribed in each Planning Agreement.

**Table 4:** Estimated Financial Implications of three scenarios relating to Sekisui & PAYCE Planning Agreements and development contributions

	<b>Melrose Park North, PAYCE MP2 Pty &amp; other parties</b>	<b>Hill Road - Sekisui House Australia Pty Ltd</b>
<b>Scenario A (Council Officer recommended approach)</b> - Current Parramatta Section 94a (s7.12) or Auburn Section 94 (s7.11) Contributions Plans and Planning Agreement	\$117.8M	\$29.7M
<b>Scenario B</b> - Draft City of Parramatta (Outside CBD) Contributions Plan 2021 (s7.11) and no Planning Agreement	\$85.3M	\$33M
<b>Scenario C</b> - Draft City of Parramatta (Outside CBD) Contributions Plan 2021 (s7.11) and Planning Agreement	\$182M	\$53M

73. In relation to the PAYCE / Melrose Park North proposal, Scenario A would result in a greater value to Council (increase of estimated \$32.5M) than what Council would have been able to achieve if no Planning Agreement was entered into, and the sole financial contribution from the Draft Plan (Scenario B). However, under Scenario C the overall financial contribution would equate to an estimated \$64.2M increase when compared to Scenario A.

74. An important factor to consider in relation to the value of the PAYCE / Melrose Park North planning agreement is the 40,000sqm of public open space to be dedicated to Council. The acquisition value of the land is not included in the total value of the planning agreement (however embellishment of the open space is valued) within the planning agreement. This is because the developer would not lose any developable area entitlement under the relevant FSR control as a result of dedication of the open space, as the FSR over the land identified as open space would effectively be extracted and redistributed towards the remaining developable site area.

75. If Council were to rely solely on development contributions (under Scenario B) two things would occur – firstly, land acquisition expenditure would be required by Council valued at approximately \$14m) and secondly, less than half of the amount of open space currently proposed under the planning agreement would be delivered. The works program in the Draft Plan identifies approximately 20,000sqm of open space within Melrose Park North to be acquired and embellished. Therefore, in the absence of the planning agreement this would compromise both Council's ability to deliver open space over and above that identified in the Draft Plan and to do so in a timely manner.

76. In relation to the Sekisui Hill Road proposal, Scenario A would result in an estimated \$3.3M lesser value than what Council would have been able to achieve if no Planning Agreement was entered into, and the sole financial contribution would be from the Draft Plan (Scenario B). Under Scenario C the overall financial contribution would equate to an estimated \$20M increase when compared to Scenario A.
77. However the planning agreement for Hill Road / Sekisui also includes the dedication of approximately 18,500sqm of foreshore open space. The planning agreement did not attribute a value of the land for the foreshore open space. The works program of the Draft Plan values the acquisition of this foreshore land at over \$29M. Under Scenario B, if no planning agreement was reached, Council would be required to acquire this land at market rate. Therefore, in the absence of the planning agreement, this would compromise Council's ability to deliver this additional open space in a timely manner.
78. Council Officers therefore recommend a 'grandfathering' approach in relation to the following draft planning agreements whereby:
- a) the Melrose Park North / PAYCE planning agreement is amended to stipulate that the equivalent development contribution to the current rates contained in the Parramatta Section 94A Development Contributions Plan (Amendment No. 5) 2017 be applied for the life of the development. The Planning Agreement would then exclude the application of any future development contribution contained in any section 7.11 or 7.12 contributions plan that would otherwise apply to the site. This approach effectively locks in the existing contributions payable under the current plan; and
  - b) the Sekisui / Hill Road planning agreement is amended to stipulate that the equivalent development contribution to the current rates contained in the Auburn Development Contributions Plan 2007 (Amendment No. 1) be applied for the life of the development. As with the Melrose Park North Planning Agreement, this Planning Agreement would also exclude the application of any future development contribution contained in any section 7.11 or 7.12 contributions plan that would otherwise apply to the site. The equivalent contributions payable in the Auburn Development Contributions Plan 2007 would be applied to the site.
79. This approach would require re-exhibition of both draft planning agreements given the nature of the proposed changes. This exhibition can be undertaken during the 'caretaker' period of Council without delaying determining the respective Planning Proposals. It is therefore recommended that Council authorise the Chief Executive Officer, on behalf of Council, to amend the draft planning agreements for the purposes of public re-exhibition and that the outcomes of the public exhibition be reported back to Council in conjunction with the respective Planning Proposals and draft Development Control Plans.

## PROPOSED MINOR CHANGES

80. **Table 5** outlines the proposed administrative changes or of minor significance.

These do not have material impact on the plan such as rates or the 'bottom line', and therefore are considered to be minor and does not require re-exhibition of the Draft Plan.

**Table 5:** Recommended administrative / minor amendments to Draft Plan

Reference in Plan	Proposed Amendment	Reason
Section 1.5 - 'Relationship to previous plans'	Minor rewording: <ul style="list-style-type: none"> <li>Remove reference to 'repeal' of predecessor plans;</li> <li>Add words which clarify that predecessor plans have no effect on applications lodged with Council made after the commencement of the Plan.</li> </ul>	The Plan's current wording "predecessor plans are repealed" implies that the predecessor plans will be void. However these plans are still valid for current development applications and future modifications for the near future.
Section 1.5 – 'Use of contributions'	Additional wording stating that "Within the works program Council has given each item a Priority A, B or C, which indicates the priority in which expenditure of the contributions should be given."	Omission from Draft Plan explaining the priority legend in the Works Program (Appendix F)  The <i>Environmental Planning and Assessment Regulation 2000</i> requires that where funds pooling is proposed, the priorities for the expenditure of the contributions must be shown in the work schedule. For example where many items in traffic have 0-5 year timeframes, a relatively priority (A,B or C) is given within this timeframe.
Appendix F - Works Items AF1 & AF2	Redistribution of estimated costs of works and apportioned costs between the Epping Aquatic Centre and Mays Hill Pool of \$2.9m as follows: <ul style="list-style-type: none"> <li>Epping aquatic facility - estimated cost to Council increases from \$8.5M to \$11.4M and apportioned cost to Council increases from \$3.3M to \$5.3M.</li> <li>Mays Hill aquatic facility – estimated cost to Council decreases from \$38.5M to \$36.5M and apportioned cost decreases from \$20.2M to \$18.2M.</li> </ul>	Design and construction of the aquatic facilities at Epping Pool and Mays Hills have progressed since the works program was drafted.  The Epping Pool project has Council endorsement (as resolved on 26 April 2021) to 'borrow' \$2.852M in 'unspent' funds from current \$7.11 reserves and will 'pay back' this money in time (this practice is in line with Ministerial Direction 2020). In order to reflect the true cost of works and ability to deliver the upgrades to Epping pool, without requiring 'borrowing' of other funds it is proposed to increase the estimated costs and apportioned costs by \$2.9m within the Plan. This will reduce the amount of cost apportioned to Mays Hill pool. It is noted that

Reference in Plan	Proposed Amendment	Reason
		<p>Mays Pool is also included as a works item in the City Centre Contributions Plan.</p> <p>Note as the total aquatic facilities cost to Council and apportioned cost remains static, there is no impact on the Plan's contribution rates.</p>
Appendix F - Works Items O07 & O036	<p>Redistribution of estimated costs of works and apportioned costs between the Open Space and Recreation Items 'upgrade at FS Garside Park' and 'Rydalmere Park' of \$3.5M as follows:</p> <ul style="list-style-type: none"> <li>- Upgrade at FS Garside Park - estimated cost to Council and apportioned cost increases from \$5M to \$8.5M.</li> <li>- Rydalmere Park – estimated cost to Council and apportioned cost decreases from \$15M to \$11.5M.</li> <li>- Rydalmere Park timeframe for delivery is amended from 5-10 years to 0 – 10 years</li> </ul>	<p>The FS Garside project has Council endorsement (as resolved on 26 April 2021) to 'borrow' \$8.44m unspent funds from Civic Improvement Plan (Community Facilities) s7.12 reserves and will 'pay back' this money in time (this practice is in line with Ministerial Direction 2020). In order to reflect the true cost of works and ability to gather funds for delivery of upgrade to the park, without requiring 'borrowing' of other funds it is proposed to increase the estimated costs and apportioned costs from \$5M to \$8.5M.</p> <p>Due to receiving funds earlier than anticipated, in relation to Rydalmere Park upgrades, the works will be completed by 2021/2022 and are estimated to be completed within a budget of \$11.5M.</p> <p>Note as the total open space and recreation costs to Council and apportioned costs remains static, there is no impact on the Plan's contribution rates.</p>
Appendix F - Works Item O67	<p>That item O067 'Local park upgrade, Toongabbie – upgrade one existing park in Toongabbie to a district park, ideally at Sue Savage Park' cost to Council and apportioned cost are split over two timeframes:</p> <ul style="list-style-type: none"> <li>- \$2m in 0-5 years; and</li> <li>- \$13m in 10 – 20 years</li> </ul>	<p>The Sue Savage Park Masterplan was endorsed by Council at its meeting on 13 June 2017. Council's Delivery Program and Operational Plan (DPOP) 2020/21 identifies Stage 2 of Sue Savage Masterplan Implementation to be delivered at a budget of \$1.815m by 2020/21.</p> <p>Stage 2 of the Masterplan is funded by the City of Parramatta Council Section 94A Development Contributions Plan (Amendment No. 5). The COVID19 pandemic has significantly impacted the construction industry and</p>



Reference in Plan	Proposed Amendment	Reason
		<p>development contribution funds from 2020/21 have not accumulated as predicted, delaying Stage 2 masterplan delivery.</p> <p>Bringing forward \$2m in 0-5years in the 2021 s7.11 plan enables Council to fulfil the pre-existing DPOP20/21 commitment as early as possible whilst the remaining elements are subject to the '10-20year' timeframe.</p> <p>Note as the total open space and recreation costs to Council and apportioned costs remains static, there is no impact on the Plan's contribution rates.</p>
Appendix F - Works Item – various cycleways	<p>Recommend that the following cycleways be brought forward from 10 to 20 years to 0-10 years delivery timeframes:</p> <ul style="list-style-type: none"> <li>- CW07 &amp; CW08 – Cycleways Dundas (Regional and Local)</li> <li>- CW09 &amp; CW10 – Cycleways Newington (Regional and Local)</li> <li>- CW13 and CW14 – Cycleways Parramatta (Regional and Local)</li> </ul>	<p>The suburbs that are experiencing high growth rates and demand for cycleway infrastructure.</p> <p>These works items are often subject to co-funding by NSW Government grants, therefore bringing forward the works is unlikely to place pressure on Council's short-term infrastructure budget.</p>
Appendix F - Works Item – Pedestrian Safety	<p>Works Program from 'pedestrian refuge' and 'pedestrian refuge island' to 'pedestrian facility'.</p> <p>PS03 – Pedestrian Refuge, Newington - Description in works table reads 'Louis Sauvage' instead of 'Louise Sauvage'.</p>	<p>It is proposed to amend the term in the items in the Works Program from 'pedestrian refuge' and 'pedestrian refuge island' to 'pedestrian facility'. At its meeting of 22 February 2021 Council adopted its own warrants for pedestrian crossings, as previously Council needed to follow TfNSW requirements. Therefore items/ projects that are described as pedestrian refuge / refuge islands will be required to be described more generally as pedestrian facility to be assessed under Council's warrants.</p> <p>PS03 - Correct a minor typographical error.</p>
Appendix F - Works Items Traffic Management	Amendments to the timeframes associated with Traffic Management works in Carlingford:	TM 22- delivery of a roundabout is a low priority at this stage and the proposed refuge island will reduce speeds and improve pedestrian

Reference in Plan	Proposed Amendment	Reason
	<ul style="list-style-type: none"> <li>- TM22 new roundabout Carlingford (Post Office/Young Rd) from Priority A to Priority B and 0-5 years to 10-20 years</li> <li>- TM23 new roundabout Carlingford (Post Office/ Boundary ) from Priority A to Priority B and 0-5 years to 10-20 years</li> </ul>	<p>safety and amenity, therefore reducing the priority of the roundabout.</p> <p>TM23 – was to be delivered as part of a planning agreement however it was found that it was not feasible. Therefore, instead of the roundabout it was agreed that a pedestrian refuge island be provided in Post Office Street near Young Road which is being funded through current (s94) Contribution Plan No. 14 for the Carlingford Precinct.</p>

## UPDATE ON CORRESPONDENCE TO SYDNEY OLYMPIC PARK AUTHORITY

81. Council resolved on 30-November 2020 for the Lord Mayor to write to the NSW Premier and Minister for Planning and Public Spaces requesting to the transfer of the planning functions for Sydney Olympic Park from SOPA to the City of Parramatta Council. This will allow for a more coordinated, consistent, and inclusive planning framework to be developed for the entire LGA.

82. In response to the resolution, letters were sent by the Lord Mayor on 19 March 2021. At the time of drafting this report a response was received from the NSW Premier on 29 May 2021, where it was indicated that she has sent the letter to the Planning Minister.

## CONSULTATION & TIMING

### Stakeholder Consultation

83. The following stakeholder consultation has been undertaken in relation to this matter:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
17 March 2021 to 16 April 2021 (public exhibition)	Public Exhibition summary provided in paragraphs 27 to 31 of this report.	Refer Attachment 1 for Submission Table	Refer Attachment 1 for Submission table	City Planning and Design

### Councillor Consultation

84. The following Councillor consultation has been undertaken in relation to this matter:

Date	Councillor	Councillor Comment	Council Officer Response	Responsibility
7 June 2021	All	Feedback in relation to: <ul style="list-style-type: none"> <li>- comparison of annual income of existing plans and draft plan;</li> <li>- clarification of types of affordable and social housing that may be exempt from payment of development contributions.</li> </ul>	Response circulated via email to Councillors on 18 June 2021.	City Planning and Design

## LEGAL IMPLICATIONS FOR COUNCIL

85. If Council resolves to adopt the revised Draft Plan, it will update and replace Council's existing local infrastructure contributions plans. The new plan will apply to development applications and complying development applications lodged on or after the new plan's commencement date.

86. In relation to the recommended amendments to the Draft Plan seeking an exemption for affordable and social housing developments, Council sought internal legal advice to confirm that re-exhibition of the Draft Plan would not be required as a result of the recommended change. Council's Legal Services confirm that pursuant to Clause 31(b) of the *Environmental Planning and Assessment Regulation 2000* it is an inherent part of the consultation process that Council may make appropriate alterations to the Draft Plan, based on the outcome of the public exhibition process and Council's consideration of submissions that were duly made, and that in this instance re-exhibition would not be required.

87. Under the Environmental Planning and Assessment Regulation 2000, Council must publish notice of its decision on its website within 28 days after the decision is made. If approved, the revised Draft Plan will come into effect on the date that notice of the Council's decision to approve the plan is published on its website, or on a later date specified in the notice.

## FINANCIAL IMPLICATIONS FOR COUNCIL

88. As outlined in the Council report of 30 November 2020 which sought Council's approval to publicly exhibit the Draft Plan, local infrastructure contributions form part of Council's Resourcing Strategy, including its Long-Term Financial Plan. Local contributions provide funding towards priorities in the Community Strategic Plan, 10-year capital works plan and four yearly Delivery Program. Whilst the Plan will increase contributions revenue to Council, inclusion of works within this Plan will also create operating and unrestricted cash deficits as the result of costs that cannot be attributed to the Plan, such as operational and maintenance costs.

89. The Draft Plan's works program contains approximately \$1.69 billion of local infrastructure over 20 years, from 2021 until 2041. Of this, the Draft Plan is forecast to generate approximately \$1.24 billion in contributions over the life of the Plan.
90. Based on this forecast, the capital costs that Council will need to fund the works identified in the Plan using other funding sources is estimated to be up to \$451.5 million. This is equivalent to \$22.3 million per year from 2021 to 2041.
91. Approximately \$69 million of this can be funded using contributions already collected under existing contributions plans that have not yet been spent. This is appropriate as contributions collected under existing plans relate to previous population growth and associated infrastructure demand, whereas the Draft Plan relates to future population growth. It is common for accumulated contributions to be rolled over in this manner when a new plan is introduced.
92. It is noted that the value of the works program excludes operational and maintenance costs as contributions plans are not able to include these costs. These costs are estimated to be approximately \$429 million over 20 years (approximately \$21.5 million per year).
93. Depreciation costs have been estimated at \$420 million over 20 years (approximately \$21 million per year), whilst not affecting cash flow it is considered good financial planning to quantify costs associated with renewal of infrastructure identified in the draft works program over the life of the Draft Plan.
94. The total funding gap, including costs that cannot be recovered under the Draft Plan, is provided at **Table 6**.

**Table 6:** Funding Gap

Proposed contributions framework	<b>\$1.69B</b>
<b>Total infrastructure costs (20 years)</b>	
Estimated income (from Draft Plan)	\$1.24B
Credit - Existing contributions income (outside CBD)	\$69M
<b>Infrastructure funding gap (excluding operational, maintenance and depreciation costs)</b>	<b>\$383M</b>
+ Operational and maintenance costs	\$429M
+ Depreciation costs	\$420M
<b>Infrastructure funding gap</b>	<b>\$1.23B</b> <b>(\$61.5M/year)</b>

95. While forecast contributions income does not reflect the full cost of infrastructure identified in the draft works program, the new contributions plan will fund a significant proportion of costs, equivalent to 73 per cent of capital costs or approximately 59 per cent of total capital, operational and maintenance costs. The forecast income is also significantly more than that being received under the

current development contributions framework, which is approximately \$18.1 million per year, on average, in the area where the Plan will apply.

96. A comparison of the funding gap under the existing contributions framework and Draft Plan is provided **Table 7**.

**Table 7:** Infrastructure costs & funding under existing and proposed plans

<b>Total infrastructure costs (excluding operational and maintenance costs)</b>	<b>\$1.69B</b>	
	Existing contributions framework	Proposed contributions framework
Estimated income	\$362M	\$1.24B
Credit - Existing contributions income (outside CBD)	\$69M	\$69M
<b>Infrastructure funding gap (excluding operational, maintenance and depreciation costs)</b>	<b>\$1.26B</b>	<b>\$383M</b>
<b>New plan contribution to funding gap</b>	<b>\$877M</b>	

97. Council's co-contribution could be reduced including through the following methods over time:

- c) Voluntary planning agreements providing additional funds or works- in-kind to deliver infrastructure. For example, delivery of a new community facility or open space, as part of development within the LGA's high growth precincts.
- d) Explore state and federal government grants for example, in 2019/2020, Council received \$13 million in grants for capital works outside the CBD.
- e) NSW Government increasing its contributions cap (as was suggested in recent Government draft exhibited materials). Currently capped at a maximum of \$20,000 per dwelling, this would increase contributions for 3-bedroom and 4-bedroom dwellings to \$23,251 and \$27,126 per dwelling respectively under the Draft Plan (depending on what level the cap was raised to).
- f) The detailed project design and development phase for infrastructure projects may also identify opportunities for cost and efficiency savings, or by cross-subsiding new facilities as part of mixed-use development schemes on Council owned land, for example by including an element of residential or commercial floorspace above community facility floor space.
- g) Explore utilisation of Internal Reserves, for example, Property Development Reserve.
- h) Undertake a review of existing Council service offerings and prioritise these works against the works identified in the Draft Plan's infrastructure

works program, with a view to reducing some service offerings (that may no longer be required or considered a priority).

98. The Draft Plan identifies priorities and timeframes for delivery of the infrastructure items in the works program. Council's annual review of available funding can also assist in determining how it prioritises delivery of capital works, including those works identified in the Draft Plan. This will assist with the allocation of contributions income and other funding that becomes available during the life of the Draft Plan against the needs of the new population.
99. The Draft Plan also includes a commitment that it be reviewed at least every five years to ensure it reflects updated population projections, infrastructure demand and cost, review of funds received, and consideration of Council's capital works plan and strategic infrastructure priorities.

## **CONCLUSION**

100. The Draft Plan has been prepared as part of Council's broader harmonisation program and seeks to replace and harmonise eight existing Council-administered development contributions plans that apply outside Parramatta CBD and Sydney Olympic Park with a single, consolidated development contributions plan that reflects updated population forecasts, infrastructure demand, strategic infrastructure priorities and costs.
101. The Plan will increase development contributions funding to help meet the infrastructure needs of future development and help ensure that infrastructure service levels for the existing population do not decline as a result of the new development infrastructure demand.
102. It is recommended that Council endorse the Plan for finalisation, with minor amendments relating to exemptions to social and affordable housing, individual works items and administrative edits.
103. If approved, Council Officer recommend that the Plan to come into effect within 8 weeks from the date of the public notice of Council's decision to allow sufficient time to incorporate the final Plan in Council's systems and processes.

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**ATTACHMENTS:**

<a href="#">1</a> ↓	Submissions Table	34 Pages
<a href="#">2</a> ↓	Draft Parramatta Development Contributions Plan 2021 (as exhibited)	108 Pages

**REFERENCE MATERIAL**