



WESTMEAD SOUTH INFRASTRUCTURE DELIVERY PLAN

Cumberland City Council

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Westmead South Infrastructure Delivery Plan

Cumberland City Council

Prepared for

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Executive summary

Cumberland City Council (Council) has prepared a draft master plan for the Westmead South area.

The draft master plan envisages redevelopment of urban land throughout the Westmead South area, particularly concentrated in and around the Westmead transport interchange and along the Great Western Highway.

Revised land use zoning and planning controls are being prepared to cater for development of up to 7,600 new dwellings (up to 6,700 net additional dwellings). The expected development and additional population of around 17,000 will increase demand on urban infrastructure and services.

As part of the preparation of the draft master plan the council engaged consultants to identify the infrastructure that would be required to meet the needs of the growth. These investigations identified around 80 infrastructure items that will be needed to be planned, programmed and funded by developers, Council, State government., and utility authorities.

This infrastructure delivery plan documents for each infrastructure item:

- a description of the project
- whether it is State, local or utility infrastructure
- the entity responsible for delivery
- the ultimate owner / manager of the completed asset
- the range of funding and delivery mechanisms that could be considered
- the recommended delivery mechanism
- the estimated capital cost

The infrastructure delivery plan also:

- (a) Describes the steps involved for Council to determine the optimum funding and delivery framework for local infrastructure, including matters for consideration regarding the use of section 7.11 and section 7.12 contributions.
- (b) Includes recommendations and next steps in the planning and delivery arrangements for Westmead South infrastructure.

List of recommendations

We recommended that Council:

1. Review and confirm or adjust the proposed IDP, particularly the recommendations regarding
 - a. primary delivery mechanisms
 - b. ultimate asset owner
 - c. State and local infrastructure

2. Decide on the preferred or optimum mix of s7.11 contributions and s7.11 levies to apply to the expected types of development by completing the process discussed in section 4 of this report. Prior to deciding the council should consult with offices at IPART to clarify whether streetscape and public domain items in the IDP schedule would meet the 'Essential Works' criteria.
3. Prepare, exhibit and adopt a local infrastructure contributions plan that is consistent with the preferred mix of mechanisms.
4. Manage the infrastructure funding risks by:
 - a. Preparing a basic cash flow analysis to inform an infrastructure staging plan for the Westmead South infrastructure delivery.
 - b. Implementing Contributions Funding Gap costs and revenue strategies discussed in section 4.1 of this report that are appropriate to Council's circumstances.

1 Introduction

Background

Cumberland City Council (Council) has prepared a draft master plan for the Westmead South area (Refer Figure 1). Revised land use zoning and planning controls are being prepared to cater for development of up to 7,600 new dwellings in the area.

The expected development and additional population will increase demand on urban infrastructure and services.

As part of the preparation of the draft master plan the Council engaged consultants to identify the infrastructure that would be required to meet the needs of the growth. These investigations identified around 80 infrastructure items that will be needed to be planned, programmed, and funded by developers, Council, State government, and utility authorities.

This infrastructure delivery plan sets out the infrastructure needed to support Westmead South's future development, the cost of that infrastructure, who's responsible, and the funding and delivery mechanisms to be used to deliver that infrastructure.



Source: Architectus (8 April 2024)

Figure 1 Westmead South Master Plan

Purposes of this plan

The purposes of this Infrastructure Delivery Plan (IDP) are listed below:

1. Set out the infrastructure that will be needed to support the planning vision for the Westmead South, including estimated cost and responsibility for provision.
2. Identify the range of mechanisms available to fund and deliver infrastructure.
3. Identify the optimum use of local infrastructure contributions (including section 7.11, section 7.12 and planning agreement contributions) for the timely delivery of local infrastructure.
4. Provide a 'road map' to assist the Council and other agencies to collaboratively plan, prioritise, program and deliver infrastructure in the Master Plan area in an orderly and timely manner.

2 Infrastructure drivers and constraints

2.1 Existing context

The Westmead South precinct is strategically situated adjacent to the growing Parramatta CBD and Westmead Health and Innovation District. Encompassing approximately 125 hectares, Westmead South is bounded by the T1 Western train line to the north, Bridge Road to the west, the Great Western Highway to the south and Good Street and the Mays Hill Precinct to the east.

Westmead South is predominately a residential suburb characterised by low to medium rise housing with a pocket of apartment development to the northeast of the site and mixed-use development along the Great Western Highway. The precinct contains approximately 3,200 dwellings and has a current population of approximately 8,050 residents. To support the residential core, other uses including education, public worship, retail and commercial are scattered around the area.

The precinct is serviced by the key open space areas of M.J. Bennett Reserve, Austral Avenue Reserve and Sydney Smith Park. The Mays Hill Precinct, which forms part of Parramatta Park, and is immediately adjacent to Westmead South, forming its eastern boundary, also services the area. Hawkesbury Road is currently the major north/south connection through the area, linking north to the Westmead Health and Education Precinct, and south onto the Great Western Highway and Western Motorway, which provides regional links across Greater Sydney.

Westmead South enjoys good access to public transport, including T-ways and train services. The Parramatta Light Rail Stage 1 (to be opened in 2024) and Sydney Metro West (under construction) will further improve the precinct's connection to other key centres in Metropolitan Sydney. This significant investment into public transport, coupled with other major investments transforming Westmead into a major health, education and innovation precinct, has provided the impetus for renewal within Westmead South.

2.2 Westmead South draft Master Plan

Cumberland City Council have prepared a draft Master Plan for the Westmead South Precinct to support the future rezoning and development of the Precinct. The draft Plan builds on the work undertaken as part of the Westmead Place Strategy prepared in 2022 and aims to develop proposed planning controls relating to zoning, floor space ration, building heights, setbacks and heritage within the Precinct.

The overall vision is for Westmead South to evolve into a unique place, providing living and employment close to public transport that is built upon its rich Indigenous and historical heritage, leveraging health and innovation uses in broader Westmead area. Its character will be further defined by high quality public spaces, diverse building typologies and uses. A network of green spaces coupled with walking and cycling initiatives will ensure Westmead South evolves into a liveable inner-city precinct distinct itself from the surrounding suburbs.

The draft Plan prepared for the Westmead South Precinct is shown in Figure 1. A summary of the proposed development is provided in **Table 1**.

The key features of draft Plan include:

- Provision of approximately 6,692 dwellings accommodating 17,719 residents within a precinct serviced by the existing T-way and railway, and future light rail and metro line.
- Provision of approximately 39,467m² of non-residential GFA.
- New transport interchange focused around the new Metro, providing mixed use development opportunities.
- New dwellings will provide diverse options within the precinct, including high, medium, and low-density residential opportunities.
- High density residential located within walking distance of the station and key education, health and recreation attractors.
- Hawkesbury Road north-south connection through Westmead South providing enhanced public domain amenity with a new public plaza, shared pathways and landscaping.
- New north-south 'Green Link' providing new and enhanced parks and connections.
- Enhanced streetscapes along key east-west and north-south streets to encourage walking and create attractive neighbourhoods.
- Network of thru-site links increasing neighbourhood permeability to encourage walking.
- New community facilities including a multi-use indoor sports facility and multi-purpose community facility.
- Westmead South character preserved and enhanced through heritage protections.

The development projected in the Westmead South, on which the need for local and regional infrastructure is based – is shown in the table below.

Table 1 Westmead South population and dwelling projections

	2024	2036*	Change (2024 – 2036)
Dwellings	3,259	9,880	6,621
Residents	8,054	25,590	17,536
Non-residential GFA (m2)	7,650	47,117	39,467

*Potential total future amounts (retained + additional)

2.3 Proposed development

The draft Plan for Westmead South anticipates a predominately residential precinct characterised by a diverse range of housing typologies with some opportunities for mixed-use development.

Development within Westmead South has been separated into seven distinct character areas as shown in Figure 2. The development anticipated within each character area responds to its own individual circumstances including, existing development, heritage considerations, proximity to major transport infrastructure or other significant local infrastructure.

Hawkesbury Road High Street Character Area – Encompassing the proposed Westmead Metro Station and interchange the area will offer a mixture of uses, including educational, community, retail and commercial uses, with a link between the two key activity nodes at the future Metro Station and the Oakes Centre.

Medium to high-density mixed-use developments will be located at and around the Metro Station providing residential opportunities close to employment, including the Westmead Health and Education District, and transport infrastructure including existing railway, and future Metro and light rail, linking to Westmead, Parramatta, and Sydney CBD.

Northern Living Character Area – Expected to facilitate the majority of the housing growth in the Precinct, leveraging its close proximity to the Westmead Interchange. The area will be transformed to a higher density living precinct.

New open space will be provided along Alexandra Avenue, forming a key place on the 'green link' between Alexandra Avenue, Austral Avenue Reserve and M.J. Bennett Reserve.

Eastern Living Character Area – Characterised by three-four storey strata titled residential flat buildings, this area will have less changes. Any future development within this area will need to consider the existing strict solar access rules applied to Mays Hill Precinct under the Greater Sydney Parklands Trust Act 2022.

Central Living Character Area – Centrally located within the Precinct the area is serviced by both the future Metro Station and T-way stops along the Great Western Highway.

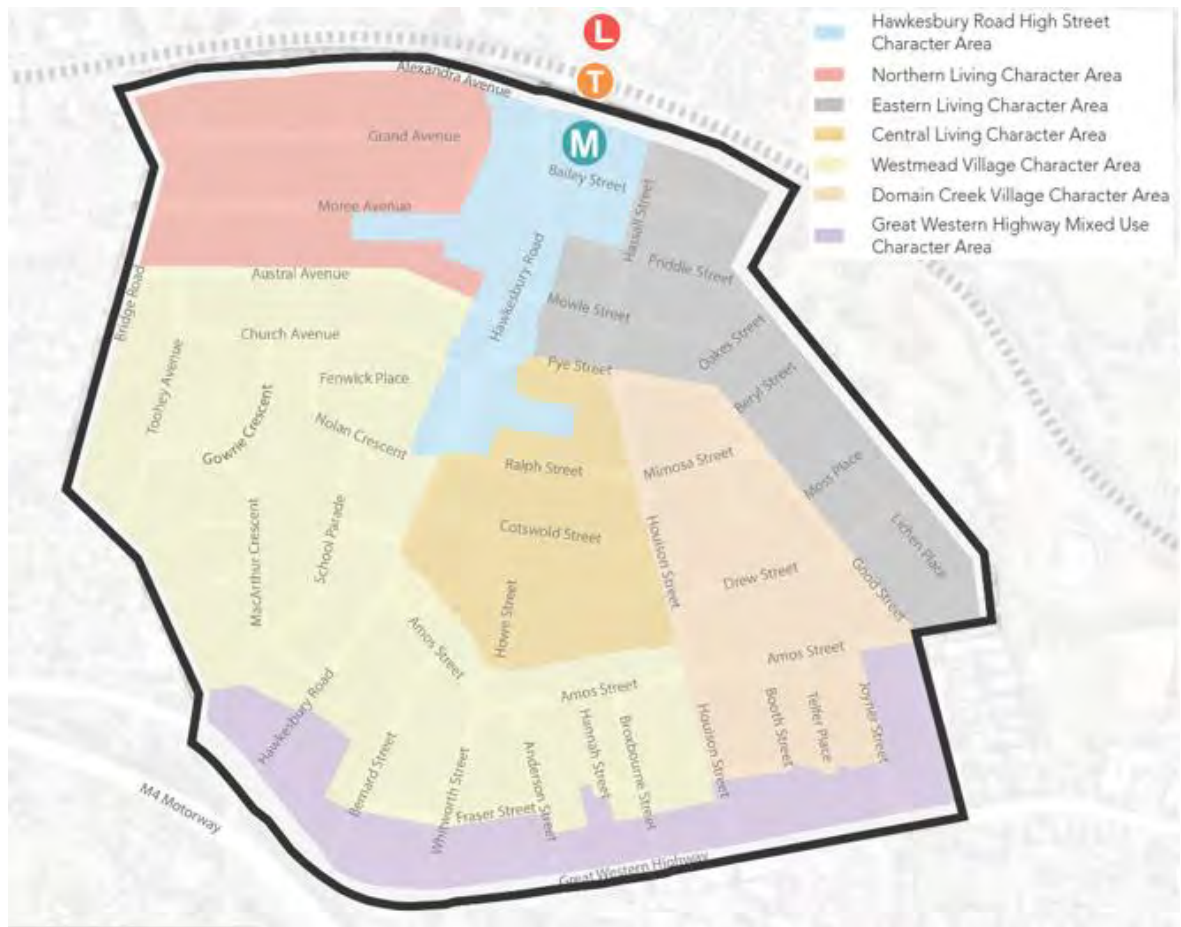
The area will transition into a medium to high density residential area close to Sydney Smith Park and future Oakes Centre Plaza. As the area is adjacent to lower density areas, a built form transition is proposed to reflect the lower density development anticipated to the south and east.

Westmead Village Character Area – Encompassing approximately 45 hectares of the Precinct's total approximate area of 125 hectares, the low scale and historic qualities of this area will largely be retained, while allowing for some new low and medium density development.

Domain Creek Village Character Area – The low rise setting of this area will be protected, with the area characterised by low to medium density dwellings. Minor changes to planning controls will enable low-rise medium density residential development including multi-dwelling housing and townhouses.

Greater Western Highway Mixed Use Character Area – This area will extend the recent mixed-use development along the Highway, with ground floor non-residential uses to be provided along the Great Western Highway, including showroom retail, bulky good, medical, allied health and wellbeing.

Mixed-use medium-high density residential up to 6-12 storeys is anticipated along the Great Western Highway.



Source: Cumberland City Council

Figure 2 Westmead South Character Areas

2.4 Infrastructure required to meet development

The provision of infrastructure in a timely manner will be essential to implementing the draft Plan. The infrastructure needed to support the future development has been identified as part of the master planning process and is shown in **Table 2**.

The schedule of infrastructure reflects the infrastructure studies prepared to support the Westmead South master planning process has been informed by the Westmead South Place Strategy and associated vision, structure plan, principles, directions and actions.

The infrastructure schedule identifies approximately 80 individual infrastructure items needed to serve the future developments. Much of this infrastructure is classified as local infrastructure and includes open space and social infrastructure, streetscape and public domain improvements, traffic and access, and stormwater and flooding infrastructure, smart cities, and utility infrastructure.

Table 2 Westmead South infrastructure needs

Category	Infrastructure items
Open space and social infrastructure	New and upgraded local open space New multi-use indoor sports facility New multi-purpose community facility
Streetscape and public domain	Oakes Centre public plaza New and upgraded pedestrian, cycleway, and streetscape improvements Green and thru site links
Traffic and access	Various road and intersection upgrades Bridge Road widening over rail corridor Capacity increases along Great Western Highway Commuter carpark
Stormwater and flooding	WSUD public domain - infiltration swales WSUD public domain - street tree pits Bio-retention basin at north end of Green link
Smart cities infrastructure	Fibre optic network expansion Smart safety and movement (CCTV) Smart lighting Smart poles Digital wayfinding and signage Public wi-fi
Utility infrastructure	Sewer upgrades Electrical upgrades

3 Funding and delivery mechanisms

This section discusses the potential mechanisms that are available to fund and deliver growth-related infrastructure. The mechanisms are discussed in this section under the following groupings:

- Infrastructure contributions and planning agreements.
- Planning system and other mechanisms.

3.1 Infrastructure contributions and planning agreements

These are the primary mechanisms that councils use to provide growth-related local infrastructure.

Infrastructure contributions are contributions of money, land or works made by developers that help State and local government provide the infrastructure needed to support their developments.

Figure 3 is a map of the NSW infrastructure contributions system showing the infrastructure contributions tools available to State government and local councils.

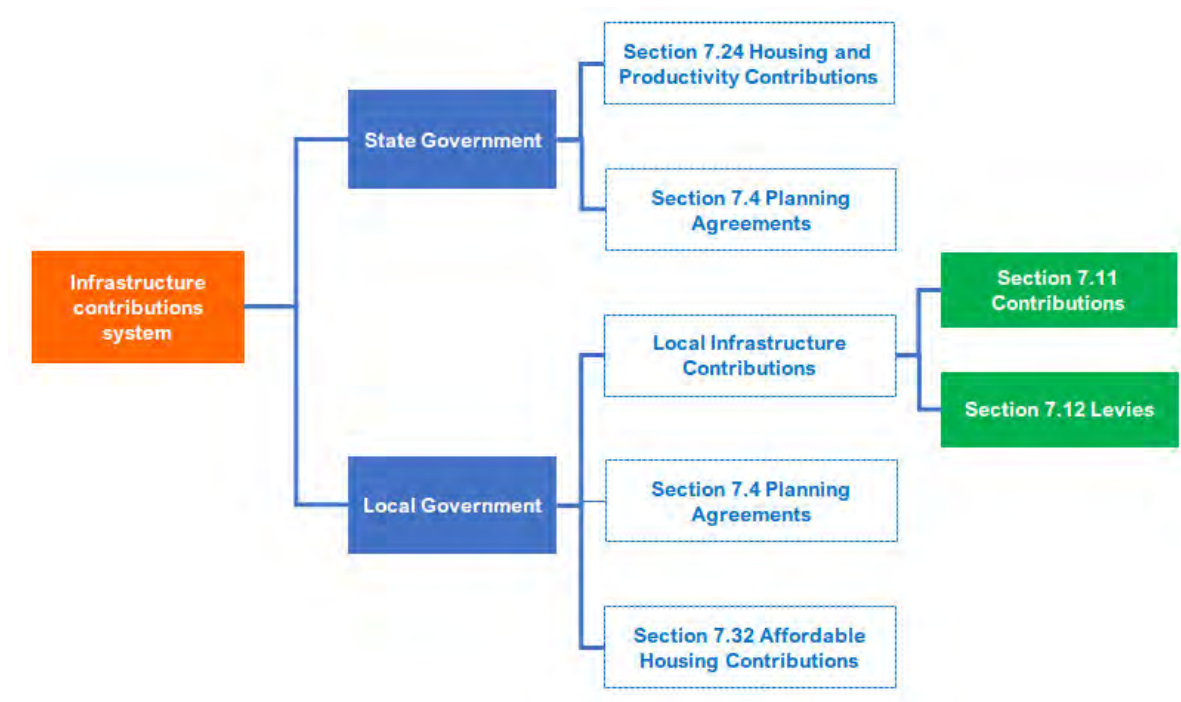


Figure 3 Types of contributions

3.2 Local infrastructure contributions

Local infrastructure contributions are levied through conditions of development consent. The planning system allows for local infrastructure contributions to be made as:

- money paid by developers and used for the costs of buying land or providing infrastructure, and/or
- land dedicated free of cost by developers for the provision of infrastructure.

In some cases, 'works in kind' can be accepted instead of money or land contributions. Works in kind are works that are undertaken by the developer and transferred to the government or council on completion, for example a road or a park.¹

Councils, planning panels and registered certifiers impose conditions of development consent for local infrastructure contributions in accordance with a 'contributions plan' that is in force and which applies to the particular development. Contributions plans are prepared and adopted by the local council and among other things, set out the contribution rates for different development types and the infrastructure items that will be provided using the contributions received.

Section 7.11 contributions and section 7.12 development levies

The two types of contributions mechanisms available to councils to provide local infrastructure and that can be imposed on a development are section 7.11 contributions and section 7.12 development levies.²

A section 7.11 (or s7.11) contribution is a contribution (either monetary or in the form of land) for the provision or extension of infrastructure where development creates the need for that infrastructure. It is determined by the increased demand for infrastructure the development has created (that is, where there is a nexus between the development and the infrastructure) and the share of the total demand that the developer must pay (called apportionment).

A section 7.12 (or s7.12) levy is a percentage levy based on the cost of development.

Either a s7.11 contribution or a s7.12 levy may be imposed on a development, not both.

The maximum s7.11 contribution rate that can be imposed on residential development is restricted to a maximum of \$20,000 per lot or dwelling, unless the contributions plan is reviewed by the State government's pricing regulator IPART (refer to 4.2 for more details).

The maximum s7.12 levy rate is restricted by regulation, but the maximum rate can be varied in certain circumstances (refer to 4.2 for more details). The s 7.12 levy is generally restricted to a maximum of one per cent of the cost of development, although higher levies are permitted in certain areas.³ The Secretary has published a practice note setting out the criteria that the Minister for Planning, Housing and Infrastructure will apply when considering any request from a council seeking to impose higher levy rates on development.⁴

A detailed comparison of s7.11 contributions and s7.12 levies is included in **Appendix A**.

¹ Department of Planning, Industry and Environment (2021), *NSW Infrastructure Contributions Guide*, p7

² Planning agreements are also available to councils to require developers to provide infrastructure, but instead of being imposed on developments, planning agreements are voluntary and are negotiated arrangements.

³ Areas where section 7.12 levies above 1 per cent of the development cost are currently permitted include Land in Burwood LGA (Burwood town centre), Land in Willoughby LGA (Chatswood town centre), Land in Liverpool LGA (Liverpool city centre), Land in Newcastle LGA (Newcastle city centre), Land in Parramatta LGA (Parramatta CBD), Land in Wollongong LGA (Wollongong city centre), Land in Randwick LGA (Kensington and Kingsford town centres), Land in City of Sydney LGA (Central Sydney), Land in The Hills LGA (Norwest innovation area)

⁴ *Section 7.12 fixed development consent levies - Practice note – February 2021*

Housing and Productivity Contributions

The Housing and Productivity Contribution (**HPC**) commenced in October 2023, replacing the previous Special Infrastructure Contribution. The purpose of the HPC is to facilitate the provision of regional infrastructure that supports and promotes housing and economic activity in a region.⁵

The legislation provides that the HPC may be directed to the following types of state and regional facilities:

- active transport
- transport
- education
- health
- emergency
- justice
- open space and conservation

The HPC is made up of three components:

- Housing and Productivity Contribution (Base component)
- Strategic Biodiversity Component (SBC)
- Transport Project Component (TPC)

The HPC base component commenced in October 2023, and currently applies to the following development in Greater Sydney, the Illawarra-Shoalhaven, Lower Hunter and the Central Coast regions:

- residential development that intensifies land-use where new dwellings are created.
- commercial and retail development such as shops, neighbourhood shops, supermarkets, and commercial office buildings where new floorspace is created.
- industrial development such as warehouses and industrial buildings, where new floor space is created.

Strategic Biodiversity Component

The revised state contribution framework allows for the implementation of a strategic biodiversity component (SBC) in addition to the HPC, if the land has been biodiversity certified under the Biodiversity Conservation Act 2016. As the Westmead South is not biodiversity certified and is located outside of the Cumberland Plain Conservation Plan (area, the SBC will not apply to development within the precinct.

⁵ Section 7.24(1) of the EP&A Act.

Transport Project Component

The Transport Project Component (TPC) is an additional contribution for new development on land near significant transport infrastructure investment that increases development potential. This includes land around a new Metro station that benefits from increased height may be required to contribute toward the Metro project. At this stage the a TPC only applies to land in the vicinity of the proposed Pymont Metro Station.

The HPC base component rates for development within the Greater Sydney region are as follows:⁶

- Houses (detached, semi-detached and townhouses): \$12,000 per dwelling
- Other residential accommodation (residential flat buildings and units): \$10,000 per dwelling
- Industrial: \$15 per square metre of new gross floor area
- Commercial: \$30 per square metre of new gross floor area
- Retail: \$30 per square metre of new gross floor area

Rates are indexed quarterly.

Money collected will be held in a Housing and Productivity Fund administered by NSW Treasury. Payments of the HPC will be held by Treasury in a Special Deposits Account.

The disbursement of fund monies will be through a process that includes:

- Preparation of an Infrastructure Opportunities Plan that will contain 20-year growth projections and projects eligible for funding throughout the 4 regions.
- Construction data, dwelling forecasts and inputs from stakeholders will inform a set of infrastructure priorities will be recommended for each region.
- Further refinement of the infrastructure priority list by a Government Coordination Group will inform government funding allocation decisions.

No further detail has yet been provided on the process for local councils and developers to nominate projects for inclusion in the proposed Infrastructure Opportunities Plan and, ultimately, receive HPC funding.

The Act provides that contributions collected in a region must be spent in the same region. Therefore, it is likely that any HPC funds directed towards state or regional infrastructure in Westmead South will be a different amount to the contributions collected from development in Westmead South.

⁶ The rates shown are the full rates at the date of commencement. Discounted rates apply until July 2025. All rates are indexed quarterly.

3.3 Planning agreements

Planning agreements are used in the planning system as a tool for delivering innovative or complex infrastructure and public benefit outcomes in connection with planning proposals and development applications.⁷

A planning agreement is an agreement voluntarily negotiated between a developer and the one or more planning authorities in which the developer commits to providing contributions of land, works or money for public purposes.

Council's approach to the consideration of planning agreements is based on the terms included in its [Planning Agreement Policy](#) and [Planning Agreement Guidelines](#).

Council's strategic approach to planning agreements

Council's policy requires development contributions delivered under a planning agreement to provide a demonstrable net public benefit. Any benefits under a planning agreement should have some broad public benefit in relationship to particular development or the locality of the development, unless the benefit aligns to Council's corporate strategic documents, existing contribution plan, infrastructure identified in its policy, or other infrastructure delivery documents adopted by Council.

In the Westmead South area there is potential for planning agreements to be used in several scenarios, including:

- To deliver infrastructure not identified in a contributions plan that provides a net community benefit.
- To formalise LEP incentive clause / key sites provisions, where a developer accesses additional height or FSR on certain land in exchange for the provision of certain infrastructure on or adjacent to land being developed.
- To deliver infrastructure required to support a site-specific rezoning.
- To deliver a large-scale infrastructure that may not be fully funded under a contributions plan i.e., multi-purpose community facility or multi-use indoor sports facility.

3.4 Planning system and other mechanisms

There are mechanisms that are not part of the infrastructure contributions system which are used to provide local infrastructure. These mechanisms are summarised in **Table 3**.

Table 3 Planning system and other infrastructure funding and delivery mechanisms

Mechanism	Brief description of mechanism
Direct developer provision through a condition of consent	The developer is required to provide, replace or upgrade infrastructure as a condition on a development consent authorised under s4.17(1)(f) of the EP&A Act. The works are usually required

⁷ NSW Department of Planning, Industry and Environment – Planning Agreements Practice Note February 2021 p3.

Mechanism	Brief description of mechanism
	directly as a result of the development works. For example: in-street drainage and upgrades of street adjoining their development.
LEP 'key sites' provisions	Provisions included in an LEP where a developer is permitted to provide infrastructure on or adjacent the development site that has a broader public benefit, in exchange for the right to develop the site for alternative and/or more intense land use. The developer commitments are usually formalised through a planning agreement.
Council General fund	Ordinary rates revenue that is collected by the council on an annual basis to fund the operations of the council. The use of general funds to fund infrastructure needs to be agreed and endorsed by Council.
Special rate variation (LGA)	Additional council rates pursuant to section 495 of the Local Government Act 1993 for works or services that will service the LGA. An application is required to be made and approved by Independent Pricing and Regulatory Tribunal (IPART). The use of special rate variations need to be agreed and endorsed by Council.
Local area special rate	Additional council rates pursuant to section 495 of the Local Government Act 1993 for works or services limited to a specific area (e.g. land release or suburb) that will benefit from the proposed infrastructure. An application is required to be made and approved by IPART.
State or Commonwealth Budget allocations	Amounts allocated from NSW or Commonwealth government consolidated revenue.
State and Commonwealth Government grants	Funds that are available for the provision of infrastructure via an application process. Most schemes require co-funding/cash contribution for projects. Projects without co-funding tend to score lower against the merit criteria.
User fees and charges	One-off and recurrent payments made by users of a facility or service, such as connection and usage fees charged by utility authorities for utility services. For example, NSW water supply authorities in issuing a certificate of compliance for a development consent, can first require the developer to pay headworks contributions under a Developer Servicing Plan (DSP).
Non council providers of similar service	Facilities and services that have been traditionally provided by councils but are also provided by other organisations. Examples include childcare centres (increasingly provided by for-profit companies), indoor recreation centres (increasingly provided by registered clubs and Non-Government Organisations (NGOs) such as Police and Community Youth Clubs (PCYC)).

4 Infrastructure delivery matters for consideration

4.1 Process for preparing the local contributions framework

There are choices to be made in a council deciding the optimal local infrastructure contributions arrangements for a development area.

The following steps and actions set out the investigations and decisions to be made for the framework that is to apply at Westmead South.

Steps and actions	Where further detail can be found in this report
<p>1 Initial sieving of infrastructure items</p> <ol style="list-style-type: none">1. Is the Federal Government, NSW Government, or any of its agencies responsible for the provision or ongoing operation of the infrastructure item(s)?2. Is the infrastructure for water supply or sewerage services?3. Is the infrastructure part of a utility infrastructure network that is managed by an authority other than the local council?4. Can the infrastructure or works be reasonably required to be provided by the developer under a condition of consent authorised under s4.17 of the EP&A Act?5. Is the infrastructure item part of a private development that will remain in private ownership after completion, even if the infrastructure will be accessible to the general public?6. Is the infrastructure item more accurately characterised as operational or recurrent spending, or maintenance works, rather than capital works?	
<p>IF THE ANSWER TO ANY OF QUESTIONS 1 TO 6 IS 'YES', THEN INFRASTRUCTURE IS NOT A TYPE THAT IS GENERALLY INCLUDED IN A LOCAL CONTRIBUTIONS PLAN</p> <p>The remaining infrastructure items may be included in a local infrastructure contributions plan.</p>	<p>CONTRIBUTIONS PLAN-EXCLUDED INFRASTRUCTURE MAY STILL BE INCLUDED IN A S7.4 PLANNING AGREEMENT</p> <p>Refer to section 3.3 of report FOR INFO ON USE OF PAs</p>

Steps and actions

Where further detail can be found in this report

2

Calculate the Contributions Funding Gap

Carry out a high-level assessment of the:

- total costs for each infrastructure item
- the proportion of each item cost that can be reasonably attributed to the demand generated for that item by the expected development
- the contribution rate for the different residential dwelling types expected

Is the (section 7.11) contribution rate for residential development close to or more than the \$20,000 per dwelling threshold imposed under Ministerial direction?

FOR INFO ON THE SECTION 7.11 THRESHOLD

Refer to subsection below this step guide

If this is the case, use a basic cash flow analysis to answer the following:

- (a) What is the projected real cost of delivering all the local infrastructure items over the life of the contributions plan (\$A)?
- (b) What is the projected real income likely to be received from infrastructure contributions over the life of the contributions plan? Include the estimated contributions from both residential and other development, and assume all residential contribution rates do not exceed \$20,000 per dwelling (\$B)?
- (c) Calculate \$A minus \$B? This is the Contributions Funding Gap (CFG)

3

Choose the local infrastructure contributions to apply to development

The contributions plan can authorise either a s7.11 contribution or a s7.12 levy on any individual development, but not both.

The contributions plan can also authorise s7.11 or s7.12 to apply to particular types of development defined in the LEP dictionary, or to different catchments in the contributions plan area.

The expected income will be a major factor for the Council in deciding the right 'mix' for applying s7.11 or s7.12, but others such as ease of use and administrative flexibility are also likely to be important.

Steps and actions	Where further detail can be found in this report
<p>Councils can levy s7.11 contributions that are higher than the \$20k threshold, but only if:</p> <ul style="list-style-type: none">• contributions are spent on 'Essential Works List' items, and• the relevant draft contributions plan has been reviewed by IPART.	<p>FOR INFO ON 'IPART-REVIEWED' CONTRIBUTIONS PLANS & THE ESSENTIAL WORKS LIST</p> <p>Refer to section 4.2 of this report</p>
<p>Each council has to examine its individual circumstances to determine the value of pursuing a plan with s7.11 contributions requiring an IPART review. As a general observation however, if a significant portion of the contributions plan costs are for items that are not included in the 'Essential Works List', then an IPART-reviewed plan may not be a worthwhile option.</p>	
<p>In these circumstances, the Council should determine whether the proposed development and local infrastructure the subject of the contributions plan would meet the criteria set out in the section 7.12 practice note for the Minister to approve a maximum s7.12 levy rate that is higher than the standard maximum 1% of development cost.</p>	<p>FOR INFO ON THE PROCESS FOR APPROVAL FOR A HIGHER S7.12 LEVY RATE</p> <p>Refer to section 4.2 of this report</p>

4 Prepare, approve and implement the local infrastructure contributions plan

5 Strategies to manage / reduce the Contributions Funding Gap

Regardless of the array of contribution types used by a council, there will likely be a contributions funding gap of some amount to manage.

Strategies to reduce the gap generally fall into two categories:

A. Strategies that reduce the infrastructure costs to be met by the council.

B. Strategies to increase the revenue available to council to provide local infrastructure.

Councils should consider using strategies from both categories. Examples of A and B are shown below.

A. Reduce the council's local infrastructure costs:

A.1 Identify whether some infrastructure items could be provided directly by a developer or developers through a planning agreement, negotiated as part of site-specific planning proposal

Steps and actions

Where further detail can be found in this report

or DA, or through 'key sites' or incentive clause provision included in the LEP.

A.2 Determine whether the development area and draft contributions plan meets the criteria for the Minister to approve a higher rate s7.12 levy.

A.3 Adjust the scope of infrastructure items.

A.4 Remove infrastructure items.

A.5 Are there non-government organisations who could provide the facility(ies) instead of the council?

A.6 Could Housing and Productivity Contributions be used to fund higher order infrastructure?

B. Increase the revenue available to council to provide infrastructure:

B.1 Ensure an appropriate index or indexes are used so that contributions that are paid keep pace with inflation.

B.2 Could Federal or State government grants fund some or all of the costs of a facility or facilities?

B.3 Use of proceeds from the sale of surplus Council assets (preferably located within the contributions plan area).

B.4 Leverage the value of council-owned land to enable a Public Private Partnership.

B.5 Use of General Fund revenue, or revenue from a local area SRV to finance infrastructure projects, repaid by developer contributions over time

4.2 Delivery issues, risks and responses

Table 4 includes infrastructure delivery issues and risks identified by GLN Planning during the course of reviewing the infrastructure requirements for Westmead South. Potential responses are shown in the right-hand column of the table.

Table 4 Infrastructure delivery issues, risks and responses

Issues and risks	Potential responses
The State government's general limits on s7.11 contributions and s7.12 levies will restrict the amount available from these sources to fund local infrastructure in Westmead South.	Seek approval to impose higher s7.11 contributions and / or s7.12 levies. Refer to subsections following table.
Sites for the multi-purpose community centre and the indoor recreation centre not yet identified / unclear	Council to consider whether a developer(s) can provide one or both facilities through a site-specific planning proposal accompanied by a planning agreement offer? This could be land and works, or land only. If not, are there possible Council-owned sites either within or outside of the study area that could accommodate the facilities?
Streetscape works proposed in streets that will see little new development.	Assign low priority to these items in the contributions plan if the street link is not a critical active transport route connecting the Westmead South population to regional destinations.
Upgrades to intersections on Great Western Highway not a council responsibility.	Consider works as State infrastructure that could be provided using HPC funding.
Civic space fronting the Metro station is likely part of the public domain being built as part of project.	Confirm that the civic space and public domain facilities on and adjacent to the metro station site are to be undertaken by Sydney Metro. Any proposed public works not included in the metro approval works need to be assigned a delivery mechanism.
<u>Western, south-central and eastern areas of Westmead South:</u> There will be minimal development change in these areas, due to existing strata developments and proposed heritage conservation areas. Or the change that does occur will not materially affect demand for local infrastructure (for example, low and medium rise housing up to 2 stories high). This will significantly limit the opportunity for land and works for through-site links to be provided by the adjacent developer through DCP controls.	Consider removing or consolidating some or all of the through-site links in these areas from the infrastructure schedule. Include in the contributions plan any retained through-site links in the lower density development areas.
Through-site links to Sydney Smith Park are less expensive than acquiring whole parcels for new open space. However, they also are difficult to design for safety, and rely on adjacent land being	Adopt a longer-term view of the potential development of the area and the need to provide more open space to meet the development needs.

Issues and risks	Potential responses
<p>developed. The latter is unlikely for properties on Amos Street, which is proposed with a 2-storey height limit.</p>	<p>Instead of through-site links, enlarge and better connect Sydney Smith Park to the surrounding neighbourhood by acquiring contiguous parcels of land located between the current park and Cotswold, Houison and Amos Streets.</p> <p>Use either or both of the following strategies to provide the additional open space:</p> <ul style="list-style-type: none"> • Apply an appropriate acquisition layer in LEP and include in contributions plan. • Consider feasibility of key sites provisions for land designated in the master plan for higher dwelling potential along Houison and Cotswold Streets. If unfeasible in the medium to long term – include the land in acquisition layer.

‘IPART-reviewed’ contributions plan

The State government has since 2009, restricted the s7.11 contribution amount that can be levied on residential developments.

For ‘greenfield’ development areas on the fringe of metropolitan areas, the maximum amount⁸ is \$30,000 for each dwelling approved in the development consent. For development in established urban areas (which includes Westmead South) the maximum amount is \$20,000. These amounts are set by Ministerial direction.

If a council wishes to charge a s7.11 rate in a contributions plan which is above the relevant threshold, the plan must be submitted to the Independent Pricing and Regulatory Tribunal (IPART) for review. Details of the review process are contained in the *Secretary’s Practice Note: Local Infrastructure Contributions January 2019*.

IPART’s plan review role is to review the reasonableness of the contributions plan in terms of cost, nexus and timeliness of delivery, and to advise the Minister whether the plan’s infrastructure items are on the ‘essential works list’. Only essential works can be funded by s7.11 contributions and included in an IPART-reviewed contributions plan’s works schedule. Essential works are defined in the practice note as:

- land for open space (for example, parks and sporting facilities) including base level embellishment
- land for community services (for example, childcare centres and libraries)
- land and facilities for transport (for example, roads works, traffic management and pedestrian and cyclist facilities), but not including carparking
- land and facilities for stormwater management

⁸ Also called the s7.11 ‘cap’ or ‘threshold’

- the costs of plan preparation and administration.

A contributions plan is not considered an 'IPART-reviewed' contributions plan until IPART issues a final report to DPHI and the Minister (or his nominee) has then issued advice on the conditions on which the council may make the plan.

The Westmead South infrastructure schedule includes items that are either:

- not essential works (e.g. multi-purpose community centre and indoor recreation centre buildings), or
- their essential works status is unclear (streetscape works not directly related to traffic and active transport).

Higher rate section 7.12 levy

A section 7.12 levy is generally restricted to a maximum of one per cent of the cost of development. Higher maximum rate levies are permitted under the EP&A Regulation in certain areas, including town centres and city centres.

The standard maximum one per cent levy typically yields much less income for infrastructure than if the same developments were subject to section 7.11 contributions. The trade-off for lower income is that contributions plans for section 7.12 levies are relatively simple to prepare and administer.

Any council can apply to the Department and Minister for Planning, Housing and Infrastructure to have a higher fixed-rate levy apply to part or all of their area. In February 2021 the Department released a Practice Note for s7.12 development levies which includes the process and criteria for councils to seek a higher maximum rate. Criteria include:

- The area is identified in a regional plan, district plan or respective Local Strategic Planning Statement, as a strategic centre, growth area, local centre or economic corridor.
- Local planning controls reflect or are being amended to reflect relevant strategic direction and targets for the centre or defined area.
- Ongoing consultation with the Department regarding changes to works schedules will be undertaken.
- The contributions plan should focus on delivering quality place-based community and green infrastructure, and public space improvements that enhance amenity of the centre.
- The centre has been identified by the relevant strategic plan/s to accommodate significant employment growth. An example of this includes facilitating an increase of at least 25% more employment opportunities than currently available in the centre.
- The works schedule has been prepared in consultation with the Department.
- Financial modelling is provided demonstrating that a maximum 2 per cent levy on the cost of development is insufficient to deliver identified infrastructure in the proposed timeframe.

If Council chooses to pursue the option of seeking approval for a higher fixed-rate levy contributions plan for Westmead South, it should consult with the Department early in the plan preparation process to satisfy all the criteria.

4.3 Matching infrastructure to delivery mechanisms

Table 5 on the following pages is a matrix analysis showing the potential for the different mechanisms to provide the infrastructure that is required in the development area.

Potential mechanisms and a suggested primary mechanism are shown for each infrastructure type.



Table 5 Westmead South infrastructure and potential delivery mechanisms

INFRASTRUCTURE TYPE	Developer works conditions /DCP	Local infrastructure contributions s7.11 or s7.12	Planning agreement including key site provisions	Stormwater levy	Grants from State or Federal Government	Privately owned / publicly accessible	Housing & Productivity Contribution
Open space and social infrastructure							
Sydney Smith Park upgrade		★	●		●		
Sydney Smith Park expansion		★	●		●		
MJ Bennett Reserve upgrade		★			●		
Austral Avenue Reserve upgrade		★			●		
Austral Avenue to Moree Avenue potential open space widening	★	●	●		●		
Alexandra Avenue Park			★		●	●	
Cotswold heritage site open space	★				●	●	
New multi-use indoor sports facility			★		●	●	
New multi-purpose community facility			★		●	●	
Streetscape and public domain							
Oakes Centre public plaza		★	●		●		
Sydney Metro block new open space, pedestrian, cycleway, and streetscape improvements	★						●
Hawkesbury Road pedestrian, cycleway, and streetscape improvements	★	★	●		●		
Alexandra Avenue pedestrian, cycleway and streetscape improvements	★	★	●		●		
Baily Street cycleway and streetscape improvements	★	★	●		●		
All other streetscape improvements	★	★	●		●		
Green links	●		★		●		
Thru site links	●		★		●		
Traffic and access							
Hawkesbury Road upgrades to accommodate pedestrian and cycleway improvements	★	●	●		●		
Cycling connection on Amos Street	★	●	●		●		
Cycling connection on Alexandra Avenue	★	●	●		●		
M J Bennett Reserve north-south walking and cycling connection	★	●	●		●		
Footpath and access improvements in Westmead South (various streets)	★	●	●		●		



INFRASTRUCTURE TYPE	Developer works conditions /DCP	Local infrastructure contributions s7.11 or s7.12	Planning agreement including key site provisions	Stormwater levy	Grants from State or Federal Government	Privately owned / publicly accessible	Housing & Productivity Contribution
Reconfigure Hawkesbury Road corridor including all intersections from Alexandra Avenue through to Pye Street	★	●			●		
Alexandra Avenue upgrades (including cycleway)	★	●	●		●		
Houison Street upgrades (including cycleway)	★	●	●		●		
Other intersection upgrades	★	●	●		●		
Bridge Road / Grand / Moree / Austral Ave improvements	★	●	●		●		
Bridge Road widening over rail corridor					★		●
Capacity increases at Great Western Highway / Bridge Road					★		●
Capacity increases at Great Western Highway / Hawkesbury Road / Coleman Street					★		●
Commuter carpark (train/metro site)	●		★			●	
Stormwater and flooding							
WSUD public domain - infiltration swales	●	★	●	●	●		
WSUD public domain - street tree pits	●	★	●	●	●		
Bio-retention basin at north end of Greenlink	●	★	●	●	●		
Smart cities infrastructure							
Fibre optic network expansion	●	●			●		
Smart safety and movement (CCTV)		●			★		
Smart lighting	●	●	●		★		
Smart poles	●	●	●		★		
Digital wayfinding and signage	●	●	●		★		
Public wi-fi	●	●			★		

Potential mechanism ●
Likely primary mechanism(s) ★

5 Infrastructure funding and delivery plan

The infrastructure funding and delivery plan for Westmead South and accompanying infrastructure location map is shown on the following pages.

The IDP is shown as a schedule with the following information:

- Item/map reference number
- Project description
- Infrastructure category
- Infrastructure type
- Ultimate owner / manager of the completed asset
- Primary delivery mechanism
- Estimated cost

The schedule is derived from the IDP spreadsheet which contains further information to inform Council decisions on the infrastructure delivery program.

Infrastructure Delivery Plan Map of Infrastructure Items





Item No.	Item ID	Project description	Infrastructure category	Infrastructure type	Ultimate owner / manager of the completed asset	Primary delivery mechanism	Estimated cost (\$)
1	OS1	Sydney Smith Park upgrade	Open space and social infrastructure	Local infrastructure	Council	Local contributions	[REDACTED]
2	OS2	Sydney Smith Park proposed expansion	Open space and social infrastructure	Local infrastructure	Council (land to be acquired)	Local contributions	
3	OS3	MJ Bennet Reserve upgrade	Open space and social infrastructure	Local infrastructure	Council	Local contributions	
4	OS4	Austral Avenue Reserve upgrade	Open space and social infrastructure	Local infrastructure	Council	Local contributions	
5	OS5	Austral Avenue to Moree Avenue potential open space widening	Open space and social infrastructure	Local infrastructure	Council (land to be dedicated)	Developer works	
6	OS6	New Alexandra Avenue Park - approx 3,000m2 embellished open space	Open space and social infrastructure	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
7	OS7	Cotswold heritage site open space - include x2 access points	Open space and social infrastructure	Local infrastructure	Privately owned / publicly accessible	Developer works	
8	SF1	Provide a new multi-use indoor sports facility	Open space and social infrastructure	Local infrastructure	Council	Planning agreement including key site provisions	
9	CF1	New multi-purpose community facility	Open space and social infrastructure	Local infrastructure	Council	Planning agreement including key site provisions	
10	PD1	New Oakes Centre public plaza	Streetscape and public domain	Local infrastructure	Council	Local contributions	
11	PD2	Sydney Metro block - Open space approx. 2,500sqm, pedestrian link, and cycleway	Streetscape and public domain	State infrastructure	Council (land to be dedicated)	Developer works	
12	SS1.1	Hawkesbury Road (Sydney Metro portion 'A' in Architectus Urban Design report)	Streetscape and public domain	Local infrastructure	Council	Local contributions	
13	SS1.2	Hawkesbury Road (Oakes Centre portion 'B' in Architectus Urban Design report)	Streetscape and public domain	Local infrastructure	Council	Local contributions	
14	SS1.3	Hawkesbury Road (Southern portion 'C' in Architectus Urban Design report)	Streetscape and public domain	Local infrastructure	Council	Local contributions	
15	SS4	Alexandra Avenue pedestrian improvements and cycleway	Streetscape and public domain	Local infrastructure	Council	Local contributions	
16	SS5	Bailey Street traffic calming and cycleway	Streetscape and public domain	Local infrastructure	Council	Local contributions	
17	SS6	Amos Street cycleway and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
18	SS7	Hassall Street traffic calming, cycleway and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
19	SS8	Houison Street pedestrian improvements, street planting and traffic calming	Streetscape and public domain	Local infrastructure	Council	Local contributions	
20	SS9	Grand Avenue general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
21	SS10	Moree Avenue general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
22	SS11	Austral Avenue general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
23	SS12	Cotswold Street general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	



Item No.	Item ID	Project description	Infrastructure category	Infrastructure type	Ultimate owner / manager of the completed asset	Primary delivery mechanism	Estimated cost (\$)
24	SS13	Priddle Street general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
25	SS14	Pye Street general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
26	SS15	Oakes Street general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
27	SS16	Good Street general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
28	SS17	Euralla Street / Narang Reserve general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
29	SS18	Bridge Road general improvements and street planting	Streetscape and public domain	Local infrastructure	Council	Local contributions	
30	GL1	Green link - Green Link - Moree Avenue to Grand Avenue	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
31	WL1	Widened link - Mays Hill	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
32	WL2	Widened link - Bridge Road Reserve	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
33	WL3	Widened link - Bridge Road Reserve	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
34	TL1	Thru site link - Booth Street to GWH	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
35	TL2	Thru site link - Telfer Place to GWH	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
36	TL3	Thru site link - Austral Avenue to Moree Avenue	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
37	TL4	Thru site link - Moree Avenue to Grand Avenue	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
38	TL5	Thru site link - Moree Avenue to Grand Avenue	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
39	TL6	Thru site link - Grand Avenue to Alexandra Avenue	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
40	TL7	Thru site link - Cotswold Street to Ralph Street	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
41	TL8	Thru site link - Sydney Smith Park	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
42	TL9	Thru site link - Sydney Smith Park	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
43	TL10	Thru site link - Sydney Smith Park	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	



Item No.	Item ID	Project description	Infrastructure category	Infrastructure type	Ultimate owner / manager of the completed asset	Primary delivery mechanism	Estimated cost (\$)
44	TL11	Thru site link - Sydney Smith Park	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
45	TL12	Thru site link - Sydney Smith Park	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
46	TL13	Thru site link - MJ Bennett Reserve	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
47	TL14	Thru site links - Mays Hill	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
48	TL15	Thru site links - Mays Hill	Streetscape and public domain	Local infrastructure	Council (land to be dedicated)	Planning agreement including key site provisions	
49	I.1	Deliver a walking and cycling-focused, activated Hawkesbury Road	Exclude - accounted for in streetscape projects				
50	I.2	Deliver cycling connection on Amos Street	Exclude - accounted for in streetscape projects				
51	I.3	Deliver cycling connection on Alexandra Avenue	Exclude - accounted for in streetscape projects				
52	I.4	Deliver north-south walking and cycling connection from M J Bennett Reserve	Exclude - accounted for in streetscape projects				
53	I.6	Deliver footpath and access improvements in Westmead South	Traffic and access	Local infrastructure	Council	Developer works	
54	R.1.1	Intersection upgrade - Alexandra Avenue & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
55	R.1.2	Intersection upgrade - Grand Avenue & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
56	R.1.3	Intersection upgrade - Bailey Street & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
57	R.1.4	Intersection upgrade - Priddle Street & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
58	R.1.5	Intersection upgrade - Mowle Street & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
59	R.1.6	Intersection upgrade - Austral Avenue & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
60	R.1.7	Intersection upgrade - Pye Street & Hawkesbury Road	Traffic and access	Local infrastructure	Council	Developer works	
61	R.2	Bridge Road / Grand Avenue capacity increases	Traffic and access	Local infrastructure	Council	Developer works	
62	R.3	Bridge Road / Moree Avenue left in left out treatment	Traffic and access	Local infrastructure	Council	Developer works	
63	R.4	Bridge Road / Austral Avenue signalisation	Traffic and access	Local infrastructure	Council	Developer works	



Item No.	Item ID	Project description	Infrastructure category	Infrastructure type	Ultimate owner / manager of the completed asset	Primary delivery mechanism	Estimated cost (\$)
64	R.5	Bridge Road widening over the rail corridor	Traffic and access	State infrastructure	State government	HPC / State budget allocation	
65	R.6	Capacity increases at Great Western Highway / Bridge Road	Traffic and access	State infrastructure	State government	HPC / State budget allocation	
66	R.7	Capacity increases at Great Western Highway / Hawkesbury Road / Coleman Street	Traffic and access	State infrastructure	State government	HPC / State budget allocation	
67	R.8	Bridge Road & Jordan Street (as per figure 4-3 in SCT report)	Traffic and access	Local infrastructure	Council	Developer works	
68	R.9	Bridge Road & Haig Street (as per figure 4-3 in SCT report)	Traffic and access	Local infrastructure	Council	Developer works	
69	P.4	Commuter car park	Traffic and access	State infrastructure	Council	Planning agreement including key site provisions	
70	SW1	WSUD public domain - infiltration swales	Stormwater and flooding	Local infrastructure	Council	Local contributions	
71	STP1	WSUD public domain - street tree pits	Stormwater and flooding	Local infrastructure	Council	Local contributions	
72	B1	Bio-retention basin at north end of Greenlink	Stormwater and flooding	Local infrastructure	Council (land to be dedicated)	Local contributions	
73	SC1	Fibre optic network expansion along Hawkesbury Rd between Metro Station and proposed Oakes Centre Plaza	Smart city infrastructure	Utility infrastructure	Utility provider	Utility user fees and charges	
74	SC2	Smart safety and movement (CCTV) along Hawkesbury Rd	Smart city infrastructure	Local infrastructure	Council	Grants from State or Federal Government	
75	SC3	Smart lighting along Hawkesbury Rd	Smart city infrastructure	Local infrastructure	Council	Grants from State or Federal Government	
76	SC4	Smart poles along Hawkesbury Rd	Smart city infrastructure	Local infrastructure	Council	Grants from State or Federal Government	
77	SC5	Digital wayfinding and signage along Hawkesbury Rd	Smart city infrastructure	Local infrastructure	Council	Grants from State or Federal Government	
78	SC6	Public wi-fi along Hawkesbury Rd	Smart city infrastructure	Local infrastructure	Council	Grants from State or Federal Government	
79	SPS1	Sewer management works - Sewer Pumping Station	Utility infrastructure	Utility infrastructure	Utility provider	Utility user fees and charges	
80	SM1	Sewer management works - Westmead Submain	Utility infrastructure	Utility infrastructure	Utility provider	Utility user fees and charges	
81	SF1	Electrical network works - Holroyd zone substation feeder	Utility infrastructure	Utility infrastructure	Utility provider	Utility user fees and charges	
82	SF2	Electrical network works - Westmead zone substation feeder	Utility infrastructure	Utility infrastructure	Utility provider	Utility user fees and charges	
83	SF3	Electrical network works - feeder from additional zone substation	Utility infrastructure	Utility infrastructure	Utility provider	Utility user fees and charges	

6 Recommendations

The following recommendations complement the IDP outlined in section 5 and, if implemented, will support the efficient, timely and coordinated delivery of Westmead South infrastructure, and help realise the precinct vision.

We recommended that Council:

1. Review and confirm or adjust the proposed IDP, particularly the recommendations regarding:
 - a. primary delivery mechanisms
 - b. ultimate asset owner
 - c. State and local infrastructure
2. Decide on the preferred or optimum mix of s7.11 contributions and s7.11 levies to apply to the expected types of development by completing the process discussed in section 4 of this report. Prior to deciding the council should consult with officers at IPART to clarify whether streetscape and public domain items in the IDP schedule would meet the 'Essential Works' criteria.
3. Prepare, exhibit, and adopt a local infrastructure contributions plan that is consistent with the preferred mix of mechanisms.
4. Manage the infrastructure funding risks by:
 - a. Preparing a basic cash flow analysis to inform an infrastructure staging plan for the Westmead South infrastructure delivery.
 - b. Implementing Contributions Funding Gap costs and revenue strategies discussed in section 4.1 of this report that are appropriate to Council's circumstances.
 - c. Regularly (i.e. annually) review the infrastructure program's projected cash flow and future costs and revenue assumptions and update the contributions plan and other delivery strategies so that the infrastructure plan remains financially sustainable.

References

Environmental Planning and Assessment Act 1979, New South Wales State Government

Environmental Planning and Assessment Regulation (2021), NSW State Government

Housing and Productivity Contribution (May 2023), NSW Department of Planning and Environment

Local Infrastructure Contributions Practice Note (January 2019), NSW Department of Planning and Environment

NSW Infrastructure Contributions Guide (2021), Department of Planning, Industry and Environment

Planning Agreements Practice Note (February 2021), NSW Department of Planning, Industry and Environment

Section 7.12 fixed development consent levies - Practice note – February 2021 (2021), NSW Department of Planning and Environment

Glossary of terms and abbreviations

EP&A Act	Environmental Planning and Assessment Act 1979
EP&A Regulation	Environmental Planning and Assessment Regulation 2021
DPHI	Department of Planning, Housing and Infrastructure
GFA	Gross floor area
HPC	Housing and Productivity Contribution
IDP	Infrastructure delivery plan
LEP	Local environmental plan
LGA	Local government area

APPENDIX A: LOCAL CONTRIBUTIONS DETAILED COMPARISON

Local infrastructure contributions detailed comparison

A detailed analysis of local infrastructure contributions follows on the following pages.

The comparison compares standard and non standard versions of each type – the non-standard group requiring the approval of the Minister or his nominee

Section 7.11 (standard) – maximum contribution for residential development set at \$20k/dwelling; no maximum for non-residential development

Section 7.11 (IPART-reviewed) – no maximum contribution for residential development, however contribution rate is to reflect the fairly apportioned cost of providing ‘essential works’ and the contributions plan is reviewed by the Independent Pricing and Regulatory Tribunal (IPART) and a decision on the rates is made by the Minister’s nominee.

Section 7.12 (standard) - maximum contribution for all development types (residential and non-residential development) calculated at a maximum 1% of the development cost over \$200k

Section 7.12 (higher rate) – the Minister can amend the EP&A Regulation and – after receiving an application from a council – approve for a particular area a section 7.12 levy rate that is higher than the standard 1% rate that applies to most areas.

Table 1: Comparison of s7.11 and s7.12 contributions

	s7.11 (standard)	s7.11 (IPART-reviewed)	s7.12 (standard)	s7.12 (higher rate)
Basis	Contribution must be reasonable, meaning that it must meet the tests of nexus and apportionment: <ul style="list-style-type: none"> • <u>Nexus</u> is the connection between proposed development and the demand created for the infrastructure included in a contributions plan • <u>Apportionment</u> is the share of the total demand that the developer must pay. 		Contribution is a fixed rate levy on the cost of development. The levy amount need not have any connection with the facilities the contribution is proposed to fund. ¹	
Maximum contribution	<u>Greenfield sites</u> : \$30k per residential lot or dwelling <u>All other areas</u> : \$20k per residential lot or dwelling	Caps don't apply to a CP that: <ul style="list-style-type: none"> • Only includes 'essential works', and • Has been reviewed by IPART, and • The Minister's delegate has approved the higher contribution rates 	1% of development cost over \$200k, per s209 of EP&A Regs	Minister can amend Regs to allow a higher maximum levy (above 1%) after receiving an application from the council will demonstrating that the draft CP meets the Department's Section 7.12 Practice Note criteria. To date, the Minister has approved s7.12 rates of up to 5% of the development cost in certain areas.
Infrastructure that can be funded	Land and works – incl. open space, community facilities, transport and stormwater management Borrowing costs to forward fund infrastructure	IPART essential works list (EWL) - per s7.11 (Council-approved) <u>except</u> : Community facilities works <u>cannot</u> be included / funded	Per s7.11 (Council-approved) except plan_administration costs cannot be included / funded	

¹ a s7.12 contributions plan nonetheless must include a statement on the relationship between levied development and the infrastructure demands that development creates).

	s7.11 (standard)	s7.11 (IPART-reviewed)	s7.12 (standard)	s7.12 (higher rate)
	Plan administration costs (1.5% of apportioned capital costs) Recurrent funding and maintenance costs cannot be funded except for roads where heavy vehicular traffic movements arise from specific development activity, for example mining	Open space works limited to base level embellishment costs.		
Mandatory development exemptions	Seniors housing provided by a social housing provider (as defined in the Housing SEPP)		Adaptive reuse of a heritage item Affordable housing Fit-outs that do not involve the 'enlargement, expansion or intensification of a current use of land' development on a lot in which the initial subdivision was subject to a s7.11 contribution, but only where that development will not increase the demand on and amenities and services beyond the demand generated by the initial subdivision	
Means of settling obligation	Cash or material public benefit (including works in-kind)		Cash only ²	
Applicant appeal rights	<u>Yes</u> – contribution may be disallowed or amended by the NSW Land and Environment Court on the grounds that a contribution on a consent is unreasonable in the particular circumstances of the case		<u>No</u> - no right of appeal	
Preparation process	Council exhibition and approval	Council exhibition and approval	Council exhibition and approval	Council exhibition and approval

² In practice planning agreements can be used to enable works in-kind to be provided in lieu of paying a cash contribution.

	s7.11 (standard)	s7.11 (IPART-reviewed)	s7.12 (standard)	s7.12 (higher rate)
		Also requires: <ul style="list-style-type: none"> • Council submission to IPART • IPART assessment, exhibition of draft review report, and submission to Minister • Department review and approval by the Minister 		Also requires: <ul style="list-style-type: none"> • Preliminary (pre-exhibition) consultation with Department • Submission to Department after exhibition demonstrating consistency with s7.12 Practice Note requirements • Assessment by Department, approval by Minister, and amendment of EP&A Regulations
Typical timeframe	12-18 months	~24 months	6 months	~12 months
Advantages	Fair – reflect development-generated infrastructure demand and cost	Fair cost / reflective 2012 cap on residential contributions does not apply Greater income than a standard s7.11 contributions plan	Simple Flexible – can fully fund works schedule costs (not constrained by nexus and apportionment requirements)	Simple Flexible – can fully fund works schedule costs (not constrained by nexus and apportionment requirements) Greater income and capacity to fund infrastructure than standard Council-approved s7.12 plan
Disadvantages	Complexity associated with need to address nexus and apportionment \$20k/dwelling cap introduced in 2012 has not been indexed for inflation since then while land and capital costs have increased significantly in most areas (and the Government is showing no	Complexity associated with need to address nexus and apportionment Additional time and cost associated with IPART-review Cannot fund community facilities capital works and open space	Does not reflect infrastructure demand and cost Contributions and income typically lower than s7.11 contributions Cannot fund plan administration costs	Additional time and cost associated with Department review and approval Cannot fund plan administration costs



	s7.11 (standard)	s7.11 (IPART-reviewed)	s7.12 (standard)	s7.12 (higher rate)
	<p>interest in indexing the cap anytime soon</p> <p>Typically will only fund part of the infrastructure cost in infill areas i.e. Council will need to co-fund unapportioned costs</p> <p>Legal risk – applicant appeal rights apply</p>	<p>works beyond base level embellishment</p> <p>Typically will only fund part of the infrastructure cost in infill areas i.e. Council will need to co-fund unapportioned costs</p> <p>Legal risk – applicant appeal rights apply, though the likelihood of appeals being made and such appeals being successful is likely reduced from the IPART-review process</p>		
Appropriate for	<p>Established areas of moderate to high growth</p> <p>Urban renewal precincts</p> <p>Community facilities works required</p> <p>Council cannot fund community facilities using other funding sources</p>	<p>High growth areas e.g. land release / greenfields precincts and urban renewal precincts</p> <p>Community facilities works not required or Council can fund community facilities works costs using other funding sources</p>	<p>Low growth areas e.g. existing established areas outside designated growth areas</p>	<p>Moderate to high growth areas e.g. urban renewal precincts and land release / greenfields precincts</p> <p>Where community or recreation facilities (and other types of essential infrastructure) make up a significant portion of the infrastructure costs</p>

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