



Proposed Greater Macarthur Special Infrastructure Contribution November 2018

Submission by Wilton Action Group

8 February 2019

Reply to:

Brian Williams

Public Officer

Wilton Action Group (WAG)

T: 0425 362496

Email: wag2571@gmail.com

www.facebook.com/wiltonactiongroup

Proposed Greater Macarthur Special Infrastructure Contribution November 2018 - submission by Wilton Action Group

Executive Summary

In response to the Department of Planning and Environment (DPE) - **Proposed Greater Macarthur Special Infrastructure Contribution November 2018 – (GMC SIC)**, Wilton Action Group – **WAG recommends that the SIC be comprehensively revised**, as the data and information that has been relied upon in its' preparation is incomplete and / or inaccurate.

The SIC in its present form does not reflect the true cost of the infrastructure of the proposed Greater Macarthur Development.

The rationale supporting our recommendation are detailed in this report.

WAG's re-modelling of the SIC indicates that a contribution of no less than **\$ 133,733.00** per additional residential lot be applied. Our findings supporting this increased contribution rate are detailed in this report.

The base cost calculations of the SIC affordability requires revision of the NSW Valuer General's land value data to ensure that the risk of inflated land purchases by the Developers does not get transferred to the Government and results in inadequate infrastructure funding.

We believe that the Administration of an LGA under a Shire Council model is not resourced enough to support and maintain the short falls in the provision of an underfunded SIC for a Precinct Development of this size. ie the staged payments in which a SIC is funded over the life of the development, can lead to cost cutting measures and redesign amendments being sought once a SIC is approved which in turn provides poor outcomes, reduces that ability to futureproof the development and decreases the ability of a Shire Council to be able to support their commitments to the ratepayers of their Shire.

Note: This adjusted contribution rate is an estimate only and has been formulated to allow for comparative purposes only.

WAG accepts no liability for any errors or omissions regarding the information contained in this submission.

Preamble

WAG after having conducted our own analysis of the **Proposed Special Infrastructure Contribution**, find that we support the recommendations made in Wollondilly Shire Council's Ordinary Council Meeting 18 February 2019, Agenda Point 11.12 - Proposed Greater Macarthur Special Infrastructure Contribution (SIC Levy) File No. 10619# 351.

WSC Recommendations for adoption

It is recommended that Council makes a submission to the NSW Department of Planning & Environment raising the following matters in this report.

- *Lack of social infrastructure.*
- *Lack of Public Transport*
- *Lack of connecting communities*
- *No resolution of utilities, services and critical infrastructure before rezoning*
- *Out of sequence development and infrastructure and premature delivery of housing.*

Refer to Appendix A. Copy of WSC File No. 10619#351 18 February 2019.

WAG further objects to the **Proposed Greater Macarthur Special Infrastructure Contribution November 2018** with regards to the following:

- **Fairness to non developer landowners**

The application of the SIC on a per dwelling basis appears to apply across the whole zone. This unfairly captures existing mum and dad landholders within the zone that need to put a granny flat out the back, or an attached dwelling for their extended families/kid-adults. Application of the SIC to these landholders would effectively sterilize their blocks from any of their own future plans, as they are not benefiting from the value uplift of rezoning as they do not plan to rezone or sell. It inflates their building costs unfairly, making it unaffordable. The SIC should be modified to prevent this unfairness to existing mum and dad landholders.

- **Base land value used unfairly transfers developer risk taking to government.**

The base costing of land should use current valuer general land values to work out the viable SIC load that could be applied. The value actually taken appears to be the values paid by the developers for some of this land. The developers, at their own risk, purchased from landholders that were not thinking of selling, and therefore the developers had to pay many times the value of the land to convince these landholders to sell. This was their risk to take, but should not now be transferred to the government by inflating the base price of land, thus reducing the SIC that could be sustained by the development. The developers should not have purchased the land at that price if they could not take the impact of that cost out of their profit margin. The actual valuer general's cost of land should be applied to the SIC viability calculations to ensure sufficient SIC money is captured to properly service the development and surrounding regions infrastructure. The proposed population is equivalent to that of Port Macquarie. The SIC is grossly inadequate to achieve the level of services equivalent to what Port Macquarie has.

- **Ensuring actual permanent jobs within the zone**

Land for a hospital should be dedicated to ensure actual long term professional jobs are created within the zone, and to ensure the health needs are met for the new city being created. Space for aged care services to allow support for aging in place should also be dedicated. This would add further jobs within the zone and ensure a spread of age groups are catered for within the development. Currently schools only are dedicated, nothing for older residents.

- **Significant items have been omitted from the SIC.**

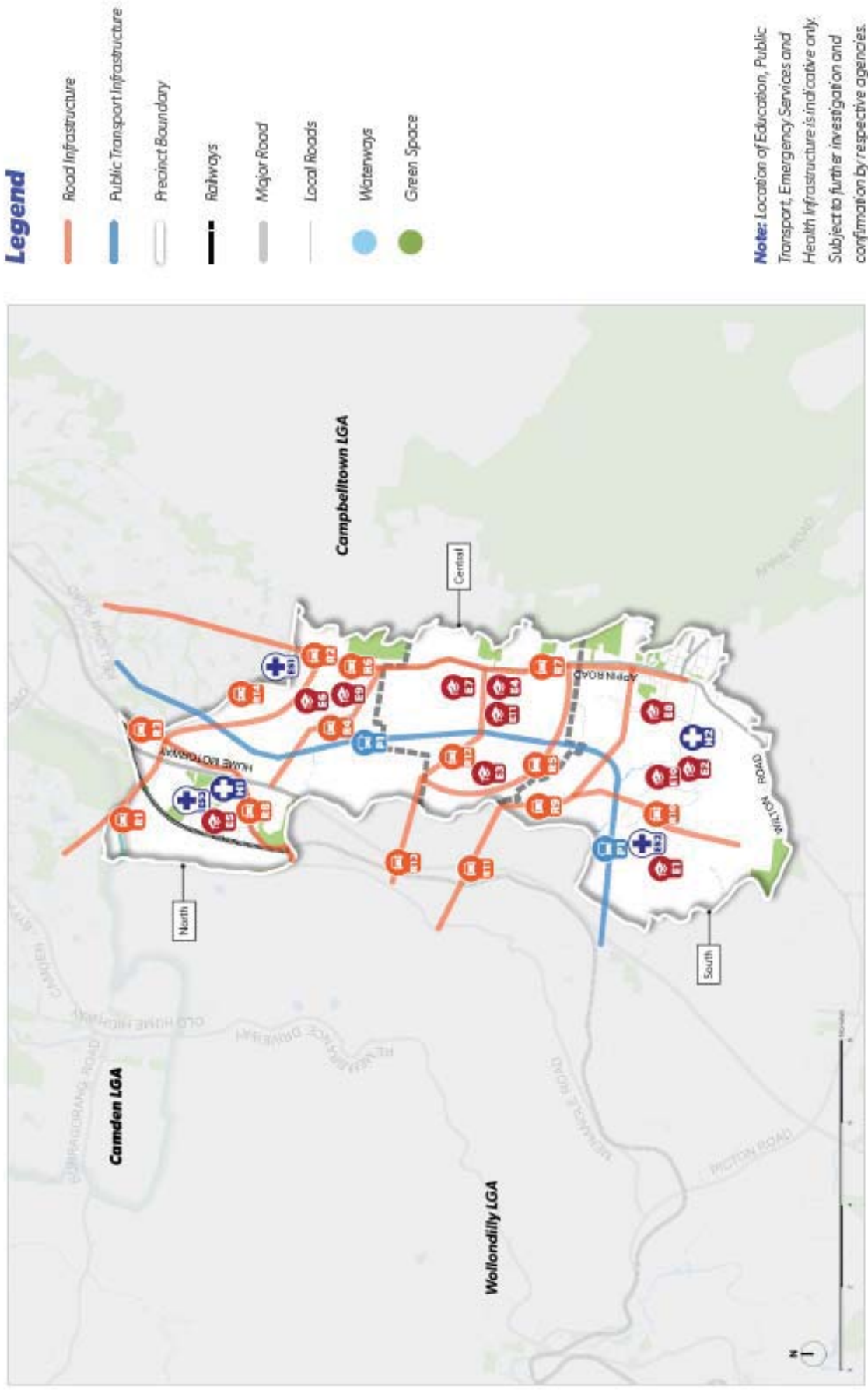
The Proposed Special Infrastructure Contribution for the Greater Macarthur Growth Area Brochure November 2018 pages 11 and 12, contains the Proposed Infrastructure Schedule and Map which identifies the following investment:
Extract of Page 11.

Proposed Infrastructure Schedule and Map

The Department will work with other state government agencies and Campbelltown and Wollondilly Shire Councils to determine the timing of project delivery, considering current and forecast development rates and infrastructure capacity. Other state infrastructure identified in the plan and not funded by the SIC will be the responsibility of the relevant agency to fund and deliver.

Special Infrastructure Contributions

Roads	1,226,241,000	Education	\$60,000,000
R1 Spring Farm Parkway - New 4 lane arterial road between Appin Road and Liz Kernohan Drive	\$100,755,000	9x Primary Schools - Land Acquisition	\$45,000,000
R2 Appin Rd North - upgrade to 4 lanes between Kellerman Drive and Malalty Creek	\$108,518,000	2x Secondary School - Land Acquisition	\$15,000,000
R3 Spring Farm Parkway - Interchange Ramps to Hume Highway	\$26,686,000	Health	\$1,500,000
R4 Mt Gilead North - new 4 lane sub-arterial road	\$82,468,000	HI-2 2 x Integrated Health Hubs - Land Acquisition	\$1,500,000
R5 Mt Gilead South - new 4 lane sub-arterial road	\$130,757,000	Public Transport	\$96,246,500
R6 Appin Rd North - Widened to 6 lanes - Malalty Creek to Narellan Road	\$42,143,000	P1 Transit Corridor North - Land Acquisition	\$42,800,000
R7 Appin Rd South - Widened to 4 lanes - Malalty Creek to Brocks Point Road	\$57,081,000	P2 Transit Corridor South - Land Acquisition	\$53,446,500
R8 Menangle Rd - Widened to 4 lanes - Picton Road to Englorie Drive	\$90,647,000	Open Space & Conservation	\$173,878,314
R9 Macquarie Rd - Subarterial upgrade Appin Road to Menangle Road	\$209,495,000	Biodiversity Certification	\$173,878,314
R10 Link Rd B - New subarterial 4 lane road	\$96,645,000	Emergency Services	\$1,750,000
R11 Macquarie Rd - Interchange Ramps to Hume Highway	\$34,038,000	ES1 Fire & Rescue Station Mt Gilead - Land Acquisition	\$625,000
R12 Link Road A - New subarterial 4 lane road	\$164,995,000	ES2 Police Station Menangle Park - Land Acquisition	\$500,000
R13 Link Road A - Interchange Ramps to Hume Highway	\$49,306,000	ES3 Fire & Rescue Station West Appin - Land Acquisition	\$625,000
R14 Spring Farm Parkway East - Widened to 6 lanes	\$42,706,000	Planning and delivery	\$23,394,237
		Precinct Planning	\$15,596,158
		Precinct Delivery	\$7,798,079



Discrepancies exist regarding the extent of Infrastructure and associated costings detailed on Pages 3 and 11 of the SIC in the Brochure
Extract of Page 03

○ Proposed Special Infrastructure Contribution for the Greater Macarthur Growth Area

A draft Special Infrastructure Contribution scheme is proposed to help fund the costs of new and upgraded state and regional infrastructure required to support growth in Menangle Park, Gilead and North Appin. West Appin and Appin East at no additional cost to government. The SIC ensures developers will contribute to the cost of delivering infrastructure to support new homes and jobs across the precincts, estimated to be \$1.58 billion over the next 30 years, including:

- + Road and intersection upgrades: \$1.23 billion
- + Land for future public transport corridor: \$96 million
- + Land for schools: \$60 million
- + Land for Integrated Health Hubs: \$1.5 million
- + Land for emergency services and police stations: \$1.75 million
- + Land for biodiversity conservation: \$174 million
- + Planning and delivery costs: \$23.4 million

..... Column Break

¶
¶

03

Detailed Analysis of the Proposed Greater Macarthur Special Infrastructure Contribution November 2018.

WAG has undertaken a detailed review of and analysis of the Proposed Greater Macarthur Special Infrastructure Contribution November 2018.

Discrepancies have been identified regarding the extent of Infrastructure and associated costings detailed on Pages 3 and 11 of the SIC. The identified items in the Brochure have been highlighted and are in red typeset.

WAG have reviewed numerous documents and the results of our review have been detailed in the **WAG Estimates of omitted & adjusted infrastructure Items** column of our following table of analysis.

Where we have relied information / data contained in specific reports we have referenced the relevant document.

Reviewed documents include, but are not limited to:

- Proposed Special Infrastructure Contribution – Greater Macarthur prepared by NSW Planning & Environment November 2018.
- Social Infrastructure Assessment report prepared by GHD dated July 2017.
- Wilton and Greater Macarthur Priority Growth Areas - Utilities Services Study prepared by AECOM dated 7 June 2017.
- Special Infrastructure Contribution Feasibility Study – Greater Macarthur Special Contribution Area Prepared By EDP. Reference No. 11330 November 2018.
- Greater Macarthur Land Release Investigation – Land Use and Infrastructure Analysis -prepared by NSW Planning & Environment 2015.
- Proposed Special Infrastructure Contribution – Wilton prepared by NSW Planning & Environment September 2018.

Wilton Action Group (WAG) Detailed Scope and Costing Analysis of Proposed Special Infrastructure Contribution – Greater Macarthur prepared by NSW Planning & Environment November 2018.

Infrastructure Item		Page 3 of SIC NOV 2018	Page 11 of SIC Nov 2018	WAG (\$) estimate of omitted & adjusted infrastructure items
	SIC Nov 2018 Estimated @	\$1,580,000,000	\$1,583,010,051	
	Cost adjustment for difference between Page 3 paragraph quoted estimate and listed individual figures listed below	\$3,010,051		
	Roads and intersection upgrades	\$1,230,000,000	\$1,226,241,000	
	Cost adjustment for difference between Pages 3 & 11 of SIC Nov 2018	-\$3,759,000		
R1	Spring Farm Parkway - New 4 lane arterial road between Appin Road and Liz Kernohan Drive		\$100,755,000	
R2	Appin Rd North - upgrade to 4 lanes between Kellerman Drive and Malatty Creek		\$108,518,000	
R3	Spring Farm Parkway - Interchange Ramps to Hume Highway		\$26,686,00	
R4	Mt Gilead North - new 4 lane sub-arterial road		\$82,468,000	
R5	Mt Gilead South - new 4 lane sub-arterial road		\$130,757,000	
R6	Appin Rd North - Widened to 6 lanes - Malatty Creek to Narellan Road		\$42,143,000	
R7	Appin Rd South - Widened to 4 lanes - Malatty Creek to Brooks Point Road		\$57,081,000	
R8	Menangle Rd - Widened to 4 lanes - Picton Road to Englorie Drive		\$90,647,000	
R9	Macquariedale Rd - Subarterial upgrade Appin Road to Menangle Road		\$209,495,000	
R10	Link Rd B - New subarterial 4 lane road		\$86,645,000	
R11	Macquariedale Rd - Interchange Ramps to Hume Highway		\$34,038,000	
R12	Link Road A - New subarterial 4 lane road		\$164,995,000	
R13	Link Road A - Interchange Ramps to Hume Highway		\$49,306,000	
R14	Spring Farm Parkway East - Widened to 6 lanes		\$42,706,000	
	Cost adjustment for difference between Page 11 embolden figure and above listed individual figures			\$26,687,000
	Allowance for construction of 6 off new bridges over river / Hume Highway and Train line			\$390,000,000

	Education	\$60,000,000	\$60,000,000	
	9 x Primary Schools - Land Acquisition		\$45,000,000	
	Rate Costing adjustment (Wilton SIC Land dedicated for Primary School @ \$ 7,500,000 per site.)			\$22,500,000
	2 x Secondary School - Land Acquisition:		\$15,000,000	
	2 x Secondary School - Land Acquisition: GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Appendix B. Allowance 6Ha per high school site. Additional cost to acquire land. Rate Costing adjustment			\$22,500,000
	Health		\$1,500,000	
H11-2	2 x Integrated Health Hubs - Land Acquisition		\$1,500,000	
	Additional 1 x Integrated Health Hubs - Land Acquisition. GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Appendix A, details three off facilities			\$750,000
	2 x moderate district multipurpose community centres totalling 1,200 m2 - Land Acquisition. GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Appendix A			\$375,000
	1 x local community centre totalling 120 m2 - Land Acquisition. GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Appendix A.			\$37,500
	Age Care Health Facility - Land			\$15,000,000
	Additional land required to accommodate both Public and Private Hospitals.			
	Public Hospital 9.265 ha @ \$ 3,125,000 per Ha			\$28,953,125
	Private Hospital 2.045 ha @ \$ 3,125,000 per Ha			\$6,390,625

	<p>Community Infrastructure: GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Section 6 Table 6. - Excluding Wilton New Town (WNT) Total of New Dwellings = 39,850 Population = 113,573</p> <p>AECOM Report for DPE - Greater Macathur and Wilton Priority Growth Area Utilities Services Study 07-Jun-2017. Tables 2.2 & 2.6 - Excluding Wilton New Town (WNT) Total of New Dwellings = 45,520 Population = 129,733</p> <p>WAG have adopted the higher of the two population estimate figures</p>			
	<p>2 x libraries totalling 2,650 m2 - Land Acquisition. GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017. Appendix A</p>			\$828,125
	<p>Cultural Facility in Gilead totalling 500 m2 - Land Acquisition. GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Appendix A</p>			\$156,250
	<p>Child care and out of school hours care GHD Report for DPE - Greater Macathur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 . Table 6. Section 8.2.</p>			
	<p>Child care 1 x place per 2 resident children aged 0-5 years = 4,541 places Allow 60 children per centre = 76 centres @ \$ 375,000 per site</p>			\$28,500,000
	<p>Out of school hours care 1 x place per 5 resident children aged 5-11 years = 2,595 places Allow 120 per centre = 22 centres @ \$ 375,000 per site</p>			\$8,250,000
	<p>Upgrade indoor sports facility upgrades</p>			\$15,000,000

	Community Infrastructure cont:				
	Indoor aquatic centre/s. 1 centre per 20,000 - 50,000 population				\$3,281,250
	Youth Recreation focused outdoor recreation facilities. 1 centre per 20,000 - 50,000 population				\$937,500
	Utilities Services Infrastructure:				
	AECOM Report for DPE - Greater Macathur and Wilton Priority Growth Area Utilities Services Study				
	Land for Menangle Park & Mount Gilead (MPMG) sub-stations (ZS) x 2 sites @ 2,000 m2 per site				\$1,250,000
	Land for West Appin (WA) sub-stations (ZS) x 2 sites @ 5,500 m2 per site				\$3,437,500
	Land for Bulk Supply Point in Appin Area x 1 sites @ 5,500 m2 per site				\$1,718,750
	Land for Mount Gilead gas supply trunk main from adjacent border area: Allow 5 km run x 10m wide @ \$ 312.50 / m2 land cost				\$15,625,000
	Land for Appin West Potable Water trunk main extension from existing Appin trunk line Allow 5 km run x 8 m wide @ \$ 312.50 / m2 land cost				\$12,500,000
	Land for (MPMG) Waste Water Treatment Plant 2Ha = 20,000m2 @ \$ 312.50 / m2 land cost				\$6,250,000
	Land for (MPMG) Potable water Reservoir 2 x 15ML tank = 9,500m2 @ \$ 312.50 / m2 land cost				\$2,968,750
	Land for (WA) Potable water Reservoir 1 x 1ML tank = 500m2 @ \$ 312.50 / m2 land cost				\$156,250
	Public Transport				
		\$96,000,000		\$96,246,500	
	Cost adjustment for difference between Pages 3 & 11 of SIC Nov 2018		\$246,500		
P1	Transit Corridor North - Land Acquisition			\$42,800,000	
P2	Transit Corridor South - Land Acquisition			\$53,446,500	
	Upgrade of Menangle Park Railway Station / Car parking station- Land Acquisition				\$5,000,000

Emergency Services cont.					
ES3	Fire & Rescue Station West Appin - Land Acquisition			\$625,000	
	Land for Ambulance Station: 3000m2 site				\$937,500
	Land for Upgrade of Appin RFS: 2000m2 site				\$625,000
ES2A	Police Station Appin - Land Acquisition -Cost to achieve 4000m2 site GHD Report for DPE - Greater Macarthur and Wilton Priority Growth Area Social Infrastructure Assessment Report July 2017 .				\$1,250,000
	Planning and delivery		\$23,400,000	\$23,394,237	
	Cost adjustment for difference between Pages 3 & 11 of SIC Nov 2018		-\$5,763		
	Precinct Planning			\$15,596,158	
	Precinct Delivery			\$7,798,079	
	Greater Macarthur business development director				\$2,500,000
	Sub Total - Proposed Special Infrastructure Contribution (DPE) Adjusted after recalculation		\$1,583,010,051	\$1,583,010,051	
	Sub Total - WAG addition of SIC Omitted items				\$931,508,875
	Grand Total Excluding CPI and Inflation Adjustments for the next 22 Years				\$2,514,518,926

Note:

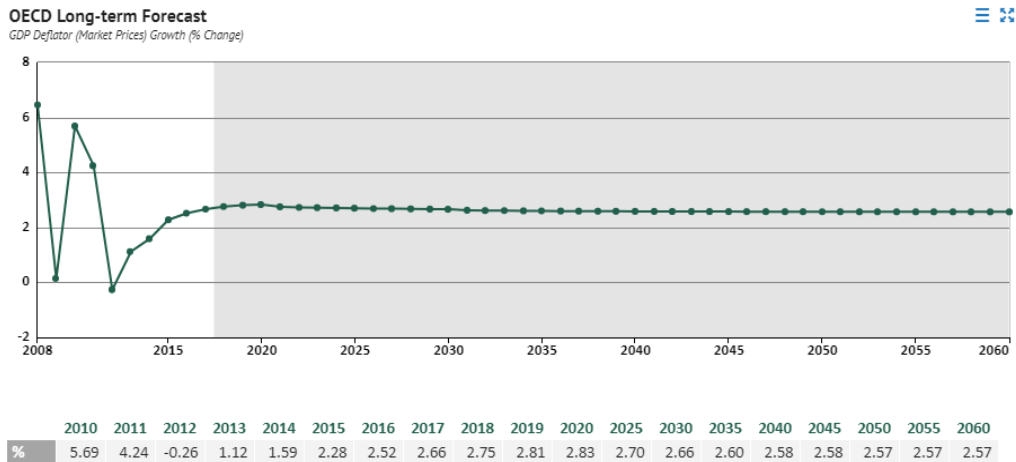
No adjustments have been allowed for in the above table:

Inclusion of CPI / Inflation adjustments in SIC calculations.

In order to achieve a realistic SIC Contribution amount the inclusion of CPI and inflation forecast adjustments need to be calculated and included when calculating the SIC contribution for the life span of the SIC. The incorporation of the recommended adjustment factors allows for a SIC contribution amount that reflects the cost of Infrastructure over the life of the proposed development. It allows for the mitigation / risk reduction of shortfalls in funding over the course of the development that require other entities i.e. Local, State and Federal Government and ultimately the end user / consumer to have bare.

- **CPI or inflation has been included for the twenty two years in which the SIC will be valid for i.e. 2018 to 2040.**

WAG has adjusted the infrastructure costings to include for forecast CPI and inflation variations over the next twenty two years.



Proposed Special Infrastructure Contribution Greater Macarthur Nov 18 (Wilton SIC) \$ 1,583,010,051
 WAG costing of (DPE) SIC omitted items \$ 931,508,875
Sub -Total \$ 2,514,518,926

WAG has adjusted the (DPE) infrastructure costings to include for forecast CPI and inflation variations over the next 22 years.
Sub -Total \$ 4,483,516,009
Increase of \$ 1,968,997,083
Percentage increase 78.31%

- **The recommendation of a SIC contribution of \$ 75,000 per additional residential lot as detailed in the Special Infrastructure Contribution Feasibility Study – Greater Macarthur Special Contribution Area November 2018 prepared by EPS. Reference No. 11330 dated November 2018 is too low to support the cost of the infrastructure**

WAG has reviewed the EPD report dated May 2018 and have calculated that the \$ 75,000 cost per additional residential lot be increased by an additional 78.31% to incorporate CPI and Inflation
\$ 75,000 x 1.7831 = \$ 133,733.00 per additional residential lot

WAG recommends that the SIC be reviewed in its entirety.

**Proposed Greater Macarthur Special Infrastructure Contribution November 2018
 Submission by Wilton Action Group
 8 February 2019**