

contributions plan

No.17

s e c t i o n **94**

Quakers Hill Commercial Precinct

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1 Introduction and Administration of the Plan

1.1 Name of the Plan

This contributions plan is called 'Section 94 Contributions Plan No. 17 – Quakers Hill Commercial Precinct', and is the second revision of the original contributions plan.

1.2 Purpose of Plan

This Contributions Plan outlines Council's policy regarding the application of Section 94 (S.94) of the *Environmental Planning and Assessment Act, 1979* to the provision of intersection upgrading of Quakers Hill Parkway and Eastern Road, and the junction of Eastern Road and Douglas Road.

The need for the original Contributions Plan was generated by the anticipated development of mixed residential/commercial developments in the Quakers Hill Commercial Precinct. The abovementioned intersection upgrading will accommodate the additional traffic volumes generated by potential developments as reported in the 2004 Traffic Impact Assessment, prepared by Thompson Stanbury Associates.

The initial Contributions Plan was originally approved by Council on 13 September 2006 and came into force on 27 September 2006.

This Contributions Plan was first reviewed in June 2008 due to proposed relocation of services in the left hand slip lane from Eastern Road to Quakers Hill Parkway. The first revision of the Contributions Plan came into force on 17 December 2008.

This plan was reviewed again in January 2016, coming into force on 15 June 2016. The reason for this second revision is due to the intersection works at Quakers Hill being identified in the Transport and Access Strategy Report prepared by AECOM Australia Pty Ltd in June 2011, as also being required for inclusion in the *Section 94 Contributions Plan No. 24 Schofields Precinct*, and thus the need for apportioning of the costs between the two contribution plan areas.

This plan has been prepared in accordance with the *Environmental Planning and Assessment (EPA) Act, 1979*, the *Environmental Planning and Assessment (EPA) Regulation, 2000*, and *IPART's Assessment of Blacktown City Council's Contribution Plan No. 24 – Schofields Precinct*.

The S.94 contributions contained in this plan have been determined on the basis of a "Contribution Catchment". This is the area over which a contribution for a particular item is levied. Within the catchment there is an identifiable "list" of works, which are scheduled for provision. The catchment area for this revised Contributions Plan has also been amended to align with Council's other Contribution Plans and with the zoning of the Quakers Hill Commercial Precinct.

Council applies contribution formulae to the catchment for the purpose of calculating the contribution rates applicable to that catchment. The formulae take into account the cost of works to be undertaken and the size of the catchment area. The total cost of providing the works is distributed over the total catchment on an equitable basis.

1.3 Commencement of this Plan

This plan takes effect from the date on which public notice was published, pursuant to 31 (4) of the *EPA Regulation 2000*.

1.4 Principles of Section 94

Section 94 permits Council to require persons or entities developing land to pay monetary contributions, provide capital works (works in kind), and/or dedicate land in order to help fund the

increased demand for public amenities and public services (amenities and services) generated through their developments.

The three general principles in applying Section 94 contributions are:

1. A contribution must be for, or relate to, a planning purpose.
2. A contribution must fairly and reasonably relate to the subject development.
3. The contribution must be such that a reasonable planning authority, duly applying its statutory duties, could have properly imposed.

Council may either:

- require a monetary or 'in kind' contribution (or dedication of land) to fund amenities and services to be carried out in the future
- require a contribution to fund amenities and services, which have already been constructed.

The latter category is referred to as retrospective funding. At this stage there are no works which have been provided by Council in the Quakers Hill Commercial Precinct for which Council will be seeking a development contribution. However, as the plan progresses, works will be implemented for which Council will be seeking a contribution from future development.

One of the fundamental responsibilities of any Council in imposing S.94 contributions is to ensure that the contributions levied are reasonable. That is, the works and facilities to be provided must be as a direct consequence of the development on which the contributions are levied. In keeping with this responsibility, S.94 contributions levied on development as a result of this Plan are limited to providing amenities and services to the level necessary to sustain the form of urban development envisaged to occur in the Quakers Hill Commercial Precinct.

1.5 Aims & Objectives

The aims and objectives of this Plan are to:

- ensure that S.94 contributions levied on development within the Quakers Hill Commercial Precinct are reasonable
- ensure that the method of levying S.94 contributions is practical
- ensure that an appropriate level of infrastructure provision occurs within the Quakers Hill Commercial Precinct
- employ a user pays policy for the funding of infrastructure within the Quakers Hill Commercial Precinct so that existing residents of the City are not subsidising the traffic works generated by new urban development
- ensure infrastructure is provided in an orderly manner and that the traffic works provided are not for the purpose of making up shortfalls in other areas
- make clear Council's intentions regarding the location and timing of infrastructure provision within the Quakers Hill Commercial Precinct.

1.6 Land to Which the Plan Applies

The land to which this plan applies is not subject to the Minister for Planning and Environment's Section 94E Direction (Schedule 2) which took effect on 15 September 2010. The land to which this plan applies is shown by the shaded areas on the map on the following page.

Quakers Hill Commercial Precinct



Legend
□ lot_parcel
■ Contribution Area

**Contribution Plan
Quakers Hill**



Map produced by Blacktown City Council
Land Information Unit



1.7 Development to which the Plan Applies

This plan applies to all developments occurring within the precinct catchment areas that require the submission of a development application to Council or an application for a complying development certificate, including the intensification of use of a site involving expansion of area occupied by a development and/or the addition of resident or worker population.

1.8 Construction Certificates and the Obligation of Accredited Certifiers

In accordance with section 94EC of the *EP&A Act, 1979* and Clause 146 of the *EP&A Regulation, 2000*, a certifying authority must not issue a construction certificate for building work or subdivision under a development consent unless it has verified that each condition requiring the payment of monetary contributions have been satisfied.

In particular, the certifier must ensure that the applicant provides a receipt(s) confirming that contributions have been fully paid and copies of such receipts must be included with copies of the certified plans provided to Council in accordance with clause 142(2) of the *EP&A Regulation*. Failure to follow this procedure may render such a certificate invalid.

The only exceptions to the requirement are where a works in kind, material public benefit, dedication of land or deferred payment arrangement has been agreed by Council. In such cases, Council will issue a letter confirming the alternative payment method.

1.9 Complying Development and the Obligation of Accredited Certifiers

In accordance with S94EC(1) of the *EP&A Act*, accredited certifiers must impose a condition requiring monetary contributions are paid in accordance with this contributions plan, which satisfy the following criteria:

- conditions imposed must be consistent with Council's standard S.94 consent conditions
- conditions must be strictly in accordance with this contributions plan.

It is the professional responsibility of accredited certifiers to accurately calculate the contribution and to apply the S.94 condition correctly.

1.10 Relationship to Other Plans

Other planning controls apply to the areas subject to this plan. These include:

- Blacktown Local Environmental Plan 2015
- Blacktown Development Control Plan 2015
- Contributions Plan No. 24 – Schofields Precinct
- Contributions Plan No. 19 – Blacktown Growth Precinct

Please note that the references above relate to other Council Plans. Other infrastructure work providers (eg. Integral, Sydney Water, RMS) may require monetary payment for the infrastructure they provide. This list may not include all such providers and in this regard you are advised to make your own detailed enquiries.

1.11 Monitoring and Review of this Plan

This plan will be subject to regular review by Council. The purpose of any review is to ensure that:

- contribution levels reflect current land and construction costs
 - the level of provision reflects current planning and engineering practice and likely population trends
 - work schedules are amended if development levels and income received differ from current expectations.
-

Any changes to the plan must be prepared in accordance with the Act and Regulation and placed on public exhibition for a period of 28 days. The nature of any changes proposed and the reasons for these will be clearly outlined as part of the public participation process.

Council welcomes the comments of interested persons on this plan at any time.

1.12 Timing of Provision of Items

The priority of the provision of the item in the plan has been determined with regard for:

- existing development trends
- anticipated revenue.

Council's ability to forward fund Section 94 works is limited. As such the timing of works is very much dependant on receipt of adequate S94 funds. The work schedules in the appendices of this plan have been formulated having regard for existing funds available to each of the catchment areas and projected income.

As noted in Section 1.11 above regular reviews of this plan are undertaken. Development trends are monitored and revenue estimates are revised as part of the review process. Thus the priority of works may change as a result of a review.

1.13 Pooling of funds

This plan authorises monetary Section 94 contributions paid for different purposes to be pooled and applied progressively for those purposes. The priorities for the expenditure of pooled monetary section 94 contributions under this plan are the priorities for works as set out in the works schedules to this plan.

1.14 Financial Information

Included as part of Council's Annual Financial Reports is a specific note relating to S94 Contributions. This accounting record contains details of total contributions received, total contributions expended, and total interest earned for each plan, and is available for inspection free of charge from Council's Corporate Finance Section.

1.15 Enquiries regarding this Plan

Enquiries in relation to this or any other Contributions Plan can be made either by phoning Council's Information Centre on 9839 6000 between 8.00 am and 5.30 pm Monday to Friday or by visiting the Information Centre on the Ground Floor of the Civic Centre in Flushcombe Road, Blacktown between 8.00 am to 5.30 pm Monday to Friday.

1.16 Contributions Register

A copy of the Contributions Register is also available for inspection free of charge at this counter. As this register is on Council's mainframe computer and spans many years, persons wishing to view the whole register (rather than details in relation to a particular property) will need to contact Council's Section 94 Officer in advance to ensure suitable arrangements can be made to view this information.

2 Intersection Upgrade

2.1 Introduction

A Traffic Impact Assessment conducted by Thompson Stanbury Associates for the Quakers Hill Commercial Precinct in 2004, recommended a number of alterations to the surrounding existing traffic infrastructure. This is to ensure that the surrounding road network is capable of accommodating the additional traffic projected to be generated by the proposed increase in urban development to the precinct.

2.2 Nexus

A direct nexus can be drawn between the anticipated development of the land to which the plan applies and the need to provide and apportion the required upgraded traffic management works.

This plan seeks to provide the following works that will accommodate increased traffic movements as a consequence of proposed development in the Quakers Hill Commercial Precinct and Schofields Precinct:

Eastern Road and Douglas Road junction

- Convert the intersection control from signals to signage control with priority movements being turning movements between the western Eastern Road and the Douglas Road approaches.

Quakers Hill Parkway and Eastern Road intersection

- Construct an exclusive left turn lane within the eastern Eastern Road approach to provide connectivity to the existing slip lane.
- Extend the right turn lane within the western Quakers Hill Parkway approach by approximately 20 – 30m.

The combination of the abovementioned intersection upgrades in conjunction with the completed Quakers Hill Parkway upgrading works, will improve the ability of the intersections to suitably accommodate the additional traffic projected to be generated by the anticipated developments of the Quakers Hill Commercial Precinct and Schofields Precinct.

2.3 Contribution Catchment

The area of the catchment is the total “developable area” in the catchment. In calculating the “developable area”, land, which will never be required to pay a contribution, has been excluded. The “exclusions” in this plan relate only to existing development where a credit is allocated. The purpose of identifying these exclusions is to ensure that only the new development (which is generating the need for amenities and services) pays for their provision.

While the cost of works in the 2006 and 2008 contribution plans was originally “*apportioned amongst a catchment area that included three subject development proposals*”, all three development proposals referred to did not occur. It is therefore proposed that the contribution catchment area should be amended to include all land within the vicinity of the original catchment area that is classified as being part of the B2 Local Centre Zone. This also brings the contribution catchment area in line with the recommendations contained in the Urban Planning and Design Study for the Quakers Hill Commercial Precinct, July 2005 prepared by JBA Urban Planning Consultants.

Also, with the implementation of the new Contribution Plan No 24 for the Schofields Precinct, the land to the north of Quakers Hill Parkway (Lot 1 DP 853847) was included within its contribution catchment, and therefore needs to be deleted from *Contribution Plan No. 17 for the Quakers Hill Commercial Precinct*. It has also been identified in the AECOM Transport and Access Strategy Report, June 2011 that the Schofields Precinct development will cause increased traffic volumes at the Eastern Road/Douglas Road junction and Quakers Hill Parkway/Eastern Road intersection. As a result, Council considered that *Contributions Plan No 24 for the Schofields Precinct* and *Contributions Plan No 17 for the Quakers Hill Commercial Precinct* should each contribute 50 percent of the intersection upgrading costs.

2.4 Contribution Formula

The following formula is used to calculate the contribution rate. The contribution relates to the required traffic works to the Quakers Hill Commercial Precinct.

$$\text{CONTRIBUTION RATE} = \frac{(\text{C1} + \text{C2})}{\text{A}} + \text{B}$$

(\$/HECTARE)

- WHERE:
- C1= The actual cost to Council to date of undertaking works indexed to current day values using the Consumer Price Index (CPI).
 - C2 = The estimated cost of works yet to be undertaken.
 - A = The total developable area of catchment
 - B = Administrative component. This is 2% of the total cost of providing the works.

A more detailed explanation of the components in the contribution formula is provided in Section 3.

A schedule of works for each contribution catchment is provided in Appendix "A".

The values of the components of the contribution formula and the resultant contribution rates are contained in the Schedule in Appendix "B".

3 Explanation of Contribution Formula Components

3.1 Introduction

This Section provides an explanation of the various components of the contribution formula detailed in Section 2.

3.2 Explanation of the Capital Components

Schedules of works to be provided for the various items are detailed in Appendix "A".

In the contribution formula:

- C1 - Represents the actual cost to Council of constructing works already provided in the catchment indexed to current day values using the Consumer Price Index – Sydney All Groups (CPI).
- C2 - Represents the estimated cost to Council of constructing works, which have yet to be provided in the catchment and are based on the most detailed designs that were available at the time of preparing the estimates.

3.3 Explanation of the Administrative Component

The administration of S.94 is an expensive task. Council employs a number of staff who work full-time on planning, designing and constructing works to be funded from S.94 contributions. In addition, consultant studies are often commissioned in order to determine design and costings of S.94 funded works. These may require revision on a regular basis. Also reviews of the demand for services and amenities, particularly the population based items, are conducted approximately every five years.

Council considers that the costs involved with administering S.94 are an integral and essential component of the efficient provision of works. Therefore, some of the costs of full-time staff and studies should be recouped from S.94 contributions.

"B" in the contribution formula represents the administrative component. It represents 2% of the cost of acquiring land and constructing works. Council considers that this small on-cost to recover part of the costs involved in administering S.94 is reasonable.

3.4 Indexation

In the formula, capital expenditure (C1) is indexed to current day values using the Consumer Price Index - Sydney All Groups (CPI). This index is published by the Australian Bureau of Statistics on a quarterly basis.

The reason for indexing past expenditure is that every developer pays for a small proportion of the cost of providing each individual item identified in the Plan. This means that if / when items are constructed prior to all contributions within a catchment being collected, then "borrowing" (between items) occurs. If retrospective contributions are not indexed this "borrowing" will have occurred without any interest having been paid. This will result in a shortfall of funds when future items are constructed using the "paid back" contributions. What indexing effectively does is to make up the lost interest on the funds, which have been borrowed between individual items.

The CPI is one of the indices recommended for use by the Department of Planning and Environment.

3.5 Base Contribution Rate

A base contribution rate has been calculated using the formula in Section 2.4 above and components are shown in Appendix "A".

This rate is subject to review and indexation. This procedure is outlined in Section 3.4 above.

4 Payment of Contributions

4.1 Methods of payment

There are 3 possible methods of payment of S.94 Contributions - monetary contribution, dedication of land and works-in-kind agreements.

Monetary Contribution

This is the usual method of payment. When development consent is issued that involves the payment of a S.94 contribution, it contains a condition outlining the amount payable in monetary terms subject to indexation by the CPI. See section 3.4 for more details on indexation.

Dedication of Land

Where appropriate, Council will permit the dedication of land to offset the monetary contribution payable. However, as no land is required for the purpose of providing these works, offsetting of contributions via dedication of land is not possible in respect to these contributions.

Works-in-kind Agreements

Council may accept the construction of works listed in the schedules to this plan to offset the monetary contribution payable. However, as it is Council's intention to undertake the intersection works on existing roads, payment of the contributions via a Works In Kind is not feasible.

4.2 Timing of Payment

Council's policy regarding the timing of payment of S.94 contributions is as follows:

Approved under the EP & A Act as it existed pre July 1998 -

- Development Applications involving subdivisions
Prior to the release of the "linen plan" of subdivision.
- Development Applications involving building work -
Prior to release of the Building Permit.
Note: Applications for combined building and subdivision approval are required to pay contributions upon whichever of these events occurs first.
- Development Applications where no building approval is required -
Prior to occupation.

Approved under the EP & A Act as amended on July 1 1998 -

- Development Applications involving subdivisions
Prior to release of the Subdivision Certificate
- Development Applications involving building work
Prior to release of Building Construction Certificate.
- Development Applications where no building approval is required -
Prior to occupation or use of the development.
- Development Applications for subdivisions -
Prior to the release of the "linen plan" of subdivision.

Note: Applications for combined building and subdivision approval are required to pay contributions upon whichever of these events occurs first.

4.3 Indexation and Review of Contributions

Contribution rates are indexed quarterly in accordance with the Consumer Price Index - Sydney - Housing (CPI). See also Section 3.5.

The method of indexing the contribution rates is to multiply the base contribution rate by the most recently published CPI at the time of payment and divide it by the **December 2015 CPI – Sydney All Groups (108.9)**. At all times the contributions payable will not fall below the base rates listed in Appendix B.

4.4 Discounting of Contributions

Council does not discount contributions both for equity and financial reasons. As it would be inequitable to recoup a discount from remaining development, discounting would result in a shortfall in the contributions received. Discounting would also compromise Council's ability to provide the facilities and would place an additional burden on existing residents to subsidise new development.

4.5 Deferred Payment of Contributions

Council has a policy for the deferred payment of S.94 contributions as follows:

- An applicant requesting deferred payment needs to apply in writing to Council. All requests are considered on their merits having regards for (but not exclusively) the type of work for which the contribution is sought, the rate of development occurring within the area and the impending need to construct the works for which S.94 Contributions are being levied.
- Where deferred payment is approved by Council the period of time for deferring payment will generally be limited to 12 months.
- If Council approves of the request for deferred payment it is conditional upon the applicant providing a suitable Bank Guarantee and Deed of Agreement.
- Interest is charged on deferred contributions. Council also charges an administrative fee for deferred payment. The interest rate and administrative fee levied for deferred payment of contributions are reviewed annually and appear on Council's Schedule of Fees. A copy of this Schedule is available from Council's Development Services Unit.
- The amount of the Bank Guarantee shall be the sum of the amount of contributions outstanding at the time of deferring payment plus the "interest" over the time of deferred payment. This amount will also represent the amount payable at the end of the deferred payment period.
- The Deed of Agreement is to be prepared by one of Council's Solicitors at full cost to the applicant. In this regard the applicant is to pay Council's Solicitor's costs direct to the Solicitor and not through Council.
- Should contributions not be paid by the due date the Bank Guarantee will be called up by Council.

Council has a separate deferral policy specifically for dual occupancies, which are to be occupied by elderly and/or disabled persons (i.e. the traditional granny flats).

Enquiries regarding deferred payment can be made to the Town Planner/Engineer dealing with the relevant application.

Appendices

APPENDIX A**SCHEDULE OF WORKS
QUAKERS HILL COMMERCIAL PRECINCT**

DESCRIPTION OF WORKS	ESTIMATED COST AND INDICATIVE TIMING OF DELIVERY			TOTAL
	2016 - 2020	2021 - 2025	2026 - 2030	
Provide a left hand slip lane into Eastern Road from Quakers Hill Parkway. Provide a left hand slip lane from Eastern Road into Quakers Hill Parkway. Remove traffic lights at Douglas Road and Eastern Road.		\$460,000		\$460,000
Total Costs to be Shared 50/50 with CP 24		\$230,000		\$230,000

APPENDIX B

SCHEDULE OF VALUES IN THE CONTRIBUTION FORMULA

CATCHMENT	SIZE OF CATCHMENT (Ha)	ITEMS CONSTRUCTED C1 (\$)	YET TO CONSTRUCT C2 (\$)	PLAN ADMINISTRATION PA (\$)	TOTAL C1+C2+PA (\$)
QUAKERS HILL COMMERCIAL PRECINCT	5.1201		\$230,000	\$4,600	\$234,600

BASE CONTRIBUTION RATES

Base CPI - Sydney - All Groups - Dec 2015 - 108.9

ITEM	CONTRIBUTION RATE (\$ per Ha)
QUAKERS HILL COMMERCIAL PRECINCT	\$45,820

APPENDIX C

BIBLIOGRAPHY

Traffic Impact Assessment Quakers Hill Commercial Precinct

Prepared by Thompson Stanbury Associates

Transport Planning, Town Planning, and Environmental Consultants - October 2004

Urban Planning and Design Study for the Quakers Hill Commercial Precinct

Prepared by JBA Urban Planning Consultants Pty Ltd - July 2005

Transport and Access Strategy Report for Schofields Precinct

Prepared by AECOM Australia Pty Ltd - June 2011