



Mr Michael Edgar  
General Manager  
The Hills Shire Council  
PO Box 7064, Norwest 2153

Dear Mr Edgar,

I am writing in relation to the proposed Contributions Plan No. 13 – North Kellyville Precinct (the Plan), which Council submitted to the Independent Pricing and Regulatory Tribunal (IPART) for assessment. Upon completion of its assessment, IPART made twenty-five (25) recommendations in relation to the Plan.

On behalf of the Minister for Planning and Public Spaces, I have considered IPART's recommendations and require Council to amend the Plan by making twenty-five (25) changes to the plan.

All the required changes to the contributions plan are listed in Attachment A to this letter. When Council has adopted the amended plan it will be considered as having met the requirements of Clause 5(3) of the Environmental Planning and Assessment (Local Infrastructure Contributions) Direction (2012) as amended, and the Plan will be deemed an IPART reviewed contributions plan.

I would be grateful if you could advise the Department of Planning, Industry and Environment (the Department) once this process is completed and provide evidence that the changes have been made.

Should you have any questions in relation to this matter, please contact Mr Geoff Thompson, Director, Infrastructure Programs and Coordination at the Department, on 9274 6235.

Yours sincerely

A handwritten signature in blue ink that reads 'Brett Whitworth'.

14 October 2020

**Brett Whitworth**  
**Deputy Secretary**  
**Greater Sydney Place and Infrastructure**

Encl: Endorsed IPART recommendations

## Attachment A: List of required amendments to Contributions Plan No. 13 – North Kellyville Precinct (CP13)

IPART No.	Required amendments to the Castle Hill North Section 7.11 Contributions Plan
1.	Update the plan to include an additional roundabout adjoining Samantha Riley Drive Reserve. (IPART Report, Page 24)
2.	Update transport works costs to reflect the costs of completed works, including indexation to June 2018, by including the actual cost for a cycleway bridge [NKCC02]. (IPART Report, Page 28)
3.	Reduce the cost of the town centre bypass road [NKNR04] reflecting a lower unit rate of \$7,779/m for delivery of the remaining section of road. (IPART Report, Page 30)
4.	Reduce the cost of sub-arterial road upgrades [NKNR01, NKNR02, NKNR03, NKNR05] to reflect updated actual costs and more recent site-specific estimates. (IPART Report, Page 31)
5.	Increase the cost of the signalised intersection at Hezlett Road and Samantha Riley Drive [NKT01] to reflect the council's revised cost estimate. (IPART Report, Page 34)
6.	Reduce the cost of the Northern Connection Road [NKB01 and NKB01A] reflecting updated cost estimates, a lower contingency allowance and revised apportionment of cost (See Recommendation 13). (IPART Report, Page 37)
7.	Remove costs for the Northern Connection Road upgrade from the plan if it is funded through a Special Infrastructure Contribution. (IPART Report, Page 37)
8.	Reduce the cost of Withers Road Bridge [NKB02] reflecting updated cost estimates prepared by the council's consultant, Calibre Consulting, and a lower contingency allowance. (IPART Report, Page 37)
9.	Reduce the cost of a single-lane roundabout [NKR04] reflecting the removal of allowances for project management and design. (IPART Report, Page 37)
10.	Reduce the cost of two-lane roundabouts [NKR01, NKR02 and NKR03] reflecting revised quantities and unit rates, and lower allowances for project management, design, and contingency. (IPART Report, Page 37)
11.	Reduce the cost of cycleways reflecting a lower unit rate of \$250 per linear metre. (IPART Report, Page 38)
12.	Index the cost estimates of works for bus shelters, an intersection and cycleway bridges that are not otherwise subject to a recommendation to the revised base period of the plan (\$Jun2018). (IPART Report, Page 39)
13.	Apportion 33% of the costs of the North Connection Road [NKB01 and NKB01A] to the plan, based on the most up-to-date population forecasts for North Kellyville (CP13) and Box Hill (CP15). (IPART Report, Page 40)
14.	Update stormwater management works costs to reflect actual costs and indexation to June 2018 for Basins 3, 4, 6 and 9 in Smalls Creek. (IPART Report, Page 46)
15.	Index the costs of works items for ten other basins that are not otherwise subject to a recommendation [SWB011, SWB021, SWB051, SWB071, SWB081, SWB101, CWB011 to CWB041] to the revised base period of the plan (\$Jun2018). (IPART Report, Page 46)
16.	Update the plan to include open space embellishment for which nexus is established, increasing the cost of open space embellishment for: <ul style="list-style-type: none"> <li>• Samantha Riley Drive Reserve</li> <li>• Stringer Road Sports Complex. (IPART Report, Page 58)</li> </ul>

IPART No.	Required amendments to the Castle Hill North Section 7.11 Contributions Plan
17.	<p>Correct calculation errors in open space costs, and update to \$Jun2018 by:</p> <ul style="list-style-type: none"> <li>• Adjusting for a double counting error in the per square metre cost estimate used to cost six linear parks and four passive open space parks, and revising the cost of cycleways</li> <li>• Amending the cost estimate for basin park CWB01 to adjust for overestimated landscape costs</li> <li>• Including actual costs of embellishing basin parks 3, 4 and 9 in Smalls Creek [SWB030, SWB040, SWB090]. (IPART Report, Page 60)</li> </ul>
18.	<p>Index the cost estimates of twelve open space embellishment items that are not otherwise subject to a recommendation to the revised base period of the plan (\$Jun2018). (IPART Report, Page 62)</p>
19.	<p>Calculate the cost of plan administration for CP13 (2018) based on 1.5% of the adjusted cost of works. (IPART Report, Page 66)</p>
20.	<p>Increase the cost of land in the plan by:</p> <ul style="list-style-type: none"> <li>• Updating actual costs for land already acquired</li> <li>• Reducing the cost of constrained land for all constrained land that the council is yet to acquire in the North Kellyville Precinct. (IPART Report, Page 70)</li> </ul>
21.	<p>Reduce the estimated cost of acquiring strata space for the library expansion allocated to CP13 (2018) reflecting:</p> <ul style="list-style-type: none"> <li>• Application of updated valuation advice using a per square metre rate of \$5,750</li> <li>• Apportionment of 56.7% of land acquisition costs to North Kellyville based on the most up-to-date population estimates for the North Kellyville Precinct and the Balmoral Road Release Area. (IPART Report, Page 70)</li> </ul>
22.	<p>Roll forward the base period in the model by one year to June 2018 and in doing so:</p> <ul style="list-style-type: none"> <li>• Include an additional year of actual revenue and expenses, including any interest expense/revenue</li> <li>• Update the discount rate to our latest published discount rate, which is currently 3.6%</li> <li>• Update the cost escalation factors, as shown in Table 9.3 (IPART Report, Page 77-80)</li> </ul>
23.	<p>Remove the residual amount associated with land acquisition and update the forecast timing of expenditure to take into account actual expenditure and any anticipated changes to the timing of infrastructure delivery. (IPART Report, Page 78)</p>
24.	<p>Bring forward the development path for revenue receipts in the NPV model for CP13 (2018) to better reflect the development pattern in the precinct. (IPART Report, Page 78)</p>
25.	<p>Amend the plan to update the occupancy rates for the precinct, and the indicative residential contributions. (IPART Report, Page 81)</p>