



PITTWATER COUNCIL

Agenda

Council Meeting

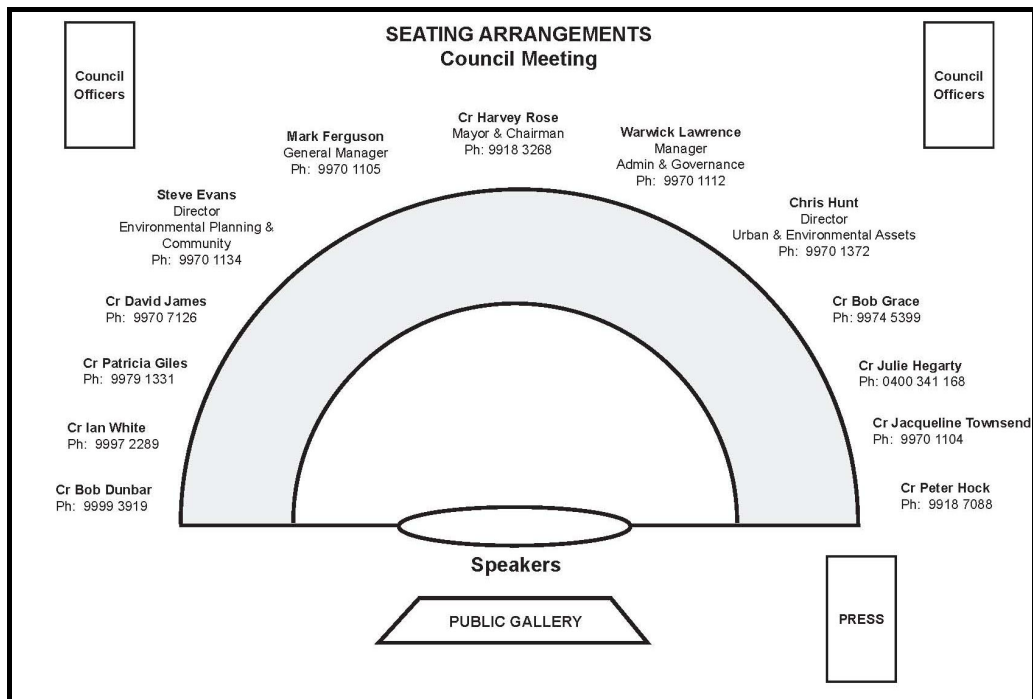
Notice is hereby given that a Council Meeting of Pittwater Council will be held at Mona Vale Memorial Hall on

1 February 2010

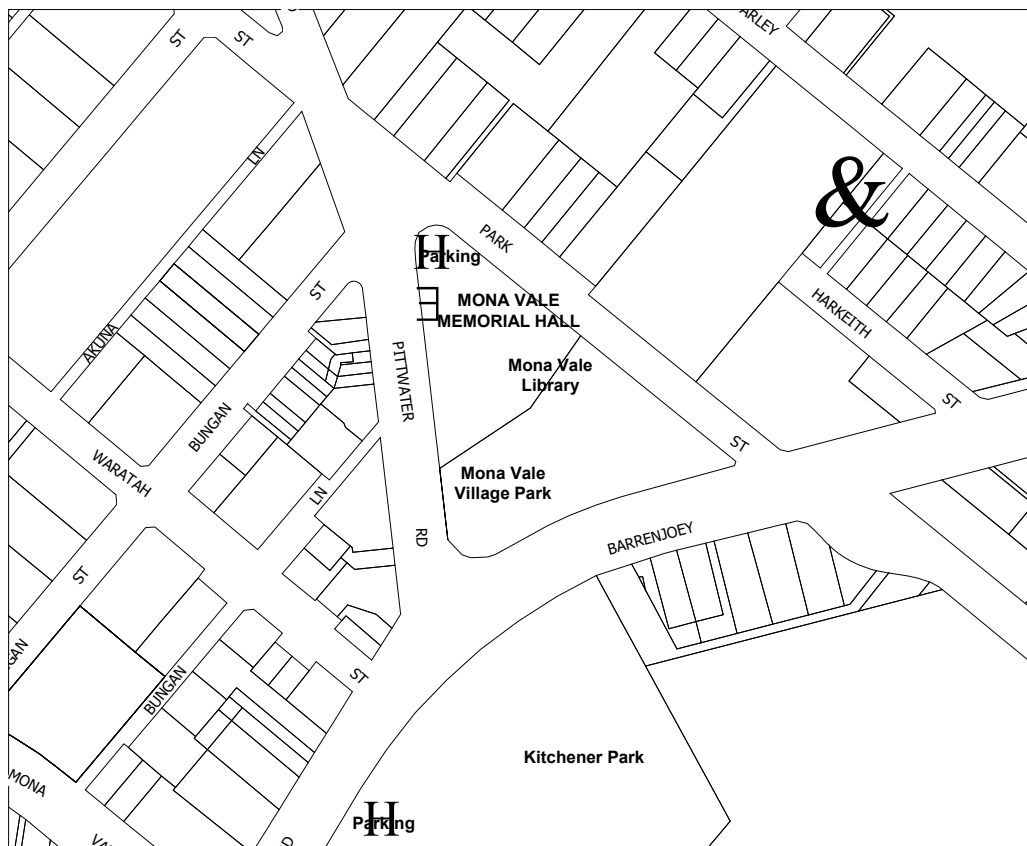
Commencing at 6.30pm for the purpose of considering the items included on the Agenda.

Mark Ferguson
GENERAL MANAGER

Seating Arrangements



Meeting Location



All Pittwater Council's Agenda and Minutes are available on the Pittwater website at www.pittwater.nsw.gov.au

Council Meeting

Acknowledgement of Country

Pittwater Council honours and respects the spirits of the Guringai people.
Council acknowledges their traditional custodianship of the Pittwater area

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**The Senior Management Team
has approved the inclusion of
all reports in this agenda.**

Council Meeting

1.0 Apologies

Apologies must be received and accepted from absent Members and leave of absence from the Council Meeting must be granted.

2.0 Declarations of Pecuniary and Conflict of Interest including any Political Donations and Gifts.

Councillors are advised of the following definitions of a "pecuniary" or "conflict" of interest for their assistance:

* Section 442 of the Local Government Act, 1993 states that a "pecuniary" interest is as follows:

"(1) [Pecuniary interest] A Pecuniary interest is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or another person with whom the person is associated.

(2) [Remoteness] A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter."

Councillors should reference the Local Government Act, 1993 for detailed provisions relating to pecuniary interests.

* Council's Code of Conduct states that a "conflict of interest" exists when you could be influenced, or a reasonable person would perceive that you could be influenced by a personal interest when carrying out your public duty.

Councillors are also reminded of their responsibility to declare any Political donation or Gift in relation to the Local Government & Planning Legislation Amendment (Political Donations) Act 2008.

* A reportable political donation is a donation of:

- \$1,000 or more made to or for the benefit of the party, elected member, group or candidate; or
- \$1,000 or more made by a major political donor to or for the benefit of a party, elected member, group or candidate, or made to the major political donor; or
- Less than \$1,000 if the aggregated total of the donations made by the entity or person to the same party, elected member, group, candidate or person within the same financial year (ending 30 June) is \$1,000 or more.

3.0 Confirmation of Minutes

“Councillors are advised that when the confirmation of minutes is being considered, the only question that can arise is whether they faithfully record the proceedings at the meeting referred to. A member of a council who votes for the confirmation of the minutes does not thereby make himself a party to the resolutions recorded: **Re Lands Allotment Co (1894) 1 Ch 616, 63 LJ Ch 291.**”

Minutes of the Council Meeting held on 21 December 2009.

4.0 Business by Exception (All items on the Agenda)

Items that are dealt with by exception are items where the recommendations contained in the reports in the Agenda are adopted without discussion.

5.0 Public Addresses

Statement of Respect

Pittwater Council promotes and strives to achieve a climate of respect for all and endeavours to inspire in our community shared civic pride by valuing and protecting our unique environment, both natural and built, for current and future generations.

The following guidelines apply to any person addressing a Council / Committee meeting in relation to an item on the Council / Committee meeting agenda:

1. *A member of the public may be granted leave to address a meeting of Council or a Committee, where such a request is received by the General Manager no later than 3.00pm on the day of the meeting. This is subject to:*
 - (a) *A maximum of up to four speakers may address on any one item, with a maximum of two speakers in support of the recommendation in the report, and two speakers in opposition.*
 - (b) *A limitation of three minutes is allowed for any one speaker, with no extensions.*
 - (c) *An objector/s to a development application is to speak first with the applicant always being given the right to reply.*

Exceptions to these requirements may apply where:

- (a) *The Meeting specifically requests that a person be interviewed at a meeting.*
 - (b) *The Meeting resolves that a person be heard at the meeting without having given prior notice to the General Manager*
2. *Once a public/resident speaker has completed their submission and responded to any Councillor questions, they are to return to their seat in the public gallery prior to the formal debate commencing.*

3. *No defamatory or slanderous comments will be permitted. Should a resident make such a comment, their address will be immediately terminated by the Chair of the meeting.*
4. *Council's general meeting procedures apply to Public Addresses, in particular, no insults or inferences of improper behaviour in relation to any other person is permitted.*
5. *Residents are not permitted to use Council's audio visual or computer equipment as part of their address. However, photographs, documents etc may be circulated to Councillors as part of their address.*

6.0 Mayoral Minutes

7.0 Council Meeting Business

C7.1 NOTICE OF MOTION - Banners in Avalon Area

(Motion submitted by Bob Grace)

Meeting: Council Meeting

Date: 1 February 2010

NOTICE OF MOTION**BACKGROUND**

1. The President of Avalon Rugby League has expressed concern that there are no designated locations in the Avalon area for local sporting clubs to erect banners advertising for new players/registrations.
2. The Careel Bay Soccer and the Avalon Junior Rugby League are both local teams who draw their members mainly from the Avalon community.
3. There is a need for these clubs to be able to advertise locally for new players.
4. This is also a problem for a number of other local club's wishing to advertise registration dates.
5. Attached is a copy of the present policy showing the approved designated sites for the hanging of banners.

Motion

That staff prepare a report amending the existing banner policy to include designated sites that could be used by local clubs (including Avalon) for the purpose of advertising for new players at the commencement of each season.

That this report be brought to Council as a matter of urgency.

In the interim period that Council allow the area behind the bus stop on Barrenjoey Road adjacent to the entrance to Avalon Surf Club to be used as a temporary site by the Avalon Junior Rugby League Club and Careel Bay Soccer Club for the purpose of advertising registration dates for the coming season.

Cr Bob Grace

Council Policy – No 163	Adopted:	OM: 17.10.2005
	Amended:	

BANNERS ON PUBLIC LAND**OBJECTIVE**

To provide guidelines for the installation of Temporary Signs (banners) promoting community events/services.

Banners on Public Land

- Council has five specific areas designated for the purpose of temporary advertising for the promotion of community events. These locations are;
 - 1) Newport – Barrenjoey Road (eastern side at the Neptune Street intersect)
 - 2) Newport – Barrenjoey Road (eastern side at the Beaconsfield Street intersect)
 - 3) Mona Vale – Pittwater Road (eastern side at the Mona Vale Road intersect, Kitchener Park)
 - 4) Mona Vale – Cnr Barrenjoey and Pittwater Road (Village Park)
 - 5) North Narrabeen – Pittwater Road (eastern side at the Wakehurst Parkway intersect, Pat Hynes Reserve)
 - 6) North Narrabeen – Pittwater Road (eastern side adjacent to Pittwater Rugby Park & North Narrabeen Reserve)
- An Application for Temporary Sign (Banner) form must be completed and lodged with Council's compliance section for consideration.
- Terms and Conditions for temporary signage / banners are as follows;
 - 1) Maximum size of a banner must not exceed 3m x 750mm
 - 2) Banners must be affixed by rope and maintained in a proper manner
 - 3) Banner can only be displayed for a maximum of 21 days prior to the event.
 - 4) Recognition of commercial sponsors name must not be the main focus of the banner.
 - 5) Banners must be removed within 48 hours following the event. Council may impound banners not removed and release them for a fee.
 - 6) Will only be granted to bona fide community organisations or community events that provide support to the Pittwater Community.
 - Applications for Temporary Signs (Banners) from commercial operators advertising commercial activities will only be accepted where the event is perceived to be of benefit to the Pittwater Community.
 - Approval will only be granted to bona fide community organisations or commercial operators advertising community events such as New Years Eve Fireworks and/or fundraising/community events where proof of money raised and donated to charity is provided to Council.
 - Council will not accept applications that involve advertising of tobacco products, alcoholic beverages or other addictive drugs or violent themes. In the case of alcoholic beverages, advertising be restricted to no more than 20% of the banner space and subject to the approval of the General Manager.

- Any banners erected without the express consent of Council will be impounded immediately and released for a fee.
- Approval for Temporary Signs (banners) for North Narrabeen – Pittwater Rugby Park, North Narrabeen Reserve & Boondah Reserve, are to be temporary signs promoting/advertising community events/services at Pittwater Rugby Park, North Narrabeen Reserve and Boondah Reserve only.

C7.2 Review of Warriewood Valley Planning Framework

Meeting: Council

Date: 1 February 2010

STRATEGY: **Land Use & Development**

ACTION: Coordinate land use planning component of land release

PURPOSE OF REPORT

The purpose of this report is to inform Council of the outcomes of the review of the Warriewood Valley Planning Framework 1997 and the STP Buffer Sector Planning Framework 2001. This report seeks Council's endorsement to publicly exhibit the Draft Warriewood Valley Planning Framework 2010.

1.0 BACKGROUND

- 1.1 At Council's meeting of 21 December 2009, an update on the Warriewood Valley Land Release highlighted a range of recent legislative changes and Directions from the Minister for Planning that affect the release area. A key action responding to these changes is the review of the Warriewood Valley Planning Framework documents.

At that meeting, Council resolved to inter-alia:

"4. That a report be brought back to Council on the Revised Draft Warriewood Valley Planning Framework."

- 1.2 The *Draft Warriewood Valley Urban Land Release Planning Framework 1997* and the *STP Buffer Sector Draft Planning Framework 2001*, together with the background suite of studies, are principal background strategic documents for the Warriewood Valley Land Release. Principally, these planning documents form the basis on which the rezoning and development of the Valley has occurred, through the relevant provisions under Pittwater LEP and Pittwater 21 DCP.

Based on the 1997 and 2001 Planning Framework documents, up to 1886 new dwellings may be accommodated in the residential sectors of the Valley (excluding Sectors 6,7,15, 17 and B) as shown on the Sector Map (**ATTACHMENT 1**).

- 1.3 Elsewhere in the Agenda is a report on the Warriewood Valley Section 94 Contributions Plan (the Plan) detailing the findings of an independent review of the Plan and the proposed actions required to continue levying the Ministerial directed contribution rate at \$62,100 per dwelling. Key recommendations of the independent review includes:
- A review of development density within appropriate sectors of Warriewood Valley,
 - Council adopting a strategy to deal with incomplete or delayed take up rates.

These recommendations form the basis for reviewing the Planning Framework documents. It should be acknowledged that were it not for the Minister's Directions on Section 94, Council would not need to review the Planning Framework documents.

2.0 ISSUES

2.1 Implications of the capping of the Section 94 contributions rate to \$62,100 per dwelling

2.2 Matters arising from the review of the Planning Framework documents:

- Review and increase total number of dwellings
- Southern Buffer Area (Sectors 15, 17 and B)
- Initiatives to encourage development take up
- 23B Macpherson Street – Site for Focal Neighbourhood Centre

2.3 Consideration of climate change

2.4 Part 3A Application and Joint Strategic Review of Buffer Areas

3.0 IMPACT OF CAPPING THE CONTRIBUTION RATE

3.1 The Warriewood Valley Section 94 Contributions Plan (the Plan) was prepared, based on an agreed set of infrastructure and facilities/services that had been identified as necessary for the development of Warriewood Valley, namely the 1886 new dwellings, the industrial/commercial development and resultant incoming population.

3.2 In July 2009, the then Minister for Planning directed Council to charge a contribution rate of a fixed \$62,100 per dwelling in Warriewood Valley in lieu of the quantum in the Plan that escalates over time to match costs of provision of infrastructure and services/ facilities. This Direction, under Section 94E of the *Environmental Planning and Assessment Act 1979*, means that the total contributions received will not be sufficient to deliver all the infrastructure and facilities/services planned for under the Plan.

3.3 As a consequence, there is a need to review the current list of land, infrastructure and facilities/services (known as “works item”) with the view to either (i) removing the works item or (ii) reducing the standards of provision (eg. provision of active open space, community facilities and library facilities fall below those standards expressed as desirable in the original Demographic Study and Planning Framework for Warriewood Valley Land and/ or those expressed in the reviewed *Draft Local Development Guidelines* issued by the Department of Planning). Where the reduction has been necessary to achieve the Minister's Direction, and for that reason alone, Council would have otherwise maintained the levels of provision in accordance with these studies and recommended levels.

This has also prompted the need to review the Planning Framework documents for Warriewood Valley to examine additional mechanisms that may be implemented to ensure orderly development continues in the Valley, and assist in reducing any funding shortfall or infrastructure provision as a result of the Minister's direction. The options examined in the review of the Planning Framework documents are discussed in the following sections, and have been incorporated into the Draft Warriewood Valley Planning Framework 2010 (**ATTACHMENT 2**).

4.0 INCREASE TOTAL NUMBER OF DWELLINGS

- 4.1 Provision of infrastructure (such as open space/creekline corridor) will reduce the amenity of the Valley as a result of the Minister's Direction. As such, the independent review of the plan, undertaken by Hill PDA (reported elsewhere in the agenda), recommends Council investigate opportunities to increase the dwelling yield in the Valley, with the view that this will increase the number of contributors to the Plan.
- 4.2 The 1997 Warriewood Valley Planning Framework was developed from the Draft Ingleside/Warriewood Urban Land Release Draft Planning Strategy and suite of background studies. The Draft Ingleside/Warriewood Urban Land Release Draft Planning Strategy identified:
- lands suitable for urban development (or other land uses including conservation), and identified the level and dwelling densities, and
 - a maximum dwelling density of 25 dwellings per hectare at certain locations in the Valley.
- 4.3 The review has identified the properties not yet developed or in certain cases, land not yet rezoned for residential development to ascertain opportunities and the appropriateness of increasing the dwelling yields to offset the impact of the Ministerial directive and to attend to the incomplete or delayed take up of development. Key considerations of the review are as follows:
- Maintain the integrity of the original findings of the Environmental Studies.
 - Ensure consistency with the Draft Planning Strategy, in terms of development capability of the land. As such, certain lands retained their existing yield due to development constraints identified under the Draft Planning Strategy.
 - Equity across the Valley, particularly for those Sectors already developed and may have a parcel or parcels of land not yet developed. Allotment(s) already rezoned will have an allocated dwelling potential based on the Sector Masterplan. As such, it was appropriate not to increase the dwelling yield on these rezoned, vacant lands.
 - Revise the existing sector boundaries based on individual allotment or landownership (where adjoining allotments are in the one ownership).
- 4.4 Currently, 801 dwellings are still to be realised on those properties to be developed/ rezoned.
- The table below provides a breakdown of dwellings allocated to those sectors where development is not yet complete and compares with the proposed number of dwellings under the 2010 Planning Framework the yield originally proposed for these areas.

Current Sectors (remaining to be developed)	Reviewed Sectors (under draft Warriewood Valley Planning Framework 2010)	Existing number of dwellings (1997 Planning Framework)	Proposed number of dwellings (2010 Draft Planning Framework)
1	101	1	1
3	301,302 and 303	131	131
5	501	75	75
8	801	19	19
9	901,902,903,904 and 905	206	245
10	10B	28	28
10A	10A.1 and 10A.2	14	14
Buffer Area 1	Buffer 1a to 1l inclusive, and Buffer 1m	176	201
Buffer Area 2	Buffer 2a*	9	20
Buffer Area 3	Buffer 3a and 3b	142	193
TOTAL DWELLINGS		801	927

**This parcel of land originally in part Buffer Area 1 and Buffer Area 2.*

**This parcel of land originally in part Buffer Area 1 and Buffer Area 2.*

The revised dwelling yields for the identified properties amounts to 927 dwellings, resulting in an increase of 126 dwellings (or total 2012 dwellings in the Valley). This increase in total dwellings is not significant and is sustainable given the density is consistent with the outcomes of the original environmental studies, and may be sufficient to assist in funding the shortfall from the capping of the contributions.

The following table shows the change in dwelling yields and anticipated timing of development, together with a map of the Revised Sectors (shaded). The first number in the number sequence of the Revised Sectors is the original sector number (for example, 301 means it is in Sector 3, and is an individual lot in that sector).

Reviewed Sectors	Address	Dwelling Density (# dwgs/ha)	Number of Dwellings	Timing Phase
101	165-167 Warriewood Road	No change (15/ha)	1	5-10 years
301	20 Macpherson Street	No change (Already 25/ha)	42	5-10 years
302	18 Macpherson Street	No change (Already 25/ha)	66	1-2.5 years
303	16 Macpherson Street	No change (Already 25/ha)	23	2.5-5 years
501	4 & 8 Forest Road	No change (Already 25/ha)	75	1-2.5 years
801	23B Macpherson Street	No change (Already 25/ha)	19	1-2.5 years
901	11, 12 and 13 (Sector 8); 10 Fern Creek Road; & Part of 2, 4 & 6 Orchard Street; 204 & 206 Garden Street	25/ha (with 15m street frontage)	180	2.5-5 years
902	9 Fern Creek Road	<i>No dwgs (Council land)</i>	0 (9*)	
903	Part of 2, 4 & 6 Orchard Street; 2A, 4A & 6A Orchard Street**; and 204 & 206 Garden Street	10/ha (with 15m street frontage)	9	1-2.5 years
904	1, 2, (Part 4 & 5) Fern Creek Road; 12 & 14 Orchard Street; and 8 Orchard Street**	10/ha	42	5-10 years
905	4 & 5 Fern Creek Road	10/ha	14	5-10 years
10A.1	115 Orchard Street	No change (15/ha)	8	5-10 years
10A.2	111, 111A & 113 Orchard Street	No change (15/ha)	6	5-10 years
10B	109 Orchard Street	No change (15/ha)	28	5-10 years
Buffer 3a	14-18 Boondah Road	25/ha	186	2.5-5 years
Buffer 3b	5 & 7 Macpherson Street	25/ha	7	2.5-5 years
Buffer 2a	4 Macpherson Street	Requires site specific design	Max 20	2.5-5 years
Buffer 1a	61 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	1-2.5 years
Buffer 1b	53 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	1-2.5 years
Buffer 1c	53A Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	13	2.5-5 years
Buffer 1d	53B Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	1	2.5-5 years
Buffer 1e	53C Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	11	2.5-5 years
Buffer 1f	49 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	14	1-2.5 years
Buffer 1g	45 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	1-2.5 years
Buffer 1h	43 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	1	1-2.5 years
Buffer 1i	41 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	27	1-2.5 years
Buffer 1j	31 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	26	2.5-5 years
Buffer 1k	29 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	14	2.5-5 years

Buffer 1l	23, 25 & 27 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	43	2.5-5 years
Buffer 1m	2 Macpherson Street	No change (no allocation)	0	
Total dwellings			927	

* Potential dwelling yield subject to review of infrastructure provision

** Orchard Street road reservation (Council land)

5.0 SOUTHERN BUFFER AREA (SECTORS 15, 17 AND B)

- 5.1 In accordance with Council's resolution at its meeting of 21 December 2009 that:

"Council will participate in the Development Application process and in the proposed joint strategic review as an interested party on behalf of its community.

That the General Manager, Mayor and relevant Council staff meet with the Department of Planning officers to facilitate a joint strategic review to respond to the Director General's letter dated 1 December 2009 and received 3 December 2009 to "consider higher densities" and "review.....employment and proposed recreational areas..." and "to improve landuse arrangements" in Buffer Areas 1, 2 and 3, and Sectors 15 and B of the Warriewood Valley."

Progression of a planning solution for the Southern Buffer Area is subject to such discussions. Following such discussions with the DoP a further report will be provided to Council in relation to this matter.

6.0 INITIATIVES TO ENCOURAGE DEVELOPMENT TAKE UP

- 6.1 It had been projected that development in the Valley would be completed by 2012. Since mid-2008, there has been a slowing down of development in the Valley due to the global financial crisis. This slow down has had a significant impact on the Section 94 Plan, in terms of receiving contributions to deliver necessary infrastructure in a timely manner, such that it is likely only 80% of the development will be completed by 2014-2015, with the remaining 20% being completed in the following 5 year period (being 2019-2020).
- 6.2 The review also examined ways to encourage rapid take up and identified the development 'tail', as these factors affect the orderly planning and development of a land release.

Major features to encourage development take up has been the revision of the sector boundaries and for some, a marginal increase in dwelling yield.

In this regard, it is envisaged that 175 of the 927 dwellings (i.e. approximately 20%) will be the 'tail' (likely to be built in 2015-2020). Quantifying the 'tail' and its resultant total contribution assists in identifying the quantum of infrastructure that can be delayed until such time as the appropriate funding has been received so as to achieve a completion of the Section 94 Plan and infrastructure provision.

7.0 FOCAL NEIGHBOURHOOD CENTRE

- 7.1 At its meeting of 9 November 2009, Council endorsed a Planning Proposal (formerly known as an LEP Amendment) to be progressed to specifically permit a "neighbourhood shop" and "restaurant" on 23B Macpherson Street, located at the south-western corner of the intersection of Macpherson and Garden Streets. The LEP Amendment will, in effect, facilitate the establishment of the Warriewood Valley Focal Neighbourhood Centre.
- 7.2 The 1997 Warriewood Valley Planning Framework and the background Ingleside/Warriewood Combined Demographic Study identified the range and appropriate level of retail and service facilities required to support the projected incoming population. The 1997 Framework did not specifically identify a site for the proposed focal neighbourhood centre. Whilst the Framework cross-referenced the retail floorspace requirements in the Study, it did not specify the retail floorspace quantum itself.

These requirements were stated in the Ingleside/Warriewood Combined Demographic Study.

Flowing on from Demographic Study and the cross-referenced 1997 Framework, the locational and retail floorspace requirements for the focal neighbourhood centre are contained in Pittwater 21 DCP (under Control C6.15) whereby the focal neighbourhood centre:

- Is to be *“in the vicinity of the Macpherson and Garden Streets intersection (within Sector 3, 8 or 11).”*
- Is to incorporate a retail floor space of between 855m-2,222m.

7.3 Given Council's decision to progress the LEP Amendment, it is appropriate that the Revised Draft Planning Framework nominates 23B Macpherson Street as the site for the focal neighbourhood centre. Additionally, the retail floor space already expressed in Pittwater 21 DCP will be applied to this site (refer to “Retail and Services” section of the Revised Draft Planning Framework). This will again strengthen the ‘control’ on the floorspace of the retail facility by its direct relationship with the objectives of the 2(f) zone at Schedule 11 of Pittwater LEP 1993.

8.0 CLIMATE CHANGE CONSIDERATION

8.1 Given the current extent of knowledge in relation to climate change, consideration of impact can be reasonably undertaken through the preparation, assessment and determinations of all future DAs within Warriewood Valley other than the Southern Buffer Area where issues relating to climate change (including the Sea Level Rise Policy Statement and the Draft...) will have to be taken into account when developing a planning solution.

9.0 PART 3A (MERITON) PROJECT, & JOINT STRATEGIC REVIEW OF BUFFER AREAS

9.1 At its meeting of 21 December 2009, Council was advised of recent decisions made by the Director-General of the Department of Planning (DoP) regarding:

- A proposed residential development at 14-18 Boondah Road is declared as a ‘major project’ under Part 3A of the Act. This site comprises the majority of Buffer Area 3, being the subject of Meriton's previous DA granted consent by Council.
- The other Meriton lands, 23-27 Warriewood Road (in Buffer Area 1) and 2 Macpherson Street (in Buffer Area 2) have not been authorised to submit a concept plan. Rather, *“a more strategic approach is required involving the development of the whole of Buffer Area 1 to ensure equitable outcomes are achieved for all landowners to enable a more careful consideration of existing development capacity and infrastructure constraints.”*
- Proposes that DoP and Council undertake a joint strategic review of the Valley in relation to Buffer Areas 1, 2, 3 and Sectors B and 15 for higher densities, future employment opportunities, recreation and improvement in the land use arrangements generally.

9.2 The Major Project declaration for 14-18 Boondah Road includes the authorisation for submission of a concept plan by Meriton. The Concept Plan and description of the development are in excess of the dwelling yields planned for this site under the 2001 STP Buffer Sector Planning Framework.

The review identified a slight increase in dwellings allocated for this site in accordance with the 25 dwellings per hectare however, the increase is still well below the number described in the Concept Plan.

Having received Council's comments (including those matters in Council's resolution of 21 December 2009), the Department issued the Director General's requirements on 23 December 2009.

- 9.3 Regarding the proposed strategic review, Council (on 21 December 2009) resolved inter-alia:

"Council will participate in the Development Application process and in the proposed joint strategic review as an interested party on behalf of its community.

That the General Manager, Mayor and relevant Council staff meet with the Department of Planning officers to facilitate a joint strategic review to respond to the Director General's letter dated 1 December 2009 and received 3 December 2009 to "consider higher densities" and "review.....employment and proposed recreational areas..." and "to improve land use arrangements" in Buffer Areas 1, 2 and 3, and Sectors 15 and B of the Warriewood Valley."

Council wrote to the Director-General on 22 December 2009 advising of same and seeking a meeting on this issue. The 2010 Planning Framework forms an appropriate planning basis for Council in these discussions.

- 9.4 Notwithstanding this, the Draft Planning Framework proposes a minor increase in dwellings allocated to 14-18 Boondah Road, raising the yield to 183 dwellings consistent with the outcomes of the original environmental studies undertaken for Warriewood Valley. However, the increase is still 416 dwellings below the number described in the proposed Concept Plan submitted by Meriton which requires a separate assessment when the Concept Plan application is formally lodged with the Department.

Further, the Draft Planning Framework reiterates the adopted land use designations for Sectors 15, 17 and B consistent with the *STP Buffer Sector Planning Framework 2001*, and forms the basis upon which the joint strategic review can commence. It is anticipated that the review of these sectors is likely to result in a completely new investigation and study program to replace the suite of environmental, infrastructure and services, and demographic studies, which together constituted the environmental studies upon which the planning, and subsequent rezonings, are statutorily based in Warriewood Valley.

10.0 SUSTAINABILITY ASSESSMENT

10.1 Supporting & Connecting our Community (Social)

10.1.1 The review of the 1997 and 2001 Planning Framework documents aims to continue to enhance the health and wellbeing of residents in Warriewood valley.

10.2 Valuing & Caring for our Natural Environment (Environmental)

10.2.1 The review undertaken for Warriewood Valley aims to continue to reduce our ecological footprint and continue protecting our biodiversity.

10.3 Enhancing our Working & Learning (Economic)

10.3.1 The review of the 1997 and 2001 Planning Framework documents aims to continue the orderly planned development of Warriewood Valley, and ensure delivery of a viable land release.

10.4 **Leading an effective & Collaborative Council (Governance)**

- 10.4.1 The review of the 1997 and 2001 Planning Framework documents are in response to a range of legislative reforms and Minister's Directions.

Landowner and community participation is to be conducted at the appropriate time to ensure that decision making is ethical, accountable and transparent.

10.5 **Integrating our Built environment (Infrastructure)**

- 10.5.1 The review of the 1997 and 2001 Planning Framework documents are in response to a range of legislative reforms and Minister's Directions, and aims to continue enhancing the liveability and amenity of the Valley by locating an appropriate mix of land use and development in well connected, effective transport routes.

11.0 **EXECUTIVE SUMMARY**

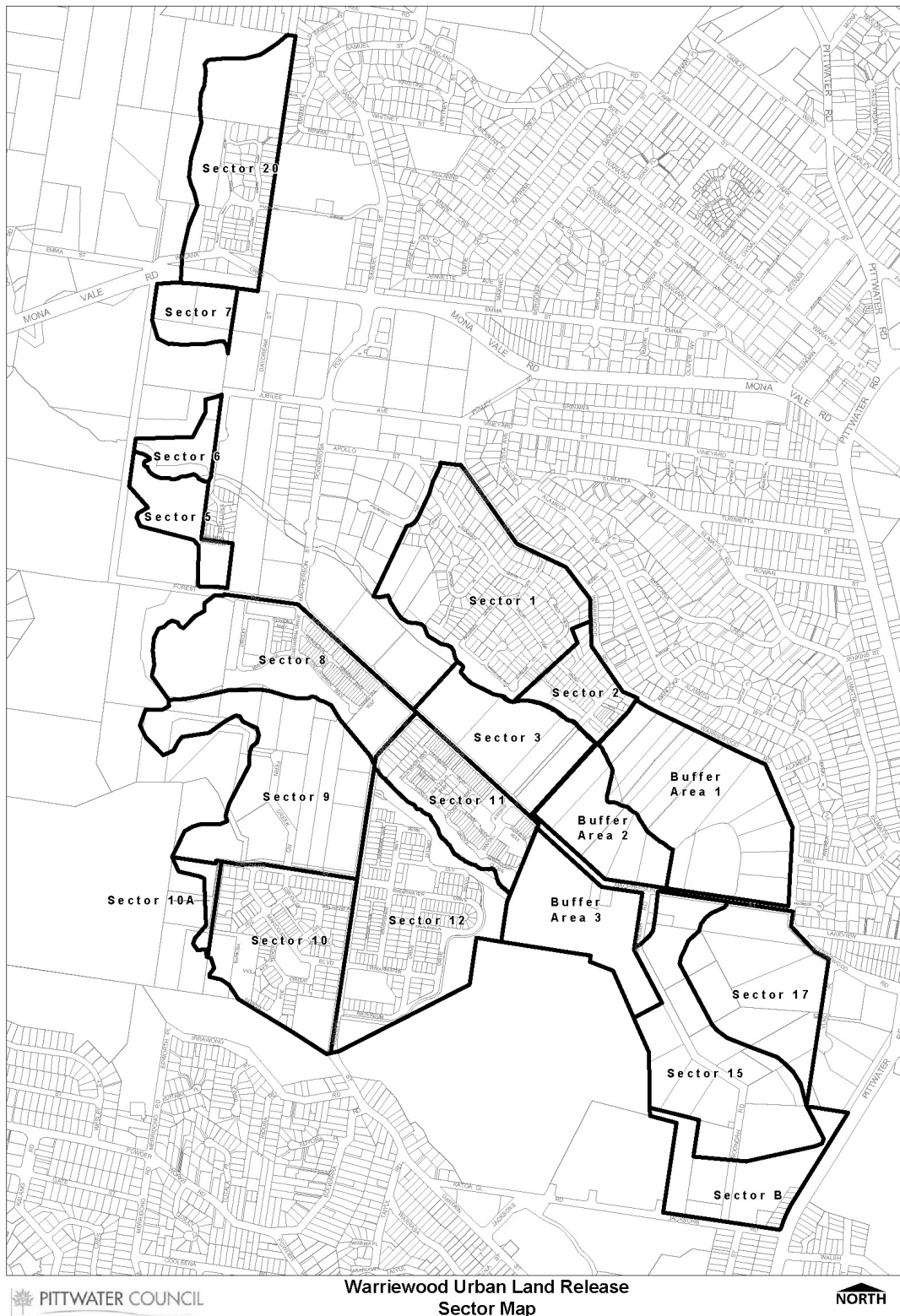
- 11.1 This report summarises the changes being made to the Warriewood Valley Planning Framework, following a review of the 1997 Warriewood Valley Planning Framework and the STP Buffer Sector Planning Framework 2001. The review of the Planning Framework documents for Warriewood Valley was in response to the cap imposed by the Minister regarding Section 94 contribution for Warriewood Valley Release Area. The review is timely as it coincided with the slow down of development in the Valley, resulting in the development of a strategy that facilitates completion of the development cycle.
- 11.2 An increase in the total number of dwellings for the Valley is proposed from 1886 dwellings to 2012 dwellings. To date 1057 dwellings have been approved/constructed where the increase of 126 dwellings leaves 927 yet to be approved/constructed. The increase is consistent with the outcomes of the original Environmental Studies (namely the *Draft Ingleside/Warriewood Urban Land Release Draft Planning Strategy* and suite of background studies) that had originally informed the 1997 Warriewood Valley Planning Framework.

RECOMMENDATION

1. That the Draft Warriewood Valley Planning Framework 2010 be placed on public exhibition, and relevant State government agencies consulted.
2. All landowners in Warriewood Valley Land Release Area be advised of the Draft Warriewood Valley Planning Framework 2010.
3. That a report be brought back to Council on the outcomes of the consultation process.

Report prepared by Liza Cordoba, Principal Officer Land Release

Lindsay Dyce
MANAGER, PLANNING AND ASSESSMENT





DRAFT

Warriewood Valley Planning Framework 2010

(For attachment to Council report 1 February 2010)

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EXECUTIVE SUMMARY

Following the decision by the State Government to progress the urban development program within Warriewood Valley, Pittwater Council embarked on the process to implement a planning strategy which will see urban development in those sections of the Valley assessed as suitable for development.

Development of the Valley must achieve the objectives of environmental and economic sustainability, and provide an amenable neighbourhood for its occupants. In addition, the development must be compatible with surrounding land uses and be supported by the appropriate levels of community infrastructure and facilities.

In order to ensure appropriate and coordinated development of the Valley, a planning framework is required. The principal objectives of the planning framework for Warriewood Valley are:

- *To provide for development of the Warriewood Valley as a whole which is environmentally and economically sustainable in the short, medium and long term, with minimum financial impact on Council;*
- *To ensure that the future residents and occupiers of the Valley are provided with an appropriate level of community facilities and services and an amenable and safe neighbourhood;*
- *To ensure that development in the Valley is compatible with and does not detract from the amenity of surrounding landuses particularly residential properties.*

The original *Draft Warriewood Valley Urban Land Release Planning Framework 1997*:

- Provided a suite of action plans which specify the tasks to be carried out during the detailed planning of the development and post development phases of the land release by Council, developers and State Government authorities. These action plans ensure that the planning framework objectives will be achieved.
- Allocated the landuse for each sector to be developed. This allocation is made on the basis of the environmental characteristics of the land and its ability to sustain development.
- Prescribed development densities and population projections for each of the sectors of land to be developed.

The framework prescribes that development shall be on a sector-by-sector basis and that each sector shall develop a detailed design concurrent with the rezoning process. In this way, Council can be assured that fragmented land ownership does not impact adversely on the eventual outcome and that the development community is given the opportunity to directly provide community facilities and services in a planned and coordinated way.

The planning framework provides a forward path for the implementation of the detailed planning process, the rezoning of land and its development.

The *Draft Warriewood Valley Planning Framework 2010* consolidates the *Draft Warriewood Valley Urban Land Release Planning Framework 1997* and the *STP Buffer Sector Draft Planning Framework 2001* into a single document. The 2010 Planning Framework aims to ensure planned orderly development of the Valley continues, responding to changing legislative and economic conditions by developing a planning strategy that facilitates completion of the Warriewood Valley Urban Land Release.

A total of 2026 dwellings are now anticipated in Warriewood Valley as well as 33 hectares of land for industrial/commercial development. It is envisaged that the remaining 927 dwellings and industrial/commercial development on 4.8 hectares of land will be completed in forthcoming decade (up to 2020).

The 2010 Planning Framework continues the strategy for the provision of community facilities and infrastructure. This strategy places an emphasis on direct provision by developers where possible, and provides a basis for a Section 94 Development Contributions Plan. A principle element of this strategy continues, and involves, the principle that at no time should the community (through its Council) be required to fund, or borrow monies to fund, works to support the development beyond its current liabilities in regard to initial development in Warriewood Valley. The Section 94 Development Contributions Plan forms the statutory procedure by which Council can levy development to provide facilities and infrastructure where direct provision is impractical.

BACKGROUND

In late 1991, the then Minister for Planning made a decision to include land at Ingleside and Warriewood within the State Government's Urban Development Program. With the advent of Pittwater Council, the Minister advised that Council was to be the authority responsible for the feasibility investigation and planning for an urban land release within the area.

In order to achieve a coordinated approach to the investigation and planning of the release by Council and relevant State Government authorities, Council formed a Land Release Advisory Committee to discuss issues related to the investigation, planning and eventual implementation of any land release process.

This committee comprised representatives of Council, State Government departments and authorities including the Department of Urban Affairs and Planning, Sydney Water, National Parks and Wildlife Service, Soil Conservation Service, Sydney Electricity, Roads & Traffic Authority, Telecom, Landcom, Environment Protection Authority and Department of Community Services.

To facilitate public participation in the process, Council formed a Resident's Consultative Committee which provided the forum for representatives of landowner and residents groups to participate in the investigation and planning process.

An *Ingleside/Warriewood Urban Land Release Draft Planning Strategy* was the outcome of the investigation and broadscale planning process, drawing from the outcomes of a range of environmental and demographic studies to provide a possible scenario for future development in the land release area including population projections and land use allocation.

Pittwater Council accepted the *Ingleside/Warriewood Urban Land Release Draft Planning Strategy* for the purpose of public consultation and referral to the State Government in May 1995.

The outcomes of the *Ingleside/Warriewood Urban Land Release Draft Planning Strategy* and public consultation which followed from its exhibition indicated the environmental and infrastructure difficulties associated with the urban land release, particularly in the more environmentally diverse areas of the escarpment, Bayview Heights and Ingleside areas.

Consultation with State Government Authorities as an outcome of the *Ingleside/Warriewood Urban Land Release Draft Planning Strategy* highlighted the infrastructure difficulties associated with the land release area and the potential regional environmental impacts, particularly wastewater disposal and air quality.

The *Ingleside/Warriewood Urban Land Release Draft Planning Strategy* and consultation outcomes were referred to the Department of Urban Affairs and Planning for consideration.

In May 1997, the Minister for Urban Affairs and Planning, Hon Craig Knowles, announced a restricted release of land for urban development within the Warriewood Valley. The land identified for urban release by the Minister related to approximately 110 hectares of land within Warriewood Valley with a preliminary projection of 1510 new dwellings, five hectares of industrial/commercial land and associated community facilities and infrastructure.

At the time, the Minister specifically deferred consideration of land within 400 metres of the Warriewood Sewage Treatment Plant. The land release area does not extend west of Warriewood Valley into the escarpment or beyond to the Ingleside or Bayview Heights area.

Following the Minister's announcement in May 1997, Pittwater Council commenced the process of detailed investigation and planning to facilitate the orderly and environmentally sustainable release of land for urban development within the nominated area.

In September 2001, Council adopted a planning framework (*STP Buffer Sector Draft Planning Framework 2001*) for the area within 400m of the Warriewood Sewerage Treatment Plant (STP) following Sydney Water's decision to cap the STP. This enabled three areas within 400m of the STP (known as Buffer Areas 1, 2 and 3) to be rezoned for residential purposes.

PURPOSE OF A PLANNING FRAMEWORK FOR WARRIEWOOD VALLEY

A planning framework is required to identify land within the release area which is suitable for urban development or other land uses, indicate what forms of development should occur and ensure that the eventual development takes into account the environmental attributes of the land.

The 2010 Planning Framework retains and continues the approach and recommendations originally presented in the 1997 and 2001 Planning Framework documents namely:

- The outcomes of a range of environmental, demographic and infrastructure studies which identify the capability of the land to sustain different forms of land use and assess the likely requirements of future development;
- The ability for community facility and infrastructure service providers, including Council and State Government authorities, to ascertain what impact development of the area will have at a local, regional and state level and therefore require the appropriate facilities;
- The detailed planning for development on a sector-by-sector basis and the infrastructure requirements as a result of development are assessed so that a coordinated process of implementation can be achieved;
- The identification of particular issues which are relevant to individual sectors of the release area and determines the focus for further detailed planning to facilitate development in those areas in accordance with its stated objectives.

Note: The 1997 Planning Framework included 1986 Warriewood Valley Stage One development into the planning process for the wider release area.

LAND TO WHICH THE PLANNING FRAMEWORK APPLIES

The 2010 Planning Framework applies to land generally comprising the floor of Warriewood Valley between the Warriewood Wetlands and Mona Vale Road with an isolated area of land in West Mona Vale between existing residential development and the foot of the escarpment. Originally, the 1997 Planning Framework included the 1986 Warriewood Valley Stage One Release to ensure integration between the two development forms.

The areas designated for land release within Warriewood Valley are shown on the following map.

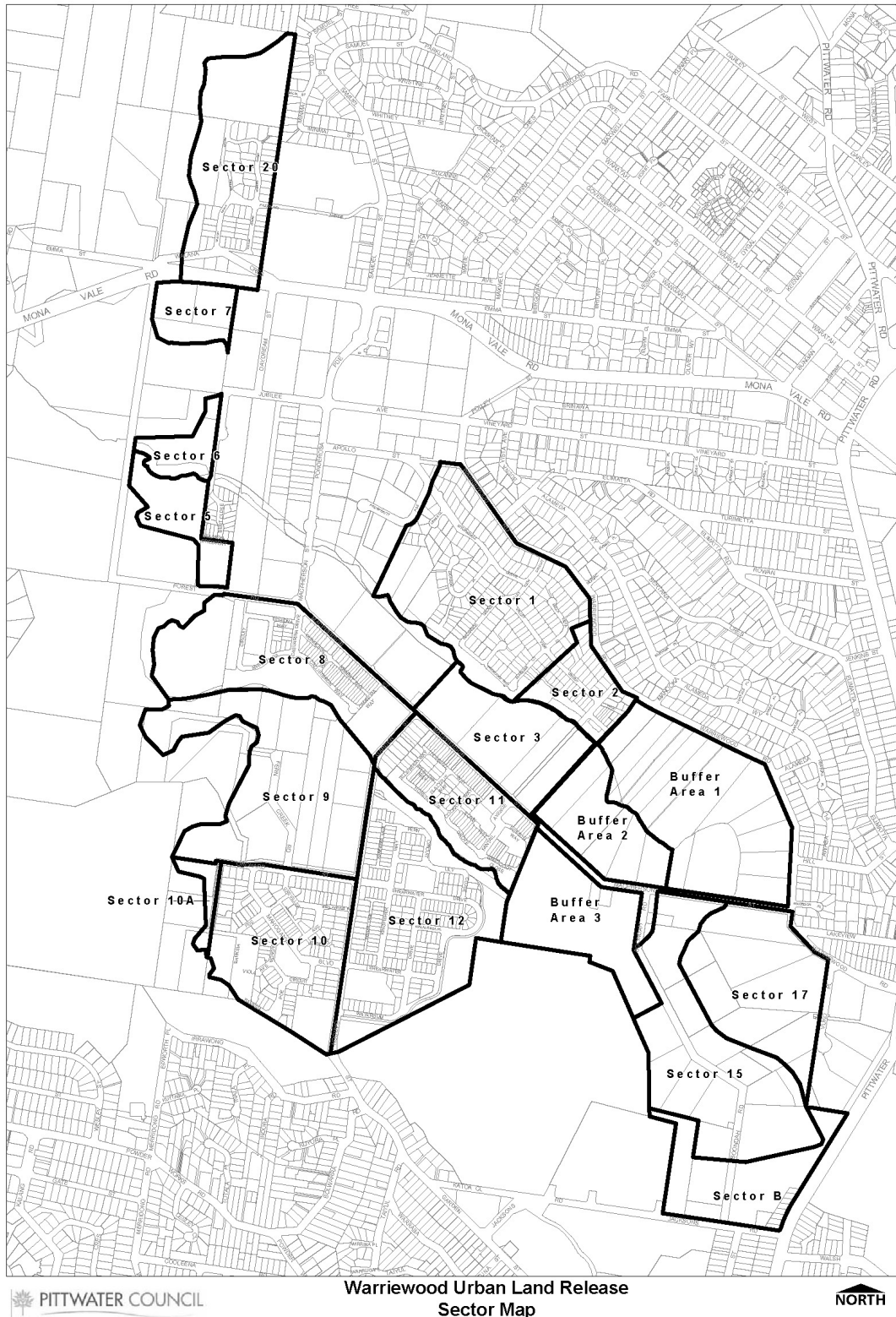
The majority of the area has been cleared and developed for agricultural purposes with remnant areas of vegetation and regrowth along its watercourses and areas subject to flooding, particularly those adjacent to the Warriewood Wetlands.

The 2010 Planning Framework will, by necessity, need to take into account surrounding development and land uses to ensure final development achieves the highest level of compatibility in terms of its objectives.

In particular, the 2010 Planning Framework will need to take into account the following:

- Warriewood Valley Stage 1 (1986) residential and industrial/commercial release at the northern end of the Valley which is particularly interrelated to the release area in terms of drainage issues and transport and traffic networks;
- The Warriewood Wetlands, a publicly owned environmental asset adjoining the Warriewood Valley;
- Watercourses which pass through the land release area and subsequent receiving waters of Narrabeen Lagoon, Pittwater and the Ocean;
- Existing open space and recreational areas in the Boondah/Jacksons Road area as well as creek line corridors between the land release area and the Warriewood Wetlands;
- Existing retail commercial centres, particularly Warriewood Square and the Mona Vale Centre;
- Road and transport links with Mona Vale Road, Pittwater Road and the existing local road network;
- Existing residential development surrounding and adjoining the land release area.

Figure 1 – Warriewood Valley Urban Land Release sector map*



*** Map as of November 2009 (prior to the review)**

REGIONAL CONTEXT OF THE WARRIEWOOD VALLEY URBAN LAND RELEASE

The Warriewood Valley Urban Land Release is the most significant single urban planning initiative within the Warringah /Pittwater Local Government Areas since the Forestville/Belrose land releases of the 1970's.

The Warringah Peninsula currently has a population in excess of 230,000 persons and is serviced by three major arterial roads. The public transport network is limited, comprising of bus services to the North Shore regional centres, Sydney CBD together with a ferry service from Manly to the Sydney CBD.

The release area, as well as significant areas of the Peninsula including Pittwater and the northern section of Warringah Shire, is serviced by Warriewood Sewerage Treatment Plant (STP) which currently has a cliff face outfall and has been a source of beach contamination in the past.

The effect of the STP together with the effect of stormwater generated within the study area on downstream receiving waters (Narrabeen Lakes, Pittwater and ocean) have been of significant concern in the process leading to the release of land for development. These need to be borne in mind in the management of the release process.

Notwithstanding Pittwater Council's clear objective to provide for environmentally sustainable development, issues associated with regional transport planning and treatment and disposal of wastewater remain the clear responsibility of the relevant State Government authorities. This specifically includes issues associated with the ocean outfall from the Warriewood STP and the undetermined land uses immediately south of the STP.

OBJECTIVES OF THE PLANNING FRAMEWORK

The principal objective together with a suite of specific objectives relating to environment issues, community facilities and infrastructure, heritage, urban design and financial sustainability, form the fundamental basis for planning and implementation of development.

PRINCIPAL OBJECTIVES

- *TO PROVIDE FOR DEVELOPMENT OF WARRIEWOOD VALLEY AS A WHOLE WHICH IS ENVIRONMENTALLY AND ECONOMICALLY SUSTAINABLE IN THE SHORT, MEDIUM AND LONG TERM, WITH MINIMAL FINANCIAL IMPACT ON COUNCIL;*
- *TO ENSURE THAT FUTURE RESIDENTS AND OCCUPIERS OF THE VALLEY ARE PROVIDED WITH AN APPROPRIATE LEVEL OF COMMUNITY FACILITIES AND SERVICES AND AN AMENABLE AND SAFE NEIGHBOURHOOD;*
- *TO ENSURE THAT DEVELOPMENT IN THE VALLEY IS COMPATIBLE WITH AND DOES NOT DETRACT FROM THE AMENITY OF SURROUNDING LAND USES PARTICULARLY RESIDENTIAL PROPERTIES.*

ENVIRONMENTAL OBJECTIVES

- *TO ENSURE THAT SIGNIFICANT VEGETATION WITHIN AND ADJOINING THE RELEASE AREA IS CONSERVED AND PROTECTED DURING THE DEVELOPMENT PROCESS AND IN THE LONG TERM;*
- *TO ENSURE THE MAINTENANCE AND PROTECTION OF KNOWN OR EXPECTED NATIVE FAUNA POPULATIONS WITHIN OR ADJOINING THE RELEASE AREA IN THE DEVELOPMENT PHASE AND IN THE LONG TERM AND TO PROVIDE PROTECTION AND ENHANCEMENT OF FAUNA CORRIDOR LINKS BETWEEN HABITAT PARKS INCLUDING PROTECTION OF HABITAT ADJACENT TO DRAINAGE LINES AND RETENTION OF AREAS OF PARTICULAR HABITAT;*
- *TO ENSURE URBAN DEVELOPMENT AND ASSOCIATED WORKS ARE SENSITIVE TO THE LIMITATIONS AND CAPABILITIES OF THE SITE IN TERMS OF SLOPE, SOIL, STRUCTURE, GEOTECHNICAL STABILITY AND FLOODING AND THAT A STABLE LAND SURFACE IS MAINTAINED WITHIN THE RELEASE AREA AND ADJOINING AREAS DURING THE DEVELOPMENT STAGE AND INTO THE FUTURE;*
- *TO ENSURE THAT WATER MANAGEMENT PROCEDURES ARE UTILISED DURING THE DEVELOPMENT PROCESS AND INTO THE FUTURE SO AS NOT TO INCREASE AND WHERE POSSIBLE REDUCE THE IMPACT OF THE DEVELOPMENT ON THE SURROUNDING COMMUNITY AND THE NATURAL AND URBAN ENVIRONMENT;*
- *TO PROVIDE FOR THE PROTECTION AND ENHANCEMENT OF VISUAL ELEMENTS WITHIN THE LANDSCAPE THAT CHARACTERISE THE NATURE OF THE AREA AND CONTRIBUTE TO THE VISUAL AMENITY OF THE IMMEDIATE VICINITY OF THE LOCAL AREA AND REGION AS A WHOLE;*
- *TO ENSURE THAT FOLLOWING DEVELOPMENT THE RISKS TO INDIVIDUALS OR THE GENERAL PUBLIC AS A RESULT OF PREVIOUS LAND USES WHICH MIGHT HAVE CAUSED CONTAMINATION BY AGRICULTURE AND INDUSTRIAL CHEMICALS OR OTHER TOXIC WASTE PRODUCTS IS MINIMISED;*
- *TO ENSURE THAT DEVELOPMENT IS AS SAFE AS POSSIBLE FROM BUSHFIRE HAZARD AND FLOOD HAZARD;*
- *TO ENSURE THE DEVELOPMENT IS ENVIRONMENTALLY SUSTAINABLE.*

COMMUNITY FACILITIES AND INFRASTRUCTURE OBJECTIVES

- *TO ENSURE THAT THE EXISTING COMMUNITY AND THE COMMUNITY TO BE ACCOMMODATED WITHIN THE RELEASE IS PROVIDED WITH SUITABLE TRANSPORT AND TRAFFIC FACILITIES, RETAIL AND SERVICE FACILITIES, COMMUNITY FACILITIES AND RECREATION AND OPEN SPACE FACILITIES.*

HERITAGE OBJECTIVES

- *TO ENSURE THAT THE ENVIRONMENTAL AND BUILT HERITAGE OF THE AREA IS IDENTIFIED AND PROTECTED DURING THE DEVELOPMENT PROCESS AND INTO THE FUTURE;*
- *TO ENSURE THAT ANY ITEMS OF ABORIGINAL HERITAGE ARE IDENTIFIED WITHIN THE PLANNING AND INVESTIGATION PROCESSES LEADING TO DEVELOPMENT AND WHERE IDENTIFIED ARE PROTECTED AS WARRANTED.*

URBAN DESIGN OBJECTIVES

- *TO ENSURE THAT FUTURE DEVELOPMENT ACHIEVES AN OVERALL STANDARD OF URBAN DESIGN AND AMENITY WHICH IS COMMESURATE WITH SURROUNDING DEVELOPMENT AND PROVIDES A VIBRANT, PLEASANT AND ATTRACTIVE NEIGHBOURHOOD;*
- *TO PROVIDE A SENSE OF COMMUNITY AND IDENTITY TO THE FUTURE POPULATION OF THE DEVELOPMENT.*

FINANCIAL OBJECTIVES

- *TO ENSURE THAT IN THE INTERESTS OF STAKEHOLDERS, INCLUDING PITTWATER COUNCIL AND RELEVANT GOVERNMENT AGENCIES, THE PROJECT IS ECONOMICALLY AS WELL AS ENVIRONMENTALLY SUSTAINABLE.*

ACTION PLANS TO ACHIEVE PLANNING FRAMEWORK OBJECTIVES

In order to ensure that each of the 2010 Planning Framework objectives is taken into account in the planning and implementation of development within the land release area, the suite of action plans, originally developed, are retained.

The action plans were derived from various studies carried out as part of the investigation and planning process and actions. The action plans ensure that the outcomes of the studies and 2010 Planning Framework objectives will be referred to in detail as part of the planning of any individual sector of land for development and set out the tasks which must be undertaken by Council, State Government authorities and developer/landowners.

The studies carried out by Council (pre 1997) form the basis of the action plans are as follows:

- *Ingleside/Warriewood Vegetation Conservation Study*
- *Ingleside/Warriewood Fauna Conservation Study*
- *Ingleside/Warriewood Land Capability Study*
- *Ingleside/Warriewood Contaminated Land Study*
- *Ingleside/Warriewood Visual Impact Study*
- *Ingleside/Warriewood Aboriginal Archaeological Study*
- *Ingleside/Warriewood Heritage Study*
- *Ingleside/Warriewood Water Cycle Management Study*
- *Ingleside/Warriewood Bushfire Hazard Study*
- *Ingleside/Warriewood Combined Demographic Study*
- *Demographic Analysis and Modeling*
- *Traffic and Transport*
- *Retail and Service Facilities*
- *Community Facilities*
- *Open Space and Recreation*
- *Warriewood Valley Integrated Water Management Strategy*
- *Warriewood Valley Urban Land Release Traffic and Transportation Study*

Note: The inclusion of the outcomes of these studies does not infer that Council has at this time accepted the recommended action or outcomes of any study. However, those outcomes have been included so that an overall assessment of the land release and its implications can be made.

The source documents upon which the respective action plans were derived are listed overleaf to provide a clear link between the investigation process for the land release and eventual implementation and development:

ENVIRONMENTAL OBJECTIVES

Action Plan	Source Documents
Vegetation Conservation	<i>Ingleside/Warriewood Vegetation Conservation Study</i>
Fauna Conservation	<i>Ingleside/Warriewood Fauna Conservation Study</i>
Land Capability	<i>Ingleside/Warriewood Land Capability Study</i>
Stormwater Management	<i>Ingleside/Warriewood Water Cycle Management Study and the Integrated Water Management Strategy – Warriewood Valley</i>
Visual Impact	<i>Ingleside/Warriewood Visual Impact Study</i>
Contaminated Land	<i>Ingleside/Warriewood Contaminated Land Study</i>
Bushfire Hazard	<i>Ingleside/Warriewood Bushfire Hazard Study</i>

COMMUNITY FACILITIES AND INFRASTRUCTURE OBJECTIVES

Action Plan	Source Documents
Demographic Monitoring	<i>Ingleside/Warriewood Combined Demographic Study</i>
Traffic and Transport	<i>Ingleside/Warriewood Combined Demographic Study and the Warriewood Valley Traffic and Transport Study</i>
Retail and Services	<i>Ingleside/Warriewood Combined Demographic Study</i>
Community Facilities	<i>Ingleside/Warriewood Combined Demographic Study</i>
Open Space and Recreation	<i>Ingleside/Warriewood Combined Demographic Study</i>

HERITAGE OBJECTIVES

Action Plan	Source Documents
Heritage	<i>Ingleside/Warriewood Heritage Study</i>
Aboriginal Heritage	<i>Ingleside/Warriewood Aboriginal Archaeological Study</i>

URBAN DESIGN OBJECTIVES

Action Plan	Source Documents
Urban Design	<p>Elements of all Ingleside/Warriewood investigative studies</p> <p>Relevant Council policies (pre 1997)</p> <p>Council's urban design statement for Sector 1 (pre 1997)</p> <p>Council's Environmental Values Statement (pre 1997)</p>

FINANCIAL OBJECTIVES

Action Plan	Source Documents
Financial Implications	<i>Draft Warriewood Valley Urban Land Release Planning Framework 1997*</i> <i>Warriewood Section 94 Contributions Plan No. 15 (Amendment No. 16)*</i> <i>Draft Warriewood Valley Planning Framework 2010</i>

** Background reference documents attributed to the review process in preparation of 2010 Planning Framework*

VEGETATION CONSERVATION

The study brief for the Ingleside/Warriewood Vegetation Conservation Study, on which this action plan is based, identified its fundamental goals as follows:

To investigate, define and provide, planning guidelines and management strategies to ensure that significant vegetation as warranted, within and adjoining the study area is conserved and protected, during the development phases of the land release, and in the long term.

In determining the significance of vegetation, regard should be had to its botanical, ecological and cultural significance, and consideration shall be given to the criteria in SEPP No. 19 - Bushland in Urban Areas and Urban Bushland Management Guidelines published by the Department of Planning, 1991.

In accordance with the study brief, the report provides an assessment of the vegetation communities contained within the study area.

The study report provides a classification of land within the release study area as to its vegetation significance in the form of a map which can be utilised in developing the planning for the land release and the prescription of management strategies to be used to preserve, and where appropriate enhance, the vegetation communities of particular areas. This map identifies four classes of land as follows:

- | | |
|---------|--|
| Class 1 | <i>Areas suitable for residential or associated development without further study, subject to the application of appropriate planning guidelines and management strategies.</i> |
| Class 3 | <i>Areas which are considered suitable for residential, or associated development, subject to a satisfactory study of their vegetation characteristics at development application stage in accordance with the requirements of the Environmental Planning & Assessment Act 1979, or other pertinent legislation, and application of appropriate planning guidelines and management strategies.</i> |
| Class 4 | <i>Areas which have significant vegetation characteristics, and are required to be conserved unless a detailed study carried out at development application stage, in accordance with the requirements of the Environmental Planning & Assessment Act 1979, or other pertinent legislation indicates that limited development, with a high level of ameliorative measures designed to retain or improve those significant vegetation elements, can be applied to ensure their continued viability.</i> |
| Class 5 | <i>Areas that are considered essential for retention to conserve their significant vegetation characteristics and should be conserved through the application of appropriate planning guidelines and management strategies.</i> |

The study report provides a series of planning guidelines and management strategies. The planning guidelines to be applied during the various stages of development include the preparation of local environmental plans, development control plans and down to the design of individual development sites. The management strategies outline tasks which will be carried out throughout the planning and development process to ensure preservation of the various vegetation types significant to the area.

The application of the study outputs have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

The action plan designates the required action, its timing in the release process, and the appropriate authority or body responsible for specific tasks.

Table 1 – Vegetation conservation action plan

Timing	Action	Responsibility
Planning Phase Allocating land uses for sectors designated for release	1. Give preference to relatively more intensive forms of land use on land designated Classes 1 and 3 by the study. 2. Give preference to low density strategically located forms of land use on land designated Class 4 by the study. 3. Give preference to conservation and related land uses on land designated Class 5 by the study.	Council
Preparation of detailed planning for individual sectors	1. Further investigate and assess the appropriateness of land for certain land uses based on the study outputs. 2. Detailed area assessment to verify study classification (as necessary).	Developer/ landowner
Preparation of LEP/DCPs	1. Zone land as appropriate. Carry out further studies/investigation as necessary. 2. Prescribe planning controls and management strategies to be applied during preparation and assessment of development applications, approval and construction stages.	Council/ developer Council
Implementation Phase	1. Provide planning guidelines and management strategies to developers/landowners. 2. Apply planning guidelines and management strategies in the investigation and planning for future development. 3. Evaluate proposal including the information submitted by developer taking into consideration planning guidelines and management strategies 4. Apply conditions of approval/reasons for refusal on basis of the planning guidelines and management strategies. 5. Comply with conditions of approval. 6. Ensure that development proceeds in accordance with conditions of approval.	Council Developer/ landowner Council Council Developer/ landowner Council/ developer
Ongoing	1. Review planning guidelines and management strategies as land release proceeds and apply to applications for future development. 2. Monitor Performances	Council Council

FAUNA CONSERVATION

The study brief for the Ingleside/Warriewood Fauna Conservation Study on which this action plan is based identified as its fundamental goals the following:

To investigate, define and provide planning guidelines and management strategies for the maintenance and protection of known, or expected, native fauna populations, within and adjoining the study area, during the development phases of the urban land release, and in the long term.

To investigate, define and provide planning guidelines and management strategies for the protection of rare and endangered fauna species of local, regional, or global significance, known or expected to occur within and adjoining the study area, during the development phases of the urban land release, and in the long term

To investigate, define and provide planning guidelines and management strategies for the retention, and where necessary, restoration of fauna habitats in parcels of a size and configuration that will enable known or expected native fauna populations to survive within and adjoining the study area in the long term

To provide for the protection and enhancement of wildlife corridor links between habitat types, protection of habitat adjacent to drainage lines, and retention of other areas of particular habitat value, within and adjoining the study area.

In accordance with the study brief, the report provides an assessment of the range of fauna and its habitats likely to be found within the release area.

The study report provides a classification of land within the study area as to its fauna significance and known and expected habitats in the form of a map which can be utilised in developing the planning for the land release and the prescription of management strategies to be used to protect and preserve the fauna populations of particular areas. This map identifies three classes of land as follows:

- Class (a) Areas suitable for residential or associated development without further study, subject to the application of specified planning guidelines and management strategies.*
- Class (d) Areas which are significant in terms of fauna habitat but can accept low density, strategically located residential development subject to a detailed fauna study which indicates that such development, with a high level of ameliorative measures designed to retain or improve that habitat, can be applied to ensure the continued viability of fauna populations and should be preserved.*
- Class (e) Areas that are considered essential for retention for the conservation of significant fauna populations and should be conserved through the application of appropriate planning guidelines and management strategies.*

The report provides a series of planning guidelines and management strategies. The planning guidelines to be applied during the various planning stages of development include the preparation of local environmental plans, development control plans and down to the design of individual development sites. The management strategies outline tasks which will be carried out throughout the planning and development process to ensure preservation of the various fauna populations within the area.

The application of the study outputs have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

The action plan designates the required action, its timing in the release process, and the appropriate authority or body responsible for specific tasks.

Table 2 – Fauna conservation action plan

Timing	Action	Responsibility
Planning Phase Allocating land uses for sectors designated for release	1. Give preference to relatively more intensive forms of land use on land designated Class (a) by the study	Council
	2. Give preference to low density strategically located forms of land use on land designated Class (d) by the study.	Council
	3. Give preference to conservation and related land uses on land designated Class (e) by the study.	Council
Preparation of detailed planning for individual sectors	1. Further investigate and assess the appropriateness of land for certain land uses based on detailed examination based on these study outputs.	Council/ developer
	2. Detailed area assessment to verify study classification as necessary.	Council/ developer
Preparation of LEP/DCP	1. Further refine study outputs and zone land as appropriate based on above study output. Carry out further studies/investigations as necessary.	Council/ developer
	2. Prescribe planning controls and management strategies to be applied during assessment of development applications, approval and construction stages.	
Implementation Phase	1. Provide planning guidelines and management strategies to developers/landowners.	Council
	2. Apply planning guidelines and management strategies in the investigation and planning of future development.	Developer/ landowner
	3. Evaluate proposal including the information submitted by developer as required by the various Council prescriptions.	Council
	4. Apply conditions of approval/reasons for refusal on basis of the planning guidelines and management strategies.	Council
	5. Comply with conditions of approval.	Developer/ landowner
	6. Enforce that development proceeds in accordance with conditions of approval.	Council/developer
Ongoing	1. Review planning guidelines and management strategies as land release proceeds and apply to applications for future development.	Council
	2. Monitor performance.	

LAND CAPABILITY

The study brief for the Ingleside/Warriewood Urban Land Capability Study on which this action plan is based identified as its fundamental goals the following.

The purpose of the Urban Land Capability Study is to identify the limitations to urban development and associated works created by slope, soil structure, geotechnical instability, flooding and other related constraints within the Study Area.

To define and provide a range of suitable planning guidelines and management strategies for the maintenance of a stable land surface with and adjoining the study area during the development stage and into the future.

In accordance with the study brief, the study report provides a map which classifies land as regards to its capability for urban development into five categories as follows:

- | | |
|---------|---|
| Class A | <i>Areas with little or no physical limitations to urban development.</i> |
| Class B | <i>Areas with minor to moderate physical limitations to urban development. These limitations may influence design and impose certain management requirements on development to ensure a stable land service is maintained during and after development.</i> |
| Class C | <i>Areas with moderate physical limitation to urban development. These limitations can be overcome by careful design and by adopting site management techniques to ensure the maintenance of a stable land surface.</i> |
| Class D | <i>Areas with severe physical limitation to urban development which will be difficult to overcome requiring detailed site investigation and engineering design.</i> |
| Class E | <i>Areas where no form of urban development is recommended because of very severe physical limitations which are very difficult to overcome.</i> |

The study report also provided an explanation relating to the designation of the classifications of land within the study area together with specifications for a range of planning guidelines and management strategies to be applied to future development.

The application of the study outputs have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

The action plan designates the required action, its timing in the release process, and the appropriate authority or both responsible for specific tasks.

Table 3 – Land capability action plan

Timing	Action	Responsibility
Planning Phase Allocated land uses for sectors designated for release	1. Give preference to relatively more intensive forms of land use on land designated Classes A, B and C by the study. 2. Give preference to low density strategically located forms of land use on land designated Class D by the study. 3. Give preference to conservation and low intensity land use on land designated Class E by the study.	Council Council Council
Preparation of detailed planning for individual sector	1. Further investigate and assess the appropriateness of land for certain land uses based on detailed examination of the study outputs. 2. Detailed area assessment to verify study classification. This may include soil testing and capability evaluation together with ensuring the compatibility between planning and construction of water/soil management facilities.	Council/ developer Developer
Preparation of LEP/DCP	1. Zone land as appropriate. Carry out further investigation/study as necessary. 2. Prescribe planning controls and management strategies to be applied during preparation and assessment of development applications, approval and construction stages.	Council Council

Timing	Action	Responsibility
Implementation Phase	1. Design/locate and construct water/soil management structures prior to commencement of any site works.	Developer/ landowner
	3. Provide planning guidelines and management strategies to developers/landowners.	Council
	3. Apply planning guidelines and management strategies in the investigation and planning of future development.	Developer/ landowner
	4. Evaluate proposal including the information submitted by developer as required by the various Council prescriptions.	Council
	5. Apply conditions of approval/reasons for refusal on basis of the planning guidelines and management strategies.	Council
	6. Comply with conditions of approval.	Developer
	7. Ensure that development proceeds in accordance with conditions of approval.	Council/ developer
Ongoing	1. Review planning guidelines and management strategies as land release proceeds and apply to applications for future development.	Council
	2. Monitoring of structures.	Council

STORMWATER MANAGEMENT

The study brief for the Ingleside/Warriewood Water Cycle Management Study identified as its fundamental goals the following:

Water management procedures are to be developed and implemented within a total water resource management framework.

Water management procedures are to be developed and implemented which do not increase and where possible reduce impact on the surrounding community and the natural and urban environment.

Water management procedures are to be developed and implemented taking into account the cumulative quantitative and qualitative impacts on receiving water from other present and proposed development in the catchment area.

Options for the control and mitigation of impacts from the development, need to consider:

- Capital expenditure
- Staging of development
- Long term maintenance of facilities
- Need for licence compliance monitoring.

The study needs to consider both the developing (construction) and long-term occupation phases of the area.

The three major parameters associated with water management for the land release are flood management, effluent management, and drainage systems design and management.

The study report examined the optimum means to integrate the provision of water, waste water and stormwater services while mitigating adverse environment impacts. The examination of water cycle management has involved a review of the interplay between demand and supply of water related services leading to the maximisation of opportunities for water reuse and minimisation of potable water usage.

The study report concluded the following elements:

- Urban development in the release area will require the provision of substantial infrastructure and allocation of significant areas of land for facilities to minimise impacts on downstream areas including receiving waters;
- The existing water supply system could cater for high density development in the Warriewood Valley area. New storage's, trunk pipelines and pumping stations would be required to service other areas;
- The Warriewood STP currently has excess capacity to service an additional 6,000 persons in the release area. Sydney Water has indicated that the Warriewood STP can be augmented at appropriate times to service any levels of development above 6,000 persons in the release area;
- Reuse of treated effluent for irrigation of domestic and open space areas is not recommended due to the inappropriate characteristics of the sub-soils in the area. Reuse of treated effluent only for toilet flushing would not significantly reduce potable water supply infrastructure costs but would require considerable expenditure to incorporate a dual water supply system. A dual water supply system was therefore not considered economically feasible;

- Runoff flow and quality from the developed area would be controlled in a series of channels, detention systems and water quality control ponds and devices as prescribed in the Integrated Water Management Strategy – Warriewood Valley Study;
- Drainage facilities can be incorporated within an integrated multiple use open space allocation, detention basins and water pollution control ponds could be combined where possible to reduce the land take associated with these drainage facilities;
- The proposed runoff control facilities would reduce pollutant loads to rural conditions resulting in minimal additional impacts on receiving waters. In fact, urban development with sewerage reticulation may lead to improvements in dry and wet weather pollutant concentrations in Mullet and Narrabeen Creeks.

The application of the study outputs together with the detailed outputs of the Integrated Water Management Strategy – Warriewood Valley has been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals. The action plan designates the required action, its timing in the release process and the appropriate body or authority responsible for specific tasks.

Table 4 – Stormwater management action plan

Timing	Action	Responsibility
Planning Phase Allocate land uses for sectors designated for release	1. Give preference to land uses compatible with strategic outcomes of study (requirements for maintaining creek line corridors, water quality and quantity control purposes) combined with outputs from open space component of demographic, vegetation conservation and fauna conservation studies.	Council
Preparation of detailed planning	1. Establish an Integrated Water Management Strategy for Warriewood Valley and associated Section 94 Contribution Plans for stormwater management which address the following: <ul style="list-style-type: none"> • Establish, with reference to overall planning strategy, studies of hydrology, hydraulics, ecology, biology, natural wetland, and conservation characteristics of creekline corridors. 	Council – Completed
	<ul style="list-style-type: none"> • Evaluate performance criteria for existing proposed stormwater management structures and devices. • Establish concept designs for natural channel restorations (where practicable), flood conveyances, artificial (on-line and off-line) wetland, gross pollutant traps, and multiple use stormwater management facilities including costing estimates. 	
Preparation of LEP/DCP	1. Rezone land appropriately to ensure stormwater management issues are addressed.	Council

Timing	Action	Responsibility
Implementation Phase	<ol style="list-style-type: none"> 1. Ensure analysis, design, construction and management strategies for stormwater management facilities (short and long term) applied during preparation and assessment of development applications, approvals and construction. 2. Provide management strategies to developers/landowners 3. Apply management strategies and development controls in the investigation and planning for future development. 4. Evaluation of proposal (Development Application) including information submitted by applicant as required by various Council prescriptions. 5. Apply conditions of approval/reasons for refusal on basis of specific management strategies. 6. Ensure that development proceeds in accordance with conditions of approval. 	<p>Council/developer/landowner</p> <p>Council</p> <p>Developer/landowner</p> <p>Council</p> <p>Council</p> <p>Council</p>
Ongoing	<ol style="list-style-type: none"> 1. Regular performance of stormwater management facilities at regular intervals and after major rainfall events. 4. Review management strategies, having regard to regular monitoring and performance reviews. 	<p>Council</p> <p>Council</p>

VISUAL IMPACT

The study brief for the Ingleside/Warriewood Visual Impact Study identified as its fundamental goals the following:

To investigate, define and provide planning guidelines and management strategies for the protection and enhancement of visual elements within the landscape that characterise the nature of the study area and contribute the visual amenity of the immediate vicinity, the local area and the region as a whole.

To identify areas that are suitable for urban development subject to the appropriate planning guidelines and management strategies being applied to achieve the aims identified above.

In accordance with the study brief, the report provides an assessment of the visual elements and characteristics of the study area together with an assessment of the visual sensitivity and visual quality.

The report provides a classification of land within the study area as to its visual quality and sensitivity in the form of a map which can be utilised in developing the planning for the land release and the prescription of management strategies to be used to preserve (and where appropriate enhance) the visual characteristics of particular areas. This map identifies five classes of land as follows:

Class I Areas suitable for residential or associated development without further study, subject to the application of appropriate planning guidelines and management strategies.

Class II Areas which are considered suitable for residential or associated development subject to the completion, at development application stage of an assessment of their visual characteristics and values and the application of appropriate planning guidelines and management strategies.

Class III Areas which are considered suitable for residential or associated development, subject to completion at development application stage, of a visual impact study and landscape assessment and subsequent application of appropriate planning guidelines and management strategies to achieve retention or enhancement of the visual characteristics of those areas.

Class IV Areas that are significant in terms of their visual character and landscape qualities but can accept low density strategically located residential development, with a high degree of ameliorative measures designed to retain or enhance those characteristics, can be applied.

Class V Areas that are considered essential for retention to conserve or enhance the visual characteristics and landscape values of the area unless a further specific study indicates that retention and conservation is not warranted.

The report provides a series of planning guidelines and management strategies. The planning guidelines to be applied during the various planning stages of development include the preparation of local environmental plans, development control plans and down to the design of individual development sites. The management strategies outline tasks which will be carried out throughout the planning and development process to ensure preservation of the various visual elements which contribute to the area.

The application of the study outputs have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

The action plan designates the required action, its timing in the release process, and the appropriate authority or body responsible for specific tasks.

Table 5 – Visual impact action plan

Timing	Action	Responsibility
Planning Phase Allocate land uses for sectors designated for release	1. Give preference to relatively more intensive forms of land use on land designated Classes I, II and III by the study.	Council
	2. Give preference to low density strategically located forms of land use on land designated Class IV by the study.	Council
	3. Give preference to conservation and low intensity land use on land designated Class V by the study.	Council
Preparation of detailed area planning strategies	1. Further investigate and assess the appropriateness of land for certain land uses based on the study outputs.	Developer/landowners
	2. Detailed area assessment to verify study classification (as necessary).	Developer/landowners
Preparation of LEP/DCP	1. Zone land as appropriate based on above strategies (carry out further study/investigation as necessary).	Council
	2. Prescribe planning controls and management strategies to be applied during preparation and assessment of development applications, approval and construction stages.	Council
Implementation Phase	1. Provide planning guidelines and management strategies to developers/landowners.	Council
	2. Apply planning guidelines and management strategies in the investigation and planning for future development.	Developer/landowner
	3. Evaluate proposal including the information submitted by developer as required by the various Council prescriptions taking into consideration planning and management strategies.	Council
	4. Apply conditions of approval/reasons for refusal on basis of the planning guidelines and management strategies.	Council
	5. Comply with conditions of approval.	Developer/landowner
	6. Ensure that development proceeds in accordance with conditions of approval	Council/developer

Timing	Action	Responsibility
Ongoing	1. Review planning guidelines and management strategies as land release proceeds and apply to applications for future development.	Council

CONTAMINATED LAND

The study brief for the Ingleside/Warriewood Contaminated Land Study identified as its fundamental goals the following.

To determine if any sections of the Study area are, or are likely to have been contaminated by agriculture or industrial chemical use or toxic waste disposal.

To determine if the level of contamination is likely to be an impediment to the development of the land for residential, or other use, in that it causes a risk to public health and safety.

To determine if further investigations are required, the appropriate stages or timing for any such investigation and appropriate specifications for the investigation procedures.

To define and provide appropriate planning guidelines and management strategies to be incorporated in the planning, design and construction, and occupation stages of any development within the area, to ensure the maintenance of health and safety to construction workers, and others associated with the development process, future residents and members of the public.

In accordance with the study brief, the report provides an assessment of the areas within the study area which are, or are likely to be, contaminated as a result of past land use practices.

The report provides a classification of land within the study area as to its likelihood of contamination in the form of a map which can be utilised in developing the planning for the land release and the prescription of management strategies to be used to identify contaminated lands and remedial processes as necessary. This map identifies four classes of land as follows:

Class 1 Areas that are highly unlikely to be contaminated and are suitable for residential or associated development without study, subject to the application of appropriate planning guidelines and management strategies.

Class 2 Areas which are considered suitable for residential or associated development, subject to the completion, at Development Application stage, of an assessment of possible land contamination and the application of appropriate planning guidelines and management strategies.

Class 3 Areas which are considered suitable for residential or associated development, subject to completion at Development Application stage of a study and assessment to determine possible sources of contamination, and application of planning guidelines and management strategies to ensure that any areas of contamination are identified and appropriately treated prior to development.

Class 4 Areas that are likely to be contaminated and are not suitable for residential development unless a specific study is carried out which indicates that development can proceed subject to the application of appropriate ameliorative measures, testing and certification as to suitability.

The report provides a series of planning guidelines and management strategies. The planning guidelines to be applied during the various planning stages of development include the preparation of local environmental plans, development control plans and down to the design of individual development sites. The management strategies outline tasks which will be carried out throughout the planning and development process to ensure the identification and remedial action to any contaminated land within the area.

The application of the study outputs have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

The action plan designates the required action, its timing in the release process, and the appropriate authority or body responsible for specific tasks.

Table 6 – Contaminated land action plan

Timing	Action	Responsibility
Planning Phase Preparation of LEP/DCP	Identify contaminated land and carrying out of remedial actions as necessary.	Council/ developer/ landowner
Implementation Phase	<ol style="list-style-type: none"> 1. Prepare and provide DCP/Council policy to developers. 2. Comply with requirements of study outputs in preparing DA i.e. site testing, reference to EPA, recommended actions. 3. Evaluate proposal including information submitted by developer as required by DCP/policy including EPA evaluation of testing and subsequent recommendations. 4. Apply conditions of approval/reasons for refusal. 5. Comply with conditions of approval. 	Council – Completed Developer Council Council Developer
Ongoing	<ol style="list-style-type: none"> 1. Monitor sites during development. 2. Monitor contamination levels. 	Developer Council

BUSHFIRE HAZARD

The study brief for the Ingleside/Warriewood Bushfire Hazard Study on which the action plan is based identifies its fundamental goal as:

Ensure that future development within the release area has an appropriate degree of safety for people and property from bushfire hazard commensurate with community expectations.

The study is to provide guidelines to be used in the detailed planning of the development which relate to protection from bushfire hazards of various forms of development in the release area, and planning guidelines and management strategies to be carried out through the implementation phase of the project and into the future.

The planning guidelines and management strategies will need to prescribe the appropriate protection measures and standards, including, but not limited to, hazard reduction methods and zones, fuel free zones, perimeter road requirements, service requirements and building standards necessary for a range of development types that will occur in the release area.

The application of the study output have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

Table 7 – Bushfire hazard action plan

Timing	Action	Responsibility
Planning Phase		
Preparation of broad-scale release area planning strategy	1. Determine the location of the bushfire hazard/development interface for the land release and areas of medium and high bushfire hazard that would remain within the land release area following development.	Council
	2. Exclude land steeper than 20° (36%) in bushfire prone areas from development.	Council
	3. Ensure land releases are staged so as to be progressive from existing developed areas; avoid isolated developments.	Council
	4. Review bushfire fighting resources within the land release and develop a long-term resource enhancement plan to ensure that adequate fire-fighting resources are provided for each stage of the release.	Council

Timing	Action	Responsibility
Preparation of detailed area planning	1. Carry out a detailed assessment of each release sector to determine requirements for: <ul style="list-style-type: none"> • perimeter roads/fire trails • internal access roads • fire protection zones • minimum lot depths • water supply • 'safety focus' area 	Council
	2. Provide for initial development to occur on the hazard perimeter of each development area bordering a bushfire prone land.	Council/ developer
	3. Ensure that each release sector can be provided with a temporary fire protection zone where it borders neighbouring sectors with a medium to high bushfire hazard until those neighbouring sectors are developed.	Council/ developer
	4. Ensure that developments which reduce bushfire hazard are planned for the hazard side of residential and other developments likely to be affected by bushfires.	Council
	5. Ensure that developments which are unsuitable for bushfire prone areas are not planned for zones within 500m of the boundary of Ku-ring-gai Chase or Garigal National Parks, or the escarpment bushland perimeter.	Council.
	6. Divide residential land use areas bordering bushfire prone areas into suitable 'cells' (ideally equivalent to release stages) and determine a suitable location for a 'safety focus' for each 'cell'.	Council
	7. Ensure that hazard reduction strategies for fire protection zones within, or adjoining, flora and fauna conservation areas (including National Parks) are compatible with the management requirements of those areas.	Council

Timing	Action	Responsibility
Preparation of LEP/DCP	<ol style="list-style-type: none"> 1. Zone land as appropriate based on the above strategies. Carry out further studies/investigations as necessary. 2. Ensure that all developments, including single dwelling houses, in planning zones abutting bushfire prone areas are 'permissible with consent'. 3. Prepare a policy document prescribing the planning controls, management strategies and building codes to be applied during preparation and assessment of development applications, approval of developments and construction stages. 	<p>Council</p> <p>Council</p> <p>Council</p>
Implementation Phase	<ol style="list-style-type: none"> 1. Provide planning guidelines and management strategies to developers/landowners. 2. Apply planning controls, guidelines and management strategies in the investigation and planning for future development. 3. Evaluate proposals, including the information submitted by the developer, against the planning controls, guidelines and management strategies. 4. Apply conditions of approval/reasons for refusal on the basis of the planning controls, guidelines and management strategies. 5. Comply with conditions of approval. 6. Ensure that development proceeds in accordance with conditions of approval. 7. Initiate a bushfire safety education program to ensure that new residents moving into the area are aware of bushfire protection measures for themselves and their property, evacuation procedures, and the location and function of the 'safety focus' area. 	<p>Council/ developer</p> <p>Developer/ landowner</p> <p>Council</p> <p>Council</p> <p>Developer</p> <p>Council/ developer</p> <p>Council</p>

Timing	Action	Responsibility
Ongoing	1. Review planning controls, guidelines and management strategies as land release proceeds, amend as required and apply to applications for future development.	Council
	2. Maintain fire protection zones on public land during the bushfire danger period.	Council
	3. Inspect fire protection zones on private property prior to and during the bushfire danger period. Issue Section 13 (Bush Fires Act) notices as appropriate.	Council.
	4. Regularly review fire-fighting and other emergency services resources within the land release and upgrade as required.	Council
	5. Continue the bushfire safety education program to ensure that new residents moving into the area are aware of bushfire protection measures for themselves and their property, evacuation procedures and the location and function of the 'safety focus' area.	Council
	6. Review bushfire management and mitigation strategies following any major wildfires and revise as required.	Council

DEMOGRAPHIC ANALYSIS AND MODEL

The study brief for the demographic analysis and model component of the Ingleside/Warriewood Combined Demographic Study identified as its fundamental goal the following:

To establish the demographic characteristics of the anticipated population within the urban land release area of Ingleside/Warriewood, with particular regard to its requirements through the development period and into the future as regards transport and traffic facilities, retail and service facilities, community facilities and recreation in open space facilities.

The demographic analysis provides the basis upon which considered projections can be prepared for the purpose of developing strategies to satisfy the identified needs of the future community.

The demographic analysis and model will provide a profile of the anticipated release area population for the release area and at critical points during the development phase.

The demographic analysis was constructed by investigating and examining relevant information on both the existing Ingleside/Warriewood community together with the broader community of Pittwater. In addition, regard was had to the implications of historic growth in comparable urban release areas. In this regard, the urban release areas of Cherrybrook, Glen Haven and Menai were examined as they are considered to have provided housing for a similar "market" to that expected within the Ingleside/Warriewood release area.

The demographic model developed as part of the study to provide projections of population size and associated characteristics for the Warriewood Release Area is a dynamic planning tool. That is, the model incorporates a number of key variables which impact on population characteristics which can be updated as detailed information comes to hand as the planning and implementation occurs through the release process.

The application of the study outputs has been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals. The action plan designates the required action, its timing in the release process and the appropriate authority or body responsible for specific tasks.

Table 8 – Demographic analysis and model action plan

Timing	Action	Responsibility
Planning Phase	1. To achieve Minister's target, apply occupancy rates to the land - uses and densities identified to calculate the estimated population.	Council
Detailed Planning	1. Ensure that the levels of open space and community facilities are sufficient to meet the demand of the expected population and its demographic profile.	Council
<i>Phasing</i>	2. Ensure that the planning framework is responsible and sensitive to demographic changes in terms of infrastructure and service provision.	Council
<i>Infrastructure and community facilities</i>	3. Apply the demographic model to ascertain what level of amenities and services are required by the expected population and its profile.	Council
	4. Ensure that the incoming population is serviced by an appropriate level of infrastructure both physical and social.	Council
Implementation Phase	1. Monitor the demographic characteristics of the actual incoming population	Council
Ongoing	1. Review the demographic profile based on the actual characteristics of the incoming population.	Council
	2. Review the infrastructure and community facilities strategy and associated Section 94 Plans to reflect demographic change.	Council
	3. Review planning guidelines and management strategies as land release proceeds to reflect any changes in population demographics	Council

TRAFFIC AND TRANSPORT

The study brief for the traffic and transport component of the Ingleside/Warriewood Combined Demographic Study identified as its fundamental goals the following:

To investigate, define and provide planning guidelines and management strategies for the provision of a safe, efficient and controlled public and private transport system for the Ingleside/Warriewood Urban Land Release Area which will integrate with existing transport network.

To investigate, define and provide planning guidelines and management strategies relating to the development of a functional internal and external road hierarchy and related public transport network for the Ingleside/Warriewood Urban Land Release Area.

To investigate, define and provide planning guidelines and management strategies to ensure the provision of adequate transport facilities for anticipated urban development throughout the release process.

In accordance with the study brief, the study report provides a detailed analysis of the existing situation with regard to land use, the road system, traffic flows, intersection operation, traffic management, traffic accidents, parking, public transport and other traffic issues together with assessing the future development scenarios. The report then examines the traffic implications of the proposed development scenarios and recommends a number of road improvement and traffic management strategies.

The application of the study outputs together with the detailed outputs of the Warriewood Valley Urban Land Release Traffic and Transport Study have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals. The action plan designates the required action, its timing in the release process and the appropriate authority or body responsibility for specific tasks.

Table 9 – Traffic and transport action plan

Timing	Action	Responsibility
Planning Phase		
Preparation of framework	<ol style="list-style-type: none"> 1. After preparation of a planning framework, request RTA to evaluate regional impacts of Population/Traffic Increases. 2. Request State Government/RTA to include required improvement works for Regional Road Network (Mona Vale Rd/Pittwater Rd/ Wakehurst Parkway/Powderworks Road) in RTA Capital Works Program (to include Intersection Improvements). 3. Further evaluate timing of recommended interim improvements based on broadscale release planning strategy (density/yield). 4. Based on above assessment/evaluation of impacts review broad scale planning strategy (density/yield) on basis of recommended options for consideration. 5. Consider dwelling densities adjacent to frequent bus routes. 6. Ensure development allows optimum use of bus services. 7. Assessment of Public Transport Infrastructure. Make contact with existing operators and promote early provision of services. 8. Establish a traffic and transport strategy and associated Section 94 Contributions Plans which address the following: <ul style="list-style-type: none"> • Establish, with reference to broadscale planning strategy, road/bicycle and pedestrian hierarchies including the evaluation of traffic management schemes, at the local (precinct) level. • Provide Traffic/Transport facilities as required. 	<p>Council/RTA</p> <p>RTA</p> <p>Council</p>
Preparation of LEP/DCP	<ol style="list-style-type: none"> 1. Rezone land appropriately. 	Council
Preparation of DCP	<ol style="list-style-type: none"> 1. Prescribe management strategies to be applied during preparation and assessment of development applications, approvals and construction. 	Council

Timing	Action	Responsibility
Implementation Phase	1. Provide management strategies to developers/landowners.	Council
	2. Apply management strategies & development controls in the investigation and planning for future development.	Developer/landowner
	3. Evaluation of proposal (Development Application) including information submitted applicant as required by various Council prescriptions.	Council
	4. Apply conditions of approval/reasons for refusal on basis of specific management strategies.	Council

RETAIL AND SERVICES

The study brief for the retail and services facilities component of the Ingleside/Warriewood Combined Demographic Study identified as its fundamental goal the following:

Identify the range and appropriate level of provision of retail and service facilities that will need to be provided to support the project new population within the release area and to provide planning guidelines and management strategies to achieve that provision.

In the context of the study, retail facilities are those which are generally provided in shops, giving residents the opportunity to purchase food and other convenience items, in addition to the complete range of goods consumed by a typical household. Service facilities are these personal and professional services provided by business enterprises normally associated with retail facilities and includes general household support services, some recreation and entertainment facilities and private medical and other health services.

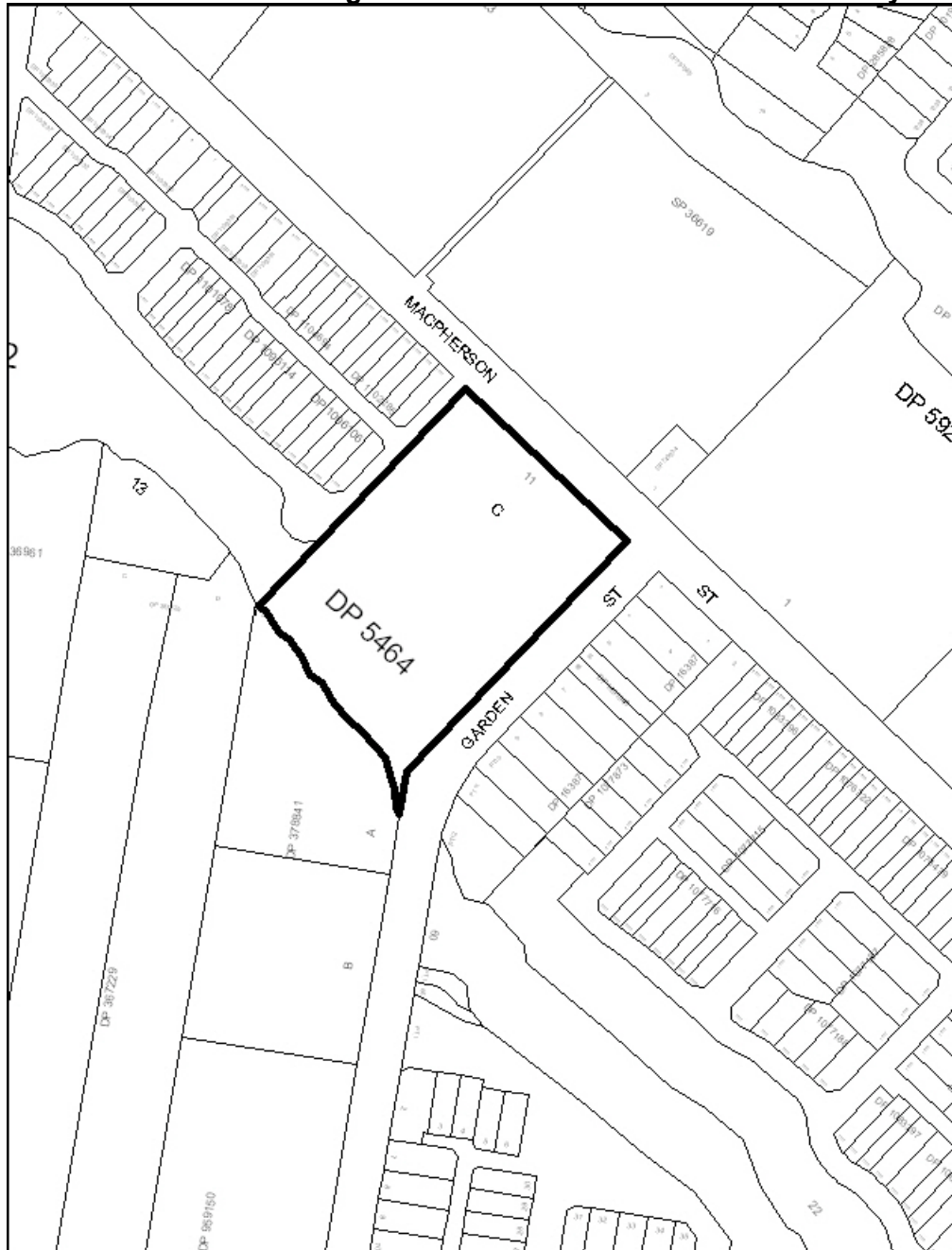
The study examines the existing and anticipated supply of retail and service facilities which will be immediately accessible to the future residents of the release area and outlines the scale of future retail facilities which will be required by the release area population under the various development scenarios. In particular, the analysis given in the study report recognises that retailing is a particularly dynamic industry and is therefore subject to rapid change.

As a result of the approved masterplan for Sector 8, the south-eastern corner of Sector 8 was selected as the site for the Focal Neighbourhood Centre. This site is known as 23B Macpherson Street, namely Lot 11 Section C in Deposited Plan 5464 (see Location Map, on following page). The Focal Neighbourhood Centre is to incorporate a retail floorspace of between 855 and 2,222m² to meet the retail convenience needs of the incoming population. The retail potential of the Focal Neighbourhood Centre is limited to this size given nearby established retail/commercial centres at Mona Vale and Warriewood Square.¹

Note: In November 2009, Pittwater resolved to proceed with an LEP amendment to permit 'neighbourhood shop' and 'restaurant' on 23B Macpherson Street, Warriewood. This LEP will, when gazetted, facilitate the development of the Warriewood Focal Neighbourhood Centre on 23B Macpherson Street, Warriewood.

¹ Ingleside/ Warriewood Urban Land Release Area Demographic and Facility/Service Needs Studies (December 1994)
Agenda for the Council Meeting to be held on 1 February 2010.

Figure 2 – Location of the Focal Neighbourhood Centre for Warriewood Valley



COMMUNITY FACILITIES

The study brief for the community facilities component of the Ingleside/Warriewood Combined Demographic Study identified as its fundamental goal the following:

Identify the range and appropriate level of provision of community facilities that will need to be provided to support the projected population within the release area and to provide planning guidelines and management strategy to achieve that provision.

The study report provides a profile of the incoming residents which is based on the demographic model prepared for the study. This included a projected community profile by target groups which are identified within the various demographic cross sections within the expected population.

The study report also identified the existing community services and facilities provided within the Pittwater area so as to identify need and any spare capacity. A number of normative standards, baselines and thresholds were then put forward based on the existing Pittwater services together with an analysis of services and facilities identified within the comparable release areas of Menai and Cherrybrook. The study concludes with an assessment of the likely demand and a strategy for the provision of community facilities within the release area.

The application of the study outputs has been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals. The action plan designates the required action, its timing in the release process and the appropriate authority or body responsible for specific tasks.

Table 10 – Community facilities action plan

Timing	Action	Responsibility
Planning Phase Preparation of Section 94 Contribution Plan	1. Prepare community facilities strategy and associated Section 94 Contribution Plan.	Council
Implementation Phase <i>Needs Based Planning</i>	1. Identify potential sites. 2. Design, locate and construct community facilities. 3. Prepare a need based plan for the whole of Pittwater to identify the needs for the future population of Warriewood Valley. 4. Establish a Community Planning Release Area Committee involving Council, Government departments and the community. 5. Develop a strategy for community services and facilities.	Council Developer/landowners Council Council Council
Ongoing	1. Maintenance of community facilities. 2. Recurrent costs for staffing and programs.	Council Council

OPEN SPACE AND RECREATION

The study brief for the open space and recreation component of the Combined Ingleside/Warriewood Demographic Study identified as its fundamental goal the following:

Identify the appropriate level of provision of open space and recreational facilities for the proposed release area and to provide planning guidelines and management strategies to achieve that provision.

The main issues considered in the study report were the future needs of the population for open space and outdoor recreation facilities and the likely timing of demand by type of open space and facility.

This included an analysis of the existing provision of open space and facilities and any spare capacity currently located within the Pittwater area to cater for the expanding population during the early stages of development. The study also examined planning guidelines which identify the suitability of areas with certain characteristics for outdoor active and passive open space and further environmentally sensitive open space. Having regard to the constrained financial resources of Council the study then gave an indication of the potential for provision of recreational facilities by the private sector and identified the potential cost of providing facilities and any likely sources of funding.

The application of the study output have been incorporated into the following action plan which prescribes the task to achieve the study goals. The action plan designates the required action, its timing in the release process and the appropriate authority or body responsible for specific tasks.

Table 11 – Open space and recreation action plan

Timing	Action	Responsibility
Planning Phase	1. Link to Pittwater Open Space and Recreation Plan.	Council
	2. Prepare Open Space Strategy and associated Section 94 Plan.	Council
Implementation Phase	1. Develop Open Space Master Plan. Detailed design.	Council
	2. Facilities Provision.	Developer/ landowners
Ongoing	Maintenance of facilities.	Council

HERITAGE

The study brief for the Ingleside/Warriewood Heritage Study on which this action plan is based identified as its fundamental goal the following:

The purpose of the Heritage Study is to investigate, define and provide planning guidelines and management strategies, to ensure that the environmental heritage of the study area is protected. This heritage study focuses on the European built development and cultural landscape within the area.

In accordance with the study brief, the report provides an analysis of the areas history and then identifies a number of items which are of significance in terms of European built settlement and cultural landscapes and features.

The surveys of the study area (which were aided by historical maps and research) have identified eight items within the area which are of heritage significance. The principal recommendation arising from this inventory is to provide heritage protection to these items through appropriate planning guidelines and management strategies.

The planning guidelines to be applied during the various planning stages of development include the preparation of local environmental plans and development control plans. The management strategies outline tasks which will be carried out throughout the planning and development process to ensure preservation of the various items of heritage which contribute to the area.

The application of the study outputs have been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goals.

The action plan designates the required action, its timing in the release process, and the appropriate authority or body responsible for specific tasks.

Table 12 – Heritage action plan

Timing	Action	Responsibility
Planning Phase	1. Identify items requiring specific preservation.	Council – Completed
Allocate land uses for sectors designated for release	Prepare a Register of Sites (register and map).	Council – Completed
	3. Prepare management guidelines for development specifying management procedures to be applied at development application, approval, and construction stages.	Council
Preparation of LEP/DCP.	1. Zone land as appropriate to achieve 1 and 2 above.	Council
	2. Prescribe controls.	Council
Implementation Phase	1. Provide management strategies to developers.	Council
	2. Apply management guidelines in the investigation and planning of future development.	Developer
	3. Evaluate proposal including information submitted by developer as required by the management guidelines.	Council
	4. Apply conditions of approval (reasons for refusal) on basis of management guidelines.	Council
	5. Comply with conditions of approval.	Developer/ landowner
Ongoing	Plan of management for identified heritage item.	Council/ developer

ABORIGINAL HERITAGE

The study brief for the Ingleside/Warriewood Aboriginal Archaeological Study on which this action plan is based identified as its fundamental goal the following:

To investigate, define and provide planning guidelines and management strategies, for the investigation, identification and protection, where warranted, of known, or expected Aboriginal heritage resources within the study area, during the planning and development phases of urban land release and in the long term.

In accordance with the study brief, the report provides a detailed assessment of known Aboriginal archaeological resources within the study area and an evaluation of the likelihood of the existence of further items together with recommended planning guidelines and management strategies.

The principle recommendations of the report are as follows:

- That Pittwater Council include a Conservation Policy on Aboriginal heritage in relevant statutory planning instruments;
- That Pittwater Council include in statutory planning instruments, the assessment requirements for identification of Aboriginal sites as identified in the study report;
- That Pittwater Council implement the recommendations for management of sites already recorded within the release area as specified for each site;
- That Pittwater Council produce a management plan for the special reserve incorporating sites identified in the report;
- That Pittwater Council implement the management procedures as set out in the report;
- That Pittwater Council ensures all information relating to the location of sites remains confidential.

To support these recommendations, the study provides the following:

- Identification of known Aboriginal sites and resources;
- A map showing the likelihood of the occurrence of currently unknown Aboriginal resources;
- Recommendations for the management of sites already recorded within the release area;
- Recommended procedures for the identification of currently unknown resources during the development phase and appropriate management of those resources.

The application of the study outputs has been incorporated into the following action plan which prescribes the tasks to be carried out to achieve the study goal.

The action plan designates the required action, its timing in the release process, and the appropriate authority or body responsible for specific tasks.

Table 13 – Aboriginal heritage action plan

Timing	Action	Responsibility
Planning Phase	1. Identify items requiring specific preservation.	Council
Allocate land uses for sectors designated for release	2. Consult with NPWS and appropriate Aboriginal groups.	Council
	3. Prepare a Register of Sites (register and map).	Council
	4. Prepare management guidelines for development specifying management procedures to be applied at development application, approval and construction stages.	Council
Preparation of LEP/DCP	1. Zone land as appropriate to achieve 1 and 2 above.	Developer/ landowners
	2. Prescribe controls.	
Implementation Phase	1. Provide management strategies to developers.	Council
	2. Apply management guidelines in the investigation and planning of future development.	Developer
	3. Evaluate proposal including information submitted by developer as required by the management guidelines.	Council
	4. Apply conditions of approval (reasons for refusal) on basis of management guidelines.	Council
	5. Comply with conditions of approval.	Developer
Ongoing	1. Plan of management for identified Aboriginal heritage item.	Council

URBAN DESIGN

An important component of the development in the Warriewood Valley will be to ensure that the final built form adds to the environment of the area and the wider community.

It is imperative that the community's desire for a higher standard of development incorporates architectural innovations, a diversity of housing styles and forms, acknowledgment of topographical and natural features with a need for a sense of community and belonging to the estate which is integrated into the wider community. In particular, the following issues are an important component for the urban design for the future development of Warriewood Valley:

- Ensure an integrated approach to each sector that achieves model development through best practice design and community acceptance;
- Ensure that the bulk, scale and form and external finishes of development are compatible with the surrounding development and the colours and textures existing in the local area;
- Encourage community focal points within the estate;
- Encourage the separation of buildings and/or grouping of buildings to provide opportunities for screen planting and landscaping between the buildings;
- Encourage architectural initiatives in design through modulation, building indents, varied window design, setbacks, landscaping and external finishes;
- To encourage energy efficiency through appropriate design and use of materials;
- To encourage development, when viewed from the street, to achieve an overall sense of unity without limiting initiatives in design or exterior finishes;
- Encourage by appropriate design adequate levels of sunlight and privacy, efficient layout of rooms, provision of private open space, security and detachment from neighbours;
- Encourage design which blends with the natural surrounding environment rather than dominating it;
- Ensure that any building, where the site adjoins a creek line, open space or road is not visually dominant;
- To encourage the minimisation of site disturbance and use of soil conservation practices to conserve existing site features and vegetation;
- Retain where possible existing natural vegetation and thereby reduce the impact of stormwater and nutrients that encourage dieback, weed infestation runoff and siltation;
- Promote the use of native trees and shrubs which occur in that locality. Such to be integrated with any "exotic" plantings to enhance the overall amenity of the area and its visual context;
- Limit hard paved areas thereby providing the maximum landscaping area possible;
- Encourage environmentally sensitive water management and site management techniques;
- Encourage appropriate buffer areas between incompatible land uses;
- Provide for innovation in the engineering design for infrastructure which complements the design of the development and is consistent with Council's environmental values.

These matters have been incorporated into Pittwater 21 DCP as controls applicable to new developments in Warriewood Valley.

FINANCIAL

The release of land in Warriewood Valley for urban development has major financial ramifications for all stakeholders involved in the development process.

This includes land owners/developers, relevant Government infrastructure providers as well as Pittwater Council. In broad terms, the success or otherwise of the land release will be to some extent measured by the financial implications which arise from the release area.

In particular, Council's major concerns with the financial implications of the release will be highlighted through the development of a Section 94 Contributions Plan under the *Environmental Planning and Assessment Act 1979*. These contribution plans will identify the level of community facilities and public infrastructure required to service the incoming population associated with the land release and identify how the funding of these facilities will occur.

Council has to ensure that the development of land in Warriewood Valley does not put any significant cost impact on the existing Pittwater community. In this regard, a major goal of the planning process for the release area is to ensure that the release area remains cost neutral for the Pittwater Council and wider community.

The following action plan indicates how this financial objective can be achieved for Council and what parts need to be undertaken to achieve this goal.

The action plan designates the required action, its timing in the release process and the appropriate authority or body responsible for specific tasks.

Table 14 – Financial action plan

Timing	Action	Responsibility
Planning Phase	1. Develop Section 94 Contribution Plans to identify public infrastructure and community facilities and how funded.	Council
	2. Quality assurance of plans.	Council
Implementation Phase	1. Implement Section 94 Contributions Plans.	Council/ developer
	2. Continually review and refine Section 94 Contributions Plans as implemented.	Council

LAND USE SELECTION

The form and scale of development that is to occur within the release area will depend on the capability of the land to support development (as indicated by the environmental and demographic studies), the ability to provide infrastructure and the characteristics of the particular land use types that might occur.

To facilitate the selection of land uses for individual areas of land within the release area, Council has prepared Draft Land Use Policy Sets and *Draft Land Use Models* to provide an accountable methodology for land use selection and planning.

Draft Land Use Policy Sets

The *Draft Land Use Policy Sets* lists possible land uses which may occur within the land release and discusses each of those land uses in terms of suitability in relation to the environmental attributes of the area. The document also outlines relationships between land uses in terms of compatibility to assist in determining the appropriateness of adjoining land uses.

When applied together with the outputs of the environmental studies, this document provides a basis for determining a range of appropriate land uses for a particular land unit, and provides an indication of the compatibility of land uses for adjoining land units.

Draft Land Use Models

The *Draft Land Use Models* contains descriptive representations of various types of land uses that may form part of the Warriewood Valley Urban Land Release. The Development Models have been provided for a range of forms and densities of residential use, community facility use, retail/service uses, light industrial uses, open space and recreational uses as generally outlined in the land use policy set.

Each model provides an explanation of the particular land use together with locational guidelines and other relevant information. The Development Models also provide an outline of locational criteria in relation to the environmental studies. Suitable land classes in terms of vegetation conservation, fauna conservation, land capability and visual impact, among others, have been identified from most land uses.

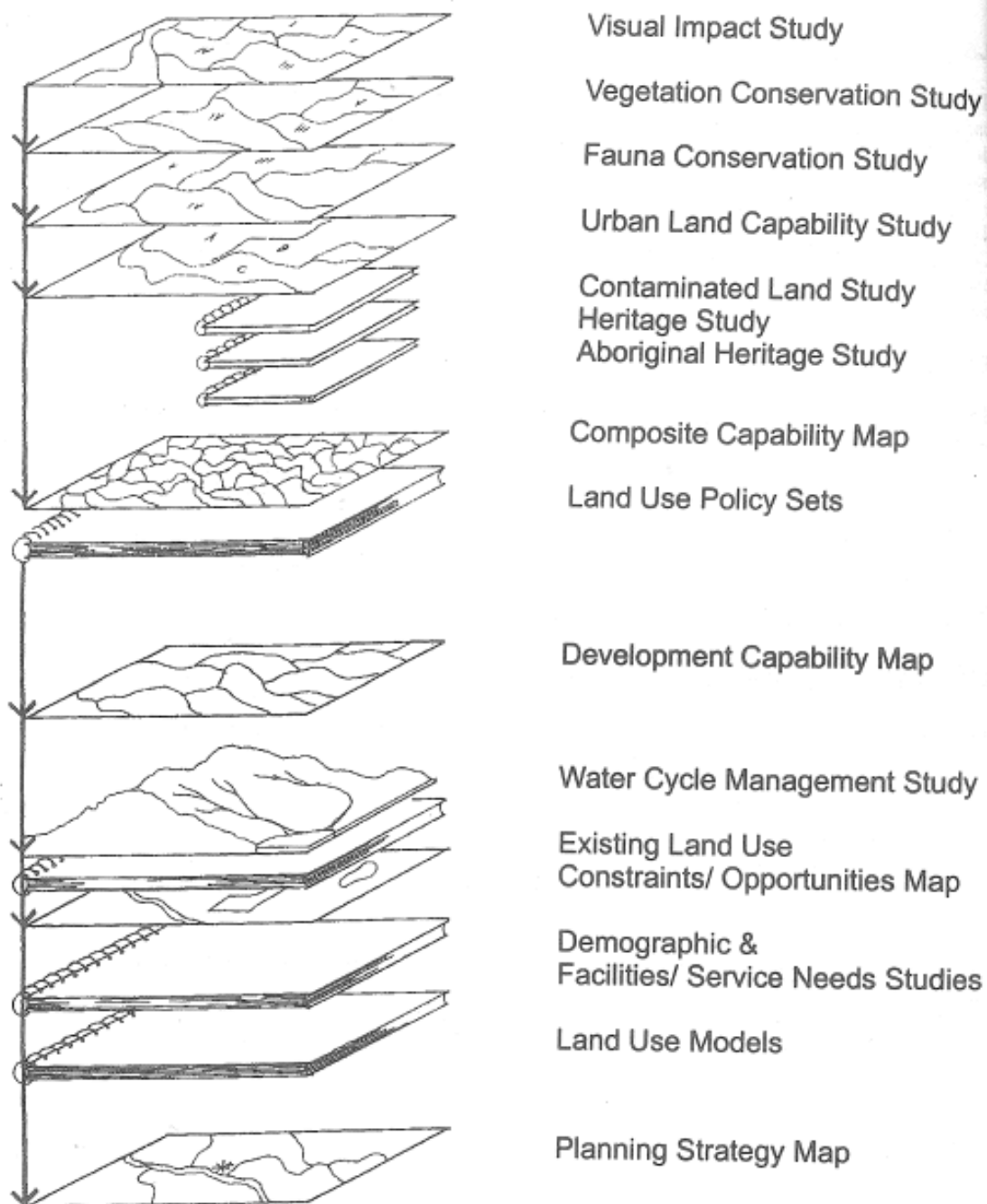
The models will be used to assist the detailed planning for the release area, determination of dwelling density, and the formulation of future Local Environmental Plans and Development Controls.

Planning methodology

The following briefly describes the methodology which has been used to develop the planning framework for the release area.

The methodology is an integrated process that draws together the information and strategic outcomes from the array of detailed environmental and demographic studies undertaken for the release area. The planning methodology is illustrated in the following diagram:

Figure 3 – Planning methodology diagram



Planning Methodology Diagram

Warriewood Urban Land Release Area

The environmental studies have identified and located the constraints and opportunities for urban development imposed by the existing physical and cultural environment of the release area. These studies have also provided planning guidelines and management strategies that aim to reduce the impact of urban development on the environment of the release area.

In particular, four key environmental studies (urban land capability, vegetation conservation, fauna conservation and visual impact) have each classified and mapped land areas according to their suitability for urban land uses. These four studies mapped land on a classification based approach with Class A (or 1) lands being the most suitable for urban purposes while Class E (or 5) lands comprised high environmental constraints and hence was of minimal urban development potential.

These four studies provide the basis for determining the development capability of land in the release area. The remaining environmental studies (Aboriginal heritage, heritage and contaminated land), prescribe actions and controls to be undertaken to facilitate development rather than a broadscale limitations on development types.

When the classification maps of each of the four environmental studies (urban land capability, vegetation conservation, fauna conservation, and visual impact) are overlaid, a composite capability map is produced. This map consists of a large number of areas each of which have a particular combination of classes from each of the four studies which classify development capability. Refer to Appendix 1 for the series of maps that inform the Development Capability map.

The *Draft Land Use Policy Sets* provides a basis for allocating land uses to areas with a particular combination of capability classes from the environmental studies. This document describes the possible range of land uses for the release area and provides policies that may exclude certain land uses from areas with capability classes considered unsuitable for those uses. The policies enable preferred land uses to be allocated to areas where these uses are sustainable, and suitable, based on sound principles of ecological planning.

The individual areas on the composite map which have a similar range of preferred land uses will also have a similar potential for development. Hence, a Development Capability Map may be produced by grouping these individual areas where they have similar ability to support development or conservation land uses.

A Development Capability Map for the release area which comprises six classes of land has been produced:

- Class 1 - High development capability
- Class 2 - Medium high development capability
- Class 3 - Medium development capability
- Class 4 - Restricted development capability
- Class 5 - Low development capability (conservation value)
- Class 6 - Minimal development capability (high conservation value)

<u>Class 1</u>		<u>Class 2</u>			
A11a	B11a	A13a	B23a	C11a	D11a
A21a	B*11a	A23a	B31a	C21a	D21a
A31a	B21a	A24a	B41a	C31a	
A41a	B*21a	A33a	B51a		
		A51a			

Class 3					Class 4				
A23d	B*15a	C24a	D31a	E11a	A13e	B*15d	C51e		E*15a
A34a	B21e	C51a	D51a	E*11a	A14d	B23d	C53a		E51a
A44a	B24a			E21a	A15d	B23e	C54a		
A53a	B34a			E*21a	A15e	B24d			
A54a	B44a			E31a	A23e	B33d			
	B53a				A24d	B33e			
					A24e	B34d			
					A33d	B51d			
					A34d	B51e			
					A33e	B54a			
					A25d				
					A24e				
					A34e				
					A44d				
					A51e				
					A53e				
					A54d				
Class 5					Class 6				
A25e	B*15e	C23e	D23e		A55e	B54e	C25e	D24e	E23e
A44e	B24e	C24e	D24d			B55d	C34e	D34e	E24d
A54e	B25d	C33d				B55e	C53e	D33e	E24e
A55d	B25e	C33e					C54d	D53e	E*25d
	B34e						C54e	D54d	E*25e
	B44d						C55e	D54e	E33d
	B44e							D55d	E34e
	B53e							D55e	E51c
	B54d								E53e
									E54d
									E54e
									E55d
									E55e
									E*15d

Table 15 – Development capability classes in relation to study classifications

Note: Order of study classification: land capability, visual impact, vegetation conservation, fauna conservation e.g. A23d is a discrete area having the following environmental study classifications:

- *Land capability:* A
- *Visual impact:* 2
- *Vegetation conservation:* 3
- *Fauna conservation:* d

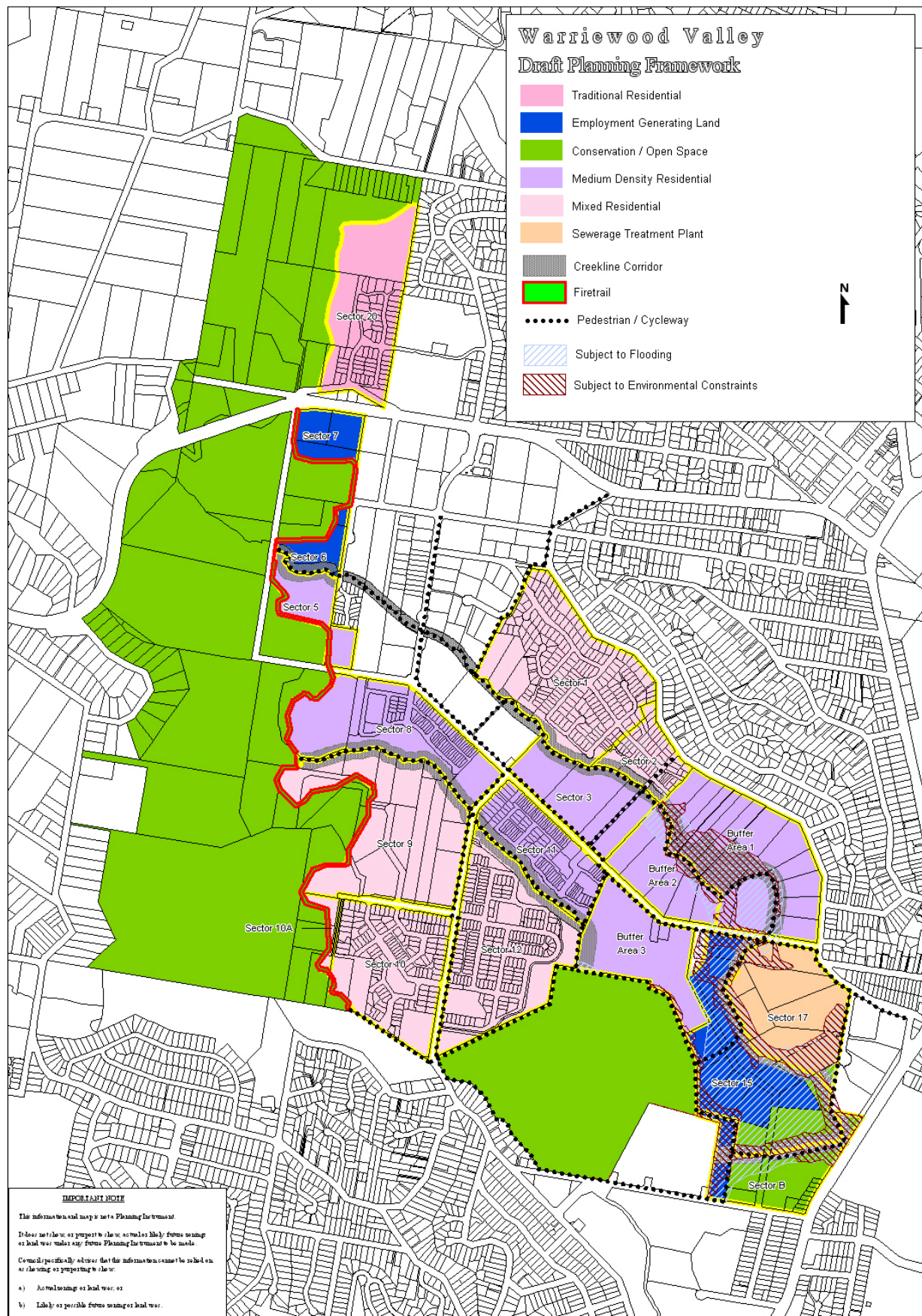
A key component of the natural and built environment is the management of storm and waste water. Accordingly, the strategic outcomes of the Ingleside/Warriewood Water Cycle Management Study and Integrated Water Management Strategy are integral to those of the natural environmental studies (Vegetation Conservation, Fauna Conservation and Land Capability). Many key recommendations of the water management strategies overlap with those of the environmental studies and together provide a framework for the total catchment management of the release area. Of particular importance in this regard, is the need to preserve creekline corridors, floodways and wetlands.

Other factors, apart from development capability, will influence the suitability of land to be used for various urban and associated land uses. Of particular importance is the constraints/opportunities imposed by existing land uses within or adjacent to the study area, such as roads and State Government facilities. In addition, land in public ownership or land which Council has an interest in (for drainage or other purposes) may also influence the allocation and suitability of land uses. Maps depicting the constraints/opportunities are in Appendix 1 of this document.

A land use allocation map has been prepared by dividing the land release study area into sectors. The boundaries of the sectors relate to natural features (such as creeks, ridgelines, escarpments etc), cadastral boundaries and development capability.

A proposed range of suitable land uses for each sector including Principal Land Use, Secondary Land Use and Ancillary Land Uses based on the Development Capability Map, Draft Land Use Policy Sets and Draft Land Use Models can then be nominated. The principal land use for each sector has been mapped on the land use allocation map. This Map is the Warriewood Valley Planning Framework 2010 map (as shown on following page).

Figure 4 – Planning framework 2010



DEVELOPMENT DENSITY AND POPULATION PROJECTIONS

Based on the allocation of differing land uses for each sector, population projections have been prepared.

The following table apply the land use selection process outlined in the *Draft Land Use Policy Sets* and *Draft Land Use Models* to the development capability assessment of land in Warriewood Valley.

The development capability of each sector provides a range of options for land use. These options are considered in light of adjoining land uses and the objective to provide an appropriate mix of development with a focus on residential land use.

The process determines a principal land use, and any secondary land uses, for each sector, and where the land use is designated for residential use, allocates a dwelling density and population projection taken from the *Draft Land Use Models* for that part of the sector suitable for that use.

Where secondary uses have been nominated, the area allocated for this use is not taken into account in determining population projections.

As a result of the review undertaken in 2009, this table also shows land that has not yet been developed or, in certain areas, land not yet rezoned for residential development.

Table 16 – Development density and population projection as estimated in 1997 (updated following Draft STP Buffer Sector Planning Framework 2001)

Sector		Land Capability & Land Use Possibilities				Land Suitability			Determination of Land Use and Density Identification						Status (November 2009)
Sector number	Capability Classes	Area (Ha)	Possible Land Uses	Preferred Land Uses Primary Secondary		Adjoining Land Uses	Compatibility	Buffer	Land Use	Dwellings Per Ha	Area (Ha)	Total Dwellings	Occupancy Rate	Population	
1	1 5	16.8	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Industrial Residential Conservation	Low High Low	Yes Nil Yes	Principal Mixed Resid.	15	12.7	195	2.8	546	1 lot undeveloped (101)
									Secondary Cons.	-	4.1	-	-	-	
2	1 5	4.8	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Industrial Residential Conservation	Low High Low	Yes Nil Yes	Principal Mixed Resid.	15	3.7	51	2.8	143	✓
									Secondary Cons.	-	1.1	-	-	-	
3	1 5	8.2	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Residential Conservation	High Low	Nil Yes	Principal Medium Density	25	6.6	165	2.8	462	3 lots undeveloped (301, 302 and 303)
									Secondary Cons.	-	1.6	-	-	-	
5	1 2 6	3.7	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	Cons.	Residential Conservation Industrial	High Low Low	Nil Yes Yes	Principal Medium Density	25	3.0	75	2.8	210	Not yet rezoned
									Secondary Cons.	-	0.7	-	-	-	
6	1 4 6	2.3	Residential Commercial Industrial Recreation Conservation Community Service	Indust.	Cons.	Industrial Conservation	High Low	Nil Yes	Principal Industrial	-	2.3	-	-	-	✓
									Secondary -	-	-	-	-	-	
7	1 2 4	3.0	Residential Commercial Industrial Recreation Conservation Community Service	Indust.	Cons.	Commercial Conservation	High Low	Nil Yes	Principal Commercial	-	3.0	-	-	-	2 lots undeveloped
									Secondary -	-	-	-	-	-	

8	1 2 3 5 6	13.1	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	Cons.	Residential Conservation	High Low	Nil Yes	Principal Medium Density	25	10.5	263	2.8	736	1 lot undeveloped
									Secondary Cons.	-	2.6	-	-	-	
9	1 2 5 6	17.1	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Residential Conservation	High Low	Nil Yes	Principal Mixed Resid.	15	13.7	205	2.8	577	Not yet rezoned
									Secondary Cons.	-	3.4	-	-	-	
10	1 2 3	13.9	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Residential Conservation	High Low	Nil Yes	Principal Mixed Resid.	15	11.1	167	2.8	468	2 lots undeveloped (Sector 10A not yet rezoned)
									Secondary Cons.	-	2.8	-	-	-	
11	1 5	8.2	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Residential	Low	Nil	Principal Medium Density	25	6.6	165	2.8	462	✓
									Secondary Cons.	-	1.6	-	-	-	
12	1 3 4 5 6	17.4	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Residential Conservation	High Low	Nil Yes	Principal Mixed Resid.	15	8.7	131	2.8	367	✓
									Secondary Cons.	-	8.7	-	-	-	
20	1 4 5	12.3	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	-	Residential	Low High	Yes Nil	Principal Traditional Resid.	8	11.1	89	2.8	249	✓
									Secondary Restricted Resid.	2.5	1.2	3	2.8	9	
101 (STP Buffer 1)	1 3 4 5 6	15.7	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	Cons. Rec.	Residential Commercial Industrial Conservation	High Low Low Low	Nil Yes Yes Yes	Principal Mixed Resid.	15	9.1	136	2.8	381	All lots undeveloped
									Secondary Cons./Rec.	-	7.0	-	-	-	
102 (STP Buffer)	1 3 4	6.1	Residential Commercial Industrial	Resid.	Cons. Rec.	Residential Commercial Industrial	High Low Low	Nil Yes Yes	Principal Medium Density	25	5.0	125	2.8	350	0.5 lot undeveloped

2)	5 6		Recreation Conservation Community Service			Conservation	Low	Yes	Secondary Cons./Rec.	-	1.4	-	-	-	
103 (STP Buffer 3)	1 3	8.4	Residential Commercial Industrial Recreation Conservation Community Service	Resid.	Cons. Rec.	Residential Commercial Industrial Conservation	High Low Low Low	Nil Yes Yes Yes	Principal Medium Density	25	6.0	151	2.8	423	All lots undeveloped
									Secondary Cons./Rec.	-	1.7	-	-	-	
104 (Sector 17)	1 3 4 6	-	Commercial Industrial Recreation Conservation	STP	Cons. Rec.	Residential Commercial Industrial Conservation	Low Low Low Low	Yes Yes Yes Yes	Principal STP	-	10.7	-	-	-	-
									Secondary Cons./Rec.	-		-	-	-	-
105 (Sector 15)	1 3 4 5 6	-	Commercial Industrial Recreation Conservation	Comm. Indust.	Cons. Rec.	Residential Commercial Industrial Conservation	Low High High Low	Yes Nil Nil Yes	Principal Comm./ Indust.	-	8.9	-	-	-	Not yet rezoned
									Secondary Cons./Rec.	-	5.2	-	-	-	-
106 (Sector B)	1 3 4 6	-	Residential Commercial Industrial Recreation Conservation Community Service	Cons. Rec.	-	Residential Commercial Recreation Comm. Serv. Conservation	Low Low High High High	Yes Yes Nil Nil Nil	Principal Cons./Rec.	-	9.6	-	-	-	Not yet rezoned

INITIATIVES TO ENCOURAGE RAPID DEVELOPMENT TAKE-UP

In 1997, development in Warriewood Valley was projected to be completed by 2012. Since mid-2008, there has been a slow-down in development in Warriewood Valley due to the global financial crisis and has had a significant impact on the Section 94 Contributions Plan in terms of receiving contributions to deliver the necessary infrastructure in a timely manner such that it is likely only 80% of the development will be completed by 2014/2015, and the remaining 20% being completed in the following 5 year period (that is, 2015-2020).

The extension of the development cycle and the fact that there is a 20% (approximate) “tail” of development that will not be completed within 5 years development is a result of the following factors:

- Properties with significant existing infrastructure investment, (i.e. Flower Power)
- Properties subject to relatively high levels of capital investment, (i.e. Sector 9)
- Land owners with low level of interest of development, (i.e. happy to live there)
- Properties where planning prescription does not provide sufficient financial incentive to encourage development (i.e. small existing residential properties in the industrial/ commercial area in the northern end of the Valley).

It is appropriate that through an orderly planning process, initiatives to encourage a more rapid completion of the development cycle be developed and implemented to address the range of issues preventing completion of the development cycle in Warriewood Valley.

The 2009 review has been timely as it enabled Council to examine ways to encourage rapid take up and identify the development ‘tail’, as these facts influence orderly planning and development of the land release.

These initiatives must be based on appropriate planning grounds and implemented so as to ensure that development of the Valley is achieved in accordance with the recommendations of the original environmental studies.

Major features to encourage development take up has been:

- Land that has not yet been developed or in certain areas, land not yet rezoned for residential development which in turn, resulted in the revision of the sector boundaries;
- Identified land capable of increasing dwelling yield (consistent with the density of 25 dwellings per hectare, in accord with the outcomes of the original, background environmental studies for Warriewood Valley).

The 2010 Revised Sectors map (on the following page) shows the revised sectors. The accompanying table (on page 69) estimates the dwelling yields for the revised sectors as well as the anticipated timing of development. The 5-10 year time period (being the years 2015-2020) is the “tail” of the development cycle.

Figure 5 – Warriewood Valley Urban Land Release Revised Sectors



Table 17 – Projected dwelling yields for revised sectors

Designated Residential Sectors					
Reviewed Sectors	Address	Dwelling Density (# dwgs/ha)	Number of Dwellings	Constraint to Development Progressing	Timing Phase
101	165-167 Warriewood Road	No change (15/ha)	1	Already zoned 2(f). Original owner; no environmental impediment for redevelopment	5-10 years
301	20 Macpherson Street	No change (Already 25/ha)	42	Already zoned 2(f) however, existing nursery development on site (current owners not looking at redevelopment to residential)	5-10 years
302	18 Macpherson Street	No change (Already 25/ha)	66	Recently sold to new owners, likely to proceed development	1-2.5 years
303	16 Macpherson Street	No change (Already 25/ha)	23	Already rezoned 2(f). Further liaison required between Council officers and owners	2.5-5 years
501	4 & 8 Forest Road	No change (Already 25/ha)	75	Already under LEP Amendment process – likely to be completed end 2010	1-2.5 years
801	23B Macpherson Street	No change (Already 25/ha)	19	Nominated site for Focal Neighbourhood Centre	1-2.5 years
901	11, 12 and 13 (Sector 8); 10 Fern Creek Road; Part of 2, 4 and 6 Orchard Street; and 204 and 206 Garden Street	25/ha (with 15m street frontage)	180	Still to be rezoned 2(f)	2.5-5 years
902	9 Fern Creek Road	<i>No dwgs (Council land)</i>	0 (9*)	N/A	N/A
903	Part of 2, 4 and 6 Orchard Street; 204 and 206 Garden Street; and 2A, 4A and 6A Orchard Street**	10/ha (with 15m street frontage)	9	Still to be rezoned 2(f)	1-2.5 years
904	1 and 2 (and Part of 4 and 5) Fern Creek Road; 12 and 14 Orchard Street; and 8 Orchard Street**	10/ha	42	Still to be rezoned 2(f)	5-10 years
905	4 and 5 Fern Creek Road	10/ha	14	Still to be rezoned 2(f)	5-10 years
10A.1	115 Orchard Street	No change (15/ha)	8	Still to be rezoned	5-10 years

10A.2	111, 111A and 113 Orchard Street	No change (15/ha)	6	Still to be rezoned	5-10 years
Total dwellings			927		

* Potential dwelling yield subject to review of infrastructure provision

** Orchard Street road reservation (Council land)

Designated Residential Sectors (cont.)					
Reviewed Sectors	Address	Dwelling Density (# dwgs/ha)	Number of Dwellings	Constraint to Development Progressing	Timing Phase
10B	109 Orchard Street	No change (15/ha)	28	Already rezoned 2(f). Further liaison required between Council officers and owners	5-10 years
Buffer 1a	61 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	Proposed increase in density requires rezoning (LEP Amendment)	1-2.5 years
Buffer 1b	53 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	Proposed increase in density requires rezoning (LEP Amendment)	1-2.5 years
Buffer 1c	53A Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	13	Proposed increase in density requires rezoning (LEP Amendment)	2.5-5 years
Buffer 1d	53B Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	1	Proposed increase in density requires rezoning (LEP Amendment). Access arrangements may delay timing of development	2.5-5 years
Buffer 1e	53C Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	11	Proposed increase in density requires rezoning (LEP Amendment). Access arrangements may delay timing of development	2.5-5 years
Buffer 1f	49 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	14	Proposed increase in density requires rezoning (LEP Amendment). Access arrangements may delay timing of development	1-2.5 years
Buffer 1g	45 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	Proposed increase in density requires rezoning (LEP Amendment). Access arrangements may delay timing of development	1-2.5 years

Designated Residential Sectors (cont.)					
Reviewed Sectors	Address	Dwelling Density (# dwgs/ha)	Number of Dwellings	Constraint to Development Progressing	Timing Phase
Buffer 1h	43 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	1	Proposed increase in density requires rezoning (LEP Amendment). Access arrangements may delay timing of development	1-2.5 years
Buffer 1i	41 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	27	Proposed increase in density requires rezoning (LEP Amendment). Access arrangements may delay timing of development	1-2.5 years
Buffer 1j	31 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	26	Proposed increase in density requires rezoning (LEP Amendment). Already under single ownership	2.5-5 years
Buffer 1k	29 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	14		2.5-5 years
Buffer 1l	23, 25 and 27 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	43		2.5-5 years
Buffer 1m	2 Macpherson Street	No change (no allocation)	0	N/A	N/A
Buffer 2a	4 Macpherson Street	Requires site specific design	Max 20	Proposed increase in density requires rezoning (LEP Amendment) and will require site specific design/masterplan to alleviate environmental constraints to maximum development potential	2.5-5 years
Buffer 3a	14-18 Boondah Road	25/ha	186	Proposed increase in density requires rezoning (LEP Amendment)	2.5-5 years
Buffer 3b	5 and 7 Macpherson Street	25/ha	7	Proposed increase in density requires rezoning (LEP Amendment)	2.5-5 years

DESIGNATED INDUSTRIAL SECTORS

Reviewed Sectors	Address	Land Area	Constraint to Development Progressing	Timing Phase
102	185 Warriewood Road	4,554m ²	Already zoned 4(b)	5-10 years
103	10C, 10D, 12A, 12B, 12C, 14A, 14B, 14C, 16A Ponderosa Parade	8,199m ²	Already zoned 4(b). Individual allotments with approximate 15m widths. Dimensions of individual site difficult to development on its own	5-10 years
104	3 Harris Street and 16 Apollo Street	595m ²	Dimension and shape of site difficult for redevelopment. Will require specific use and design (adjoining pedestrian pathway)	5-10 years
105	15 Jubilee Avenue	4,554m ²	Already zoned 4(b). Development consent issued	1-2.5 years
701	2 Daydream Street and 96 Mona Vale Road	29,812m ²	Already rezoned 3(e)	1-2.5 years

RANGE OF LOT SIZES

Residential development in Warriewood Valley is based on the premise of providing a range of lot sizes accommodating a mixture of development styles and forms. In this regard, a sector designated for mixed residential development has a net density lot size of 625m² this does not infer that all lots will be near that lot size.

For example, a mixed residential sector targeted to yield 200 lots at a net density of 625m² per lot could develop three lot types as part of an integrated design.

- Large lots adjoining an environmentally sensitive area which incorporates areas of vegetation protection area e.g. lots adjacent to a creekline corridor – 1000-1200m²
- Standard residential developments – 550-650m²
- Garden lots – 300-400m²

Rather than 200 x 625m² lots, an equivalent development density could consist of 35 large lots, 120 standard residential lots and 45 garden lots. Obviously there is a variety of combinations that can be used.

The detailed design for each sector will need to take into account its particular characteristics and produce an appropriate development proposal.

A series of representations of development alternatives and scenarios is shown in the following diagrams.

Figure 6 – Drawing A

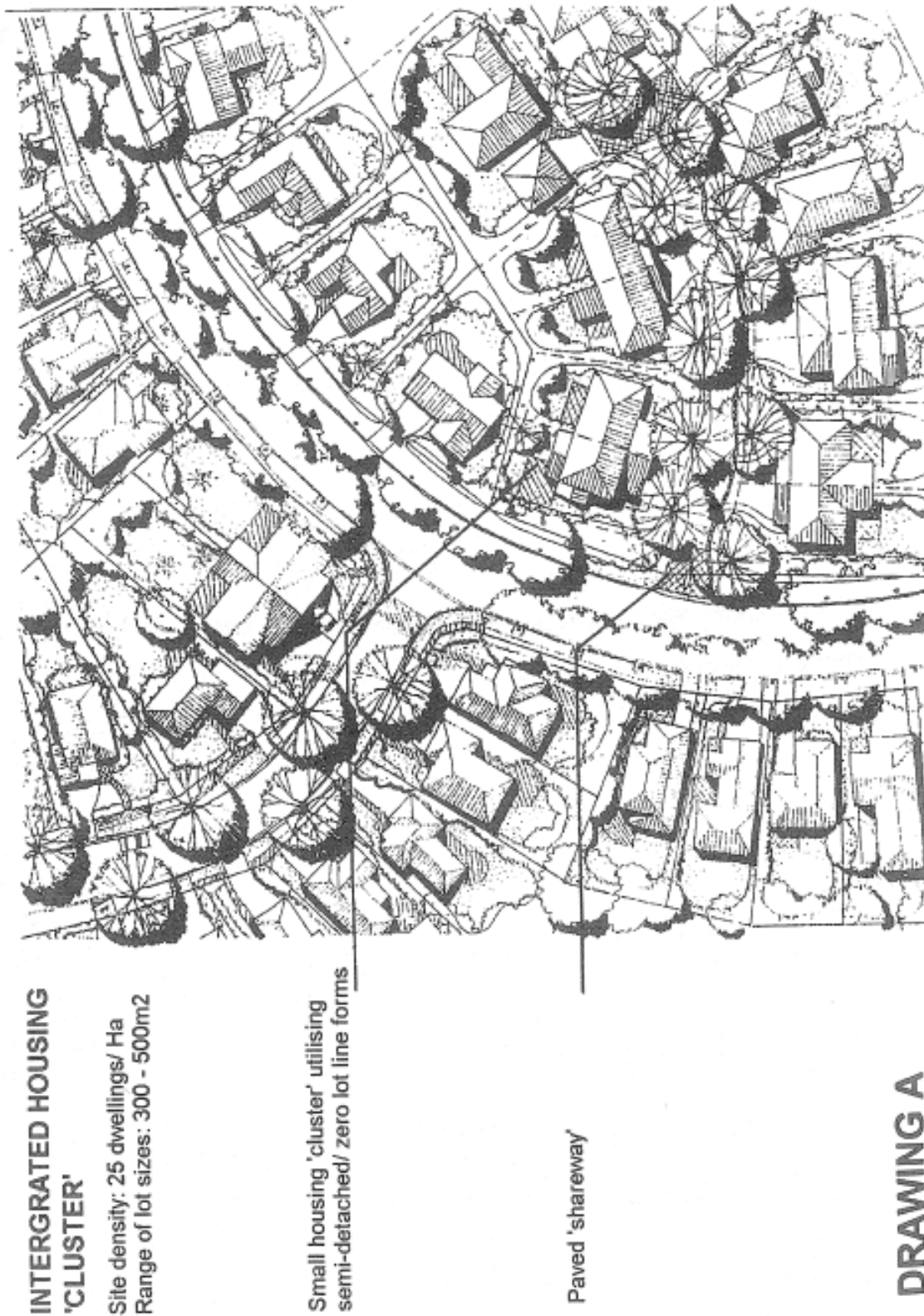


Figure 7 – Drawing B

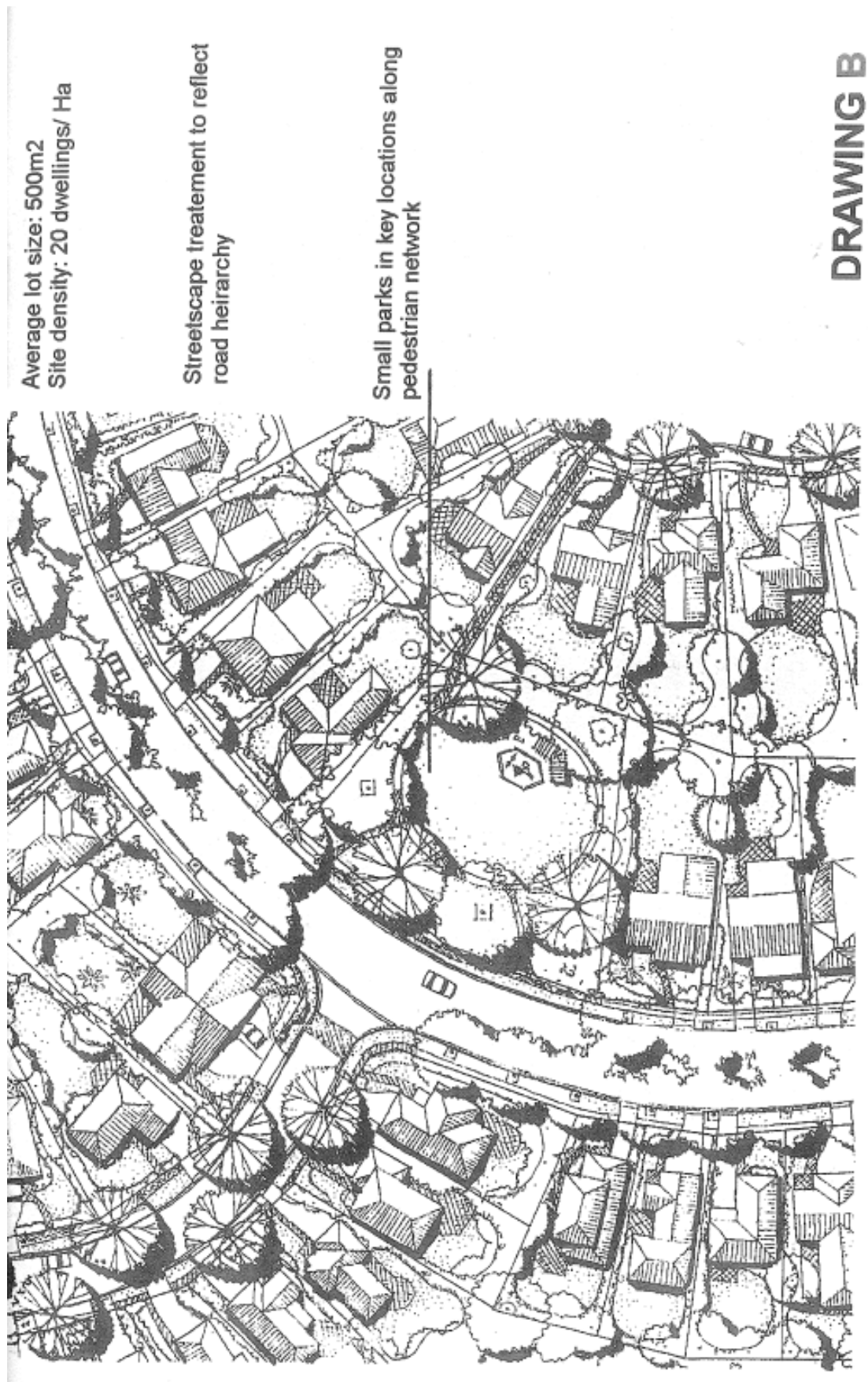


Figure 8 – Drawing C

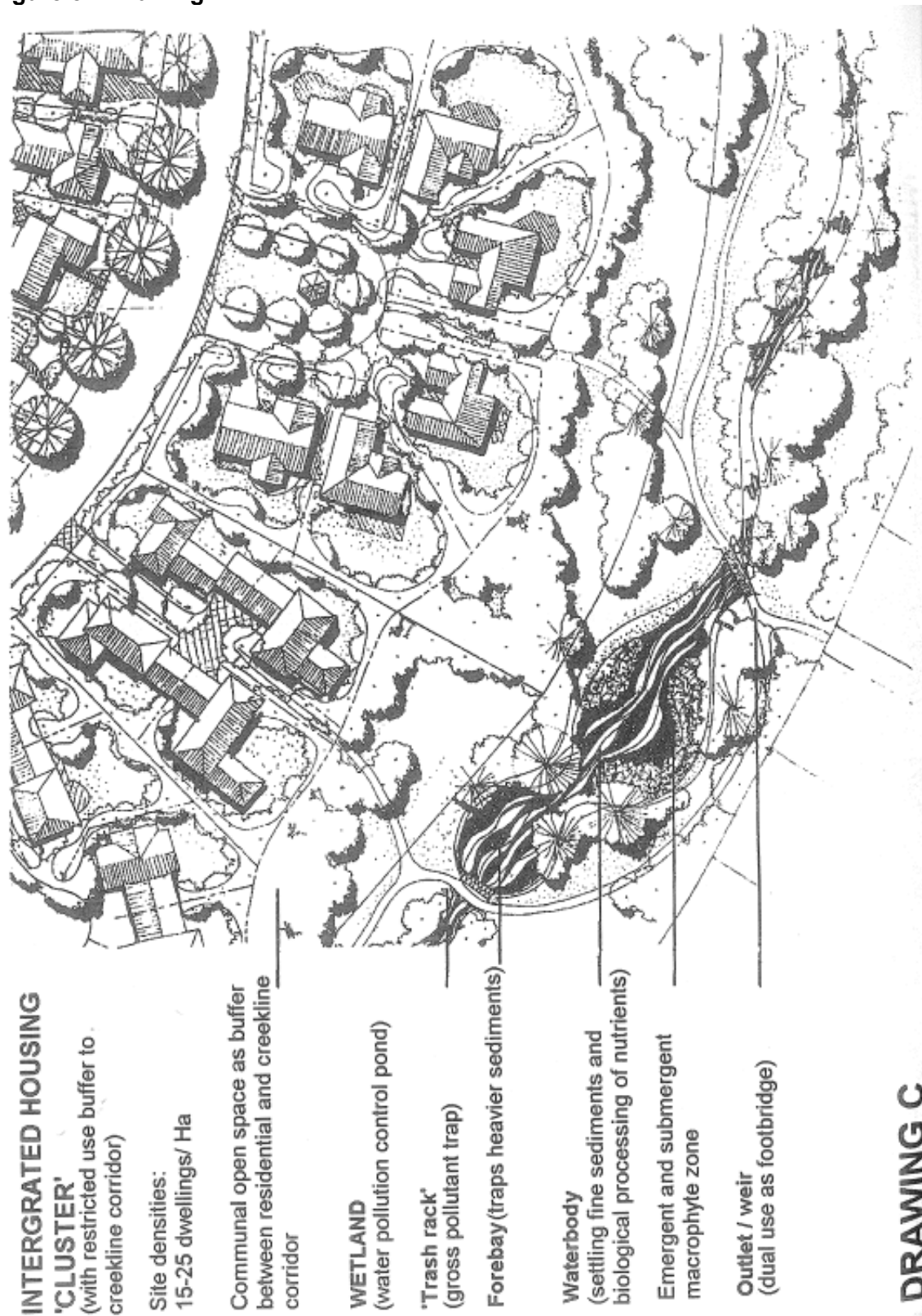


Figure 9 – Drawing D

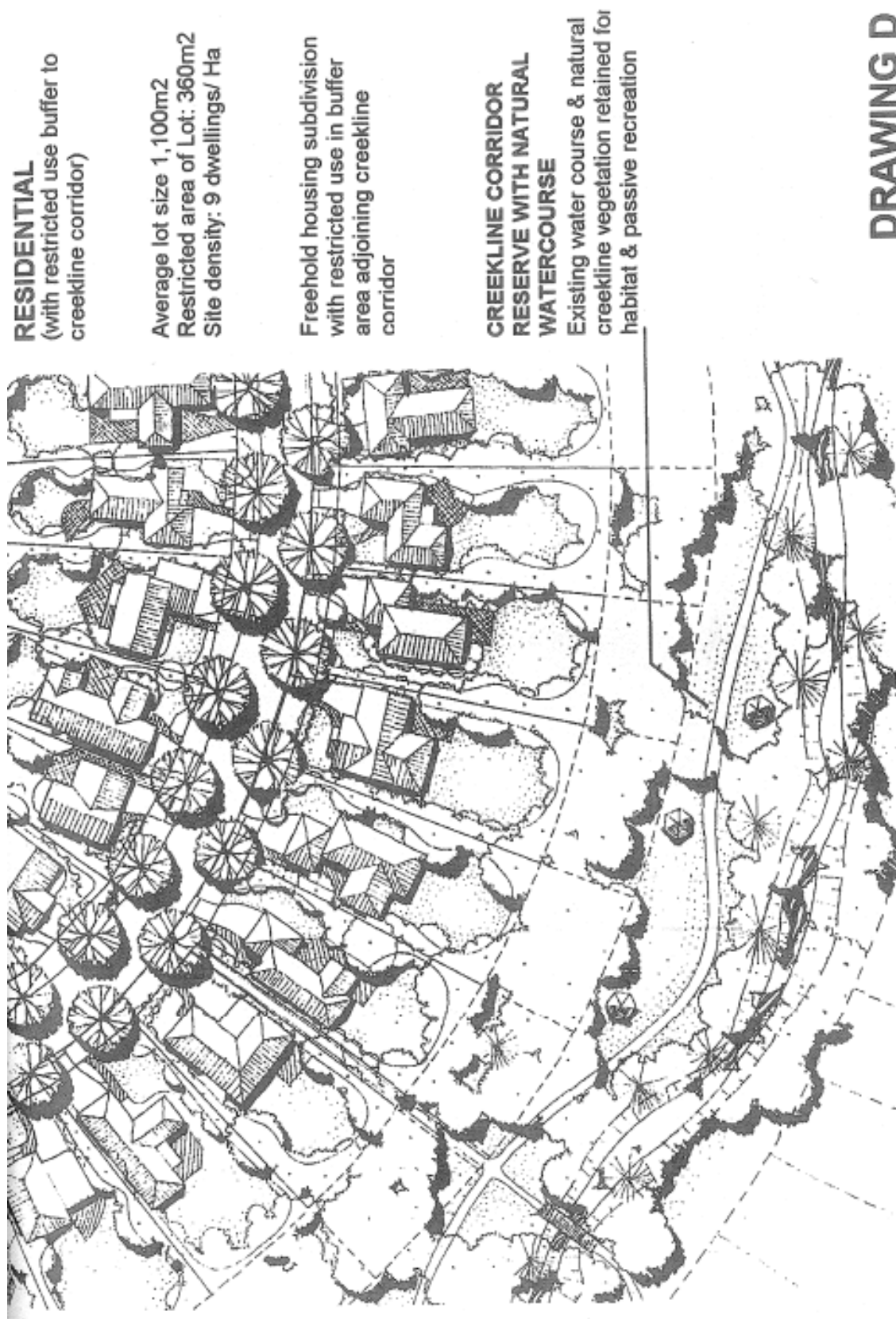
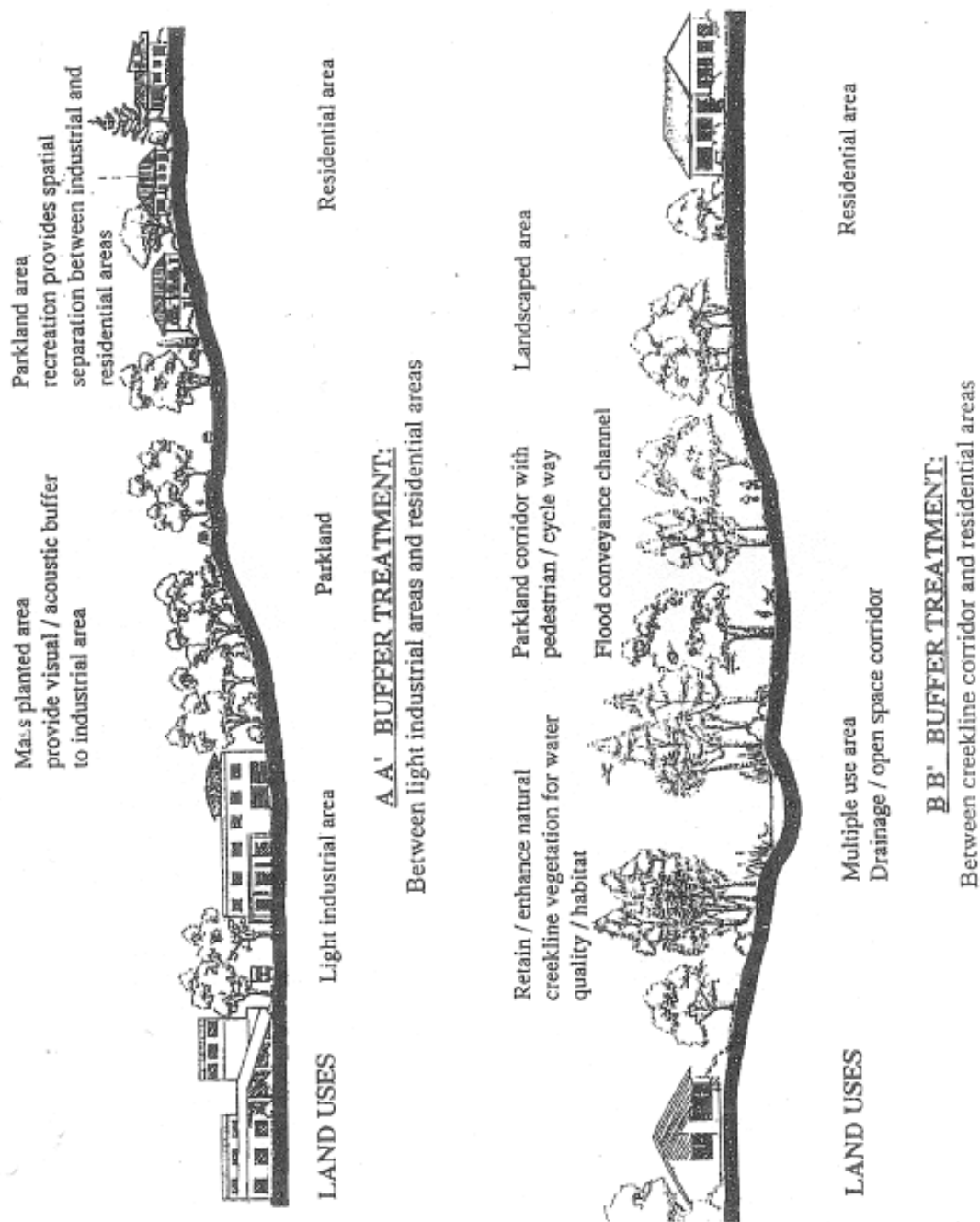


Figure 10 – Buffer treatment diagram



PROVISION OF COMMUNITY FACILITIES AND INFRASTRUCTURE

The area that makes up Warriewood Valley combined with the industrial/commercial and residential land in Stage 1 released for development in 1986, comprises an identifiable area creating its own specific needs in terms of community facilities and infrastructure.

While some individual sectors within the land release will be independently developed, the implementation of an overall “system” of community facilities and infrastructure will bind the developed sectors together. A coordinated approach to provision of these facilities and infrastructure is required to ensure a safe and amenable development outcome for future residents and occupiers.

Additionally, the final development must be compatible with surrounding development and land uses linking the new areas with established facilities, minimising any adverse effect on surrounding communities, land uses and environmental assets.

PRINCIPLES FOR THE PROVISION OF COMMUNITY FACILITIES AND INFRASTRUCTURE

Each of the categories of community facilities and infrastructure will need to be provided through the development process.

Council has two principle methods to achieve provision of infrastructure and facilities through the development process as follows:

- Direct provision by developers;
- The utilisation of Section 94 Contribution Plans to collect funds, which are in turn expanded to provide facilities and infrastructure.

In order to achieve provision of facilities and infrastructure as early in the development process as possible, it is appropriate that Council as much as possible rely on direct provision of facilities and infrastructure by developers. This can be through conditions of Development Consent or through utilisation of a Material Public Benefit, rather than relying on traditional Section 94 Contribution Plans principles, which sees Council collecting money from developers and providing facilities at a later date.

In particular, this traditional approach of relying on monetary contributions from Section 94 Contribution Plans causes delays in the provision of facilities and infrastructure. In addition, over the period of development it may see considerable pressure placed on the general community (through its Council) to fund construction in the interim periods between development commencing and overall development being completed.

Within each sector, facilities and infrastructure which directly relate to that development (i.e. local roads, footpaths, stormwater management facilities etc.) will be directly provided by the development process.

Only where the infrastructure and facilities are common to the overall development is there a need to provide an alternative method of provision, beyond direct provision, by the developer. That is, these infrastructure and facilities do not relate specifically to a particular development but are part of a "shared" system servicing the overall land release.

A Section 94 Contribution Plan, incorporating each category of community facilities and infrastructure, will be based on the following strategies, prior to development occurring.

STORMWATER MANAGEMENT FACILITIES **PROVISION STRATEGY**

Objective

To provide an overall stormwater management system which serves those areas within Warriewood Valley designated for urban development and ensures that stormwater does not adversely impact on private property, public land, or receiving waters.

Land to which this strategy applies

The strategy applies to all land in Warriewood Valley Urban Land Release together with the residential and industrial/commercial areas of Stage 1 (of the Warriewood Valley Urban Land Release) released in 1986.

Note: In 1997, part of Sector 1 was zoned for light industrial use under the 1986 Warriewood Valley Stage One Release. Its inclusion in the land release as residential land follows from Council decision based on the premise that there should be no financial disadvantage to Council in terms of its existing and future Section 94 liabilities.

The strategy applies to all of the land shown on the map, in that the provision of the drainage and stormwater management facilities, while being located along or adjacent to major watercourses through the Valley, provide a shared level of amenity for all these undeveloped areas designated for urban development.

On this basis, provision of community water management facilities by developers (either direct or indirect) should be proportional to the number of dwellings to be developed in the residential areas regardless of location or sector. Contributions from remaining land undeveloped in the Stage 1 industrial/commercial areas and proposed new industrial/commercial areas at the northern end of the Valley should be on a per m² basis.

Sector 20 is an isolated sector to the north of Mona Vale Road and drains towards Pittwater. As it is a single sector draining to independent receiving waters the implementation of stormwater management facilities and structures are isolated from those associated with the remaining development area and therefore should be treated independently and as part of the development process for that sector.

Combined use of land required for Stormwater Management Facilities

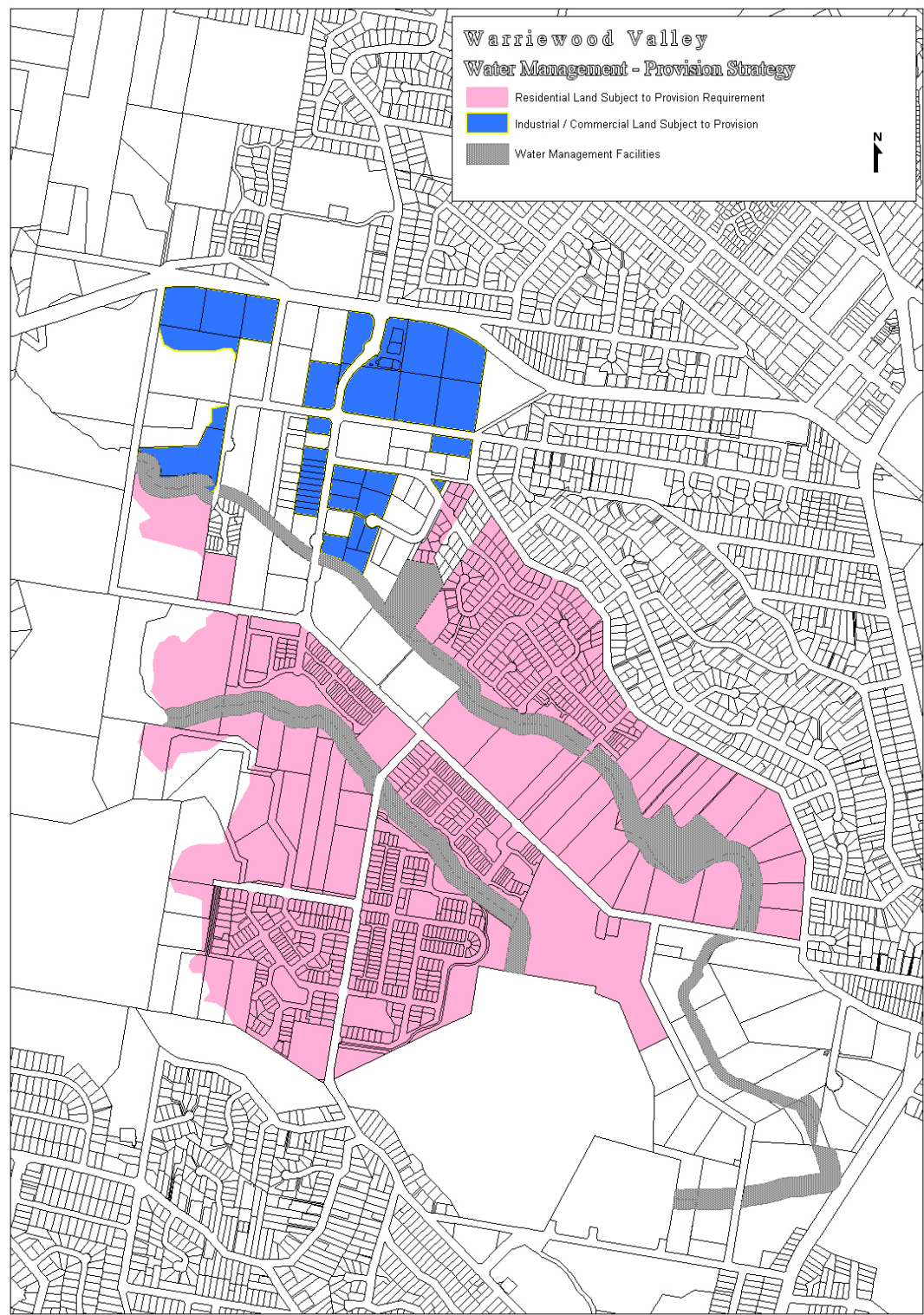
The Environmental and Demographic studies for the land release have identified a requirement for preservation of open space strips along natural watercourses flowing through the Valley including Narrabeen Creek, Mullet Creek and Fern Creek. These open space strips will need to include Stormwater Management structures designed in an environmentally sensitive way to achieve the combined objectives of both the Stormwater Management Strategy and the need to provide open space.

In this regard 30% of the land provided by residential development for the Stormwater Management Facilities can be credited towards open space contributions that would otherwise be required.

Opportunities for provision of facilities

Those sectors which have direct frontage to the water courses passing through the Valley allow an opportunity for developers to directly provide facilities. Remaining areas which are not adjacent to watercourses (including the underdeveloped properties in the industrial/commercial area) can be levied through Section 94 Plan Contribution or offered an opportunity to construct facilities on land already acquired by Council to the value of the contribution that would otherwise be payable.

Figure 11 – Water management



TRAFFIC AND TRANSPORT **PROVISION STRATEGY**

Objective

To provide an overall traffic and transport management system which serves those areas of Warriewood Valley designated for urban development.

Land to which this strategy applies

The strategy would apply to all of the land in Warriewood Valley Urban Land Release with the exception of Sector 20, together with the industrial/commercial and residential areas of Stage 1 of Warriewood Valley released in 1986 in the northern sections of the Valley.

Note: In 1997, part of Sector 1 was zoned for light industrial use under the 1986 Warriewood Valley Stage One Release. Its inclusion in the land release as residential land follows from Council decision based on the premise that there should be no financial disadvantage to Council in terms of its existing and future Section 94 liabilities.

The strategy requires the provision of the traffic and transport facilities at a shared level of amenity for all those undeveloped areas designated for urban development.

On this basis provision of traffic and transport facilities by developers (either direct or indirect) should be proportional to the number of dwellings to be developed in the residential areas regardless of location or sector. Contribution from remaining land undeveloped in the Stage 1 industrial/commercial and residential areas at the northern end of the Valley together with the adjoining sectors designated for industrial/commercial development should be on a per m² basis and relate to the traffic generation capacity.

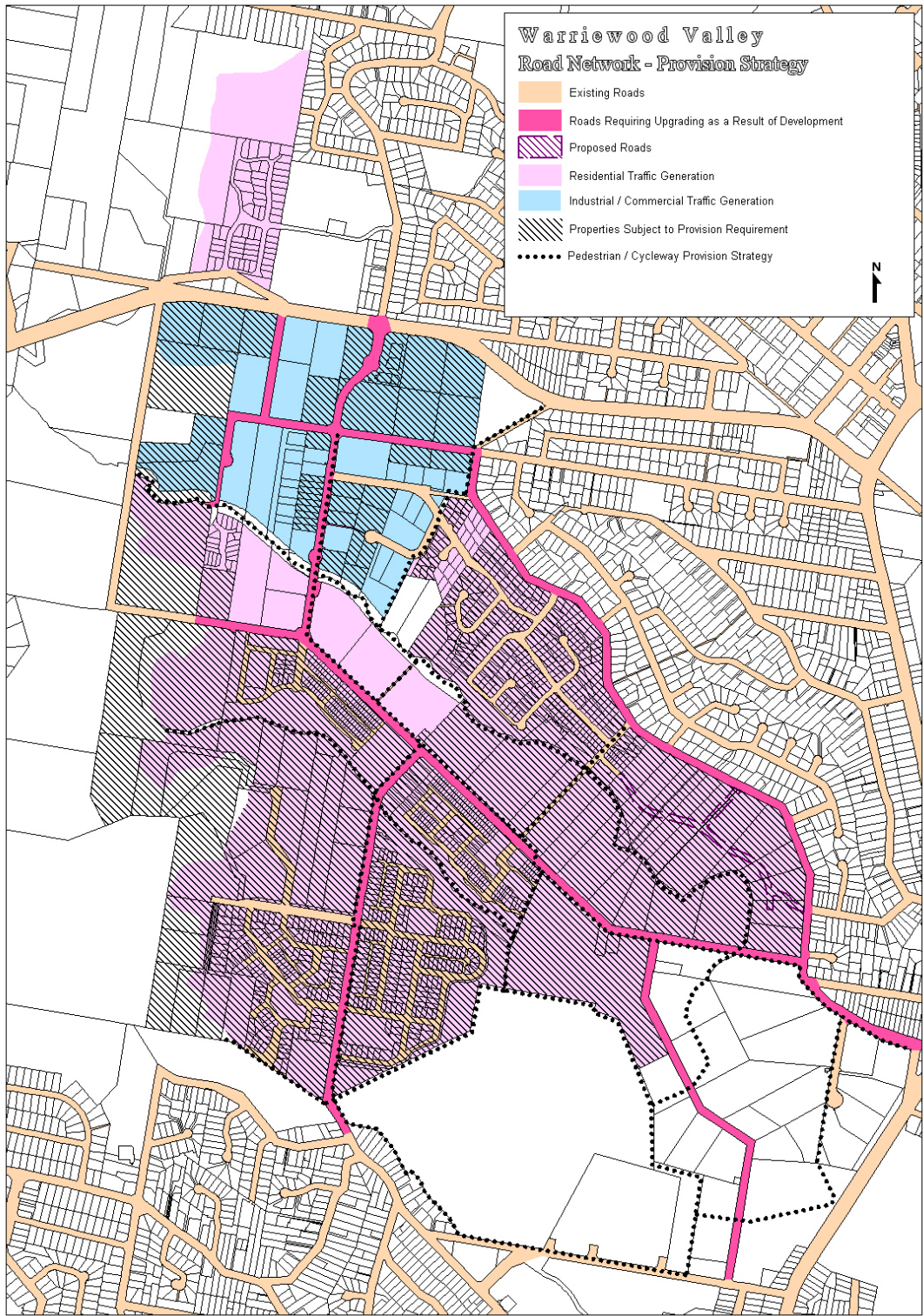
Sector 20 is an isolated sector to the north of Mona Vale Road. The implementation of its traffic and transport management facilities to service this sector is not associated with the remaining development area and therefore should be treated independently and as part of the development process for that section.

Opportunities for provision of facilities

All sectors that have direct frontage to road reserves where there is opportunity to directly provide facilities particularly half width road construction.

In addition to half road constructions there are significant opportunities for direct provision of traffic and transport facilities through construction of intersections, traffic control structures and bridges.

Figure 12 – Road network



BUSHFIRE PROTECTION TRAIL **PROVISION STRATEGY**

Objective

To provide a bushfire protection trail that serves those areas within Warriewood Valley designated for urban development to ensure that development is adequately protected by providing a bushfire trail and perimeter access where development abuts areas of high bushfire hazard.

Land to which this strategy applies

The strategy would apply to all of the land in Warriewood Valley Urban Land Release.

Note: In 1997, part of Sector 1 was zoned for light industrial use under the 1986 Warriewood Valley Stage One Release. Its inclusion in the land release as residential land follows from Council decision based on the premise that there should be no financial disadvantage to Council in terms of its existing and future Section 94 liabilities.

The strategy applies to all of the land shown on the map in that the provision of the bushfire protection facilities provide a shared level of amenity for all the undeveloped areas designated for residential and industrial/commercial urban development.

Provision of bushfire protection facilities by developers (either direct or indirect) should be proportional to the number of dwellings to be developed in the residential areas regardless of location or sector. Contribution from the new industrial/commercial areas at the northern end of the Valley should be on a per m² basis.

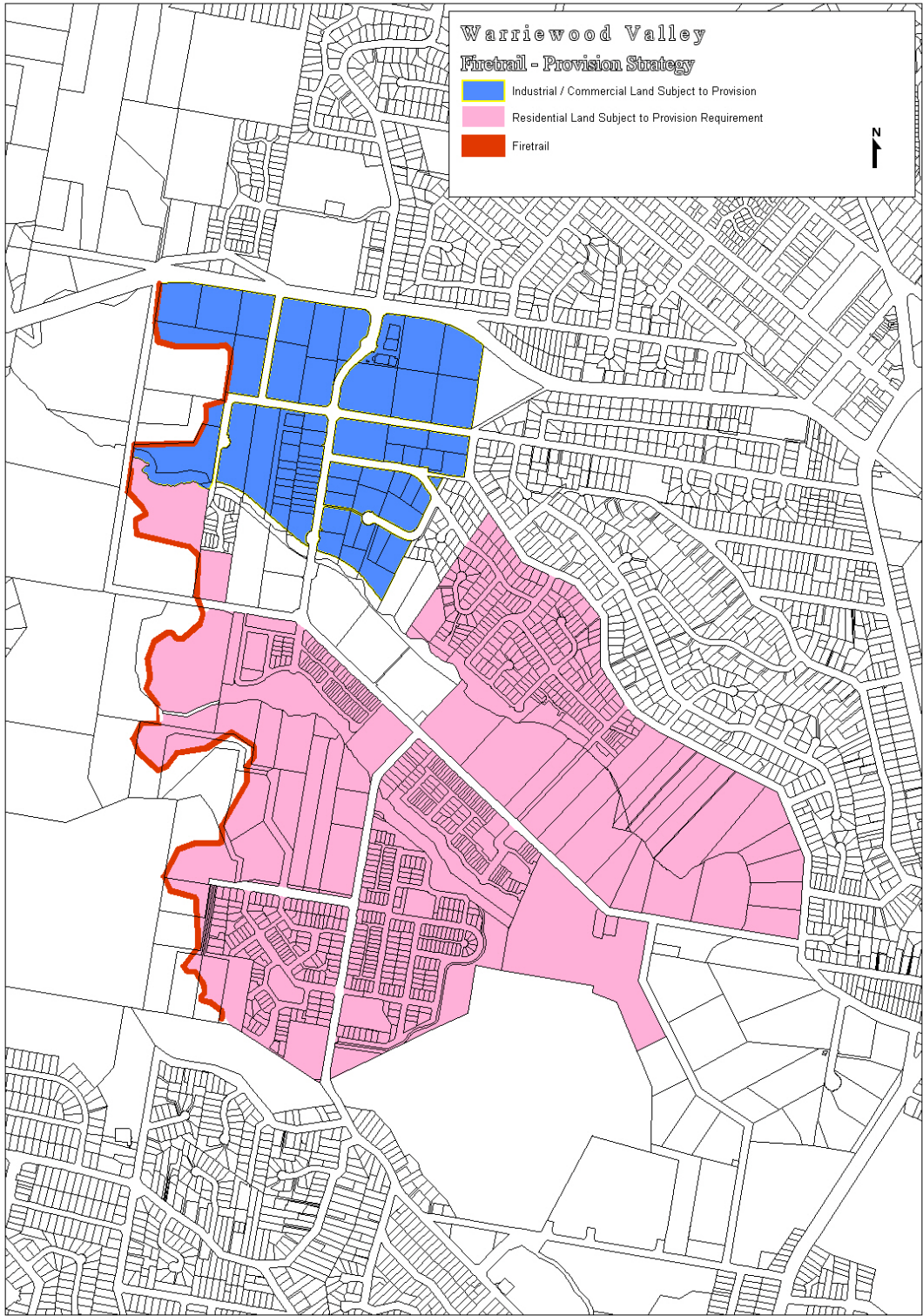
Sector 20 which is an isolated sector to the north of Mona Vale Road. The implementation of bushfire protection measures is isolated from those associated with the remaining development area and therefore should be treated independently and as part of the development process for that sector.

Opportunities for Provision of Facilities

Those sectors which are adjacent to the high bushfire area provide an opportunity for developers to directly provide facilities.

Remaining areas which cannot directly provide facility can be levied through a Section 94 Contribution Plan Contribution or offered an opportunity to construct facilities on land already acquired by Council to the value of the contribution that would otherwise be payable.

Figure 13 – Firetrail



PUBLIC RECREATION AND OPEN SPACE **PROVISION STRATEGY**

Objective

To provide a public recreation and open space system which serves those areas within Warriewood Valley designated for urban development.

Land to which this strategy applies

The strategy applies to all of the land in Warriewood Valley Urban Land Release, in that the provision of public recreation and open space facilities provide a shared level of amenity for all these undeveloped areas designated for residential urban development.

Note: In 1997, part of Sector 1 was zoned for light industrial use under the 1986 Warriewood Valley Stage One Release. Its inclusion in the land release as residential land follows from Council decision based on the premise that there should be no financial disadvantage to Council in terms of its existing and future Section 94 liabilities.

On this basis provision of facilities by developers (either direct or indirect) should be proportional to the number of dwellings to be developed in the residential areas regardless of location or sector.

Land provided by multiple use facilities

The buffer areas, open space links and drainage facility areas provide a multiple use function. Where residential development has provided for these facilities it is appropriate to credit that contribution with a 30% factor in regard to open space requirements.

All proposed residential development has contributed to these facilities (in combination) other than Sector 20. In the case of Sector 20, offsets can be offered depending on the level of provision of these facilities at detailed planning and development application stage.

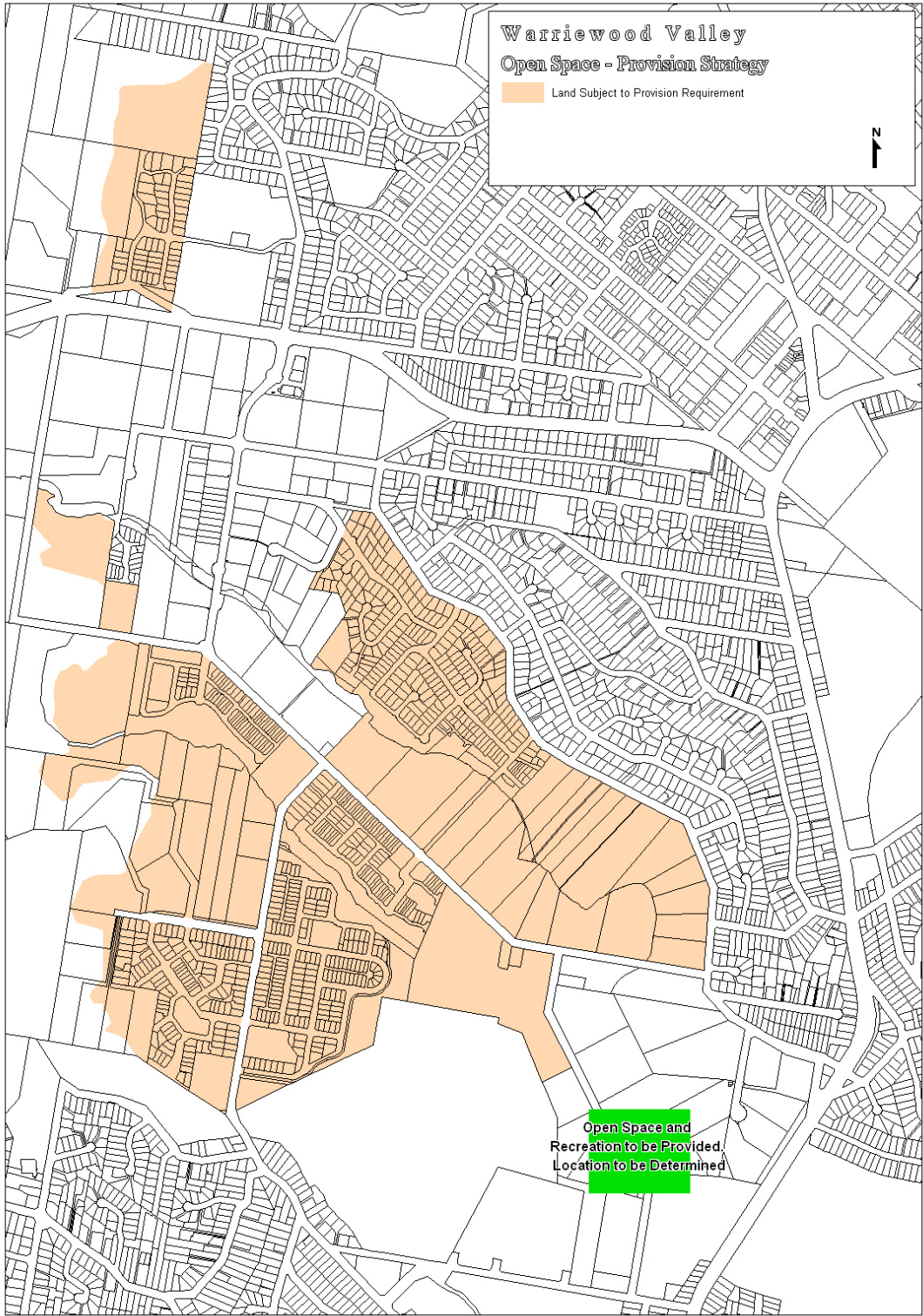
This principle may also be applicable to other sectors should land be proposed to be used in a way that will provide realistic multi-use open space functions (i.e. water management structures).

Opportunities for provision of facilities

Those sectors which have land suitable for public open space and recreation facilities provide an opportunity for developers to directly provide facilities. There is relatively limited opportunity in the early stages of development to directly provide recreation and open space as an open space plan specifying areas to be targeted for development will need to be produced.

Areas which cannot directly provide facility, can be levied through a Section 94 Plan Contribution or offered an opportunity to construct facilities on land already acquired by Council to the value of the contribution that would otherwise be payable.

Figure 14 – Open space



PEDESTRIAN AND CYCLEWAY NETWORK **PROVISION STRATEGY**

Objective

To provide an overall pedestrian and cycleway network which serves those areas within Warriewood Valley designated for urban development.

Land to which this strategy applies

The strategy would apply to all of the land in the Warriewood Valley Urban Land Release.

Note: In 1997, part of Sector 1 was zoned for light industrial use under the 1986 Warriewood Valley Stage One Release. Its inclusion in the land release as residential land follows from Council decision based on the premise that there should be no financial disadvantage to Council in terms of its existing and future Section 94 liabilities.

The strategy applies to all residential land in that the provision of a pedestrian cycleway network provides a shared level of amenity for all these undeveloped areas designated for residential development.

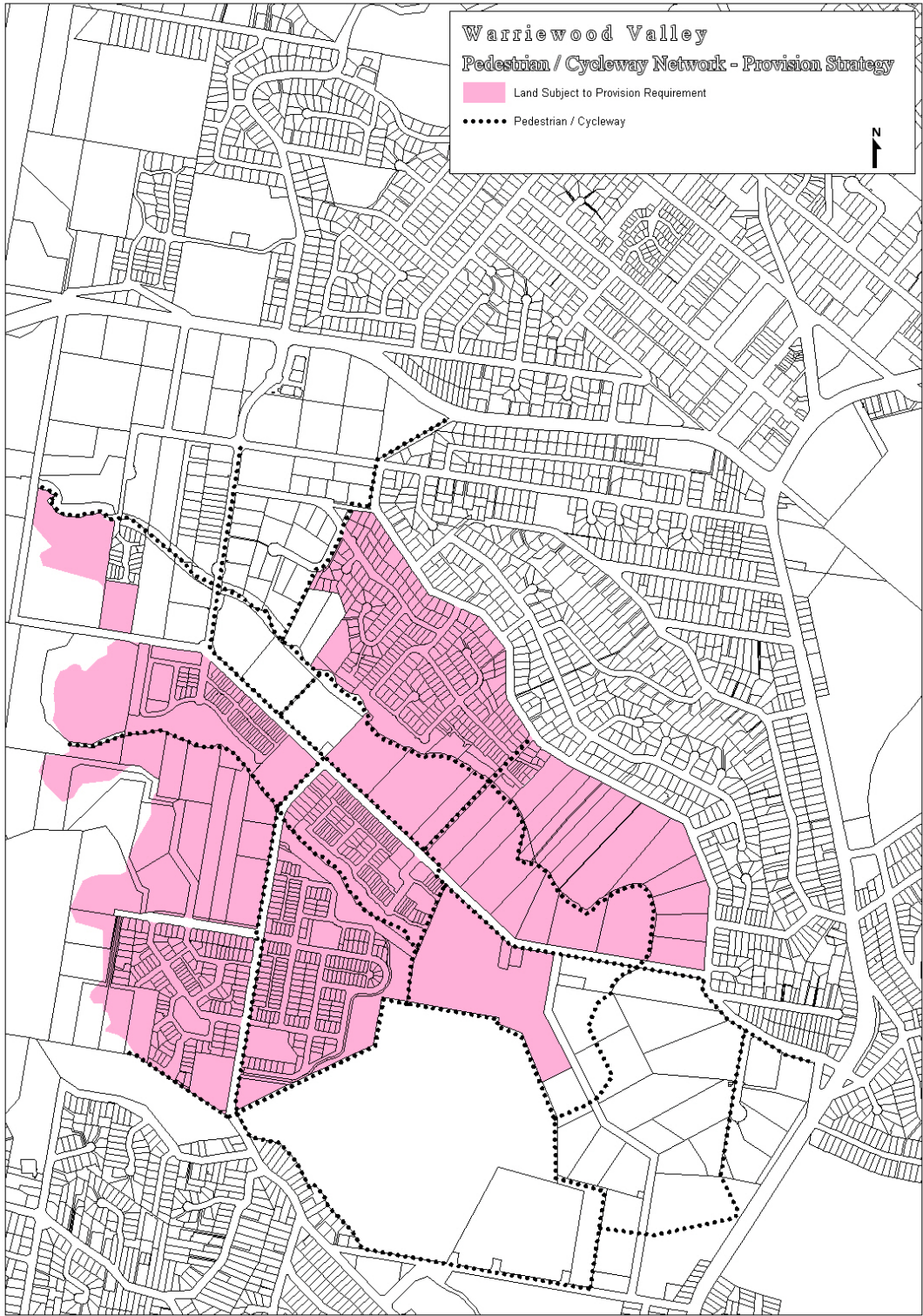
On this basis, provision of facilities by developers (either direct or indirect) should be proportional to the number of dwellings to be developed in the residential areas regardless of location or sector.

As Sector 20 is an isolated sector to the north of Mona Vale Road, the provision of this facility to service its future residents should be treated independently and as part of the detailed planning and development process for that sector.

Those sectors which provide an opportunity for developers to directly provide facilities will be encouraged to do so. In this regard the majority of sectors have an opportunity for direct provision.

Where facilities cannot be directly provide costs can levied through a Section 94 Contribution Plan.

Figure 15 – Pedestrian/cycleway network



COMMUNITY SERVICES **PROVISION STRATEGY**

Objective

To provide an appropriate level of community service facilities which serves those areas within Warriewood Valley designated for urban development.

Land to which this strategy applies

The strategy would apply to all of the land in Warriewood Valley.

Note: In 1997, part of Sector 1 was zoned for light industrial use under the 1986 Warriewood Valley Stage One Release. Its inclusion in the land release as residential land follows from Council decision based on the premise that there should be no financial disadvantage to Council in terms of its existing and future Section 94 liabilities.

The strategy applies to all residential land in that the provision of community service facilities provide a shared level of amenity for all these undeveloped areas designated for residential development.

On this basis, provision of facilities by developers (either direct or indirect) should be proportional to the number of dwellings to be developed in the residential areas regardless of location or sector.

IMPLEMENTING THE DETAILED PLANNING PROCESS

SECTOR-BY-SECTOR REZONING APPROACH

In 1997, Pittwater Council introduced a sector-by-sector approach towards the development of the Warriewood Valley Urban Land Release, where landowners cooperatively participate in the detailed design process to achieve the objectives set out in the 2010 Planning Framework.

This cooperative planning process, whereby detailed planning accompanies the rezoning process for individual sectors, ensures that at the time of the final rezoning Council and developers are assured of the eventual development style for the land. This also advantages the developers in that the detailed planning process can occur concurrently with the rezoning process decreasing the development process time frame.

Further the process allows an opportunity for the direct provision of community facilities and services as against the traditional Section 94 financial Contribution process, and, above all, ensures coordinated development within each sector regardless of land tenure.

REVISED SECTORS

The review has identified the properties not yet developed or, in certain cases, land not yet rezoned for residential development. As of December 2009, 801 dwellings are still to be realised on those properties to be developed/rezoned. These properties were therefore reviewed to ascertain opportunities and the appropriateness of increasing the dwelling yields to offset the impact of the Ministerial directive (issued to Pittwater Council in July 2009*) and to attend to the incomplete or delayed take up of development. Key considerations of the review are as follows:

- Maintain the integrity of the original findings of the environmental studies
- Ensure consistency with the *Ingleside/Warriewood Urban Land Release Draft Planning Strategy*, in terms of development capability of the land. As such, certain lands retained their existing yield due to development constraints identified under the *Ingleside/Warriewood Urban Land Release Draft Planning Strategy*
- Equity across the Valley, particularly those sectors already developed, which may have a parcel or parcels of land not yet developed. Allotments already rezoned will have an allocated dwelling potential based on the approved sector masterplan. As such, it was appropriate not to increase the dwelling yield on these rezoned, vacant lands.
- Revise the sector boundaries based on individual allotment or landownership (where adjoining allotments are in the one ownership).

**Note: Minister's Direction was issued under Section 94E of the Environmental Planning and Assessment Act 1979*

FORWARD PATH

Final planning framework

Following the review/consultation process by the community and relevant Government authorities, a reviewed Final Draft Warriewood Valley Planning Framework 2010 will be forwarded to Council for its adoption.

Section 94 Contributions Plan

An integral component of the planning and management process is the preparation of a Section 94 Contributions Plan to ensure the timely and cost effective provision of local infrastructure through an appropriate Section 94 Contribution Plan. The type of infrastructure items, included in the Section 94 Contributions Plan, will be consistent with the Environmental Planning and Assessment Act 1979, accompanying Regulations and the applicable Local Development Contributions Guidelines.

The preparation of an effective Section 94 Contribution Plan is an important part of the release area planning process aimed at encouraging the maximum amount of direct provision of facilities and services by developers, and hence minimise financial contributions which inherently increase Council's cost exposure.

Phasing strategy

Integral to the preparation of this planning framework has been the development of a strategy to encourage rapid development take-up as well as identify the quantum of the development "tail", aimed at facilitating completion of the development cycle.

In this way, the strategy aims to provide for the orderly release of land and ensure that appropriate services and facilities are available to occupants of future dwellings and that Council and State Government authorities responsible for providing services and facilities can do so in a cost effective manner (refer to Revised Sectors map).

Local Environmental Plans

Local Environmental Plans will be prepared for revised sector land units as appropriate to facilitate release of land in accordance with the objectives of the 2010 Planning Framework.

CONCLUSION

The 2010 Planning Framework prepared for the Warriewood Valley Urban Land Release Project, as described in this document and the associated maps and tables, is based on the precursor Planning Framework documents dated 1997 and 2001. The 2010 Planning Framework continues to allocate appropriate land uses to the various sectors of the land release area, based on the original environmental and demographic studies carried out to facilitate responsible planning of the project and delivery of development that achieves environmental, social and economic sustainability.

In this regard, the *Ingleside/Warriewood Urban Land Release Draft Planning Strategy* had provided a forward path to carry the outputs of the range of investigative studies carried out to support the project into the future detailed planning and implementation.

The 2010 Planning Framework indicates that the area has the capability to provide for 2021 dwellings through development of approximately 140 hectares. In addition, 27 hectares are designated for industrial/commercial development.

The 2010 Planning Framework is the fundamental planning document for the Warriewood Valley Urban Land Release Project and has utilised contemporary planning practices to provide a basis for a sound decision making throughout the land release process.

Through the action plans for each of the studies, the 2010 Planning Framework ensures that the original goals and objectives of these studies will be carried forward into the detailed planning and future management of development and conservation initiatives, and that, where necessary, further detailed investigation will proceed future planning and release of land.

The 2010 Planning Framework for the Warriewood Valley Urban Land Release Project provides a clear path for the environmentally, socially and economically sustainable use of land in the Ingleside/Warriewood area, and sets a challenge to those involved in the project to ensure those goals are achieved.

References

Background documents

- *Ingleside/Warriewood Urban Land Release Draft Planning Strategy*
- *Draft Land Use Policy Sets*
- *Draft Land Use Models*
- *Draft Warriewood Valley Urban Land Release Planning Framework 1997*
- *STP Buffer Sector Draft Planning Framework 2001*
- *Warriewood Section 94 Contributions Plan No. 15 (Amendment No. 16)*

Background environmental studies (not attached)

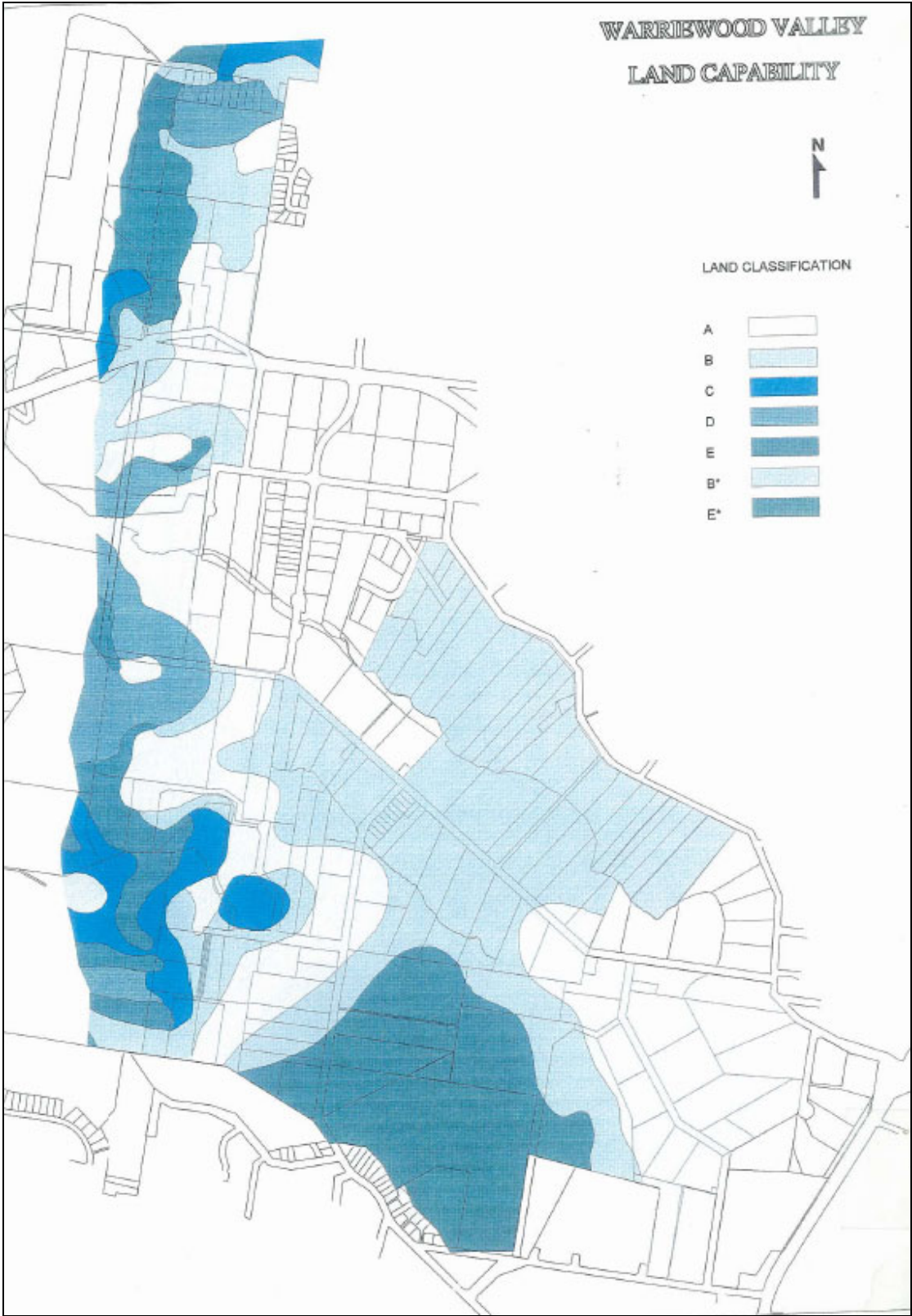
- *Ingleside/Warriewood Vegetation Conservation Study*
- *Ingleside/Warriewood Fauna Conservation Study*
- *Ingleside/Warriewood Land Capability Study*
- *Ingleside/Warriewood Contaminated Land Study*
- *Ingleside/Warriewood Visual Impact Study*
- *Ingleside/Warriewood Aboriginal Archaeological Study*
- *Ingleside/Warriewood Heritage Study*
- *Ingleside/Warriewood Water Cycle Management Study and Integrated Water Management Strategy*
- *Ingleside/Warriewood Bushfire Hazard Study*
- *Ingleside/Warriewood Combined Demographic Study*
 - *Demographic Analysis and Modeling*
 - *Traffic and Transport*
 - *Retail and Service Facilities*
 - *Community Facilities*
 - *Open Space and Recreation*
- *Integrated Water Management Strategy Warriewood Valley*
- *Warriewood Valley Urban Land Release Traffic and Transportation Study*

APPENDIX 1 – ENVIRONMENTAL STUDIES MAPS

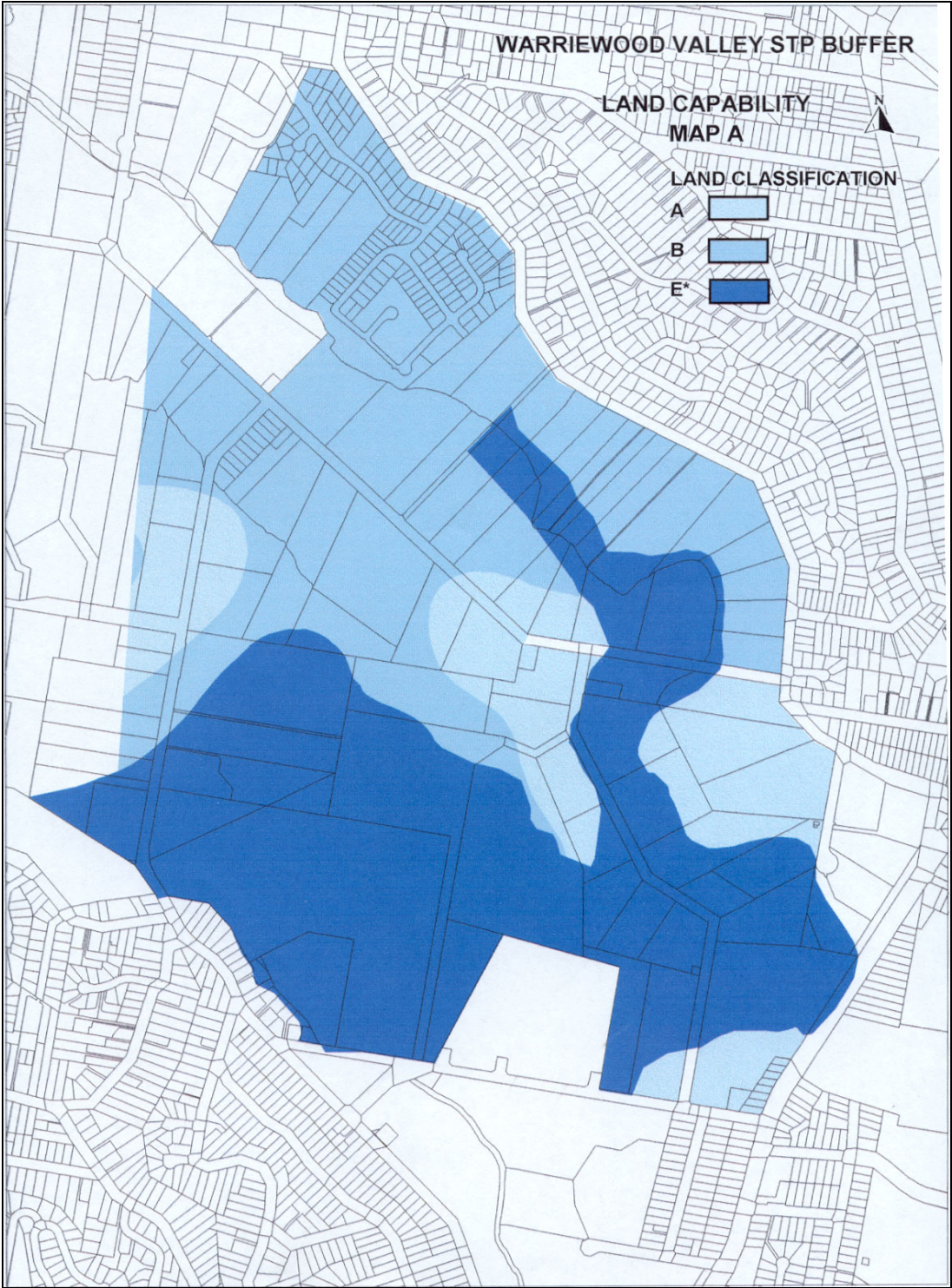
1. Existing land use constraints (*Draft Warriewood Valley Urban Land Release Planning Framework 1997*)



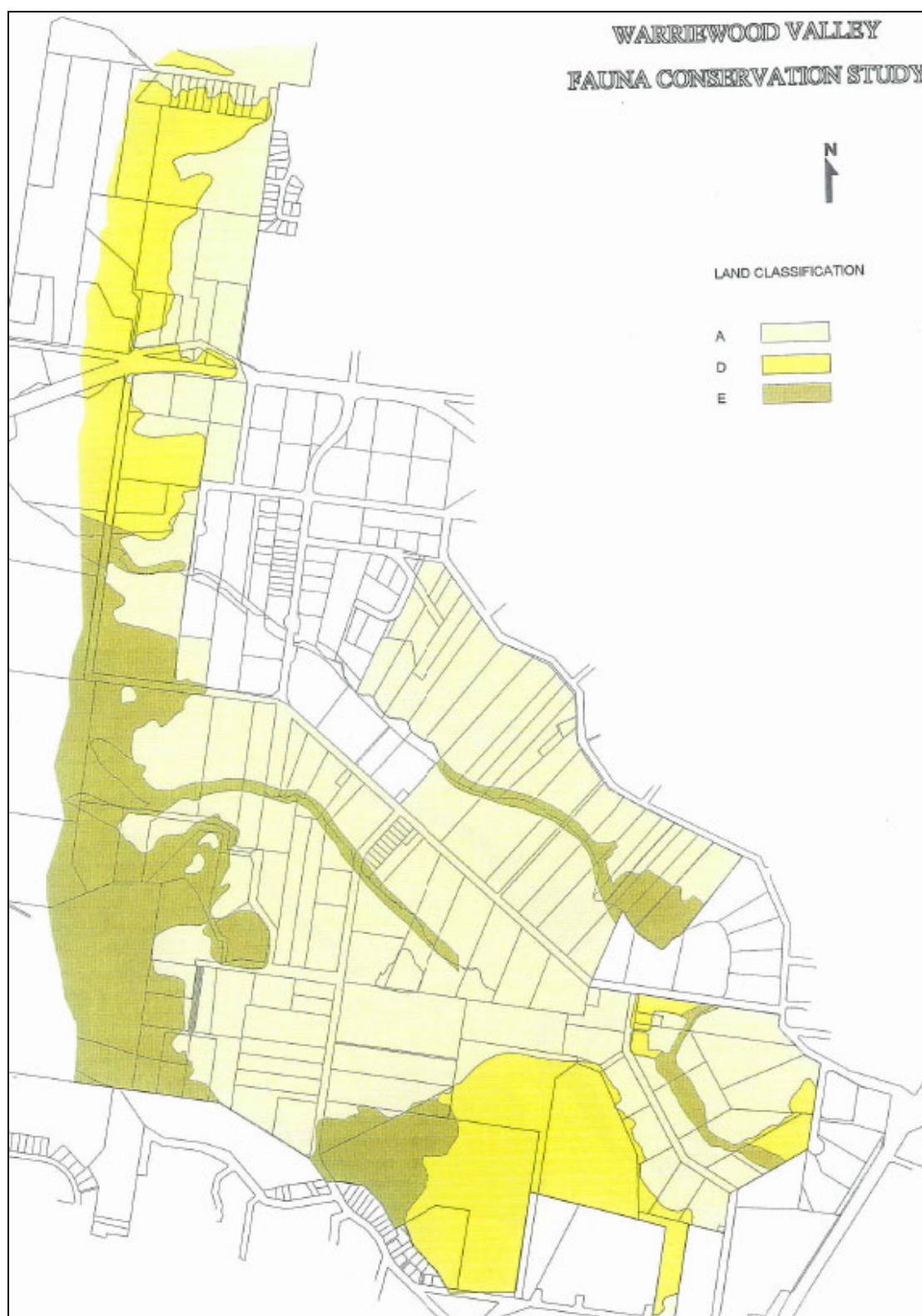
2. Land capability (*Draft Warriewood Valley Urban Land Release Planning Framework 1997*)



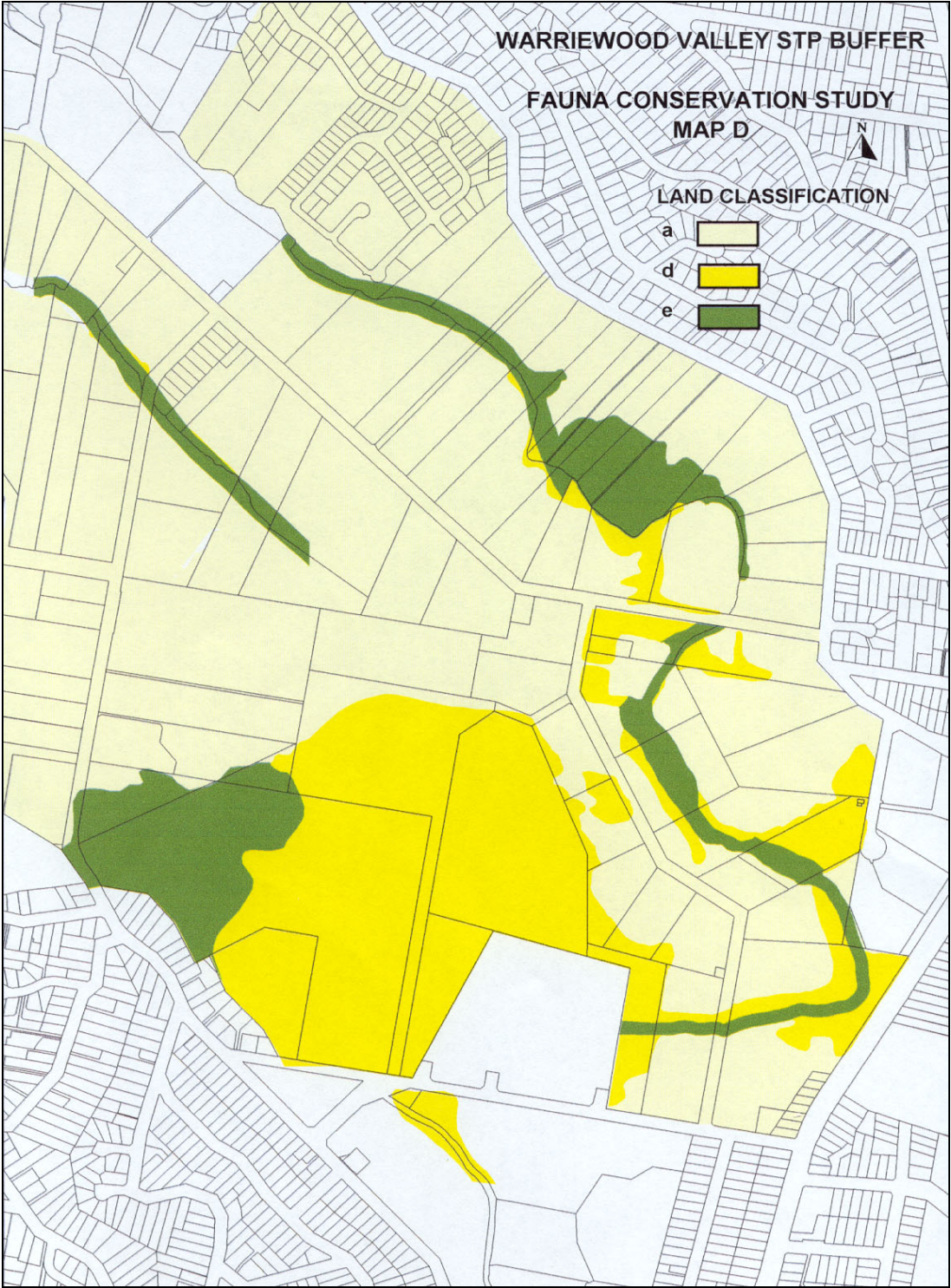
3. Land capability (STP Buffer Sector Draft Planning Framework 2001)



4. Fauna conservation study (*Draft Warriewood Valley Urban Land Release Planning Framework 1997*)



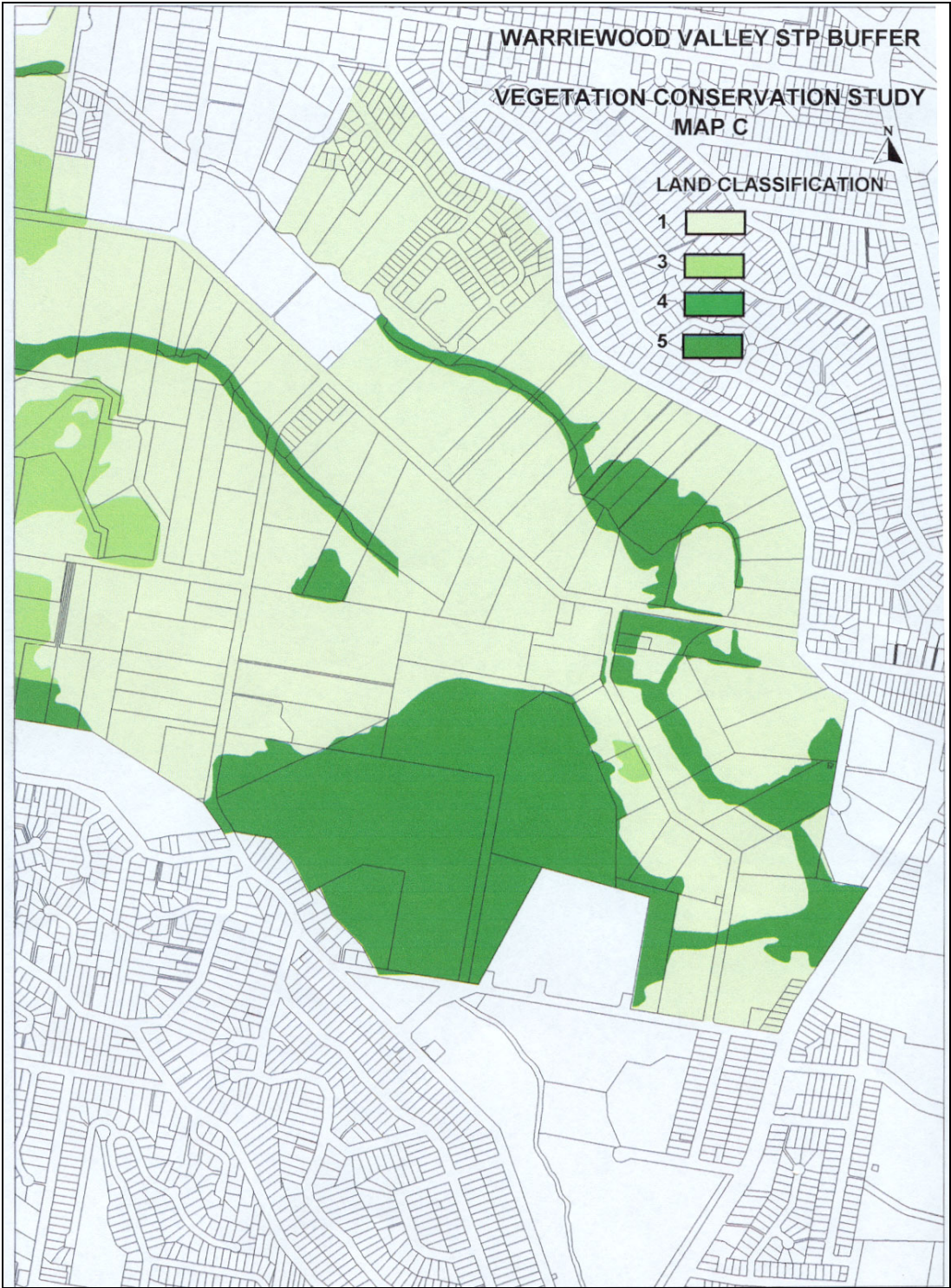
5. Fauna conservation study (STP Buffer Sector Draft Planning Framework 2001)



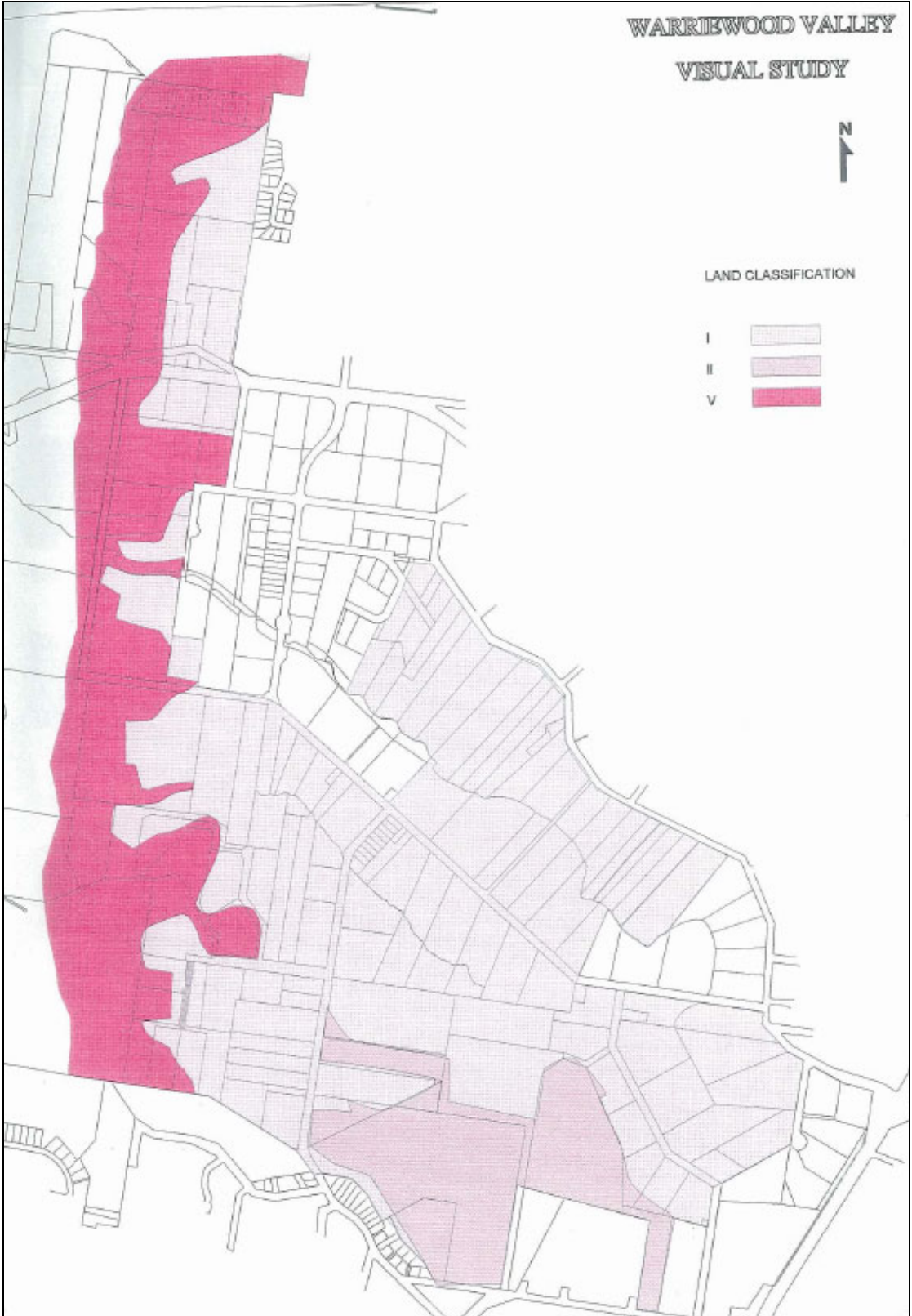
6. Vegetation conservation study (*Draft Warriewood Valley Urban Land Release Planning Framework 1997*)



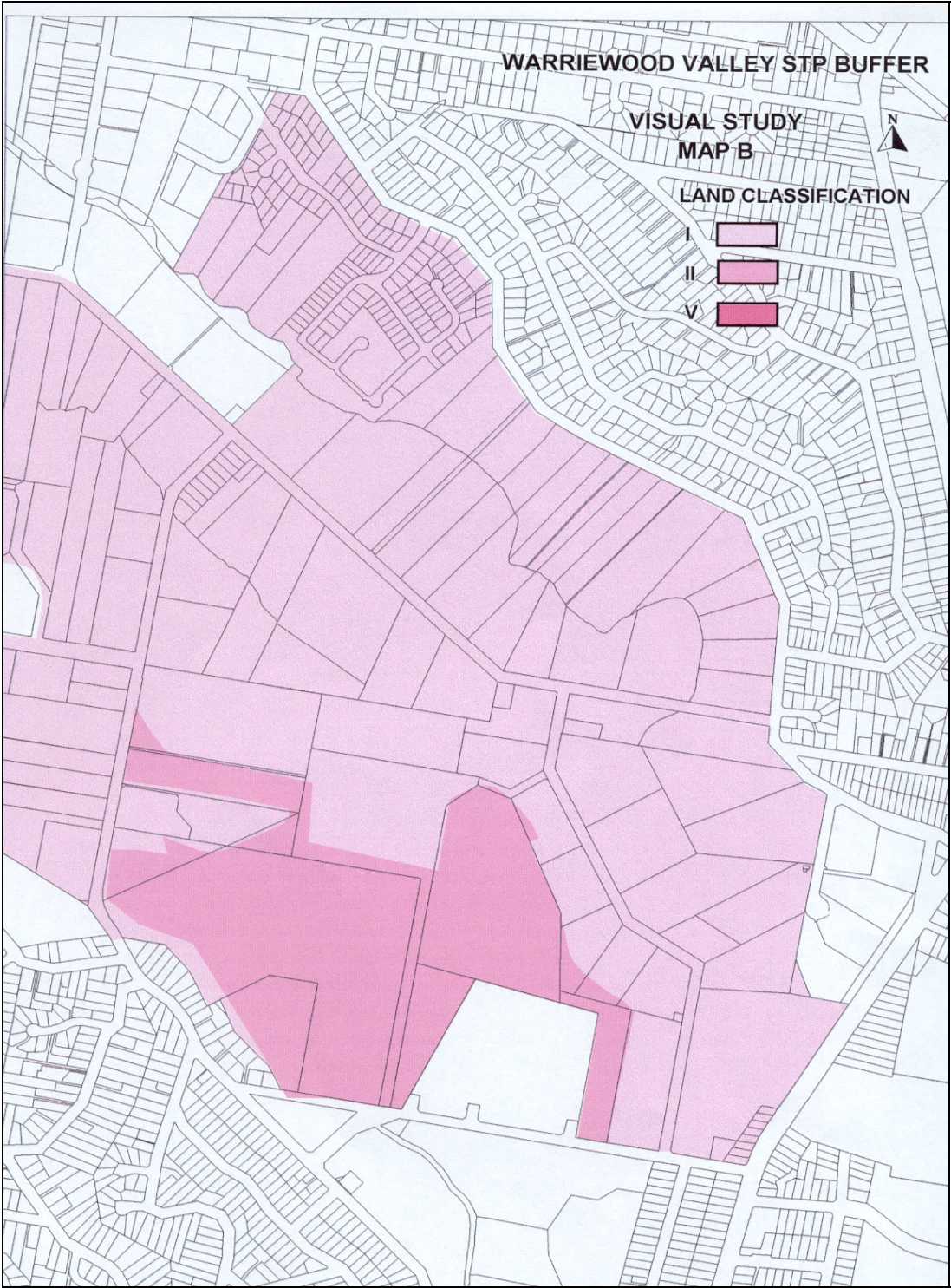
7. Vegetation conservation study (STP Buffer Sector Draft Planning Framework 2001)



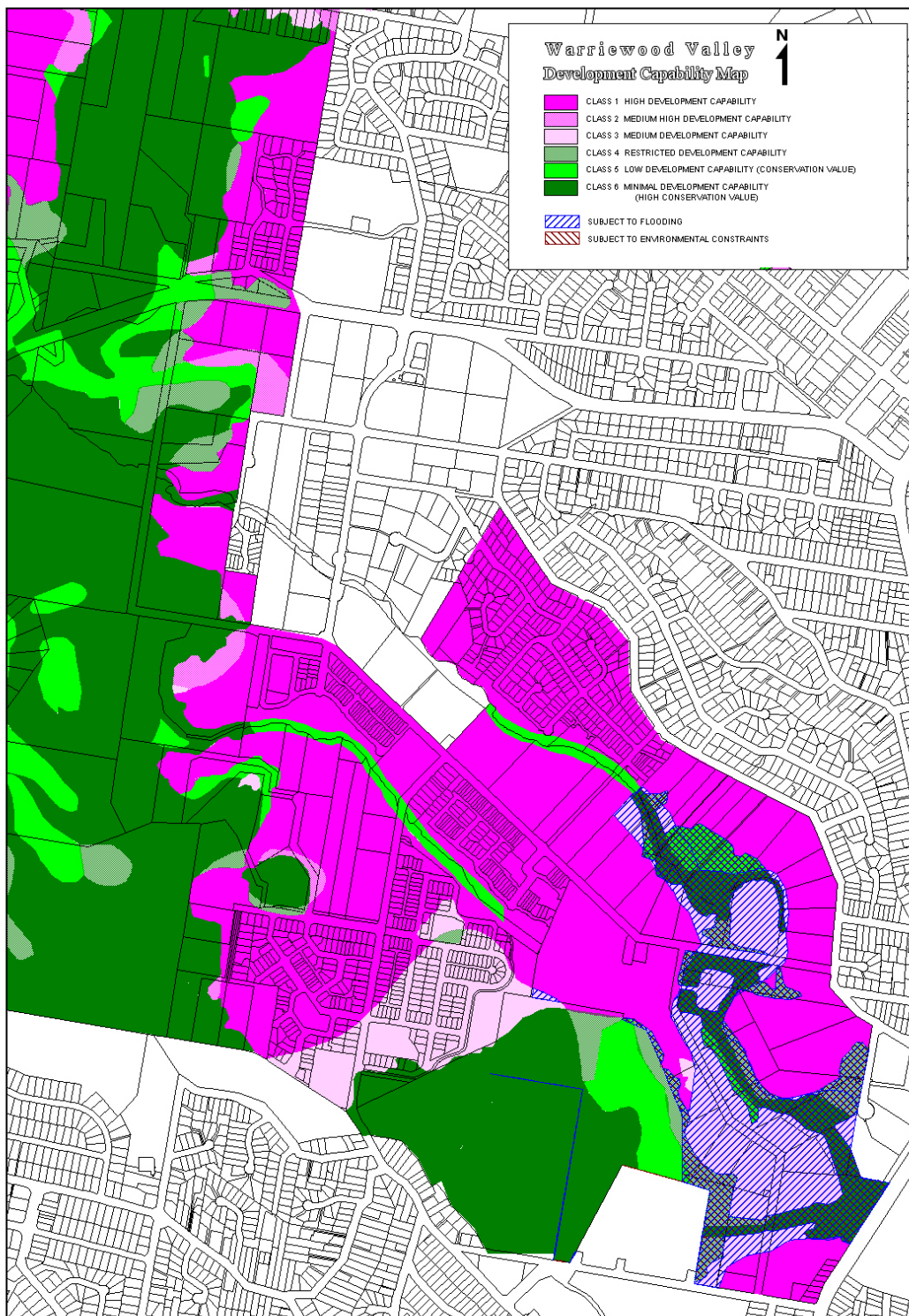
8. Visual Study (*Draft Warriewood Valley Urban Land Release Planning Framework 1997*)



9. Visual study (STP Buffer Sector Draft Planning Framework 2001)



10. Development capability (Draft Warriewood Valley Urban Land Release Planning Framework 1997 and STP Buffer Sector Draft Planning Framework 2001)



C7.3 Comprehensive Review of Warriewood Valley Section 94 Contributions Plan to Comply With Directions of The Minister For Planning, and Council's Response to the Draft Development Contributions Guidelines 2009

Meeting: Council

Date: 1 February 2010

STRATEGY: LAND USE & DEVELOPMENT

ACTION: Develop and implement Developer Contribution Schemes / Agreements to support land use and development.

PURPOSE OF REPORT

This report outlines Council's response to the Minister for Planning's (the Minister) Direction in relation to the Warriewood Valley Section 94 Contributions Plan (the Plan).

The report addresses:

- The Current Plan
- Minister of Planning's Direction
- Independent Review of the Plan
- Proposed Plan review including a range of measures

In particular, it outlines the measures that will need to be considered to accommodate the Minister's Direction to "cap" contributions for the Plan to \$62,100 until 2012.

1.0 BACKGROUND

- 1.1 The Plan was created to provide the legal mechanism for the dedication of land and provision of common infrastructure and services in Warriewood Valley required to service the land released for urban development in the Valley in accordance with the directions of the State Government through the then Minister for Planning in 1991.

The Plan is based on an "Infrastructure Provision Strategy" included in the Warriewood Valley Urban Land Release Planning Strategy, which in turn was based on a range of environmental and infrastructure studies, including a combined Demographic Study and a Water Cycle Management Study carried out for the Ingleside/Warriewood Land Release Project.

A Section 94 Contribution Plan for the dedication of land and provision of infrastructure and services was particularly required because the fractionalised land ownership within the Warriewood Valley prevented reliance on direct provision of by developers.

The Plan provided the following infrastructure and services :

- Traffic & Transport
- Multi-function Creekline Corridors

- Community Services
- Public Recreation & Open Space
- Pedestrian Cycleway Network
- Bushfire Protection
- Library Services

While direct provision of all common infrastructure and services was not achievable due to the fractionalised land ownership and extended development process, there was nevertheless an emphasis on maximising direct provision through Conditions of Development Consent, where achievable.

An underlying fundamental of the Plan is to achieve an equitable process for the creation of a Creekline Corridor System which protects the Valley as a whole from flooding, and also provides the “core” planning element upon which the coordinated development in Warriewood Valley is based.

The Plan also incorporated the remaining undeveloped sections of industrial/ commercial land release commenced in 1985 at the northern end of the Valley, and initially included the 400m “Buffer Area” surrounding the Warriewood Valley Sewerage Treatment Plant as employment-generating land.

Subsequently, the Sewerage Treatment Plant has been “capped” to prevent the adverse affect of odour on surrounding development, thus releasing the northern section of the “Buffer Area” for residential development where appropriate. In this regard, the Plan was amended accordingly, to incorporate this change in form of development.

The Plan has continued to operate, with the development cycle now being over half way completed.

The Plan has seen costs per equivalent dwelling escalate to over \$60,000, with anticipated rates in years to come well in excess of that amount.

The relatively high value of contributions per equivalent dwelling in Warriewood Valley is in a large part, due to the cost of land purchases associated with providing Creekline Corridors to protect the Valley as a whole from flooding, and the purchase of open space (particularly active open space) to satisfy the demands created by the new residential population.

In response to development industry pressure relating to the adverse impact of high development costs on the supply of new housing (which had been exacerbated by the world economic crisis), The Minister required all NSW Councils to either “cap” their Section 94 Contributions Plan for new residential development at \$20,000 per dwelling, or seek exemption from that limitation.

In this regard, Pittwater Council sought to have its Warriewood Valley Section 94 Contributions Plan exempted from the Ministerial “cap” of \$20,000. That submission was successful, with the Minister announcing a conditional exemption for the Plan.

Notwithstanding the exemption on the 10th July 2009, the Minister issued a direction which required the Plan to be capped at \$62,100 up to 2012 and only escalatable at an agreed rate beyond that period.

In accordance with the Ministerial Direction, the Plan has recently been the subject of an “Independent Review” as well as a comprehensive internal assessment aimed at producing a revised Plan which meets the Minister’s “cap” requirements.

Additionally, the Department of Planning has issued a Draft Local Development Contributions Guideline which will need to be incorporated into the revised Plan.

2.0 ISSUES

- Structure & Management of the current Plan
- Minister for Planning's Direction
- Independent Review of Warriewood Valley Section 94 Contributions Plan
- Revised Local Development Contributions Guidelines
- Matters to be addressed in a review of the Plan to comply the Minister for Planning's direction, the Independent Plan Review recommendations and Draft Local Development Contributions Guidelines
- Range of measures to accommodate the Minister for Planning's Direction
- Forthcoming review of the Plan
- Part 3(A) (Meriton) Application for Buffer Area 3
- Financial Impact on Council
- Conclusion

3.0 STRUCTURE & MANAGEMENT OF THE CURRENT PLAN (AMENDMENT NO 16)

The current Warriewood Valley Contributions Plan (Amendment No 16) (Plan) is formulated in accordance with the requirements of Section 94 of the Environmental Planning and Assessment Act (1979) and requires contributions from development for a range of land, infrastructure and services as a result of the development within the entire Warriewood Valley and the accompanying increase in the residential and workforce population within Warriewood Valley.

The Plan has been reviewed by independent consultants previously and is regularly reviewed by staff to ensure that the indices such as land valuation, interest rates and work schedules are accurately costed and estimated. The Plan is managed by a range of Council staff associated with each of its elements and functions.

Currently, the Plan has collected contributions from 1056 equivalent residential dwellings and 17.865 hectares of industrial/ commercial development and delivered \$47 million worth of land, infrastructure and services in 2010 dollar values.

The details of the Plan are outlined in the following sections of this report.

3.1 Scope of the Plan (what it applies to)

The current Plan applies to both residential and employment-generating development within Warriewood Valley as shown in Figure 1.

Properties subject to Warriewood Valley Section 94 Contributions Plan

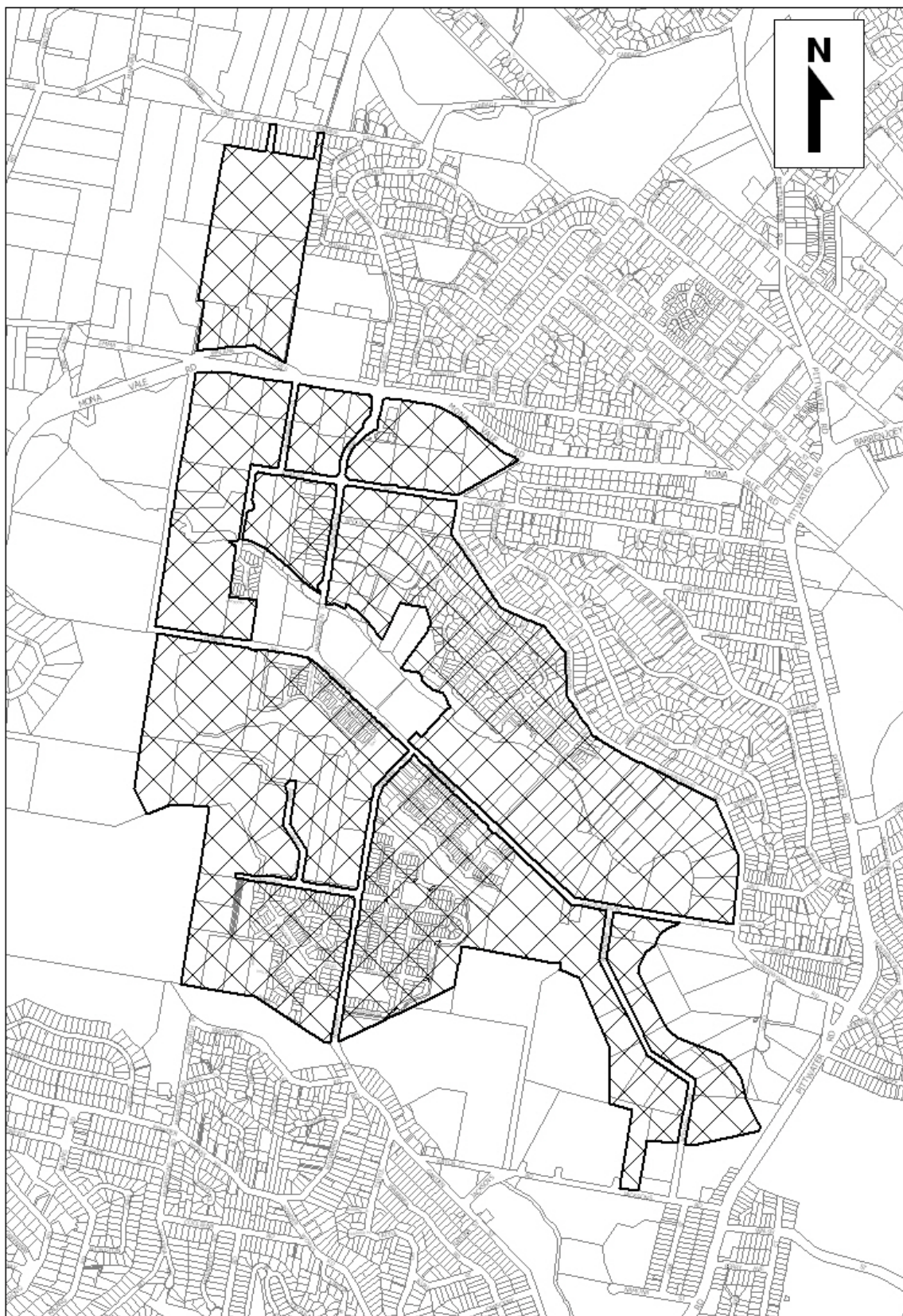


FIGURE 1

3.2 Land, Infrastructure and Services provided by the Plan

The Plan provides for the following common infrastructure:

- Traffic & Transport
- Multi-function Creekline Corridors
- Community Services
- Public Recreation & Open Space
- Pedestrian Cycleway Networks
- Bushfire Protection
- Library Services
- Plan Management and Administration

The land infrastructure and services to be provided by the Plan are as described as follows:

3.2.1 Traffic & Transport Facilities:

The anticipated extent of development within the entire Warriewood Valley Urban release area and the accompanying increase in residential and worker population in the release area will result in increased travel demand and increased traffic flow in and around the release area.

The Traffic and Transportation Study, November 1997 (by Urban Research and Planning Pty Ltd) for the release area predicted that the Urban Land Release area will generate an increase of up to 31,000 vehicle trips per day based on an acceptable level of service. Estimations indicate that the network can accommodate up to 44,000 vehicle trips per day with a reduced level of service for the AM and PM peak demands.

Traffic and Transport facilities provided in Warriewood Valley, either through direct provision by developers or through the Plan, to meet demand caused by the new urban development in Warriewood Valley, are intended to:

- Provide connectivity and permeability of the road network surrounding arterial roads.
- Facilitate access to public transport.
- Minimise the potential for pedestrian and vehicle conflict.
- Rationalise the demand for vehicular traffic and car parking.
- Provide appropriate traffic management and control at intersections to maintain safety, efficiency and accessibility.
- Restrict heavy vehicles from industrial areas infiltrating and adversely impacting upon the amenity of residential precincts.

Where possible, facilities are directly provided by developers, leaving common traffic and transport infrastructure such as bridges, roundabouts, traffic management devices, major intersections and public transport facilities which benefit the land release in its entirety and would not be required, but for that land release to be provided through the Section 94 Contributions Plan.

Provision of traffic and transport facilities are in accordance with the Warriewood Valley Roads Masterplan.

It is considered essential that there is a safe and effective road network system within the Valley and while costs in regard to the provision of this infrastructure might be minimised, it must be provided at a level which ensures safety and amenity for vehicles, cyclists and pedestrians.

It is also essential that an effective road, traffic and transport system is provided in conjunction with the Land Release process as early as possible.

3.2.2 Provision of Multi-function Creekline Corridor Facilities:

The anticipated extent of development within the Warriewood Valley release area will result in the need to manage stormwater run-off within the Valley sub-catchments both up and down stream of development.

The Integrated Water Management Strategy Warriewood Valley, Warriewood Valley Water Management Specification and Water Management Flood Study sets out the requirements for management of the quantity and quality of stormwater run-off emanating from the new urban development of the Warriewood Valley in order to protect properties both within Warriewood Valley and downstream of the development area from flooding and to also safeguard the integrity of ecosystems in the catchment.

Narrabeen Creek, Fern Creek and Mullet Creek traverse the Valley. Land along creeklines contains stands of endemic native vegetation that form important corridors for local wildlife. Downstream from the Valley are located ecologically significant environments in the Warriewood wetlands and Narrabeen Lagoon.

The Multi-function Creekline Corridor system and associated facilities, provided through the Plan to meet demand for water management (including drainage and stormwater management) caused by the new urban development in Warriewood Valley, are intended to:

- Provide corridors to facilitate drainage which comes from development;
- Provide drainage and stormwater corridors that carry flows up to the 1% AEP flood event;
- Protect down-stream properties from local stormwater impacts as a result of development of the Valley;
- Enhance long-term environmental protection of the receiving waters including the Warriewood Wetlands and Narrabeen Lagoon;
- Conserve and maintain integrity and quality of remnant native vegetation along creek corridors to provide a functioning habitat for birds and native flora;
- Introduce and/or enhance migration and wildlife corridors and establish riparian vegetation along the floodway corridors of Narrabeen, Fern and Mullet Creeks;
- Protect and restore a range of aquatic habitats within the creeks;
- Preserve and enhance the existing environmental values of the Warriewood Valley; and

- Provide for environmentally sustainable use of creekline corridors.

The multi-function creekline corridor land is required to be dedicated to the public to allow Council to control activities within those Creekline Corridors, given that they are the key to achieving an effective stormwater management and flood protection system for developed areas which, prior to development and otherwise but for the Creekline Corridor System, would be threatened by inundation and therefore not suited for urban development.

The creekline corridor systems of general width 50 metres is constructed in stages to ensure that as development occurs, it (any individual development) does not cause any adverse impact to flooding characteristics of land upstream, downstream or across the watercourse.

In accordance with State Government requirements, the creekline corridor system is required to be created and managed in the long term, in an environmentally compatible way, requires reconstruction to ensure stability of the creekline corridor system and revegetation of the completed constructed corridor system which, prior to those works throughout the Valley, has been in a degraded and unstable state due to past land use practices.

In acknowledgement that the Creekline Corridor System, while absolutely necessary from the point of view of flood and stormwater management, benefits the planning outcomes for the Valley through provision of a natural off-road corridor system with recreational and environmental benefits, the current Plan allocates 30% of the creekline land area as included in the open space calculations and currently is scheduled to provide 4.823 hectares of open space under the Plan.

3.2.3 Community Services:

A range of community facilities and services are intended to be provided through the Warriewood Valley Section 94 Plan to support the needs of the new residential development in the Valley. The range of facilities and services to be provided under this element of the Plan include:

- Childcare Facilities
- Community Centre Facilities

The current strategy in the Plan remains flexible as to how these facilities will be provided. The following are the major options currently under consideration and suitable sites are still being investigated.

- a) Provision of a large combined childcare facility and general community centre all located on one site.
- b) Provision of a separate childcare facility and a separate general community centre on different sites.
- c) The provision of a childcare facility integrated with a proposal Council has for a new Early Childhood Education & Family Resource Centre and a separate general community centre.

Option (c) is currently the preferred option and Council staff have developed a concept plan for the proposed Early Childhood Education & Family Resource Centre. A number of sites are being examined for this facility with the preferred option currently a partnership with Northern Sydney Central Coast Health to have the facility located in the grounds of Mona Vale Hospital.

Under this option a preferred site for the general community centre has not been identified and a number of possibilities continue to be explored.

3.2.4 Public Recreation & Open Space:

The Plan outlines key strategies and requirements for the provision of open space.

The landscape masterplan guideline shows the spatial layout of open space, creeklines and cycleways throughout the Valley.

The strategy for open space is based on providing open space as both parklands and active sportsfields, all connected to creekline corridors to allow pedestrian/cycleway access to all incoming residents of the Valley.

Open space provision is broadly based on 2.83ha per 1,000 head of population being the only legally recognised standard for open space provision found across all government sectors and within the legal/court system. Whilst used as a guide, the provision of open space was also based on the geographical layout of the release and specific needs of the incoming population.

Open space, as provided, is summarised in Table 8.1 of the adopted Plan and includes small neighbourhood parks – 3 x 0.25ha; a larger central park – 2ha; a detention basin and 5.75ha of sportsfield land.

Provision of active sportsfield land is based on utilising local fields/facilities within Narrabeen Sports High School (making these available to the public through purchase and/or long term leases) and a proposed purchase of a further 2ha within the Buffer Sector.

The buffer area was rezoned for residential purposes following capping of the STP. Provision of open space in this precinct was based on the provision of a further 1ha of land to be located within the buffer release area to accommodate the needs of the increased residential population.

Open space provision throughout the Valley has been extensively investigated by Council staff with identification and purchase of sportsfields being a complex issue. Hence Council's use of Department of Education land and willingness to accept flood prone lands is justifiable.

The current Plan provides 74m² of open space per dwelling of which only part is suitable for active open space purposes.

The shortage of land available in the Valley or immediate vicinity suitable for additional active open space is a significant limitation to increased residential development beyond that already proposed for the Valley.

3.2.5 Pedestrian Cycleway Network:

The Warriewood Valley S94 Plan outlines key strategies and requirements for the provision of pathways and cycleways throughout the Valley release.

The pathway/cycleway system as proposed by the Plan will connect all areas of the release with a class one pathway. Provision of the system will enable all residents to walk or cycle to all areas of the release. The system will serve to reduce car movements, provide connection to open space areas and creeklines provided within the Valley and add to the social cohesion of the release as a whole.

The pathways/cycleways generally run parallel to two existing creeklines (Narrabeen/Fern Creek) and also serve to provide maintenance access for ongoing management of the creeklines.

The pathway/cycleway system provides a recreational benefit to all ages. Given the number of elderly residents moving into the Valley, the system provides excellent level access for elderly residents utilising motorised buggies or the like.

3.2.6 Bushfire Protection:

The Warriewood Valley is bounded to the west by “rural” uses and bushland reserves containing significant areas of native vegetation. With the history of bushfires recorded in the Pittwater area and the significant amount of surrounding bushland likely to be conserved in both public and private ownership, bushfire is a potential threat to urban development in the Warriewood Valley.

The *Ingleside/Warriewood Urban Land Release Bushfire Hazard Evaluation (1995)* indicates that much of the “area” of the urban land release has substantial issues relating to Bushfire Risk. As part of the provision for the creation of the urban land release area, there is a recognised need for bushfire mitigation measures.

All development within the area of the Warriewood Valley Urban Land Release Area is to contribute as levied as part of the Contributions Plan to meet the demand generated by the urban land release for bushfire protection facilities for the Warriewood Valley Urban Land Release Area.

Bushfire mitigation measures rely on the provision of a perimeter fire trail around a bushfire hazard boundary to the urban land release to provide perimeter access for fire fighters and for use as a fire control line. It is proposed to integrate this bushfire protection requirement with perimeter roads/fire protection trails in sectors adjoining the base of the Ingleside escarpment along the western boundary of Warriewood Valley Urban Land Release Area.

To significantly reduce the contribution required from those sectors not directly affected by bushfire, those sectors adjacent to the escarpment will construct the perimeter fire trail in land to be dedicated as public roads or retained in private ownership with appropriate Rights of Way as part of the development approval process. Contributions are only sought for the construction of connection links on public lands between sectors.

The provision of the fire trail in high-risk areas is not a matter in respect of which any credit will be given against contributions payable or required to be made under this strategy. Contributions will only be levied for construction of links between sectors as required.

3.2.7 Library Services:

The Library element of Warriewood Valley Section 94 Plan was originally developed to acknowledge the increased demand on Library services due to the increased population of Warriewood Valley.

This element has always been broken down into three components:

- Need for additional Library floor space
- Need for additional Library resources (books etc.)
- Need for additional equipment (computers, shelving, etc.)

Due to the relatively small size of the land release, it was not considered appropriate to build a Branch Library in Warriewood Valley. Due to the reasonable proximity of Council's Central Library in Mona Vale, it was seen that augmenting this facility would be a more reasonable and cost-effective method of meeting the demands of the new population of Warriewood Valley.

Relatively earlier in the life of the Section 94 Plan, Council decided to construct a new Central Library at Mona Vale and it was therefore timely to use the floor space component of the Library element to expand the proposed new facility to meet the needs of the Warriewood Valley community.

Once the new Library was built in 2003-2004, it was then appropriate to finalise over the next five years the remaining Library resources (books) and equipment components of the Library element of the Warriewood Valley Section 94 Plan.

As a result, the Library element has fully expended nearly all of its components and is seeking to recoup this expenditure by levying the remaining dwellings in Warriewood Valley.

3.2.8 Plan Management and Administration:

Costs associated with the ongoing administration and management of the Plan are levied on all development consents where a Section 94 contribution is required. Administration and management costs appear as a separate element in the Works Schedule and the contribution rate for 'Plan Administration and Management' is derived from the financial model.

Administration and management costs include (a) the involvement of Council officers and specialist advisors in Plan reviews with the monitoring and updating of cost estimates, works programs and financial data; and (b) the cost of contract administration of the infrastructure delivery program including Material Public benefit items undertaken by developers.

Project Management costs associated with the actual delivery of public amenities and services will also be recouped under this Plan. These costs are incorporated into each line item in the Works Schedule involving capital works delivery and/or land acquisition.

In addition, from time to time it is necessary to seek external advice in relation to the Plan including legal advice where necessary.

The costs for administration and management are distributed equitably across the Warriewood Valley Land Release on the basis of equivalent dwellings.

At this point in time, there have been 16 reviews of the Plan and from its inception it has been reviewed at least on an annual basis.

3.3 Current state of development to which the Plan applies

The Plan is based on the construction of 1,886 new dwellings and provision of 27.107 hectares of industrial/ commercial land (this includes proposed development of 5.957 hectares of industrial/ commercial land in the Southern Buffer Area).

To date, contributions have been collected for 1056 equivalent dwellings and 17.627 hectares of industrial/ commercial land (note: 16.337 hectares in the northern end of the Valley, 1.25 hectares in the southern end of the Valley).

In accordance with the Draft Land Use Planning Framework for Warriewood Valley (which, together with the relevant sections in the Pittwater Local Environmental Plan 1993 and controls in the Pittwater 21 DCP form the base documents for strategic planning in the Land Release Area) there remains 801 new equivalent dwellings and 9.48 hectares of industrial/ commercial land to be developed.

It should be noted that the remaining undeveloped section of the Southern Buffer Area designated for potential employment generating development, has an area of 4.707 hectares, leaving only 4.773 hectares available for future industrial/ commercial development in the northern end of the Valley.

The Plan timeframe spans from 1 July 1999 to 30 June 2012. Development rates in the Valley however have significantly slowed following the world economic crisis and the resultant flow-on impact on land development in New South Wales.

This slowing of development has in turn had the impact of extending the period over which monies will be collected, which in turn affects levy rates as a result of discounted cash flow financial model the current Plan used to determine contribution rates over the life of the Plan.

Future revisions of the Plan will require the timeframe to be extended to meet development expectations.

3.4 Current financial position of the Plan

As at 30 June 2009, the Plan has collected \$52.707 million (in 2010 dollars - excluding Ponderosa Parade Drainage Element) in contributions from dwellings and 17.865 hectares of industrial/ commercial development and delivered \$47.532 million worth of infrastructure and services (in 2010 dollars - excluding Ponderosa Parade Drainage Element).

The value of work and land remaining to be completed in accordance with the current Plan (Amendment No 16) is estimated at \$65 million.

An estimated assessment in 2010 Dollars of monies collected, works carried out, land dedications, interest applicable and reserve balances of each Plan Element is shown in the Table below:

Plan Element Estimations in 2010 Dollars	Income, MPB & Land Collections to Date In 2010 Dollars	Value of Expenditure, MPB & Land Acquisitions to Date In 2010 Dollars	Interest Income & Interest Expense to Date In 2010 Dollars	Reserve Balance To Date In 2010 Dollars
Traffic & Transport & Apollo St	\$ 10,738,307	-\$ 8,622,981	-\$ 3,432,452	-\$ 1,317,126
Multifunction Creekline Works	\$ 8,102,914	-\$ 7,459,664	-\$ 293,357	\$ 349,893
Multifunction Creekline Land	\$ 9,908,200	-\$ 8,920,426	-\$ 166,855	\$ 820,919
Community Facilities	\$ 2,639,151	-\$ 41,768	\$ 387,808	\$ 2,985,191
Public Recreation & Open Space	\$ 12,464,546	-\$ 13,932,079	\$ 637,875	-\$ 829,658
Pedestrian & Cycleway Networks	\$ 4,922,789	-\$ 3,078,392	\$ 346,689	\$ 2,191,086
Ponderosa Drainage	\$ -	\$ -	\$ -	\$ -
Bushfire Protection	\$ 517,563	\$ -	\$ 120,421	\$ 637,985
Library Services	\$ 855,601	-\$ 2,060,111	-\$ 461,264	-\$ 1,665,774
Plan Administration	\$ 2,557,780	-\$ 3,416,630	-\$ 371,092	-\$ 1,229,941
Total	\$ 52,706,852	-\$ 47,532,051	-\$ 3,232,226	\$ 1,942,575

Note: The above figures exclude Ponderosa Pde Drainage Element

The above figures include the income and expenditure of assets acquired prior to the commencement of the current plan

The above figures that represent an expenditure or interest expense are represented with the sign (-)

The above figures are indicative pending final review of historical data in line with the introduction of Council's new Financial Model

The actual cash position of the Plan is a surplus of \$2,188,509 as at 30 June 2009.

3.5 Management and Implementation of the Section 94 Plan

The overall management of the Warriewood Valley Land Release Project is achieved through the Warriewood Valley Land Release Project Management Team which consists of Council staff (Manager and Principal Officer level), drawn from the Business Units which manage the land, infrastructure and services delivered by the Plan.

This Project Management Team meets on a regular basis, where Minutes are recorded in accordance with a prepared Agenda. The matters addressed include, (a) Strategic Planning and Development issues within the Valley, (b) Section 94 Contributions Plan including contributions income, expenditure and annual Plan reviews and (c) Infrastructure Provisioning through either works by Council or Material Public Benefit (MPB) provisioning by developers. These meetings are minuted outlining issues discussed and actions to be undertaken.

This Warriewood Valley Land Release Project Management Team reports to the Senior Management Team.

The management of Infrastructure Provisioning and the Warriewood Valley Section Contributions 94 Plan reviews is achieved through the Warriewood Valley Infrastructure Provisioning Team which reports through the Warriewood Valley Land Release Project Management Team and consists of the Managers from the Urban Infrastructure, Finance, Library & Community Services, Reserves Recreation & Building Services Business Unit and Catchment Management & Climate Change group.

The Warriewood Valley Infrastructure Provisioning Team coordinates

- Section 94 Plan reviews
- Infrastructure planning, design and cost estimation
- Project management of infrastructure delivery (eg roads, culverts, parks etc)
- Oversees MPB works by developers
- Monitors Contributions received from developers and balance expenditure on works to match income

One staff member is currently allocated to the task of day to day administration of the Section 94 Plan. The funding for administration of the Section 94 Contributions Plan is derived through the Plan Management element of the Plan

4.0 MINISTER FOR PLANNING'S DIRECTION

On 17 December 2008, the Minister announced a number of reforms relating to Local Government developer contributions that included;

- establishing of a maximum \$20,000 threshold for local government contributions applying to residential contributions, unless the Minister for Planning approves a higher amount
- requiring Council, if they wish, to submit to the Government for review existing contribution plans that would allow for contributions above the \$20,000 threshold.

On 26 February 2009, the Council wrote to the Department of Planning seeking exemption from the \$20,000 cap imposed on the Warriewood Valley contributions Plan.

On 16 March 2009, Council received advice that a local Contributions Review Panel had been established to review submissions from a number of council including Pittwater. Pittwater Council subsequently in April 2009 lodged a full submission supporting its case for retention of the contribution for Warriewood Valley at the 2008/2009 contribution rate of \$63,306.18 per residential dwelling, including escalation over future years to accommodate increased costs of provision.

A Ministerial Panel reviewed Council's submission and on 10 July 2009, the Minister, through a letter to Council's General Manager issued a Direction (see Attachment 1), granting a conditional exemption as follows:

- "4.1 The Existing Direction ceases to apply to a Development Consent requiring Monetary Contributions in respect of Residential Development on the Warriewood Land imposed under the Warriewood Contributions Plan.*
- 4.2 A Development Consent authorising Residential Development on the Warriewood Land is not to require Monetary Contributions under the Warriewood Contributions Plan in respect of such development the sum of which exceed the following amount:*
 - (a) to the extent that the consent authorises the erection of one or more Dwellings – the amount determined by multiplying the number of Dwellings by \$62,100; and*
 - (b) to the extent that the consent authorises the creation of Residential Lots but not the erection of Dwellings on those Lots – the amount determined by multiplying the number of Residential Lots to be created by \$62,100.*
- 4.3 Monetary Contributions referred to in clause 4.2 of this Direction are not to include a component towards administration costs that exceeds \$1,000 per Dwelling or Residential Lot.*
- 4.4 Monetary Contributions towards the cost of library book stock are not to be required by any Development Consent under any contributions Plan applying to land within the Council's area. "*

Notes to Minister's Direction:

- "1. "This Direction may be revoked or substituted at any time by the making of a further direction under s94E of the Act.*
- 2. The Council is to procure an independent review of the Warriewood Contributions Plan under a brief approved by the Department of Planning. The review is to be concluded by the end of September 2009 and submitted to the Department of Planning. Any necessary amendment of the Warriewood Contributions Plan consequent upon the review is to be completed by the end of 2009. The review, amongst other things, is to:*
 - a. provide a clear estimate of the costs of infrastructure to be provided under the Plan, with sufficient rigour to prevent any need for reassessment of those costs within the next three years.*
 - b. address the requirement for the funding of appropriate roads to be apportioned to the broader community given the apparent through traffic function; and*

- c. consider whether the risk premium levied by the Council on initial borrowings was too high and whether the additional funds received by Council should be directed back towards the Plan.”*

The Minister's covering letter of 10 July 2009 (see Attachment 1) also provided definitive advice in relation to the Ministerial Direction and identifies the following in summary:

- that initial cost estimates appear to have been under-estimated leading to a loading of costs on development occurring at later stages.
- that the contributions imposed under the Warriewood Contributions Plan, are fundamentally connected to Council's financial strategy and that it would not be appropriate “to make major changes to the Plan without a sound understanding of the implications for Council”.
- That Library book stock is considered not an appropriate piece of infrastructure for which contributions should be required.
- that the amount levied for administration and plan management was “very high” in comparison with the amount levied for that purpose by other Councils and an indication that it should be limited to \$1,000 per dwelling. To this effect, a maximum amount of \$1000 per dwelling is to be imposed on development consents, pending the outcomes of the review of the Warriewood Contributions Plan.
- that the Net Present Value methodology used in the Plan, can continue to be used pending the issue of new Guidelines by the Department of Planning.

The Minister's Direction also advised that Council was to procure an independent review of the Warriewood Contributions Plan under a brief approved by the Department of Planning.

The Minister's requirement was that the “Independent Review” be completed by the end of 2009.

The timeframes set by the Minister and the Department of Planning for the tasks was not able to be complied with, due to its complexity and the delay in release of the Draft Local Development Contributions Guidelines by the Department which also needed to be taken into account.

Council has advised the Department of the reasons for the delay and submitted two written requests for extension, but has not received a formal response to date.

At the time of writing of this report, Council staff are seeking to meet with the relevant Department staff to discuss this issue.

5.0 INDEPENDENT REVIEW OF THE PLAN

5.1 Brief for Independent Review

In accordance with the Minister's Directions and accompanying advice, a Study Brief for an independent review of the Warriewood Valley Section 94 Contributions Plan was prepared, taking into account advice from the Department of Planning.

The Independent Review Brief was endorsed by Departmental Planning staff and required the following:

a) Cost Estimates of Works and in doing so;

- Provide an assessment of the costs for infrastructure for each element to be provided under the Plan, with sufficient rigour to prevent any need for reassessment of those costs within the next three years, taking into account;
 - Appropriate contingencies (%) for each work item,
 - Appropriate indexation for work into the future,
 - Appropriate design and project management costs (%) for each work item.

b) Apportionment of Traffic and Transport Element and in doing so;

- Review the Traffic and Transport element of the Plan and consider if there is a requirement for the funding of appropriate traffic infrastructure to be apportioned to the broader community on the basis of any identified through traffic function.
- This review is to be based on sound traffic modelling and technical assessment.
- This review is to address the issue that should the Warriewood Valley development not have occurred, then there would be no requirement to provide traffic infrastructure works within Warriewood Valley to discourage through traffic and slow traffic speeds nor culvert structures over the creek systems to provide flood free access to the new residential development.

c) Financial Implications to Council for significant changes to the Plan and in doing so:

- Review the contributions imposed under the Plan and the connection to Council's financial strategy together with the appropriateness of making any major changes to the Plan and the implications for the Council.
- Review of apportionment within each element of the Plan given that should the Warriewood Valley development not exist, then there would be no requirement to provide any infrastructure within Warriewood Valley over and above maintaining that which in the pre-development condition was rural.

d) Impact of removal of Library Book component from the Plan

- The financial implications to the Council for cessation of the library book component of the Library Services element of the Plan given that the library book component has been fully expended in advance of Contributions received.

e) Administration of the Plan and in doing so:

- Review the Administration costs authorised under the Plan. Matters to be considered include;
 - Review the administration costs specifically to verify that the Administration costs relate solely to administration of the Plan and not infrastructure delivery.
 - Review the contract administration costs to verify that these costs are already accounted for within the project management costs for each works item in the NPV model.

- The appropriateness of applying NPV to administration costs where such costs are known and expended on an annual basis.
- f) **Net Present Value (NPV) modelling for financial management of the Plan and in doing so;**
 - Review the NPV modelling methodology, taking into account:
 - The appropriateness of Council passing on all the financial risk for the construction of works to the Plan and future development and the impact this has on housing affordability. The assessment is to compare the financial risks of a typical Section 94 Plan methodology compared to NPV modelling and comment on the appropriateness of each methodology.
 - Consideration as to whether the risk premium levied by the Council was too high.
 - An assessment of the rate assumptions used in the Plan against industry best practice, including;
 - Risk premium
 - Discount rate
 - Cost of Works indexation
 - An assessment of how risk/contingency is treated once works are completed
 - An assessment of how “works in kind” are acknowledged in the Plan on the basis that the risk lies with the Developer not the Council and hence overall risk to the Plan is reduced.

5.2 **Appointment of Consultant for Independent Review**

Invitations were issued to 5 selected consultants based on the ability to undertake a review of planning and financial implications in respect of Section 94 application.

Two quotations were received, one consultant having declined due to workload and no response received from the remaining two consultants.

An evaluation panel was established and the recommendations evaluated by a review team consisting of managers and directors.

The recommended consultant was Hill PDA based on;

- Proven track record of all nominated people.
- Realistic timeframe nominated.
- Demonstrated methodology.
- Demonstrated understanding of the NPV Model investigations required for the review (Note: the alternative consultant did not demonstrate a clear understanding of the NPV Model issue or extent of the work required).
- Realistic pricing of the Review on a time basis, with an upper limit of \$95,000.

5.3 **Findings and recommendations of the Independent Review**

The Hill PDA Independent Review of Warriewood Valley Section 94 Plan dated December 2009 was received by Council on 7 January 2010.

The consultant was provided access to all relevant Council records, financial data, cost estimates and history of the Plan management.

Whilst Council undertook a review of the final draft of the report, feedback to the consultant related to relevant data and background information to assist in finalisation of the report.

A copy of the Hill PDA Report is attached (see Attachment 2).

A summary of the key findings of the independent review are as follows:

- “1. The Plan’s cost of works are appropriate, and if anything are a modest underestimate (in the order of \$1 million). The underestimate may be a result of Council’s choice of contingencies, design and project management rates. Appropriate contingencies should range between 5 and 10% and a design and project management cost of 15% should be applied (with the exception of the Library Services and Plan Administration and Management Elements). Whilst the application of the CPI is in keeping with DoP guidance, Council may consider the use of the BPI as an appropriate alternative in some circumstances.*
- 2. The Plan should fund 100% of works relating to through traffic routes as these works would not have been required should development within Warriewood Valley have not occurred. Notwithstanding this, it is recommended that 25% of costs are reapportioned from the Plan to the wider community for works within Jacksons Road and 15% of costs for Garden Street (for access improvements to the Centro Warriewood Shopping Centre) to account for ‘external’ regional traffic demands.*
- 3. Council seeks approval from the Minister to secure the library book component of the Library element of the Plan in order to recoup expended funds (demonstrated through a Business Plan) and that contributions are secured within the current \$62,100 cap at the rationalisation of other elements within the Plan.*
- 4. Council will need to manage the administrative and management processes of the Plan so that administration costs in the future amount to no greater than 4% of the total cost of works in the Plan (CPI adjusted). We do not consider it appropriate to apply an NPV to administration costs.*
- 5. The application of the parameters utilised by the Plan’s financial models which are now subject to restrictions due to the Minister’s cap have resulted in a financial risk to Council. The Council should seek to review the Plan and generate a new financial model in accordance with the requirements as set out in the draft Local Government Development Contributions Guidelines 2009 utilising a NPV method to manage the cash flow and determine contribution rates.”*

The recommendations of the Hill PDA report are as follows:

“This independent review concludes that the Warriewood Valley Section 94 Plan could not reasonably be reduced so that it would fall under the \$20,000 threshold advocated by the Minister’s Direction. In this regard Planning Circular PS 09 -001 (issued January 23, 2009) recommends “Councils with affected plans to consider:

- amending the contributions plan(s) to comply with the Direction, or*
- when determining monetary contributions, reducing the contribution rates specified in an applicable contributions plan in order to comply with the Direction (i.e. in accordance with Clause 5 of the Direction), or*

- *seeking the Minister's approval to impose a condition or conditions that exceed(s) the maximum amount set out in the Direction."*

Based on the outcomes of this review, as a minimum we recommend that Council takes the third option and seeks the Minister's permission for the Plan to exceed the maximum rate of \$20,000 per equivalent dwelling. To address the full scope of matters identified by this review however, we recommend a number of additional mechanisms are implemented by Council. These mechanisms are summarised, in no set order, below.

1. Secure the \$62,100 Cap

The Minister's permission is sought to retain the interim contribution rate for Warriewood Valley at \$62,100 per equivalent dwelling pending Council completing a review of the Plan, generating a new NPV model, seeking Ministerial approval for additional community infrastructure and adopting the revised Plan.

2. Permission for Library Book Cost Recoupment

As the library book funds were spent in good faith, in accordance with an adopted Section 94 Plan and in light of Council's financial implications, we recommend that the Minister's permission is sought to continue to recoup the \$879,500 expended for library books through the Plan.

In the interests of working cooperatively with the DoP however we recommend that the cost of the library resources is not added onto the \$62,100 cap (back to \$63,300) but rather included within this amount. As a result Council would need to reduce costs to cover this element by eliminating some future works from the Plan.

3. A Review of the Plan

In order to address the funding shortfall identified by this we recommend that a detailed review of the Plan is undertaken including all works and costings together with the generation of a new NPV model in accordance with the draft Local Government Development Contributions Guidelines 2009.

During the Plan's review process, we recommend that no further works are committed to that have not already commenced. This is to ensure that going forward expenditure does not exceed revenue. Furthermore in accordance with the draft Local Government Development Contributions Guidelines 2009, the public exhibition and adoption process for a revised Plan will need to be held until after Part 5B of the Act is passed through the legislative process.

4. Reduce Levels of Infrastructure Provision and Scope of Works

A review of the Plan should seek to identify where infrastructure provision could be reduced and any associated costs. Based on our review of existing costs, this will be a challenging task as many works are reasonably required and if anything existing costs of works appear to be an underestimate. Furthermore developers and the Warriewood Valley community have expectations regarding the level of service provided for by the Plan.

Notwithstanding the above, we have identified two preliminary avenues through which levels of infrastructure provision and the scope of work s could be investigated for reduction as follows:

- Undertake a major revision of open space requirements using a tailored approach to Warriewood Valley's demographics, particularly its age group; and*
- Re-addressing how land is valued. For example rather than averaging costs a more accurate mechanism may be the nomination of land to be acquired.*

5. Contingencies, Indexation, Design and Project Management Rates (item 4a)

Subject to the outcomes of the Plan's review and any revised details, it is considered appropriate to consistently apply:

- contingencies of between 5% and 10% dependent upon the nature of the element. On larger projects it would be advantageous to prepare a 'risk and opportunity' register to canvass potential risks and opportunities and apply risk weightings to offer a calculated contingency rather than a percentage based approach;*
- the Consumer Price Index (CPI) in accordance with the draft Local Government Development Contributions Guidelines 2009 and where appropriate consider the use of the Building Price Index (BPI); and*
- a design and project management cost of 15% to the works components of the Plan elements with the exception of the 'Library Services Element' and 'Plan Administration and Management Element'*

We also recommend that future calculations of the cost of capital works should identify specific allowances for: the net cost of undertaking the works; escalation costs; co-ordinating contractor (principal contractor) site set-up and site supervision (preliminaries); co-ordinating (principal contractor) margins; design and project management and contingencies. This will assist in ensuring no items are missed, improve accountability and transparency and enable improved budgetary management.

6. Increase Density and Revise Contribution Rates Accordingly

A review of development density within appropriate sectors of Warriewood Valley (with the intention of increasing the number of equivalent dwellings that could be developed) may assist in reducing the funding shortfall. It will be important to ensure however that any potential increase in density reduces, rather than compounds, the financial shortfall by increasing the need for infrastructure (notably recreation facilities).

This report has also highlighted that any review of development density should incorporate a review of the spread of contribution rates. This is because the continued application of a flat rate will not facilitate the viable development of smaller (higher density) dwellings.

7. Design and Implement a New Financial Model

A key component of managing the financing of the Plan in the future will be the preparation of a new financial model that:

- 1. Has a simplified and more user friendly approach;*
- 2. Clearly defines and tracks assumptions and inputs in the cash flow;*
- 3. Retains historical data;*
- 4. Demonstrates changes in the capital works programme including existing works escalated and additional works to the original Plan;*
- 5. Does not assume 100% take up and acknowledges a development tail in a risk profile; and*
- 6. Demonstrates how the Plan could be terminated.*

In keeping with the Minister's advice (dated 10 July 2009) we also recommend that any revised model takes into account the principles set out in the draft Local Government Development Contribution Guidelines 2009 prepared by the DoP.

8. Encourage Rapid Completion of Development

As a final mechanism, we recommend that Council adopts a strategy to deal with incomplete or delayed take up rates."

5.5 Reporting Independent Review to the Department of Planning and the Minister

The Hill PDA Independent Review of Warriewood Valley Section 94 Plan document, together with the Business Plans for the library book component within the Library element and child care centre proposal within the Community Services element, and the Council's overall approach to reviewing the Plan as outlined in this report is to be submitted to the Department of Planning seeking concurrence to proceed with the review.

6.0 REVISED LOCAL DEVELOPMENT CONTRIBUTIONS GUIDELINES

- 6.1 The Department of Planning has prepared draft Local Development Contributions Guidelines to replace existing practice notes issued in 2005.

The Guidelines together with a Policy Statement will assist Councils and the industry in understanding the implementation of a new Part 5(B) of the Environmental Planning & Assessment Act yet to come into force, which will require a re-drafting of all existing current Section 94 Contribution Plans.

In the meantime, any review of Section 94 Plans will need to comply with the requirements of the Guidelines including the proposed review of the Plan as required by the Minister's Direction and as outlined in this report.

In accordance with a Department of Planning's consultation process for draft Local Development Contributions Guidelines, Council is required to make any submissions by 26th February 2010.

Taking into account the issues associated with the review of the Plan as outlined in this report, as well as the requirement to review Council's full suite of Section 94 Contribution Plans, a submission on the draft Guidelines has been prepared (see Attachment 3).

The most significant issue raised in the draft Guidelines is that they establish a 2-tier system for local contributions. Councils can continue to levy for "key community infrastructure without Ministerial approval, however, Council requires Ministerial approval" to obtain a contribution for any other kind of community infrastructure (called "additional community infrastructure").

Key community infrastructure is listed in clause 31A(1) of the EP&A Regulation, i.e.:

- a) local roads
- b) local bus facilities
- c) local parks
- d) local sporting, recreational and cultural facilities and local social facilities (being community and child care centres and volunteer rescue and volunteer emergency services facilities)
- e) local car parking facilities
- f) drainage and stormwater management works
- g) land for any community infrastructure (except land for riparian corridors)
- h) district infrastructure of the kind referred to in (a) – (e) above, but only if there is a direct connection with the development to which a contribution relates.

Under the new Guidelines, most forms of childcare are not key community infrastructure. In addition, expenditure on library books no longer appears to be considered key community infrastructure.

In this regard, a specific request has been made to the Minister with the necessary supporting information to include contribution collection for library books and proposed childcare facilities through a revised Plan.

Other than this significant change and subject to the issues raised in Council's submission, the Guidelines provide for a more structured approach to Plan preparation and expression, and provide increased transparency in relation to the process of collection of contributions and spending of funds and the administration of those processes.

The Guidelines provide a clear and defined structure for the written expression of Plans and specific guidelines for financial models associated with those Plans, as well as outlining procedures for Plan preparation, community consultation, application for Ministerial approvals (i.e. for additional community infrastructure), financial modelling, justification of contribution rates and collection and expenditure of funds.

The Guidelines also set out the processes for development and creation of planning agreements.

In conclusion, the Guidelines provide a much more definitive suite of advice in relation to developer contribution related issues.

7.0 RANGE OF MEASURES TO ACCOMMODATE THE MINISTER FOR PLANNING'S DIRECTION

In essence, the main impact of The Minister's Direction is to "cap" the Plan at a maximum of \$62,100 contribution for 3 years, after which increases (as approved by the Minister for Planning) may be able to be achieved.

It should be noted that under the current Plan, estimated contribution rates will escalate to \$76,157 per equivalent dwelling by 2012 (the current end date of the Plan).

The Direction also requires a comprehensive review of the Plan.

In order to achieve the "cap" of \$62,100 and address the issues raised by the Minister's Direction, Council has a range of measures it can consider as follows:

- Measures to maintain/ ensure equity
- Review levels of Land, Infrastructure and Services Provision
- Review the cost of Works
- Maximise opportunity for direct provision of Land Infrastructure & Services
- Review the financial model
- Increase dwelling yields
- Remove Southern Buffer from the Plan
- Encourage rapid completion of the development cycle
- Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity
- Support the Plan from general Revenue.

This range of measures, their applicability and potential impact on the Plan and hence on Council) are addressed as follows.

7.1 Measures to maintain/ ensure Equity

It is essential that the Plan over its full life, demonstrably achieve reasonable equity between all contributors, regardless of the time or nature of development from which contributions are derived.

The concept of equivalent dwellings which allows the calculation of levy rates from both residential land and industrial/ commercial and employment-generating land that demonstrate equity between those forms of development, should be retained.

In regard to the residential, there has been to date, little if any variation from the residential development being consistently 2-car garage / 3-4 bedroom dwellings, with the exception of recent Seniors Living development.

In regard to Seniors Living developments, the current Plan incorporates a differential which compares to the Seniors Living unit with the equivalent dwelling rate.

In relation to other possible residential development forms and densities (i.e. townhouse development vs. detached housing) a differential contribution rate proportional to demand, may need to be considered for incorporation into the Plan.

The review process and financial assumptions to be included in the financial model need to ensure contribution rates for different forms of development over the life of the Plan are equitable and delivers the required Plan outcomes.

7.2 Review the level of Land, Infrastructure & Services Provision

Reducing the level of Land, Infrastructure and Services Provision provides a significant opportunity to accommodate the Minister's "Cap" on contribution rates and therefore, contain contribution rates within that limitation until 2012 and from then on within an acceptable rate of increase.

However, it must be noted that this reduction in the level of provision will impact on the level of amenity provided for the new residents and industrial and commercial users of land, including existing and future development.

Any reduction in the level of provision necessary to accommodate the Minister's "cap" must not fall below an acceptable level of safety where it relates to essential infrastructure, including:

- Drainage and stormwater management works (i.e. Creekline Corridor, land purchase and associated Works).
- Traffic and Transport Facilities (i.e. traffic management devices relating to traffic, cyclists and pedestrian safety, road and intersection works and bridges).
- Bushfire protection systems (i.e. provision of a continuous perimeter access suitable for bushfire protection purposes).

Opportunities for reduction in the level of provision of non-essential infrastructure and services not primarily relating to safety are available for the following Plan elements:

- Open Space & Recreation
- Community Services
- Library Services
- Pedestrian Cycleway Network
- Plan Management

Reduction in these areas may take the level of provision of facilities and services below the standards determined appropriate, through the original Studies on which the Planning of Warriewood Valley is based in particular, the Demographic Study.

If levels of infrastructure and service provision in these elements of the Plan are to be reduced, an acceptable level of amenity needs to be maintained as much as possible and where projects have commenced, works completed to a functional point.

Additionally, any review of the Plan should incorporate initiatives to maximise amenity through innovative application of expenditure.

Further, it will need to be acknowledged that where standards of provision of active open space, community facilities and Library facilities fall below those standards as expressed being desirable in the original Demographic Study and Draft Planning Framework for Warriewood Valley Land and/ or those expressed in the reviewed Draft Local Development Guidelines issued by the Department of Planning, then that reduction has been necessary to achieve the Direction of the Minister for Planning, and but for that Direction, Council would have generally sought to maintain the levels of provision in accordance with these studies and recommended levels.

In order to accommodate the Minister's "cap", the following works items with a total value of \$12.5 million in the current Plan have been identified for potential removal in a reviewed Plan that "caps" contributions at \$62,100 per dwelling.

These items have been so identified for indicative purposes only, so that the scope of the impact of the reduction in provision of infrastructure and services can be understood at this time.

The Plan review to be carried out will involve a careful analysis to attempt to ensure that removal of such infrastructure and services is carried out in a way that minimises the overall loss of amenity for the Valley as a direct result of achieving the artificial constraint imposed by the Minister's "cap".

INDICATIVE REDUCTION OF WORKS NECESSARY TO ACHIEVE MINISTER'S "CAP"	
TRAFFIC & TRANSPORT WORKS ITEMS:	
Intersection upgrade – Warriewood Rd / Pittwater Rd	
Entry threshold at Narrabeen Creek	
Roundabout – Jubilee Ave / Ponderosa Pde (Stage 2)	
Traffic lights – Mona Vale Rd / Ponderosa Pde	
Roundabout – Warriewood Rd / Vuko Pl	
Pedestrian refuge – Boondah Rd / Narrabeen Creek	
Pedestrian refuge – Fern Creek Rd	
Intersection upgrade - Garden St / Jacksons Rd	
Improve sight distance at crest – Garden St south of Irrawong Rd	
Channelisation – Boondah Rd / Jacksons Rd	
Upgrade – Boondah Rd from STP Buffer Area 3 to Narrabeen Creek	
Pavement strengthening – Foley St	
Intersection upgrade – Jacksons Rd / Pittwater Rd	
Central median – Orchard Rd	
Street trees	
Splay corners – Boondah Rd / Jacksons Rd	

<p align="center">INDICATIVE REDUCTION OF LAND & WORKS NECESSARY TO ACHIEVE MINISTER'S "CAP" <i>(cont'd)</i></p>	
CREEKLINE CORRIDOR WORKS ITEMS	
Creekline Land	
	Narrabeen Creek corridor G (STP 1)
	Narrabeen Creek corridor K (STP 15)
	Narrabeen Creek corridor K (Jacksons Rd)
	Narrabeen Creek corridor (Buffer Sector 1, forest area)
Creekline Works	
	Water quality monitoring
	Flood modelling
	Narrabeen Creek corridor K (Jacksons Rd)
	Sector 15
COMMUNITY FACILITIES WORKS ITEMS:	
	Needs analysis
	Reduced Comm Fac (general)
	Reduced Equipment (general)
	Comm Fac (general) - land
RECREATION & OPEN SPACE WORKS ITEMS:	
	Sportsground (Jacksons Road)
	Narrabeen High School (east) - land
PEDESTRIAN CYCLEWAYS WORKS ITEMS:	
	Bridge over Fern Creek (Sector 8 / 9)
	Bridge over Fern Creek (Sector 1 / 3)
	Bridge over Narrabeen Creek south-west of Vuko PI
	Sector 2 / STP Buffer Area 1
	Sector 15

7.3 Review the Cost of Works

The Independent Review has indicated that Council's costing of works is reliable and fair, but has incorporated a "modest" underestimate in the order of \$1 million which should be addressed in the review of the Plan.

In reviewing the Plan, it is essential that Council take into account the outcome of the Independent Review in regard to costs and seek every opportunity to rationalise costs of future works, thus obtaining best value for expenditure of funds.

7.4 Maximise the Opportunity for Direct Provision of Land Infrastructure & Services

A fundamental of the current Plan was maximizing the direct provision of land infrastructure and services by direct provision in accordance with conditions of Development Consents (i.e. construction internal roads and half width construction of existing roads).

The review of the Plan should ensure that every opportunity to obtain direct provision of land infrastructure and services is attained.

7.5 Review of Financial Model

A primary recommendation of the Independent Review is that the current financial model used to financially manage the Plan to date, requires updating in line with Ministerial Direction, draft local Development Contributions Guidelines and is also required to be modified to ensure equity for contributors over the life of the Plan.

It is appropriate that the financial model used to calculate future levy rates, be modified in accordance with the recommendations of the Independent Review.

It is also important that this financial model which incorporates Net Present Value (NPV) principles be acceptable to the Department of Planning, which has specifically raised issues through the Minister's Direction and covering letter in relation to this issue.

In this regard, Council has requested the preparation of an appropriate model by Hill PDA which is compatible with the Department of Planning requirements and will incorporate that model it into the reviewed Warriewood Valley Section 94 Contribution Plan.

7.6 Increase dwelling yield

Increase in dwelling yield provides a significant opportunity to reduce contribution rates to accommodate the Minister's \$62,100 "Cap".

Increasing the dwelling yield in Warriewood Valley has the potential to increase the number of equivalent dwellings contributing to the Plan, therefore reducing levy rates per dwelling where no additional provision of land, infrastructure or service are required.

The current Plan relies on the dwelling yields, forecast in the 1998 Warriewood Valley Planning Framework.

In regard to the Traffic & Transport Creekline Corridor and Pedestrian and Cycleway Network elements, the infrastructure provision level would be relatively unaffected by increase in dwelling yield. Therefore, in those elements an increase in dwelling yield would simply increase the amount of potential contributions & reducing overall contribution rates.

In relation to Community Services and Open Space, an increase in the dwelling yield will need to incorporate an increase in land, infrastructure and services, unless a reduction in service levels is to occur.

It should be noted, a separate report on this Agenda on the Warriewood Valley Planning Framework recommends increasing dwelling yields.

The Table below provides a breakdown of dwellings allocated to those sectors where development is not yet complete and compares with the proposed number of dwellings under the Draft Warriewood Valley Planning Framework 2010 (which is the subject of a separate report on this Agenda) with the yield originally proposed for these areas.

Current Sectors (remaining to be developed)	Reviewed Sectors (under draft Warriewood Valley Planning Framework 2010)	Existing number of dwellings (1997 Planning Framework)	Proposed number of dwellings (2010 Draft Planning Framework)
1	101	1	1
3	301,302 and 303	131	131
5	501	75	75
8	801	19	19
9	901,902,903,904 and 905	206	245
10	10B	28	28
10A	10A.1 and 10A.2	14	14
Buffer Area 1	Buffer 1a to 1l inclusive, and Buffer 1m	176	201
Buffer Area 2	Buffer 2a*	9	20
Buffer Area 3	Buffer 3a and 3b	142	193
TOTAL DWELLINGS		801	927

**This parcel of land originally in part Buffer Area 1 and Buffer Area 2.*

A more detailed Table (below) shows the dwelling yields and anticipated timing of development designated for each reviewed sector, together with a Map of the Revised Sectors (shaded). The first number in the number sequence of the 'Reviewed Sectors' is the original Sector Number (for example, 301 means it is in Sector 3, and is an individual lot in that Sector).

Reviewed Sectors	Address	Dwelling Density (# dwgs/ha)	Number of Dwellings	Timing Phase
101	165-167 Warriewood Road	No change (15/ha)	1	5-10 years
301	20 Macpherson Street	No change (Already 25/ha)	42	5-10 years
302	18 Macpherson Street	No change (Already 25/ha)	66	1-2.5 years
303	16 Macpherson Street	No change (Already 25/ha)	23	2.5-5 years
501	4 & 8 Forest Road	No change (Already 25/ha)	75	1-2.5 years
801	23B Macpherson Street	No change (Already 25/ha)	19	1-2.5 years
901	11, 12 and 13 (Sector 8); 10 Fern Creek Road; & Part of 2, 4 & 6 Orchard Street; 204 & 206 Garden Street	25/ha (with 15m street frontage)	180	2.5-5 years
902	9 Fern Creek Road	<i>No dwgs (Council land)</i>	0 (9*)	

Reviewed Sectors	Address	Dwelling Density (# dwgs/ha)	Number of Dwellings	Timing Phase
903	Part of 2, 4 & 6 Orchard Street; 2A, 4A & 6A Orchard Street**; and 204 & 206 Garden Street & part Orchard St road closure	10/ha (with 15m street frontage)	9	1-2.5 years
904	1, 2, (Part 4 & 5) Fern Creek Road; 12 & 14 Orchard Street; and 8 Orchard Street** & part Orchard St road closure	10/ha	42	5-10 years
905	4 & 5 Fern Creek Road	10/ha	14	5-10 years
10A.1	115 Orchard Street	No change (15/ha)	8	5-10 years
10A.2	111, 111A & 113 Orchard Street	No change (15/ha)	6	5-10 years
10B	109 Orchard Street	No change (15/ha)	28	5-10 years
Buffer 3a	14-18 Boondah Road	25/ha	186	2.5-5 years
Buffer 3b	5 & 7 Macpherson Street	25/ha	7	2.5-5 years
Buffer 2a	4 Macpherson Street	Requires site specific design	Max 20	2.5-5 years
Buffer 1a	61 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	1-2.5 years
Buffer 1b	53 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	1-2.5 years
Buffer 1c	53A Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	13	2.5-5 years
Buffer 1d	53B Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	1	2.5-5 years
Buffer 1e	53C Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	11	2.5-5 years
Buffer 1f	49 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	14	1-2.5 years
Buffer 1g	45 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	17	1-2.5 years
Buffer 1h	43 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	1	1-2.5 years
Buffer 1i	41 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	27	1-2.5 years
Buffer 1j	31 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	26	2.5-5 years
Buffer 1k	29 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	14	2.5-5 years
Buffer 1l	23, 25 & 27 Warriewood Road	25/ha (with 15m street frontage @ 10/ha)	43	2.5-5 years
Buffer 1m	2 Macpherson Street	No change (no allocation)	0	
Total dwellings			927	

* Potential dwelling yield subject to review of infrastructure provision

** Orchard Street road reservation (Council land)

Map of Revised Sectors in Draft Warriewood Valley Planning Framework 2010



PITTWATER COUNCIL

**Warriewood Urban Land Release
Revised Sectors in
DRAFT Planning Framework 2010**



7.7 Remove the Southern Buffer Area from the Plan

The Southern Buffer Area comprises 7,473ha of land currently zoned Non-Urban 1(B) and Special use (Council Depot) , as well as extensive areas of land in public ownership, zoned for Public Recreational purposes.

Much of the land in this area (and in particular, the land zoned Non-Urban 1(B)) and Special Use is susceptible to flooding and associated environmental issues because of its adjacency to the Warriewood Wetlands and the need to preserve the current and prevailing hydraulic characteristics associated with those Wetlands, as well as other environmental issues associated with the proximity of that environmentally sensitive Wetlands environment.

Also associated with the Southern Buffer Area, are a number of Infrastructure items included in the current Plan which relate either specifically to future development in that area surrounding development including (i.e. Boondah Road upgrading, intersection works in Jacksons Road, Creekline Corridor areas adjacent to Warriewood Square) and would not be necessary but for development in that area.

Council staff have been pursuing a planning solution for the Southern Buffer Sector, however, the Minister's Direction in relation to the Warriewood Valley Section 94 Contributions Plan have seen staff resources associated with this investigation diverted to deal with the Section 94 Contributions Plan issue. In accordance with Council's resolution of the 21st December 2009, staff are awaiting advice from the Department of Planning to organise a meeting on this issue.

In light of the fact that an independent planning solution for the Southern Buffer Area needs to be developed and infrastructure provision within the Southern Buffer Sector including Road & Intersection Works associated with Boondah Road and Jacksons Road, specifically relate to future and current development in that area, it is appropriate that works in the Southern Buffer Sector previously included in the Plan and a projection of contributions from future development in the Southern Buffer, be considered for removal from the Plan and incorporation in a specific infrastructure provision strategy directly associated with a planning solution for the Southern Buffer Area, provided there is no significant adverse impacts on the Plan.

This Southern Buffer Area Planning solution should be developed following completion of the Warriewood Valley Section 94 Contribution Plan review process.

7.8 Encourage rapid completion of the development cycle

Following the significant downturn in development rates associated with the world economic crisis and review of Section 94 Contributions Plan as a result of the Ministerial Direction, a significant issue in relation to future Plan Management is the delay in completion of development in Warriewood Valley.

It is now envisaged that only 80% (approximate) of remaining development will be completed during the next 5 years, with a remaining 20% (approximate) of development being completed over a 5 year period, following that.

The extension of the development cycle and the fact that there is a 20% (approximate) "tail" of development that will not be completed within 5 years development is a result of the following factors:

- Properties with significant existing infrastructure investment, (e.g. Flower Power)
- Properties subject to relatively high levels of capital investment, (e.g. Sector 9)
- Land owners with low level of interest of development, (i.e. happy to live there)
- Properties where planning prescription does not provide sufficient financial incentive to encourage development (i.e. small existing residential properties in the industrial/ commercial area in the northern end of the Valley).

It is appropriate that through an orderly planning process, initiatives to encourage a more rapid completion of the development cycle be developed and implemented to address the range of issues preventing completion of the development cycle in Warriewood Valley.

These initiatives must be based on appropriate planning grounds and implemented so as to ensure that development of the Valley is achieved in accordance with the recommendations of the original environmental studies.

Initiatives to encourage rapid completion of the development cycle are discussed in a separate report on this Agenda relating to a revised Draft Planning Framework for Warriewood Valley. Primarily, these relate to a revision of Sector boundaries and marginal increases in dwelling yields.

7.9 Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity

As mentioned above, there is a “tail” of 20% or approximately 175 equivalent dwellings where there is likely to be delayed take-up rate due to a range of circumstances. Development of these sites is unlikely to occur for the next 5–10 years and even then in some cases, it is uncertain.

Any Section 94 Contribution Plan has a fundamental concept of applying equitable contribution rates for all development that will ultimately benefit from the range of facilities and services provided by the Plan.

Therefore, it is not appropriate that this “tail” of development, not be subject to levy (i.e. you cannot assume a 80% development rate and levy that 80% for all remaining facilities and services that will also benefit the remaining 20%, albeit that it will take a long time to achieve a 100% take up).

In order to deal with this incomplete or delayed take-up rate of development, it is appropriate that works which can be reasonably deferred until contributions are received and are flexible in their method (and cost) of provision are identified and those facilities and services provided are at a time and in a form and cost that maintains contributions at an acceptable level.

A review of the Plan must incorporate a strategy for provision of infrastructure and services that can be delayed until money is available from the development “tail” becomes available, and to the quantum that the development rates at that time provide at an acceptable level.

7.10 Support the Plan from General Revenue

Rather than impose the cost of provision of infrastructure and services at a level that causes contributions rates to exceed the Minister for Planning's "cap" of \$62,100, Council could decide to make up the difference from general revenue.

From Council's inception in 1992, it has been an established principle that general rate revenue would not be utilised to subsidise the development process in the Ingleside/ Warriewood Land Release Areas and in particular, the Warriewood Valley Urban Land Release Area.

It is inappropriate that general rate revenue be diverted to support infrastructure provision in Warriewood Valley directly associated with that development.

8.0 FORTHCOMING REVIEW OF THE PLAN

This section outlines a recommended approach to review the current Plan to comply with the Minister's Direction and revised Local Development Contributions Guidelines, while providing the best possible outcome for the new residents and industrial/ commercial users in the Valley.

8.1 Review of the Plan Structure

The Plan should be reviewed in accordance with the recommendations of the draft Local Development Guidelines.

8.2 Financial Model

The financial model should be in accordance with the Draft Local Contributions Guidelines and Department of Planning's requirements and take into account consideration for equitable contribution rates between different forms of development and for development at different times over the life of the Plan.

8.3 Traffic & Transport Element

The Traffic and Transport element is designed for a traffic generation of up to 31,000 vehicle trips per day based on an acceptable Level of Service B (average). Estimations indicate that the network can accommodate up to 44,000 vehicle trips per day with a reduced Level of Service for the AM and PM peak demands.

There remains capacity within the traffic management system to accommodate a minor increase in dwelling yields as outlined in this report and the revised Planning Framework 2010.

Pedestrian and Traffic safety remains the priority within the Valley traffic network. The lowering of design requirements within the requirements of the design standards may be possible with careful attention to detail and for example; the bridge/culvert over Narrabeen Creek could be designed for an increased flood frequency to reduce costs (subject to detailed analysis).

Further, a number of peripheral projects could be removed from the program and rely on the funding to be provided by the RTA as these works are associated with the main road.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	Equitable contribution rates over the life of the Plan for development likely to occur in Warriewood Valley.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to refine the level of infrastructure to ensure that it is clearly linked to demand created by development which will be levied. The level of provision of infrastructure & services may need to be refined in design or reduced but must achieve acceptable safety and amenity levels whilst achieving the Minister's "cap".	Reduced level of infrastructure provision with reduced contribution to accommodate the Minister's "cap" and community expectations.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary over estimate within the Plan. Cost of works must account for contract Management and contingency costs.	Independent review of cost of works indicate they are based on reasonable estimates and need to be increased to better account for contract management and contingency costs.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision to be taken up	No impact if the Southern Buffer remains. If the Southern Buffer is removed, there is opportunity to require direct provision in the Southern Buffer.
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Equitable contribution rates which accommodate the Minister for Planning's "cap".
Increase Dwelling Yields	Raising the number of equivalent dwellings to be levied, reducing contribution rates where no additional infrastructure is to be provided.	Reduced contribution rates to accommodate the Minister's "cap".

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Remove Southern Buffer from the Plan	Traffic and transport infrastructure associated with the Southern Buffer will be provided through a separate funding mechanism.	<p>Reduced costs & reduced contribution for this element.</p> <p>Contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.</p> <p>Likewise, contributions sought from outside of the Southern Buffer works in the will not be collected.</p> <p>The net effect on finances and traffic outcomes need to be assessed.</p>
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Reduced risk of Plan failing and essential traffic infrastructure in place.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/ deferred and source the costing contributions from of those works from the delayed development areas (the tail) – estimated to be 175 equivalent dwellings.	<p>Works that can be delayed to be “matched” with income from the development tail.</p> <p>The cost of those works should also have flexibility so that works are carried out to the value of contributions received.</p>

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Support the Plan from General Revenue	<p>There is no potential within the Council's current financial resources to support the Plan from general revenue.</p> <p>The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.</p>	<p>For works within the southern buffer, funds to be derived from the Southern Buffer strategy.</p> <p>Any traffic works apportioned within the Plan will need to rely on other revenue in the order of \$80k.</p> <p>Other peripheral works proposed to be removed from the residual Warriewood Valley Plan would need to be considered in the context of a stand-alone Southern Buffer Plan, or will not take place as they would be reliant on other revenue.</p>

8.4 Multi-function Creekline Corridors

In regard to the Creekline Corridor land acquisition and embellishment element, it is noted that the principle reason for the Creekline Corridor element of the Plan is drainage management works within the creekline system, without which Warriewood Valley could not be developed in a coordinated and orderly manner.

The review of the Plan is to also modify the methodology for managing the dedication of creekline land on an equitable apportionment basis through the Plan and a calculation of a monitory contribution or credit based on the quantum of land available for dedication within the sector.

The review of the Plan is also to address the methodology for determination of equivalent dwelling to ensure that it is equitable that all development in Warriewood Valley contributes to Creekline Corridor works element, the current methodology being to apportion on an average land area of 576 m² per equivalent dwelling. However to date, the Plan has not incorporated a differential rate for varying types of residential development (it has prescribed variable rates for industrial/ commercial development).

In essence, all residential development in Warriewood Valley is required to have a maximum of 50% hard surface site cover. This applies to different residential developments, both medium density and mixed residential and traditional residential development scenarios, all of which have different densities.

It is appropriate that this element of the Plan be reviewed to maintain/ ensure equitable contribution rates, based on the area of hard surface developed within each of the Lots. For example, with the current trend for reduced land sizes, a dwelling density of 25 dwellings per hectare (ie;400 m²) and the hard surface site coverage limitation of 50%, equates to 200m² as compared to a density of 15 dwellings per hectare (i.e. 666m²) where the hard surface area equates to 333m².

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	Equitable contribution rates over the life of the Plan for development likely to occur in Warriewood Valley.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to refine the level of infrastructure to ensure that is clearly linked to demand created by development which will be levied. While the level of provision of infrastructure & services may need to be refined in design or reduced but must achieve acceptable safety and amenity levels whilst achieving the Minister's "cap".	Reduced level of land and infrastructure provision where practical and with reduced contribution due to revised formulae for calculation of equivalent dwelling apportionment to accommodate the Minister's "cap" and community expectations.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary over estimate within the Plan. Cost of works must account for contract Management and contingency costs.	Cost of works based on reasonable estimates.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	Direct provision to be further explored as part of Plan review.
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Equitable contribution rates which accommodate the Minister's "cap".

Increase Dwelling Yields	Raise the number of equivalent dwellings to be levied, reducing contribution rates where no additional infrastructure is to be provided.	Increase of dwelling yields potentially reduces the Contribution rates.
MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Remove Southern Buffer from the Plan	<p>Infrastructure associated with the Southern Buffer will be provided through a separate funding mechanism.</p> <p>Contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.</p>	There may be an increase in the contributions for creekline works and land components due to the removal of the southern buffer.
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Reduced risk of Plan failing and essential drainage and stormwater management works in place.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/ deferred and source the costing contributions from of those works from the delayed development areas (the tail) estimated to be 175 equivalent dwellings.	<p>Works that can be delayed to be “matched” with income from the development tail.</p> <p>The cost of those works should also have flexibility so that works are carried out to the value of contributions received.</p>
Support the Plan from General Revenue	<p>There is no potential within the Council’s current financial resources to support the Plan from general revenue.</p> <p>The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.</p>	<p>There will be no call on general revenue for this element.</p> <p>Any reduction in land, infrastructure and services will potentially result in reduced level of drainage and stormwater management provision.</p>

8.5 Community Services

A range of community facilities and services are intended to be provided through the Warriewood Valley Section 94 Plan to support the needs of the residential development in the Valley. The range of facilities and services to be provided under this element of the Plan include:

- Childcare Facilities
- Community Centre Facilities

The current strategy in the Plan remains flexible as to how these facilities will be provided. The following are the major options currently under consideration and suitable sites are still being investigated.

- a) Provision of a large combined childcare facility and general community centre all located on one site.
- b) Provision of a separate childcare facility and a separate general community centre on different sites.
- c) The provision of a childcare facility integrated with a proposal Council has for a new Early Childhood Education & Family Resource Centre and a separate general community centre.

Option C is currently the preferred option and Council staff have developed a concept Plan for the proposed Early Childhood Education & Family Resource Centre. A number of sites are being examined for this facility with the preferred option currently a partnership with Northern Sydney Central Coast Health to have the facility located in the grounds of Mona Vale Hospital.

Under this option a preferred site for the general community centre has not been identified and a number of possibilities continue to be explored.

Little expenditure has yet been incurred in this element which leaves significant opportunities for review.

Early in section 6.0 of this report it was identified that Ministerial approval would be required if Council wishes to continue to levy for infrastructure which is now decreed not to be key community infrastructure.

Whilst there is some ambiguity in the draft Guidelines it appears safest to assume that Council's continued levying for childcare facilities is not considered key community infrastructure.

As a result the now Draft Planning Regulations and the new draft Local Development Contributions Guidelines require the following to be prepared and submitted to the Minister prior to a Draft Contributions Plan can be placed on public exhibition.

- (a) *a Business Plan that establishes how the infrastructure concerned can be fully funded by the council and can be provided and fully operational within the period to be specified in the contributions plan or planning agreement, and*

- (b) *a report (provided by a suitably qualified person who is independent of the council) that assesses the proposed development contributions against the key considerations for development contributions for the purposes of Part 5B of the Act.*

In response staff have prepared a Business Plan and sourced a report from a suitably qualified independent person (Hill PDA) for future child care facilities.

A Business Plan and Independent Reports form part of this report at Attachment 5.

It should be noted that the timing and scale of the proposed child care facility outlined in the Business Plan is still subject to a broader review of the Plan to ensure compliance with the Minister's "cap" of \$62,100.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	Equitable contribution rates over the life of the Plan for development likely to occur for this Element.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to ensure only essential infrastructure which is clearly linked to demand created by development which will be levied is provided. While the level of provision of infrastructure & services must achieve acceptable safety and amenity levels provision need to be reduced as much as possible in order to accommodate the Minister for Planning's "cap".	There may be opportunities to examine different options for the delivery of the general community centre facilities to accommodate the Minister's "cap" and community expectations.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary expenditure by the Plan	The cost of remaining works will be reviewed to ensure they are reasonable.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	There is little opportunity for direction provision.
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Equitable contribution rates which accommodate the Minister for Planning's "cap".

Increase Dwelling Yields	Raise the number of equivalent dwellings to be levied, reducing contribution rates where no additional infrastructure is to be provided.	Any increase in dwelling yields will increase demand and likely increase the overall contribution rate for this Element, unless provision rates are reduced in order to accommodate the Minister's "cap".
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MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Remove Southern Buffer from the Plan	<p>Infrastructure associated with the Southern Buffer may be provided through a separate funding mechanism.</p> <p>However contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.</p>	This will have the effect of reducing demand and will therefore reduce costs and the contribution rate.
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Reduced risk of Element failing.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/ deferred and source the costing contributions from of those works from the delayed development areas (the tail) estimated to be 175 equivalent dwellings.	It is possible that the general community facility may be able to be delayed to this later stage of development.
Support the Plan from General Revenue	<p>There is no potential within the Council's current financial resources to support the Plan from general revenue.</p> <p>The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.</p>	No impact on Element.

8.6 Public Recreation & Open Space

It needs to be noted that all passive parkland proposed for the Valley, other than those sections of Creekline corridors not yet dedicated, have now been purchased and embellished (except for construction of the “playground” in the larger central park). The remaining land to be purchased through the Plan is predominantly for sportsfields (structured active recreation).

Provision of active open space can only be on level land large enough to accommodate sports fields for organised sports (i.e. soccer, football, netball). Given the cost of land in the Valley, the purchase of open space for active sports will be potentially problematic and expensive. Any increase in dwelling yields will increase demand for active open space.

Whilst provision of areas of open space can be made up of a number of small parcels, larger lot sizes are needed to accommodate the provision of sportsfields. The Pittwater LGA has an extreme shortage of sportsfields and as such, purchase of land for active sportsfields within the Warriewood release is essential to provide an acceptable level of amenity for incoming residents and not to add to the existing overburden on existing active open space.

The open space strategy in the current Plan, is formulated on base level requirements and provides land for both passive and active open space use, any reduction in the rate of provision will fall well below established standards and place increasing demand on existing facilities that are already overloaded.

The current Plan has already endeavoured to reduce the cost of provision of sportsfields by negotiating with Narrabeen High School to gain access to school playing fields outside of school hours. Whilst there are embellishment costs, there are savings on the cost of land. These savings have helped to reduce the contributions in the current Plan, but there is little scope for further initiatives of this type.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	The supply of open space by developers has been standardised to 74m ² per dwelling to match the overall supply of 2.83ha per 1,000 head of population. To achieve ongoing equity for developers within the Valley, the same rate of supply should apply.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to ensure only essential infrastructure which is clearly linked to demand created by development which will be levied is provided. While the level of provision of infrastructure & services must achieve acceptable safety and amenity levels provision need to be reduced as much as possible in order to accommodate the Minister for Planning's "cap".	The level of supply of open space can be reduced to accommodate the Minister's "cap" and community expectations. Reduction of open space would also result in a lesser provision of active sports fields. Council currently has a shortage of sporting fields across the local government area and it is extremely important incoming new residents have access to sportsfields and hence, not add to pressure on existing sportsfields.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary expenditure by the Plan	The independent review has concluded that cost of works are based on reasonable estimates.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	Direct provision to be further explored as part of Plan review.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Equitable contribution rates which accommodate the Minister for Planning's "cap".
Increase Dwelling Yields	The number of equivalent dwellings to be levied is to be increased, reducing contribution rates where no additional infrastructure is to be provided.	Any increase in dwelling yields will need to accommodate increased levels of open space provision at the same rate of provision as established in the Plan, unless provision levels are arbitrarily reduced to accommodate the Minister's "cap".
Remove Southern Buffer from the Plan	<p>Infrastructure associated with the Southern Buffer may be provided through a separate funding mechanism.</p> <p>Contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.</p>	<p>No impact on the provision of open space.</p> <p>It should be noted that the Southern Buffer contains potential land suitable for active open space and a planning solution needs to take this into consideration.</p>
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Reduced risk of Plan failing.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/deferred and source the costing contributions from of those works from the delayed development areas (the tail) estimated to be 175 equivalent dwellings.	<p>Works that can be delayed to be "matched" with income from the development tail.</p> <p>The cost of those works should also have flexibility so that works are carried out to the value of contributions received.</p>

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Support the Plan from General Revenue	<p>There is no potential within the Council's current financial resources to support the Plan from general revenue.</p> <p>The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.</p>	No impact on Plan.

8.7 Pedestrian Cycleway Network

Generally it is proposed to retain the cycleway/pathway system as currently identified in the Plan.

A review of path construction techniques and the use of weirs rather than bridges in certain situations will be undertaken to possibly reduce the scale of the works.

The pathway/cycleway system as currently developed will be able to cater for increases in density possibly forecast for the Valley.

The pathways/cycleways are also used for jogging and fitness walking and have a strong recreational use. As such, the land area of the cycleways and creeklines is included in the overall calculations for supply of open space in the Valley.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	Increase in dwelling yields will reduce the overall contribution cost of the element.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to ensure only essential infrastructure which is clearly linked to demand created by development which will be levied is provided. While the level of provision of infrastructure & services must achieve acceptable safety and amenity levels provision need to be reduced as much as possible in order to accommodate the Minister for Planning's "cap".	The pathways/ cycleways are required for the overall release and should not be reduced to retain benefits of the planned system for the release area as a whole, to accommodate the Minister's "cap" and community expectations.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary expenditure by the Plan	Cost of works based on reasonable estimates.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	No impact
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Equitable contribution rates which accommodate the Minister for Planning's "cap".
Increase Dwelling Yields	The number of equivalent dwellings to be levied is to be increased, reducing contribution rates where no additional infrastructure is to be provided.	Increase in dwelling yields will not greatly impact on the useability or viability of the proposed multi access pathway system. This will reduce contribution rates.
Remove Southern Buffer from the Plan	Infrastructure associated with the Southern Buffer may be provided through a separate funding mechanism. However contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.	Reduced costs & reduced contribution.
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Reduced risk of Plan failing.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/ deferred and source the costing contributions from of those works from the delayed development areas (the tail) estimated to be 175 equivalent dwellings.	Works that can be delayed to be “matched” with income from the development tail. The cost of those works should also have flexibility so that works are carried out to the value of contributions received.
Support the Plan from General Revenue	There is no potential within the Council’s current financial resources to support the Plan from general revenue. The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.	No impact on Plan.

8.8 **Bushfire Protection:**

There is a clear nexus drawn between the requirement for Bushfire Protection Works and the demand generated by the Warriewood Valley Land Release. The Ingleside/Warriewood Urban Land Release Bushfire Hazard Evaluation (1995) recommended the provision of a perimeter fire trail around a bushfire hazard boundary in urban subdivision to provide perimeter access for fire fighters and for use as a fire control line. In order to manage the threat of bushfire, bushfire protection trails with unobstructed access available to emergency vehicles need to be created and maintained in locations that optimise effective management of bushfire emergencies.

As part of the provision for the protection of the new urban area, it is proposed to integrate bushfire protection needs with required perimeter roads/fire trails within sectors adjoining the base of the Ingleside escarpment along the western boundary of Warriewood Valley.

To reduce the contribution in those sectors with a high bushfire risk, those sectors adjacent to the escarpment, will construct a perimeter fire trail as part of the development approval process. Additionally, the land on which the perimeter fire trail is to be located will be dedicated to Council. The provision of the fire trail in high-risk areas is not a matter in respect of which any credit will be given against contributions payable or required to be made under this strategy. Contributions will only be levied for land acquisition and construction of links between sectors as required.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	To reduce the contribution for sectors without a high bushfire risk, sectors adjacent to the escarpment construct perimeter fire trail as part of the development approval process. Contributions are only levied for construction of links between sectors as required.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to ensure only essential infrastructure which is clearly linked to demand created by development which will be levied is provided. While the level of provision of infrastructure & services must achieve acceptable safety and amenity levels provision needs to be reduced as much as possible in order to accommodate the Minister for Planning's "cap".	Contributions are only levied for construction of links between development sectors as required. There are only two land based links and two creek crossing required to be funded from contributions, to accommodate the Minister's "cap" and community expectations.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary expenditure by the Plan.	Cost of works has been based on reasonable estimates. The scale of the works will be reviewed to ensure the functionality required of any relevant standard is met at the cheapest possible cost.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	No impact
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	The Bushfire element contributions rates will be accommodated within the Minister for Planning's "cap"

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Increase Dwelling Yields	Raise the number of equivalent dwellings to be levied, reducing contribution rates where no additional infrastructure is to be provided.	There is only a minor positive impact on the contribution rate or costs associated with the bushfire element by increases in development yield.
Remove Southern Buffer from the Plan	Bushfire management infrastructure associated with the Southern Buffer may be provided through a separate funding mechanism.	There is no impact on the contribution rate or costs associated with the bushfire element by removal of the Southern Buffer.
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection	There is no impact on the contribution rate or costs associated with the bushfire element by rapid development. However, the undertaking of works is dependent on adjacent sectors developing.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify when works are to be undertaken, i.e. connections of the fire trails are only required when adjacent development sectors develop. Therefore, bushfire works can be delayed/ deferred and source the costing contributions from of those works from the delayed if sector development is delayed.	<p>Bushfire works can be delayed until two adjacent development sectors develop, providing some flexibility. However, when two adjacent sectors development, the link must be provided.</p> <p>The provision of these links can be “matched” with income from the delayed development.</p>
Support the Plan from General Revenue	There is no potential within the Council’s current financial resources to support the Plan from general revenue. The Warriewood Valley development scenario was based on the assumption that development should be self funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.	There is no requirement to support the bushfire element from general revenue.

8.9 Library Services

As outlined in Section 3.2 of this report the Library element has fully expanded nearly all of its components and is seeking to recoup this expenditure by levying the remaining dwellings in Warriewood Valley.

Early in section 6.0 of this report it was identified that Ministerial approval would be required if Council wishes to continue to levy for infrastructure which is now decreed not to be key community infrastructure.

Whilst there is some ambiguity in the draft Guidelines it appears safest to assume that Council's continued levying for recoupment of library books is not considered key community infrastructure.

As a result the now Draft Planning Regulations and the new draft Local Development Contributions Guidelines require the following to be prepared and submitted to the Minister prior to a Draft Contributions Plan can be placed on public exhibition.

- (a) *a business plan that establishes how the infrastructure concerned can be fully funded by the council and can be provided and fully operational within the period to be specified in the Contributions Plan or planning agreement, and*
- (b) *a report (provided by a suitably qualified person who is independent of the council) that assesses the proposed development contributions against the key considerations for development contributions for the purposes of Part 5B of the Act.*

In response staff have prepared a Business Plan and sourced a report from a suitably qualified independent person (Hill PDA) for the recoupment of library book expenditure already incurred. A Business Plan and independent report form part of this report at Attachment 4.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	Equitable contribution rates over the life of the Plan for development likely to occur for this Element.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to ensure only essential infrastructure which is clearly linked to demand created by development which will be levied is provided. While the level of provision of infrastructure & services must achieve acceptable safety and amenity levels provision need to be reduced as much as possible in order to accommodate the Minister for Planning's "cap".	It may be necessary to review the need for the remaining amount of expenditure in this Element, to accommodate the Minister's "cap" and community expectations.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary expenditure by the Plan	The cost of these remaining works items will be reviewed to ensure they are reasonable.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	There is no opportunity for direct provision.
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Equitable contribution rates which accommodate the Minister for Planning's "cap".
Increase Dwelling Yields	Raise the number of equivalent dwellings to be levied is to be increased, reducing contribution rates where no additional infrastructure is to be provided.	Any increase in dwelling yields will not significantly impact on demand and will therefore result in a net reduction in contribution rates to accommodate the Minister's "cap".
Remove Southern Buffer from the Plan	Infrastructure associated with the Southern Buffer may be provided through a separate funding mechanism. Contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.	Minimal impact as most of the expenditure has already occurred in this Element.
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Reduced risk of Element failing.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/ deferred and source the costing contributions from of those works from the delayed development areas (the tail) estimated to be 175 equivalent dwellings.	Minimal impact as most of the expenditure has already occurred in this element.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Support the Plan from General Revenue	<p>There is no potential within the Council's current financial resources to support the Plan from general revenue.</p> <p>The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.</p>	No impact on Element.

8.10 Plan Management

Currently, Council charges a Plan Administration Costs of approximately \$270,000 p.a. on the basis of staff and third party costs that solely relate to the administration of the Plan.

While justifiable and appropriate (as indicated by the findings of the Hill PDA Review, which states *"this review supports Council's methodology of costing the administration and management of the Plan"* in comparison to costs of works and the recommendations of the Department of Planning's Draft Developer Contribution Guidelines), the Plan Administration costs must be reduced.

As a part of the Department of Planning's interim advice to Council, the Plan administration costs were to be no more than \$1,000 per dwelling. This would only allow for an additional \$801,000 to be levied based on the current future dwelling yield of 801 properties.

The Plan Administration Element has a deficit of \$1.229 million in 2010 Dollars (\$788,850 actual balance as at 30/6/08 as per Hill PDA Report) (meaning expenditure to date has exceeded contribution collected and attributable to Plan Administration).

Accordingly, the capping of Plan Administration to \$1,000 with only approximately 801 dwellings to be levied (based on current dwelling yields) would place a significant financial burden on Council whereby most of the future levies would be directed to offset the current plan deficit.

Further to the Department of Planning's initial recommendations to Council, the Department of Planning at Section 8.2.7 of their Draft Guidelines 2009 clarified that "contributions should be no more than 4% of the value of works / land in the Plan".

Therefore, at a current estimated cost of remaining works of \$65.616 million (as per Amendment 16) at 4% this would see approximately \$2.62 million levied in the future for Plan Administration. Of this \$2.62 million some \$1.229 million would need to be applied to the elements existing liability thus leaving approximately \$1.391 million to be utilised over the remaining life of the Plan. If the Plan runs for another say 8 years this would amount to an annual Plan Administration Fee of \$173,875 p.a. or approximately \$100,000 less than what is being derived from the plan currently. *(Note: this figure is an estimated cost and does not reflect any additional interest expense and the overall capping of the Plan to \$62,100. These issues may further erode future Plan Administration Income).*

Accordingly, Council must seek from the Department of Planning an allowance to exceed the initial \$1,000 cap placed on Council's Plan Administration Costs and levy future development at the deemed rate of 4% of remaining costs of works to ensure a reasonable level of Plan Administration Fees into the future.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Maintain / Ensure Equity	The Plan should be reviewed to ensure that contributions sought and received from different types of development at different times in the life of the Plan are reasonably equitable, taking into account the time value of money, the level of demand for infrastructure and services caused by the development.	Plan Administration Costs to be amended to satisfy DoP's new Developer Guidelines. Future levying at 4% of cost of works as deemed equitable by the DoP will be sought.
Review levels of Independent Review & Revised Guidelines Infrastructure provision	The level of infrastructure should be reviewed to ensure only essential infrastructure which is clearly linked to demand created by development which will be levied is provided. While the level of provision of infrastructure & services must achieve acceptable safety and amenity levels provision need to be reduced as much as possible in order to accommodate the Minister for Planning's "cap".	Reduced level of Plan Administration Costs as per the DoP Developer Guidelines, to accommodate the Minister's "cap" and community expectations.
Review the Cost of Works	Cost of works - all works should be reviewed to ensure that there is no unnecessary expenditure by the Plan	Reduced level of Plan Administration Costs as per the DoP Developer Guidelines.
Maximise Direct Provision of Land, Infrastructure & Services	All opportunity for direct provision taken up	No impact
Review the Financial Model	Financial Model to be reviewed to ensure equitable contributions rates over the life of the Plan.	Not applicable to Plan Administration.
Increase Dwelling Yields	Raise the number of equivalent dwellings to be levied, reducing contribution rates where no additional infrastructure is to be provided.	Not applicable to Plan Administration as future Administration income will be based on future cost of works.

MEASURES	PLAN REVIEW METHODOLOGY	POTENTIAL IMPACT
Remove Southern Buffer from the Plan	<p>Infrastructure associated with the Southern Buffer may be provided through a separate funding mechanism.</p> <p>Contributions that were previously sought from industrial commercial land in the Southern Buffer Area will not be collected.</p>	Not applicable to Plan Administration.
Encourage rapid completion of the development cycle	Rapid completion of the development cycle will reduce the financial risk for the Plan associated with delayed development contribution collection.	Rapid completion of development will see a reduction in Plan Administration Costs due to a reduced timeframe of the Plan Life.
Adopt a strategy to deal with incomplete or delayed take-up rate of development opportunity	Identify works that can be delayed/ deferred and source the costing contributions from of those works from the delayed development areas (the tail) estimated to be 175 equivalent dwellings.	Not directly applicable to Plan Administration Element.
Support the Plan from General Revenue	There is no potential within the Council's current financial resources to support the Plan from general revenue. The Warriewood Valley development scenario was based on the assumption that development should be self-funding and should not derive any support in terms of provision of infrastructure and services for the new development from general revenue.	Not directly applicable to Plan Administration Element.

9.0 FINANCIAL IMPACT ON COUNCIL

As stated by the Hill PDA Review, *“Given the methodology applied by the Warriewood Valley Section 94 Financial Model, a cap on the Plan at its current rate (or below) would create a significant funding shortfall.”*

Further to this, the Hill PDA Review goes on to state that: *“A \$20,000 cap on the contribution rate would result in a funding shortfall in the order of \$41.4 million”*. A cap on the Plan at \$62,100 would still however, result in a funding shortfall of over \$5.7 million”.

Adding to this, the Plan deficits of \$788,850 for Plan Administration and \$879,500 for Library Books that may not be recoverable under the new Department of Planning’s Developer Contributions Guidelines and a potential under estimation of works in the order of \$1 million, would potentially see a funding liability for Council in the order of \$8.4 million (as per Hill PDA’s Review Dec 09).

As a consequence of the Minister’s “cap” to address this potential liability, a review of the cost of works and/or development rates will need to be undertaken as recommended in the Hill PDA Report.

Based on Council’s initial indicative figures, to accommodate the Ministerial “cap” of \$62,100 (between 2009 and 2011);

- At an unaltered dwelling yield of 801, a reduction in works of approximately \$15.6 million may be required.
- At an increased dwelling yield to 927, a reduction in works of approximately \$10 million may be required.

However; it must be noted that the above figures are indicative only and will be subject to review, based upon Council’s new Financial Model currently being developed along with the new Guidelines.

As a part of the Hill PDA Review, a number of recommendations in order to address the financial impact on Council were made. These recommendations will be pursued in order to mitigate the financial impact on Council. The key recommendations relating to financial impact on Council that will be addressed in a review of the Plan are as follows:

- The Minister’s permission be sought for Council to continue to secure a contribution rate of \$62,100 per equivalent dwelling in Warriewood Valley.
- The Minister’s permission be sought for Council to recover the expended library book funds (\$879,500) under the \$62,100 cap.
- The existing Warriewood Valley Section 94 Plan undergoes a review to:
 - refine the level of infrastructure provision and the scope of works; and
 - incorporate contingencies of between 5% and 10% and design and project management costs of 15% where appropriate; and
 - incorporate a review of the financial model’s parameters and their application in accordance with the Department of Planning Draft Guidelines 2009 incorporating a contingency provision for fluctuations in density as well as changes in delivery programmes.

- During the period of the review of the Plan, no further works (other than those that have commenced) are committed to.
- A review of development densities is undertaken and scenarios to increase the number of dwellings (within the scope of the original environmental, infrastructure and services and demographic studies upon which planning for the Valley is based) in appropriate locations identified.
- A strategy is prepared and implemented by Council that encourages rapid development/ completion of development in Warriewood Valley to reduce the timeframe of the Plan.
- That any revised model takes into account the methodology and best practice approaches addressed in Section 4.7 of the Draft Local Development Contribution Guidelines 2009 prepared by the Department of Planning.

Further to the above, in 2009 Pittwater Council engaged Morrison Low Consultants to review Council's Long Term Financial Strategy. As a part of their findings, they have indicated that Council's financial position should remain stable in the short term (i.e. next 3 to 4 years) with potential pressure mounting (if no action taken) in the longer term.

Accordingly, as the Ministerial "cap" has placed an additional financial pressure on Council, all efforts must be undertaken to ensure the financial stability of the Warriewood Valley Section 94 Plan is maintained. Whether this be in the form of a review of proposed works and/or a change to dwelling yields, consideration to all parameters that ensure the Plan's continuation without financially burdening Council's own operations is paramount.

10.0 PART 3(A) (MERITON) APPLICATION FOR BUFFER AREA 3

At its meeting of 21 December 2009, Council was advised of recent decisions made by the Director-General of the Department of Planning regarding:

- A proposed residential development at 14-18 Boondah Road is declared as a "major project" under Part 3A of the Act. This site comprises the majority of Buffer Area 3, being the subject of Meriton's previous DA granted consent by Council.
- The other Meriton lands, 23-27 Warriewood Road (in Buffer Area 1) and 2 Macpherson Street (in Buffer Area 2) have not been authorised to submit a concept plan. Rather, *"a more strategic approach is required involving the development of the whole of Buffer Area 1 to ensure equitable outcomes are achieved for all landowners to enable a more careful consideration of existing development capacity and infrastructure constraints"*.
- Proposes that Department of Planning and Council undertake a joint strategic review of the Valley in relation to Buffer Areas 1, 2 and 3 and Sectors B and 15 for higher densities, future employment opportunities, recreation and improvement in the land use arrangements generally.

The Major Project declaration for 14-18 Boondah Road includes the authorisation for submission of a Concept Plan by Meriton. The proposed Concept Plan and description of the development comprises 599 dwellings which is 457 in excess of the dwelling yields of 142 dwellings planned for this site under the 2001 STP Buffer Sector Planning Framework.

The Draft Warriewood Valley Planning Framework (2010) (the subject of a separate report on this Agenda) proposes a minor increase in dwellings allocated for this site, raising the yield to 183 dwellings, however, the increase is still 416 dwellings below the number described in the proposed Concept Plan submitted by Meriton.

In regard to the Part 3(A) proposal by “Meritons” for its land in Buffer Area 3, it should be noted that should it be progressed with 599 new dwellings (or in fact any increase above 183 dwellings) the proposal would be considerably outside the scope of the orderly planning process established for Warriewood Valley through the Draft Warriewood Valley Planning Framework (2010) and that incorporated in the current Plan, or able to be incorporated into a reviewed Plan without a complete re-evaluation of infrastructure and services demands. In particular additional demand for road works, active open space & community facilities & services would need to be addressed if in fact this is possible, given factors such as the advanced state of new road construction and the shortage of land suitable for active open space.

Such a re-evaluation would require a completely new investigation and study program to replace the suite of environmental, infrastructure and services, and demographic studies which together constituted the “Environmental Study” upon which the planning and subsequent rezonings in the Valley are statutorily based.

11.0 CONCLUSION

The Plan provides the mechanism by which common land, infrastructure and services are provided and funded by developers for the benefit of the new residential and industrial commercial development in the Valley. Without this common infrastructure, the development in Warriewood Valley would not have a level of safety and amenity commensurate with acceptable standards and the recommendations contained in the environmental infrastructure & demographic studies upon which the planning for the land release is based.

As a result of delays of development in the Valley which have been made worse by the world economic crisis, contribution rates for the Plan have increased and will continue to increase significantly over the extended life of the Plan.

In order to enhance the viability of development in New South Wales, the Minister has sought to “cap” developer contributions. In regard to the Warriewood Valley Section 94 Contributions Plan, the Minister for Planning issued a specific direction capping the Plan at \$62,100, and requiring an independent review as well as limiting contribution collection for Library Facilities and Plan Management.

Additionally, the Department of Planning has issued a Draft Local Development Contributions Guideline which places further constraints on the structure and operation of Plans in the future. In relation to Warriewood Valley Section 94 Contribution Plan specifically, those draft Guidelines identify that collections for library books (in some cases) and child care centre (both included in the current Plan) are considered “additional community infrastructure” and require an application to the Minister for specific approval, accompanied by a “Business Plan” and associated Independent Review if they are to be included in future Plans.

This report provides an extensive explanation of Council’s current Plan and outlines the steps necessary to review the Plan so as to comply with the Minister for Planning’s Directions and the Draft Local Development Contributions Guidelines.

In determining this forward path, the report relies on an Independent Review carried out by Hill PDA as well as an extensive re-evaluation of the Plan by staff.

The report specifically identifies that a reduction in the level of infrastructure provision and an increase in dwelling yield, are the two primary mechanisms through which the Minister's Direction can be accommodated, in particular, the Minister's capping of future contribution rates at \$62,100.

The report notes that but for the Minister's Direction, Council would have sought to continue to provide infrastructure and services at the levels originally forecast as required, based on the environmental, infrastructure & services and demographics studies upon which the land release is based.

The report forecasts that a reviewed Warriewood Valley Section 94 Contribution Plan, can be prepared following the Department of Planning's endorsement of the Independent Review carried out by Hill PDA, the Business Plan submissions for recoupment of a Library book element and a Child Care Centre proposal in the Community Services element of the Plan as "additional community infrastructure" and the Plan review process as identified in the report itself.

12.0 SUSTAINABILITY ASSESSMENT

12.1 Supporting & Connecting our Community (Social)

12.1.1 The review of the Plan aims to continue to enhance the health and wellbeing of residents in Warriewood Valley.

12.2 Valuing & Caring for our Natural Environment (Environmental)

12.2.1 The review of the Plan aims to continue to reduce our ecological footprint and continue protecting our biodiversity.

12.3 Enhancing our Working & Learning (Economic)

12.3.1 The review of the Plan aims to continue the orderly planned development of Warriewood Valley, and ensure delivery of a viable land release and minimise the financial impact of the Minister's Direction to "cap" developer contributions for Warriewood Valley.

12.4 Leading an effective & Collaborative Council (Governance)

12.4.1 The review of the Plan is in response to a range of legislative reforms and Minister's Directions.

Landowner and community participation is to be conducted at the appropriate time to ensure that decision making is ethical, accountable and transparent.

12.5 Integrating our Built environment (Infrastructure)

12.5.1 The review of the Plan is in response to a range of legislative reforms and Minister's Directions, and aims to continue enhancing the liveability and amenity of the Valley by locating an appropriate mix of land use and development in well connected, effective transport routes.

13.0 EXECUTIVE SUMMARY

The Warriewood Valley Section 94 Contributions Plan provides the mechanism through which contributions are obtained from developers for common infrastructure and services necessary to support new development in Warriewood Valley.

The infrastructure provided by the Plan includes the following:

- Traffic & Transport Facility
- Multi-Function Creekline Corridors
- Community Facilities & Services
- Public Recreation & Open Space
- Pedestrian Cycleway Networks
- Bushfire Protection Measures
- Library Services Facilities & Services

Contribution rates required to support the current Plan have risen considerably over time and under the current Plan structure and financial model, would have risen to over \$76,000 per equivalent dwelling by 2012.

The State Government, in response to industry concerns as to the cost of development contributions and resultant impact on viability of development, has sought to restrict such contribution rates.

In relation to the Warriewood Valley Section 94 Contributions Plan, the Minister for Planning issued a specific Direction requiring an Independent Review, placing limitations on forms of contribution collection to be attained by the Plan, and placed a contribution “cap” of \$62,100 per dwelling.

An Independent Review has been carried by Hill PDA and the recommendations of that report, together with a staff review of the Plan have been utilised to develop a forward path to review the current Plan so as to comply with the Minister for Planning’s Direction and the Department of Planning Local Development Contributions Guidelines.

A reduction in the level of provision of infrastructure and services and increase in dwelling yield in particular, form the basis through which compliance with the Minister’s Direction can be achieved. The report notes that but for the Minister’s Direction, Council would have aimed to continue to provide infrastructure and services at the original levels determined appropriate, but will need to reduce that level to accommodate the Minister’s Direction to “cap” contributions at \$62,100 until 2012.

The report presents the documents and puts in place the steps necessary to comply with the Minister’s Direction and Draft Development Contributions Guidelines with a recommendation that the relevant documents and information be forwarded to the Department of Planning for approval prior to the preparation of a reviewed Plan.

RECOMMENDATION

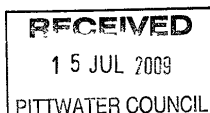
1. That the contents of this report be noted.
2. That the recommendations of the “Independent Review” of the Warriewood Valley Section 94 Contributions Plan (Amendment No.16) carried out by Hill PDA be noted.
3. That the Department of Planning be advised of Council’s actions and intended review of the Warriewood Valley Section 94 Contribution Plan as outlined in this report in relation to the Ministerial Direction. That the Department of Planning be provided with a copy of the “Independent Review” proposed by Hill PDA and a copy of this report.
4. That Council endorse the “Business Plan” submissions to the Minister for Planning for inclusion of the Library element and childcare facility proposal in the Community Services element as “non-essential infrastructure” in a reviewed Warriewood Valley Section 94 Contributions Plan, as contained in Attachments 4 and 5 to this report.
5. That Council request the Minister for Planning to vary the Ministerial Direction of 10th July 2009 to allow Council to set a contribution rate in a reviewed Warriewood Valley Section 94 Contributions Plan which includes a component towards administration and management costs commensurate with that recommended in the “Independent Review” carried out by Hill PDA and the Draft Local Development Contributions Guidelines.
6. That Council request the Minister for Planning to confirm that the current Warriewood Valley Section 94 Contributions Plan Amendment No.16 continues to apply to any Development Application to be determined prior to a reviewed Plan referred to in Recommendation 7 (below) coming into force, subject to any contributions not exceeding \$62,100 per equivalent dwelling.
7. That Warriewood Valley Section 94 Contributions Plan be reviewed and reported to Council following formal response from the Department of Planning in relation to Council’s submission of the “Independent Review” carried out by Hill PDA, the “Business Plans” for the Library element and childcare facility proposal within the Community Services element supporting their inclusion in a reviewed Plan as non-essential infrastructure and a copy of this report.
8. That Council’s submission to the Department of Planning on the Draft Local Development Contributions Guidelines as contained in Attachment 3 to this report, be forwarded to the Director General of the Department of Planning.

Report co-ordinated by

Lindsay Dyce
MANAGER – PLANNING & ASSESSMENT

MINISTER'S DIRECTION

NSW | The Hon **Kristina Keneally** MP
Minister for Planning | Minister for Redfern Waterloo



Y09/1910

Mr Mark Ferguson
General Manager
Pittwater Council
PO Box 882
MONA VALE NSW 1660

Attention Lindsay Dyce

Dear Mr Ferguson *Mark*

I refer to Council's letter dated 26 February 2009 containing an application for an approval under clause 4 of my direction under s94E of the Environmental Planning and Assessment Act 1979 (Act) dated 13 January 2009 (Direction)

I have considered the Council's application and the recommendations of the Local Contributions Review Panel and have decided to give the Council the attached further direction under s94E of the Act (Further Direction)

I may decide to revoke or substitute the Further Direction at any time. In that regard, the Council should be aware that I would consider doing so if the administrative arrangements set out in the Notes at the end of the Further Direction are not complied with to the satisfaction of my Department.

My summary reasons for issuing the Further Direction include

- It appears that initial costs estimates in the *Warriewood Valley Section 94 Contributions Plan No. 15 (Amendment No. 16)* ("**Warriewood Contributions Plan**") appear to have been substantially under-estimated by Council, leading to a loading of costs onto the development that occurs in the later stages. Accordingly, it is considered necessary for Council to undertake a review of the contributions plan.
- The contributions imposed under the Warriewood Contributions Plan are clearly connected to Council's financing strategy and it is therefore not appropriate to make major changes to the Plan without a sound understanding of the implications for Council. Accordingly, it is considered appropriate that an independent review of the Warriewood Contributions Plan be undertaken to assist in that regard. The review must also address concerns that Council has in the past, charged the contributions plan a 4-5% cost for internal borrowings used by Council which appears to be inappropriate.



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- Council is levying for library book stock. It is considered that this is not an appropriate piece of infrastructure for which contributions should be required. Given that the book stock is required wherever the population increase occurs, it is more appropriate to fund this 'infrastructure' from the increased rate revenues that come from new development generally. Accordingly, Council must no longer require monetary section 94 contributions for such a purpose.
- In addition, the current administration levy authorised by the Warneewood Contributions Plan appears to be very high in comparison to the amount levied for administration costs by other councils. It is considered that a maximum amount of \$1,000 per dwelling/residential lot is more reasonable and as such it is appropriate to limit administration costs to that rate whilst the review of the Warneewood Contributions Plan is being completed.
- However, it is considered appropriate that Council be exempted from the application of the maximum amount set out in the Direction in relation to s94 contributions in accordance with the Warneewood Contributions Plan whilst the independent review of the Plan is commissioned and carried out. Pending completion of the review, it is appropriate to limit further increases while Council undertakes the independent review in order to promote greater housing affordability. Therefore, a new maximum amount of \$62,100 per dwelling/residential lot is imposed on development consents requiring monetary contributions under the Warneewood Contributions Plan. That new maximum amount incorporates the reductions resulting from the Further Direction that library book stock must not be levied for and the limit on the rate of the administration levy.

I also note that while Council can continue to use its Net Present Value methodology for the Warneewood Contributions Plan, I am concerned that this methodology may not be appropriate for contributions plans. I expect that Council will use the new guidelines on the use of Net Present Value methodologies for contributions plans, which I have asked my Department to develop, when it reviews the Warneewood Contributions Plan.

Should you have any further enquiries about this matter, I have arranged for Mr Brett Whitworth, Local Contributions Review Panel Secretariat, to assist you. Mr Whitworth may be contacted on telephone number (02) 4224 9455.

Yours sincerely

 10 JUL 2009
The Hon Kristina Keneally MP

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

DIRECTION UNDER SECTION 94E

1 INTRODUCTION

- 1.1 I, the Minister for Planning (**Minister**), being the Minister administering the *Environmental Planning and Assessment Act 1979 (Act)*, having considered an application from the Council under clause 4 of the Existing Direction, pursuant to section 94E of that Act
- (a) direct the Council to comply with the requirements set out in this Direction,
 - (b) revoke any previous direction under section 94E to the extent of any inconsistency with this Direction
- 1.2 This Direction takes effect seven (7) days after the date of this Direction
- 1.3 Notes do not form part of this Direction

2. DEFINITIONS

- 2.1 Words and expressions used in this Direction have the same meaning as in the Act except where otherwise indicated
- 2.2 The following definitions apply in this Direction
- 'Contributions Plan'** means a contributions plan referred to in section 94EA of the Act
- 'Council'** means Pittwater Council in its capacity as a *consent authority* as defined in section 4(1) of the Act
- 'Development Consent'** means consent under Part 4 of the Act to carry out development and includes a complying development certificate
- 'Dwelling'** means a room or suite of rooms occupied or used or so constructed or adapted as to be capable of being occupied or used as a separate domicile
- 'Existing Direction'** means my direction under section 94E of the Act dated 13 January 2009
- 'Interim Exemption Direction'** means my direction under section 94E of the Act dated 28 April 2009
- 'Monetary Contribution'** means a monetary contribution required by a condition of Development Consent imposed under s94(1) or s94(3) of the Act, excluding any indexation provided for in the condition
- 'Residential Development'** means development, or any part of development, for the purpose of one or more Dwellings

Note

- 1 Development is defined in section 4(1) of the Act to include, amongst other things, *the subdivision of land* as defined in s4B of the Act

'Residential Lot' means a lot created by the subdivision of land as defined in section 4B of the Act for the purpose of a Dwelling not being a lot that, in the opinion of the Council, is to be further subdivided for the purpose of Residential Development

'Warriewood Contributions Plan' means the Contributions Plan titled *Warriewood Valley Section 94 Contributions Plan No 15 (Amendment No 16)* adopted 1 September 2008 as in force at the date of this Direction

'Warriewood Land' means land to which the Warriewood Contributions Plan applies

3. INTERIM EXEMPTION DIRECTION DOES NOT APPLY TO THE COUNCIL

3 1 The Interim Exemption Direction ceases to apply to the Council

4. DIRECTIONS TO THE COUNCIL

4 1 The Existing Direction ceases to apply to a Development Consent requiring Monetary Contributions in respect of Residential Development on the Warriewood Land imposed under the Warriewood Contributions Plan

4 2 A Development Consent authorising Residential Development on the Warriewood Land is not to require Monetary Contributions under the Warriewood Contributions Plan in respect of such development the sum of which exceed the following amount

- (a) to the extent that the consent authorises the erection of one or more Dwellings – the amount determined by multiplying the number of Dwellings by \$62,100, and
- (b) to the extent that the consent authorises the creation of Residential Lots but not the erection of Dwellings on those lots – the amount determined by multiplying the number of Residential Lots to be created by \$62,100

4 3 Monetary Contributions referred to in clause 4 2 of this Direction are not to include a component towards administration costs that exceeds \$1,000 per Dwelling or Residential Lot

4 4 Monetary Contributions towards the cost of library book stock are not to be required by any Development Consent under any Contributions Plan applying to land within the Council's area


MINISTER FOR PLANNING

DATE 10/7/09

Notes:

- 1 This Direction may be revoked or substituted at any time by the making of a further direction under s94E of the Act
- 2 The Council is to procure an independent review of the Warriewood Contributions Plan under a brief approved by the Department of Planning. The review is to be concluded by the end of September 2009 and submitted to the Department of Planning. Any necessary amendment of the Warriewood Contributions Plan consequent upon the review is to be completed by the end of 2009. The review, amongst other things, is to
 - a provide a clear estimate of the costs of infrastructure to be provided under the plan, with sufficient rigour to prevent any need for reassessment of those costs within the next three years
 - b address the requirement for the funding of appropriate roads to be apportioned to the broader community given the apparent through traffic function and
 - c consider whether the risk premium levied by the Council on initial borrowings was too high and whether the additional funds received by Council should be directed back towards the plan

Hill PDA Report

INDEPENDENT REVIEW OF
WARRIWOOD VALLEY
SECTION 94 PLAN

PREPARED FOR

Pittwater Council

December 2009

Hill PDA

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QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

REVIEWED BY



4 January 2009

..... Dated

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REPORT DETAILS:

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Hill PDA

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ABBREVIATIONS AND DEFINITIONS

Building Price Index	BPI
Consumer Price Index	CPI
Material Public Benefits	MPB
Net Present Value	NPV
Risk Premium: the risk premium is the sum of the discount rate and an interest rate premium.	

1. EXECUTIVE SUMMARY

1.1 Purpose of the Review

The following report provides an independent review of the Warriewood Valley Section 94 Plan. Pittwater Council (the Council) invited Hill PDA to undertake the review in response to the NSW Minister for Planning's Direction under section 94E of the Environmental Planning and Assessment Act 1979 (the Act). The Direction required local governments to cap development levies at \$20,000 with the objective of boosting housing development and supply. The same Direction recognised that some plans would need to exceed the threshold. This would however only be allowed with specific permission from the Minister following a thorough review of each plan on a case by case basis.

The Warriewood Valley Section 94 Plan Amendment No.16 (the Plan) presently exceeds the defined threshold of \$20,000. This independent review has been undertaken to reappraise the Plan and its financial model, ascertain opportunities for cost restraint and investigate the financial implications for Council and the community of restrictions to the contributions of the order directed by the Minister. The conclusions and recommendations of this review will be passed onto the Council and in turn the Department of Planning (DoP) who will then provide their advice to the Minister for Planning. The Minister will subsequently determine whether:

1. Approval should be granted to allow the Plan to continue to secure a contribution of over \$20,000 per equivalent dwelling;
2. Council should be authorised to use contributions for other community infrastructure; and
3. Council will be required to amend the Warriewood Valley Section 94 Plan to comply with the Minister's Direction.

Council is required to implement the outcomes of the review by the end of 2009.

1.2 The Brief

A project brief for the independent review was prepared by Pittwater Council and endorsed by the DoP. The brief was designed to build on the information provided by Council to the DoP describing the Plan and its approach between February 2009² and April 2009³. The project brief was also prepared in response to the specific queries identified by the DoP's Review Panel.

More specifically, the project brief required a review of:

- The cost estimates of works within the Plan;
- The apportionment of the traffic and transport element of the Plan;

¹ Guidance from Planning Circular PS 09-001 issued in January 2009

² Submission to the Minister for Planning, Pittwater Council, February 2009

³ Submission to the Minister for Planning – Responses to additional questions, Pittwater Council, April 2009

- The financial implications of the Plan should it be amended;
- The impact of removing the library book component of the library element of the Plan;
- The administration costs associated with the Plan; and
- The methodology and appropriateness of using a Net Present Value (NPV) model for the financial management of the Plan.

In order to address the matters outlined above with sufficient expertise, a multidisciplinary consultant team was commissioned including Hill PDA (land economists, valuers and planners), Traffix (traffic and transport engineers) and Rider Levett Bucknall (quantity surveyors).

1.3 Existing Scenario

As of February 2009, 7 of the 14 residential sectors within Warriewood Valley had been developed providing 990 equivalent dwellings. Another sector had been released providing an additional 66 residential lots for sale, totalling 1,056 equivalent dwellings (comprising 56% of the total estimated dwelling yield). To date \$4m has been secured (including material public benefits) through developer contributions representing 44% of the Plan's revenue to date and outstanding value of works.

As of the 2008 / 2009 financial year the Plan had a contribution rate of up to \$63,306 per dwelling. It is worth noting however that the actual financial contribution provided by developers could be lower in lieu of the dedication of land for the creekline corridors (which includes land for the provision of open space and bicycle paths).

A review of the Plan by the DoP in mid 2009 lead to the Minister's Direction for the contribution rate to be reduced to \$62,100 (the library book component being extracted). This rate was approved as an interim rate whilst the independent review could be commissioned and conducted.

1.4 Summary of Review Findings

This independent review has found that Pittwater Council has worked diligently and transparently through the course of the Plan's life to ensure that the operation and ongoing management of the Plan has been equitable. Council has sought to minimise risks for both Council and developers whilst achieving a level of infrastructure provision consistent with industry standards and commensurate with the expectations of the future community.

Council has applied numerous initiatives to reduce development costs associated with the Plan including the integration of infrastructure elements, the enabling of contributions through material public benefits, regular reviews and continuous monitoring of the Plan in addition to timely and efficient infrastructure provision. The Council should also be commended for its objectives to contribute substantially to the housing targets in the North East and the provision of a range of affordable housing options in Pittwater LGA.

Financial Model

A pivotal component of Council's approach towards creating an equitable development scenario was the formation and implementation of two discounted cash flow models to financially manage the Plan. The models have been applied to determine the annual contribution rate per equivalent dwelling for each element of the Plan to secure funds inline with the rate of development and to minimise financial risk for Council.

Council's discounted cash flow model was originally designed by external experts (please refer to Chapter 6) and its parameters have been regularly reviewed by Council to determine the annual contribution rate. This review has found that as the model discounts earlier contributions to allow for the assumed time value of money, the capping of later contributions will create an undesirable situation for Council that will escalate their exposure to financial risk.

The parameters that have affected the financial models included:

- The value of the discount rate applied within the model;
- Changes in dwelling yields / the extent of the industrial area to be developed in Warriewood Valley to reflect changes in the Master Plan;
- The inclusion of additional works throughout the life of the Plan to reflect changes in land use;
- Increases in the value of land over the development period;
- The timing of income / expenditure in the models application;
- The value of the risk premium applied to elements in deficit in the early stages of the Plan (reflecting the time value of money); and
- The cost estimate for works items being moderately underestimated at the commencement of the Plan.

In essence the method by which the parameters were applied in the financial models lead to the discounting of development contributions for development in the early stages of the Plan. These parameters, including the discount rate, additional expenditure, changes to dwelling yields and land price movements has seen contribution rates over the past 10 years of the Plan's life increase more than threefold (from \$23,796 to \$63,306 as of 30 June 2008).

The variations described above to the model's parameters explain the DoP's query⁴ concerning the costs associated with the Plan and their apparent increases. As stated in a letter from the DoP to Council *"it appears that initial costs estimates in the Warriewood Valley Section 94 Contributions Plan No. 15 (Amendment No.16) appear to have been substantially underestimated by Council, leading to a loading of costs onto the development that occurs in the latter stages"*.⁵

The financial models approach, in combination with a cap on the contribution rate (either at its interim rate of \$62,100 or below) will have a significant financial implication to the funding of works within Warriewood Valley. Owing to the methodology and associated utilisation of the models parameters (now 10 years into the 14 year Plan) only \$57m (2009\$) of the required \$112m (2009\$) has been secured by Council. This is compared to 1,056 (56%) of all equivalent dwellings and 66% of all industrial / commercial land being completed.

⁴ Letter to Pittwater Council from the NSW DoP dated July 10 2009

⁵ Letter to Pittwater Council from the NSW DoP dated July 10 2009

It therefore follows that the remaining 830 residential lots and 9.2ha of industrial / commercial land will be required to fund the remaining \$5m expenditure for works. On an equivalent dwelling basis this represents an average contribution rate of \$68,956 and assumes that development is completed by 2012. If the final stages of development were to extend beyond 2012 (i.e. owing to a development tail or economic conditions) and should the financial models be left unmitigated, we anticipate that over the next five years the contribution rate would need to ultimately increase to around \$100,000 (2015\$) per equivalent dwelling to enable the full costs of works to be secured. This creates a potentially unviable development scenario for future residential development within Warriewood Valley could be created increasing the risk of Council being left with a funding deficit.

Notwithstanding the need for changes to the Plan, where possible the review has continued to address the key issues identified by the project brief. The approach and order of matters addressed in this report have been refined however to account for the fundamental implications of the models' parameters.

Cost Estimates of Worksto Complete

Our assessment of the infrastructure costs for each Element of the Plan has found that the total cost of capital to complete the works of \$65.6m may be a modest underestimate of likely costs by approximately \$1m. The underestimate generally results from the Councils choice of contingencies, design and project management rates. We recommend that contingencies of between 5% and 10% should be used. Furthermore a project management cost of 15% should be applied (with the exception of the 'Library Services' and 'Plan Administration and Management Elements').

Traffic and Transport Apportionment

Our review recommends that 100% of works relating to through traffic routes should be funded by the Plan as these works would not have been required should development within Warriewood Valley have not occurred. Notwithstanding this, it is recommended that 25% of costs are reapportioned from the Plan to the wider community for works within Jacksons Road as well as 15% of costs within Garden Street (for works improving access to the Centro Warriewood Shopping Centre) to account for 'external' regional traffic demands.

Library Book Component

Council expended the library book contributions that had been secured, and were forecast to be secured, in order to build and complete the Mona Vale Library facilities. The advanced expenditure of \$879,521 was on good faith that the development of Warriewood Valley (and the associated contributions) would be delivered in accordance with the adopted Plan.

Whilst the DoP advised in 2009 that library books were no longer considered core community infrastructure, in light of Council's financial situation, we recommend that Council requests an exception to this Direction until such time that the funds can be recovered. We support Council's position that the provision of the library books was integral to the establishment of the new library.

In any case, the request for the exception should be supported by a business plan justifying the expenditure as well as the financial implications to Council if the funding can not be recovered. We recommend that in accordance with the draft Local Development Contributions Guidelines (issued in December 2009 by the DoP) Council seeks approval from the Minister to secure the library book component of the library element of the Plan in

order to recoup expenditure. In the spirit of good will however, the library book element should be included within the \$62,100 cap rather than in addition to it.

Administration and Management of the Plan

Whilst this review supports Council's methodology of costing the administration and management of the Plan, the historical costs in comparison to the value of works have been high and well in excess of the DoP's July 2009 benchmark of \$1,000 per dwelling. The historic costs are a likely result of the complexity of development within the Warriewood Valley, the rigour with which the Plan has been managed and its ongoing review to ensure equity.

We recommend that the process of administering and managing the Plan is reviewed and simplified to reduce future administration costs to or below 4% of the total costs of works (in keeping with the benchmark established by the draft Local Development Contributions Guidelines 2009). A key factor in minimising costs will be to ensure that development timeframes within Warriewood Valley are compact. We do not consider it appropriate to apply an NPV to administration costs.

1.5 Summary of Findings: Financial Implications to Council

Given the methodology applied by the Warriewood Valley Section 94 Financial Model, a cap on the Plan at its current rate (or below) would create a significant funding shortfall. By way of example a \$20,000 cap on the contribution rate would result in a funding shortfall in the order of \$41.4m. A cap on the Plan at \$62,100 would still however result in a funding shortfall of over \$5.7m. It is important to note that these calculations are based on the full development potential of Warriewood Valley being achieved. Should this potential not be realised, the funding shortfall and unmet financial liability will be even greater.

The shortfall will be further increased as a result of the existing deficit accrued in relation to some elements of the Plan, namely the administration, management and library book costs. Presently these elements are in deficit of:

- \$788,850 for administration costs; and
- \$879,500 for library books and resources.

Furthermore, this review has found that the Plan's cost of works, as of June 30, 2008 may represent a modest underestimate to the degree of \$1m.

Accordingly a \$62,100 cap to the Plan's contribution rate (with no future indexation), in addition to the costs bulleted above would result in a liability for Council in order \$8.4m.

Addressing the funding implications from the LGA perspective, on a per capita basis the potential shortfall would result in a cost in the order of \$448⁶ per household in Pittwater⁷. Alternatively on a per resident basis this translates into a cost of \$154⁸.

⁶ Based on 2006 ABS Statistics of 18,666 dwellings for Pittwater LGA, a yield of 794 and 830 equivalent dwellings and a contribution rate of \$62,100

⁷ Based on 2006 ABS Statistics of 18,666 dwellings for Pittwater LGA, a yield of 794 and 830 equivalent dwellings and a contribution rate of \$62,100. Please note however that based on Council's rate database, the number of households in the LGA may be higher at 22,276 as of 1/7/2009

⁸ Based on ABS 2006 Population estimate for Pittwater LGA of 54,157, a yield of 794 and 830 equivalent dwellings and a contribution rate of \$62,100

Discussions with Councils Chief Financial Officer have identified that owing to Councils present financial situation the shortfall could not be met through Council rate revenue or through Council loans. Council has stated⁹ that if it was to fund any shortfall, this would reduce its ability to undertake services for the wider Pittwater community. This would be inequitable.

Accordingly it is likely that the level of infrastructure provision within Warriewood Valley would need to be reduced and that part of the release area could not be developed as it would be at risk of bushfire, flooding and traffic hazards. This would in turn have an adverse affect to housing choice, housing availability and economic activity in the North East Subregion.

1.6 Recommendations

In order to address the key findings of this review and the financial implications to Council of capping the Warriewood Valley Section 94 Plan, we recommend implementation of the following mechanisms.

1. The Minister's permission is sought for Council to continue to secure a contribution rate of \$62,100 per equivalent dwelling in Warriewood Valley.
2. The Minister's permission is sought for Council to recover the expended library book funds (\$879,500) under the \$62,100 cap.
3. The existing Warriewood Valley Section 94 Plan undergoes a review to:
 - refine the level of infrastructure provision and the scope of works;
 - incorporate contingencies of between 5% and 10% and design and project management costs of 15% where appropriate; and
 - incorporate a review of the financial model's parameters and their application in accordance with the DoP draft Guidelines 2009 incorporating a contingency provision for fluctuations in density as well as changes in delivery programmes.
4. During the review of the Plan no further works (other than those that have commenced) are committed to.
5. A review of development densities is undertaken and scenarios to increase the number of dwellings to be developed in appropriate locations identified in order to make up for the shortfall in the targeted density.
6. A strategy is prepared and implemented by Council that encourages rapid development / completion of development in Warriewood Valley to reduce the timeframe of the Plan.

We also recommend that any revised model takes into account the methodology and best practice approaches addressed in Section 4.7 of the draft Local Development Contribution Guidelines 2009 prepared by the DoP.

⁹ Submission to the Minister for Planning, Pittwater Council, February 2009

2. INTRODUCTION

The following report provides an independent review of the Warriewood Valley Section 94 Plan (the Plan). Pittwater Council (the Council) invited Hill PDA to undertake the review following communication with the NSW Department of Planning (DoP). The communication was focused around the NSW Minister for Planning's Direction to Councils under section 94E of the Act to establish a threshold of \$20,000 on local government development contribution levies. The same Direction allowed for plans to exceed the threshold yet only with the direct approval of the Minister. Approval from the Minister can only be granted following a thorough review of each plan on a case by case basis.

The Warriewood Valley Section 94 Plan presently exceeds the defined threshold of \$20,000. Pittwater Council maintains however that the contributions secured through the Plan will directly service the resident population and industrial sectors of the Release Area and that the facilities to be paid for by the Plan would not have been required should the release area not have been developed. Accordingly Council raised the concern that if funding was to be reduced, the provision of specific infrastructure and services would in turn need to be reduced, deleted or alternatively funded.

This independent review has been undertaken to reappraise the Plan and its financial model, ascertain opportunities for cost restraint and investigate the implications for Council and the community of restrictions to Section 94 contributions of the order envisioned by the State Government. The focus of the review has been the evaluation of the extent and value of appropriate infrastructure and services required as a result of the development of Warriewood Valley.

In accordance with the project brief, the review is required to provide:

- Cost estimates of works within the Plan;
- Apportionment within the traffic and transport element of the Plan;
- An assessment of the financial Implications of the Plan should it be amended;
- An assessment of the impact of removing the library book component of the Plan;
- A review of the administration of the Plan; and
- A review the Net Present Value (NPV) modelling for the financial management of the Plan.

In order to address the matters outlined above with sufficient expertise, Hill PDA engaged the services of Traffic and Transport experts Traffix and Quantity Surveyors Rider Levett Bucknall.

2.1 The Warriewood Valley Release Area

The Warriewood Valley Release Area is located within Pittwater Local Government Area (LGA) between the suburbs of Mona Vale and Warriewood on the Western side of Pittwater Road. Prior to the release of the area for development between 1986 and 1991 by the State Government and the commencement of development, the area comprised of predominantly undeveloped rural lands and wetlands with little infrastructure or servicing.

Industrial, commercial and residential development commenced in the Release Area in 1985. To date 1,056 dwellings (56% of the residential dwelling yield) has been developed and 7 of the 14 residential sectors are complete. By 2012 the Release Area is forecast to accommodate a total of 1,886 dwellings and 27ha of industrial and commercial land.

2.2 Report Structure

In the interests of clear communication, the structure of this report has been prepared in general accordance with Section E1.3 of the review brief (please refer to Appendix 2). The order of the matters discussed in the brief has however been altered in accordance with the findings of the review and their implications as follows:

Chapter 2 – Introduction to the review and its purpose;

Chapter 3 – A summary of the review process to date;

Chapter 4 – A review of cost estimates and works;

Chapter 5 – A review of traffic and transport apportionment;

Chapter 6 – A review of the NPV Model;

Chapter 7 – A review of the administration of the plan;

Chapter 8 – A review of the library book component;

Chapter 9 – Analysis of the financial implications to Council as a result of changes to the Plan; and

Chapter 10 – Conclusions and Recommendations.

2.3 Assumptions

In order to undertake this review a number of assumptions have been used by the consultant team and base data supplied by Council for consistency. The assumptions and data sources are outlined below.

- The base year for the review is the 2008 / 2009 financial year as set out in Amendment no. 16 of the Plan;
- The financial information was based on the details set out in the Warriewood Valley S94 Financial Summary provided by Council to the DoP on February 26th 2009 (please refer to Table 2 below);
- As of 1st September 2008 the development of the Warriewood Valley Release Area with respect to:
 - residential development was 56% complete (1,056 equivalent dwellings) with a remaining 830 lots to be developed (a total of 1886 equivalent dwellings)¹⁰;

¹⁰ Please note that the no. of equivalent dwellings completed varies with each element of the Plan

Independent Review of Warriewood Valley Section 94 Plan

- industrial / commercial development was 70% complete (17.8ha) with a remaining 9.2ha to be developed (a total of 27ha);
- The industrial contribution rates will not be capped over the life of the Plan and the remaining 9.2ha will be developed in full.
- The Plan has a development timeframe to 2012 however owing to current economic conditions it is now considered likely that the development of all 14 sectors within Warriewood Valley will not occur prior to 2017.

3. STUDY POLICY CONTEXT

The following Chapter establishes the context of the Warriewood Valley Section 94 Plan, the Ministers Directions for its review and the review process to date.

3.1 The Warriewood Valley Section 94 Plan (the Plan)

The Warriewood Valley Section 94 Plan was first adopted by Council as a single plan consolidating various elements on June 1st 1998. The Plan was prepared in accordance with Council's understanding of the level of infrastructure and services required by the incoming residents in the area and the particular circumstances of Warriewood Valley.

Pittwater Council manages the Plan including the establishment of contribution rates and the management and delivery of works. The Plan has been reviewed annually to ensure matters such as land values, interest rates and the cost of construction are accurate and appropriate. The Plan was last amended in September 2008 and has an anticipated currency for development up to 2012. The Plan that is the subject of this review is the Warriewood Valley Section 94 Plan Amendment No.16 (Adopted 1 September 2008).

As of the 2008 / 2009 financial year the Plan had a contribution rate of up to \$63,306 per equivalent dwelling. It is worth noting however that the actual financial contribution provided by developers may be broken down to \$51,420.28 plus a contribution towards the creekline land being either direct land dedication (MPB) or a contribution in lieu of up to \$11,885.90.

Table 1 - Summary of Monetary Contribution Rates for the 2008 / 2009 Financial Year

Public Amenities and Services	Remaining Expenditure	Residential Contribution - (\$ per dwelling / equivalent dwelling	Industrial / Commercial Contribution - (\$ per square metre of industrially / commercially zoned land
Traffic and transport	\$12,942,164.06	\$9,157.16	Zone 3(e) \$53.93 Zone 4(b) \$42.62
Multi-functional creekline corridors (works)	\$7,282,337.52	\$6,822.82	\$11.87
Multi-functional creekline corridors (land) #	\$12,638,393.03	\$11,885.90	\$20.68
Community facilities	\$9,068,907.79	\$7,467.94	NA
Recreation and open space provision	\$15,121,192.58	\$19,003.60	NA
Pedestrian and cycleway network	\$6,508,156.28	\$5,159.44	\$2.24
Bushfire protection	\$504,328.00	-\$36.17	-\$0.06
Library services	\$186,508.00	\$1,705.18	NA
Ponderosa Parade stormwater drainage	NA	\$11,154.94	\$19.41
Plan Management and Administration	\$1,367,531.97	\$2,140.31	\$3.72
Total	\$65,619,519.23		

Source: Warriewood Valley Section 94 Plan, Pittwater Council

To 30 June 2008, the Plan has collected \$44,028,101 in contributions (including land dedication) and expended \$35,085,627. A further \$65,619,529 is to be collected to provide: drainage facilities; floodways; bridges; traffic management facilities, road infrastructure, active sports fields and community facilities.

Table 2- Warriewood Valley Section 94 Financial Summary

Grand Totals	Element Reserve Opening Balance as at 1/7/98	Total Income (incl.) Cash and MPB	Total Expenditure (incl.) Cash and MPB	Total Interest 1/7/98 To 30/6/08	Total Internal T/F 1/7/98 To 30/6/08	Element Reserve Closing Balance as at 30/6/08	Total Equivalent Residential & Industrial Dwellings Still to be Levied	Residential Equivalent Dwellings Still to be Levied	Value of Works Remaining (Total) as at 30/6/08	Value of Works Remaining (Industrial) as at 30/6/08	Value of Works Remaining (Residential) as at 30/6/08
Traffic & Transport & Apollo St	-\$2,740,591	\$7,218,628	\$1,768,072	-\$2,297,842	\$455,126	\$867,249	1280	830	\$12,942,164	\$4,555,035	\$8,387,129
Creekline Works	-\$59,168	\$5,894,353	\$6,205,650	-\$267,862	\$1,007,337	\$369,010	990	830	\$7,282,338	\$1,182,470	\$6,099,868
Creekline Land	\$0	\$9,270,572	\$7,633,859	-\$148,892	-\$800,947	\$686,874	990	830	\$12,638,393	\$2,048,310	\$10,590,083
Community Facilities	\$0	\$2,338,456	\$20,000	\$291,051	\$0	\$2,609,507	830	830	\$9,068,908	\$0	\$9,068,908
Recreation & Open Space	\$0	\$11,744,968	\$12,136,962	\$592,928	-\$1,131,779	-\$930,846	830	830	\$15,121,193	\$0	\$15,121,193
Pedestrian & Cycle way	\$0	\$3,970,782	\$2,655,746	\$264,064	\$266,593	\$1,845,693	870	830	\$6,508,156	\$300,825	\$6,207,331
Ponderosa Drainage	-\$242,199	\$472,083	\$402,657	-\$564,597	\$0	-\$737,371	66	-	\$0	\$0	\$0
Bushfire Protection	\$0	\$437,810	\$0	\$95,245	\$0	\$533,055	980	830	\$504,328	\$77,232	\$427,096
Library Services	\$0	\$754,183	\$1,633,704	-\$350,140	\$0	-\$1,229,660	830	830	\$186,518	\$0	\$186,518
Plan Administration	\$0	\$1,926,265	\$2,628,976	-\$286,822	\$200,683	-\$788,850	990	830	\$1,367,532	\$222,053	\$1,145,479
Total	-\$3,041,958	\$44,028,101	\$35,085,627	-\$2,672,866	-\$2,988	\$3,224,662			\$65,619,529	\$8,385,926	\$57,233,604

Source: Pittwater Council

Ref: C 09127

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Hill PDA

3.2 State Government Directions – The Process to Date

In December 2008 the State Government announced a series of investments and policy reforms to stimulate development. The broad intention of the reforms was to support the NSW economy during the global economic correction by boosting housing supply, housing affordability and encouraging activity within the construction industry. The construction industry generates strong economic multipliers through job generation and flow on multipliers.

To implement the State Government Reforms, a Direction was issued by the DoP under Section 94E of the Environmental Planning and Assessment Act 1979 (the Act) relating to monetary contributions required by Councils under section 94(1) or Section 94(3). The Direction required Section 94 Contributions for residential development (either for the erection of a building or the subdivision of land) not to exceed \$20,000 per dwelling. It was intended that the cap be inclusive of all Section 94 contributions irrespective of how they were secured i.e. via conditions of consent or through Council plans. It did however exclude indexation. The Direction applied to consents granted, and applications for complying development, on or after April 30th 2009.

The Direction did however allow for the consideration of exceptions to the \$20,000 threshold subject to the Minister's approval. In accordance with the Minister's Direction, dated 26th February 2009 Pittwater Council wrote to the DoP seeking permission to be exempt from the \$20,000 contribution cap.

Initial Reviews and Interim Arrangements

In response to Pittwater Council's request for an exemption to the direction, the DoP commenced a review of the Warriewood Valley Section 94 Plan in addition to the 27 plans from other Councils seeking exemption. Owing to the number of plans to be reviewed and their complexity, on April 30th 2009 the DoP issued a Direction advising Councils that had sought the exemption that they could *"continue to impose conditions on Development Consents under its existing Section 94 Plan until such time that the Minister approves or refuses the Council's application."*¹¹

The Review Process

Whilst the interim arrangements were in place, the DoP established a panel of senior government officers and industry experts to review all of the Council Section 94 Plans seeking exemption.

Planning Circular PS 09-001 identified a number of areas that the Review Panel should focus on when examining the Contributions Plans including:

- the forward planning of the area and the consequential infrastructure needs;

¹¹ DoP Letter and Interim Direction dated April 30th 2009

Independent Review of Warriewood Valley Section 94 Plan

- the connection (or nexus) between the infrastructure in the plan and the demand to be created by the new development;
- the extent to which Council was apportioning the costs for the provision of the infrastructure between new development areas and existing areas;
- the assumptions underlying the contributions plan, including costings on infrastructure, land acquisition costs for the particular area / locality, the expected timing for the delivery of infrastructure and the existing state of assets;
- how the financial strategy in the contributions plan was reflected in, or supported the councils management plan; and
- the likely consequences of contributions on the ability of developers to bring a new product to the market.

In light of these factors, the DoP's Review Panel identified that the costs associated with the Warriewood Valley Section 94 Plan had been increasing. As stated in a letter from the DoP to Council *"it appears that initial costs estimates in the Warriewood Valley Section 94 Contributions Plan No.15 (Amendment No.16) appear to have been substantially underestimated by Council, leading to a loading of costs onto the development that occurs in the latter stages"*.¹² Accordingly the DoP recognised that the contributions associated with the Plan were a result of its financing strategy and that this component of the Plan required review and analysis by an independent party.

The Minister for Planning by Direction under Section 94E of the Act directed that the Council was to procure an independent review of the Warriewood Valley Section 94 Contribution Plan in accordance with a brief approved by the DoP. The Minister's direction also stated that:

1. Consent for residential development within Warriewood Valley was not to exceed \$62,100 for the erection of a dwelling or for the creation of a lot for residential purposes;
2. Monetary contributions should not exceed a value of \$1000 per dwelling or residential lot towards administration costs of the Plan;
3. Monetary contributions towards the cost of library book stock were to be no longer included.

A brief for the independent review of the Warriewood Valley Section 94 Plan was subsequently prepared by Pittwater Council and endorsed by the DoP. The brief has formed the basis of this report and the matters it responds to (please refer to Appendix 2 for a copy of the brief). During the preparation of this independent review, the DoP issued a draft Local Development Contribution Guidelines (5th December 2009). The draft Guidelines have also been referred to and considered in this report.

¹² Letter to Pittwater Council from the NSW DoP dated July 10 2009

4. REVIEW OF COSTS

In accordance with the review brief Rider Levett Bucknell (RLB) undertook a review of the costs for infrastructure for each element to be provided under the Plan. The review was undertaken with sufficient rigour to prevent any need for reassessment of those costs within the next three years. The review also took account of, and provided advice concerning:

- Appropriate contingencies (%) for each work item ;
- Appropriate indexation for work into the future; and
- Appropriate design and project management costs (%) for each work item.

The following chapter provides a summary of the key findings whilst a more detailed analysis is provided in Appendix 3.

Assessment of Costs for Infrastructure

The 'Value of Works Remaining' in the Plan as of 30 June 2008 was \$65,619,529. Included in this sum is \$25,535,563.47 of land purchase which leaves \$40,083,965.53 for Capital Works.

RLB have not commented on the land values however in some cases RLB have been able to give guidance on quantities of land required under the appropriate element. Where the quantum of land differs from that in the Plan RLB adopted the \$ / sqm rate for land provided by Council.

Prior to this review, Hill PDA was commissioned by Council to peer review the land values established for Warriewood Valley. Hill PDA concluded that they were satisfactory. This review also finds that the Plan's parameters for land escalation also appear to be appropriate.

We have reviewed the cost of each element within the Plan for the works still to be undertaken. Generally this has been done by reviewing Council's most recent estimate of the works. We have reviewed the costs by validating measures and rates wherever possible. Rates have been checked relative to other recent projects with which we have been involved in. Allowances for design, project management and contingencies have been added in accordance with our recommendations (discussed in greater detail below).

We have tabulated the 'Value of Works Remaining' (Total) included in the Plan and our review of those costs. We have accepted the value of land components, except where the quantum of land has changed, and do not offer comment upon them as aforementioned.

Independent Review of Warriewood Valley Section 94 Plan

The table below compares the cost of works for each element of the Plan as provided by Council against RLB's independent review. In summary the review has found that the costs for infrastructure for each element is \$66,627,349 vis a vis the Plan Total of \$65,619,529 as of 30 June 2008.

Table 3 - Comparison of Costs between the Plan (June 30 2008) to RLB's Review

Element	Table 2 - S94 Financial Summary	RLB Review
Traffic & Transport	\$12,942,164	\$11,210,124*
Land component	(\$409,352.88 included)	(\$332,932.19 included)
Creekline Works	\$7,282,338	\$7,822,414
Creekline Land	\$12,638,393	\$12,638,393
Community Facilities	\$9,068,908	\$9,655,818
Land component	(\$2,707,497.80 included)	(\$2,271,000 included)
Recreation & Open Space	\$15,121,193	\$15,180,342+
Land component	(\$9,148,034 included)	(\$9,148,034 included)
Pedestrian & Cycleway	\$6,508,156	\$6,932,037
Land component	(\$632,285.76 included)	(\$632,285.76 included)
Penderose Drainage	\$0	\$0
Bushfire Protection	\$504,328	\$305,371
Library Services	\$186,518	\$179,450
Plan Administration	\$1,367,532	\$2,703,400
	\$65,619,529	\$66,627,349

* The cost of works already completed totalling \$1759m have been omitted as have \$4.48m of works proposed to be deleted from the Plan.

+ Item 6.3 \$548,864 Pedestrian/ cycle underpass (Boondah Reserve to sports ground) omitted as item proposed to be deleted.

Generally we have found that the cost of the works are based upon either consultant estimates or historic data and provides a sound basis for the calculation of the element costs within the Plan.

The application of a contractor's margin and preliminary costs; contingency allowances; design in addition to project management costs is however inconsistently applied across the various estimates. We consider that in the interests of transparency and good management, all of the estimates should be treated consistently and specific allowances identified for each of these cost factors.

Specific comments on the elements of the Plan and our review are provided in Appendix 3 of this report.

Appropriate Contingencies (%) for each Work Item

As the budget for each element of the Plan is developed, a contingency is added to take account of the risks inherent within the project. This assumes that the project is 'self contained' with all necessary infrastructure.

The contingency has to take account of:

- The level of documentation available and the risk inherent of additional works becoming evident as remaining design development proceeds;

- The risk of latent conditions both in existing structures and the ground changing previous assumptions;
- The changes required as more accurate surveys of existing structures become available;
- The impact of user changes to design including impact of equipment on design and changing technology requirements; and
- The changing authorities requirements and construction related risks for which the client retains liability.

In order to determine an appropriate project contingency each element must be considered individually taking into account identifiable risks and the level of documentation and investigation undertaken. On larger projects it would be appropriate to prepare a 'risk and opportunity register' both to: record potential risks and opportunities; identify risk mitigation strategies and focus efforts to obviate risks.

There is generally more risk associated with projects on 'brownfield sites' to projects on 'greenfield' sites because there is greater risk of contamination and undesirable fill resulting from prior human activities on the site. Large portions of Warriewood Valley are affected by prior human activity principally around creek areas that were previously utilised for market gardens. We are advised that in the works to date glass and asbestos / fibre cement remnants of glass houses have been found buried as well as equipment and vehicles.

Most road works to date have followed the existing contours however Macpherson Street required 1.5m of fill and Boondah Road required filling to wetlands. Elements such as landscaping will not however have a significant risk associated from a construction perspective but will have a risk from a design perspective.

Where rates are used based on actual costs (incurred in previous works) they will have contingencies built in for contingent items encountered.

The NSW Treasury Guidance is provided in Table 4 below.

Table 4 - NSW Treasury Design and Construction Contingency Guidelines

Stage / Phase of Project	%
Feasibility/ sketch design/PDP	33-100
Preliminary sketch plan (outline Scheme Design)	18-33
Final sketch plan (Design Development)	11-18
Document Readiness (Contract Documentation)	5-11
Construction + DLP	5-11

We consider that at the commencement of a Plan a contingency totalling 20% of the design and construction cost of the works (excluding any contingent allowances and items) would be appropriate. This comprises of a 7.5% design contingency, 7.5% construction contingency and 5% council contingency.

The Warriewood Valley Section 94 Plan's value of remaining works embodies:

- lessons learnt from works undertaken to date;
- conditions encountered; and
- more detailed surveys of works to be undertaken as well as suitable designs.

That is not to say that there are not still risks such as: impact of programme duration on administration cost; risk of lot numbers not being achieved; ground to be remediated in future works being a larger percentage than in works completed; a greater proportion of poor ground requiring filling or excavation and filling being greater in future works than in prior works; planned paths being unsuitable and boardwalks being required; open space land to be leased proving unsuitable; land having to be purchased in lieu and planned areas for Community facilities being inadequate once a revised needs study is undertaken.

Considering the foregoing, we regard the following allowances to be suitable for future works within the Plan :

Table 5 - Recommended Contingencies (%) for each Work Item

Plan Element	% Contingency applied to the Design and Construction cost of the works (excluding any contingent allowances and items)
Traffic and Transport Element	10%
Creekline Works Element – Generally	10%
– Landscape	5%
Community Facilities Element	10%
Recreation & Open Space Element	5%
Pedestrian & Cycleway Element	10%
Bush Fire Protection Element	10%
Library Services Element	5%
Ponderosa Parade Drainage Element	Not applicable
Plan Administration & Management Element	10%

Appropriate Indexation for work into the Future

The review has based the Plan's Element costs on Councils summary provided in Table 2 of this report as of 30 June 2008. The Plan costs require adjustment for movement in costs from this base date up to the time the works are actually undertaken. The financial model is required to take account of this.

Some of the Plan element costs are based on historical data. We have noted that cost estimates have been adjusted for the cost affect on time by indexation utilising the Consumer Price Index (CPI). The draft Local Development Contribution Guidelines 2009 finds that the use of CPI indexes is appropriate and in accordance with the current regulations (Clause 251 of the Environmental Planning and Assessment Regulations 2000).

Notwithstanding this, in our view, the application of CPI indexes to construction / civil engineering works may not always be the most appropriate indexation. This may be explained by the fact that CPI considers a basket of goods including: food; alcohol and tobacco; clothing and footwear; housing (affordability); household contents and services;

health; transportation; communication; recreation; education and financial and insurance services. However none of these factors relate directly to construction / civil engineering (with the exception of transportation).

Whilst construction / civil engineering works costs are intrinsically linked to labour and material costs they are highly influenced by 'volumes of work in the marketplace'. In times of low workload, prices become deflated by contractors taking measures to become more competitive such as: reducing margins and overhead costs; passing on increased discounts from suppliers, taking on more risk and 'working' the sub contract market.

Conversely in times of high volumes of workload in the marketplace: margins and overheads increase; discounts reduce or disappear and contractor's become risk averse. In our experience these factors are not necessarily reflected in CPI indices or the affect on the indices lags.

If you look at the graphing of CPI versus one of the Building Price Indices (BPI) over a 20 – 30 year span it reveals that CPI often continues to increase whilst the BPI is falling (owing to a lack of work in the marketplace) or rises at a lower rate than BPI when work is plentiful.

BPI's are produced by several sources such as: quantity surveyors; The Australian Institute of Quantity Surveyors; Rawlinsons Australian Construction Handbook and NSW Public Works. The NSW Public Works index is available on-line by subscription and gives both historical actual indices and forecasts future indices. In light of the above discussions, we put forward that Council may consider it appropriate to use the BPI as an alternative index in some cases.

Appropriate Design & Project Management Costs (%) for each Work Item

Design and project management costs have to adequately cover the costs of:

- Design and documentation of the works by civil engineers, hydraulic engineers, electrical engineers, landscape consultants, ESD specialists, bushfire consultants and quantity surveyors;
- Survey fees;
- Geotechnical fees;
- Legal fees for contract documentation and advice;
- Tender administration costs; and
- External consultant reviews of the works being undertaken to ensure they comply with the design and project management of the works.

Typically these costs range between 10 – 15% of the cost of the works (before Plan Management and Contingency allowances are added). We recommend adoption of 15% to the works component of Plan Elements with the exception of the 'Library Services Elements' and 'Plan Administration and Management Element'.

It is to be noted that Council has advised that it construction manages projects (i.e. does not have a main contractor) utilising Council's professional staff, with some of these costs being absorbed by Council. This has allowed the projects to be completed at 2% to 5% below the market cost which may explain some of the cost estimate differential.

Recommendations for Future Cost Assessments

We recommend that future calculations of the cost of capital works should identify specific allowances for:

- The net cost of undertaking the works;
- Escalation costs;
- Co-ordinating contractor (Principal contractor) site set-up and site supervision (Preliminaries);
- Co-ordinating (Principal contractor) margins; and
- Design and project management and contingencies.

This will assist in ensuring no items are missed, improve accountability and transparency and enable improved budgetary management.

There are a number of items in the traffic and transport element that have aspects of night work and the associated premiums of cost. Council could review these items to see whether any could be undertaken during normal hours of work thereby further reducing costs.

Given that there is a large element of land cost in the Plan, additional opportunities to co-locate recreation and open space elements could be pursued with a view to long term leasing rather than purchase.

On larger projects it would be advantageous to prepare a 'risk and opportunity' register to canvass potential risks and opportunities and apply risk weightings to offer a calculated contingency rather than a percentage based approach.

5. REVIEW OF TRAFFIC AND TRANSPORT

Traffix undertook a review of the Traffic and Transport Element of the Plan having specific regard to the apportionment of the traffic and transport related infrastructure costs to the broader community. In addition Traffix has provided a response to the question that should development not have occurred within Warriewood Valley, whether there would have been requirements to provide traffic infrastructure works.

The following traffic and transport chapter has been based on sound technical assessments. It has also utilised a range of information sources including:

- The demand estimates derived from the Traffic and Transport Study conducted by Urban Research and Planning in November 1997;
- Detailed site inspections to confirm existing traffic conditions and infrastructure;
- Observations of traffic conditions during critical weekday peak periods to establish queuing effects and existing levels of service; and
- Additional information provided by Council officers in relation to the amended Traffic and Transport Infrastructure works program (Amendment No 16 2009) with revised costs and subsequent potential revisions.

With regard to the amended works program, the program has been updated to remove works that have been completed and other works that are no longer considered necessary for the safe and efficient operation of the road network. The works that are currently within the amended works program are accepted as being those works that are essential and require funding to accommodate the expected future development of Warriewood Valley. They include works within the broad categories of road capacity improvements and road safety improvements.

Query 1: Is there a requirement for the funding of appropriate infrastructure to be apportioned to the broader community?

The response to this query has been broken down into three relevant sections: Through Traffic; Regional Developments and RTA Funded Infrastructure.

Through Traffic

Detailed site inspections and prior traffic studies have identified through traffic routes within Warriewood Valley as:

- Garden Street – Macpherson Street – Ponderosa Parade;
- Jacksons Road – Boondah Road – Macpherson Street – Ponderosa Parade;

- Warriewood Road – Macpherson Street – Ponderosa Parade; and
- Warriewood Road – Foley Street

The central issue is the extent to which works along any by-pass routes are required in response to through traffic and therefore should be borne by the wider community. With regard to through traffic movement within Warriewood Valley, it is accepted that this does occur to a degree, particularly on the Garden Street / Ponderosa Road corridor and to a lesser extent along the Warriewood Road / Foley Street corridor, including the local connection between Warriewood Road and Garden Street by Macpherson Street. The extent of this has not been quantified to date other than through observations and local knowledge. Furthermore regard has been had for travel distances and times along alternate routes.

The analysis described above leads to the conclusion that through traffic movement does occur and may account for between 10% and 20% of total traffic on some routes at peak times. However, for the reasons discussed below, the exact proportion is not considered to be a critical determinant and therefore we do not believe it would be appropriate for our review to undertake cordon number plate surveys to establish the proportion more accurately.

Specifically, it is considered that costs incurred along these corridors should be fully borne by Warriewood Valley for the following reasons:

- With future development within Warriewood Valley, the existing levels of service along internal routes and at intersections will reduce, so that through traffic movements will be penalised over time and through routes will progressively become less attractive;
- Council has made and continues to make every endeavour to discourage through traffic movement along these routes and many of the proposed works (roundabouts, pedestrian refuges, thresholds etc) achieve this purpose. Therefore, it is reasonable to assume that through traffic will be dealt with effectively over time, particularly after the current works are completed. If it is assumed that through traffic infiltration will be effectively dealt with by both existing and proposed improvements as well as increased delays on affected through routes caused by development, it would be unreasonable for the wider community to fund works which do not provide them any benefit;
- Even if through traffic movements were to be identified as a significant and ongoing problem and removed from the traffic system, it is likely that the road and intersection designs would not be any different from what currently exists. That is, the prime determinant of the road design aspects along routes used by through traffic remains the desire to slow traffic, to provide generally single lane traffic flow, to provide a safe road environment and to provide an attractive streetscape. No improvements are specifically targeted at the problems associated with through traffic which is a secondary consideration; and

- The main beneficiary of the proposed works along through routes is residents and employees within Warriewood Valley, relating to the quality and safety of their environment, with a focus on providing safe access to development for motorists and pedestrians. That is, the road network as currently developed and as to be improved under the Plan would be the same if there was no through traffic infiltration.

Having regard for the above factors, it is considered that works on through routes should not be subject to any apportionment to the wider community and should be fully funded under the Plan.

Regional Developments

The issue of how to address impacts concerning access requirements for significant 'destination' developments that attract traffic from the wider community also needs to be addressed. The Centro Warriewood Shopping Centre is the main example of such a development and while the catchment for this shopping centre is not definitively known, the centre is considered to serve a regional area that extends well beyond the confines of the Warriewood Valley.

On this basis, in principle the road network would be expected to provide significant road capacity to accommodate high retail traffic volumes along key access routes, notably Jacksons Road (to access Pittwater Road) and Garden Street (to access the catchment to the south-west and north-west of the shopping centre). Clearly, this raises the prospect of benefits to the wider community in accessing these regional services. This issue does however raise competing arguments for the following reasons:

- The capacity improvements for shopping centres are of a short term nature with the weekday commuter peak period being the most critical peak period as it coincides with retail shopping times. Minimal traffic is generated during the AM peak while peak Saturday flows occur when 'background' traffic volumes are lower than those which occur during weekday commuter peaks. The fact that traffic volumes at the shopping centre are not sustained over the week invites some discounting of improvement works on access routes (but not in relation to the access requirements of the site itself);
- The Centro Warriewood Shopping Centre currently attracts significant trade from passing traffic (this is known as linked trips) which is traffic that is currently on the road system in any event and does not generate an additional impact on access routes;
- The current road configuration along Jacksons Road (other than on approach to Pittwater Road east of Boondah Road) is single lane flow. Hence, it is likely that the road and intersection designs would not be any different from what currently exists even without the Shopping Centre; and
- The current road configuration along Garden Street is single lane flow (other than in approach to Pittwater Road and Powder Works Road). Hence, it is likely that the road and intersection designs along that route would not be any different from what currently exists even without the shopping centre.

In the absence of the above factors it is anticipated that during the critical weekday PM peak period, the shopping centre would account for at least 50% of all traffic on Jacksons Road and at least 30% of traffic on Garden Street. This therefore represents the upper limit to the extent to which the wider community benefits from these routes. However, it is considered that having regard for the above factors, these proportions should be reduced by at least half, to 25% and 15% respectively. Accordingly, it is recommended that 75% of costs on Jacksons Road and 85% of costs on Garden Street should be included in the Plan for local funding, to account for 'external' regional traffic demands.

It may be reasonably expected that the traffic and transport implications of the Warriewood Valley Shopping Centre would have been assessed at the development application stage and would have made contributions towards any capacity or safety improvements that were required to support the centre at that time. However, current improvements are not funded under any approvals and need to be funded by Council.

The only other significant regional development is the RSL Club in Foley Street. Having regard for the high proportion of linked trips associated with the Club and the fact that peak demands occur during the evenings when there is spare road capacity, it is considered reasonable that all required works in Foley Street should be fully funded under the Plan. Furthermore we understand that at the time of development the RSL made appropriate contributions towards the Plan.

RTA Funded Infrastructure

The traffic and transport Infrastructure works program identifies improvement works at the intersection of Warriewood Road with Pittwater Road (upgrade); and at the intersection of Mona Vale Road with Ponderosa Road (traffic signals). Both of these roads provide collector road access to Warriewood Valley from the RTA's main road system.

It is a matter for negotiation between the RTA and Council as to the extent of contributions (if any) that should be made to these improvements having regard for their respective strategic planning roles. The absence of these improvements from the Plan therefore implies that these works will be included in a future RTA Works Program. If this does not eventuate, the result will be increased delays at the intersection which will be a cost borne by the wider community.

Summary of Apportionment

Through traffic within Warriewood Valley is significant and varies for individual routes. In addition the Centro Warriewood Shopping Centre and the RSL Club generate significant volumes as "trip attractors" which would serve the wider locality, notably in the PM peak periods. Accordingly we have reviewed these factors to assess their cumulative influence and potential for apportionment. Our conclusions are essentially that through traffic has not influenced the design of the road network and in addition, there is a real prospect that over time, through

traffic will be effectively reduced. It is therefore considered that no apportionment should be applied for through traffic, with works on all routes where through traffic movement does occur fully funded under the Plan.

With regard to improvements on roads accessing the Centro Warriewood shopping centre, a discount of between 25% (Jacksons Road) and 15% (for access improvement works along Garden Street¹³) is considered appropriate, with no discounting on any other routes. We have accepted that the range of improvements (Items) is based on a rigorous assessment by Council as to their needs. In this regard, we note that the amended Traffic and Transport Infrastructure works program may consider deleting works on Jacksons Road, with only moderate works required on Garden Street, so that these apportionments are 'in principle' and can be applied if the extent of works alters. Works on all other routes are local works that should be fully funded under the Plan, with the exception of works to be undertaken by the RTA on the perimeter main road network.

Query 2: Should development within Warriewood Valley have not have occurred, would there have been requirements to provide traffic infrastructure works within Warriewood Valley to discourage through traffic and slow traffic speeds or culvert structures over the creek systems to provide flood free access to the new residential development?

It is considered that in the absence of development within the Warriewood Valley, the road network would have provided no routes that would have been attractive to significant through traffic volumes. This is because generally, the operation of the perimeter main road network would have been (and remains today) very good, with only moderate delays and generally high travel speeds, particularly along Pittwater Road.

To the extent that through traffic infiltration may have occurred, it is unlikely that it would have created a need for any improvements, either to accommodate this through traffic or to ameliorate any impacts associated with this traffic. Traffic would have been able to use any available through routes without the need to deal with conflicts associated with the access requirements of local developments within Warriewood Valley (whether at intersections or driveways). It is these conflicts that create the need for the road capacity and road safety improvements to be funded by the Plan.

¹³ Note excludes local improvements such as bus stops

6. THE NET PRESENT VALUE MODEL

Hill PDA has undertaken an audit of the two financial models that underpin the Warriewood Valley Section 94 Contribution Plan (hereafter referred to as the financial models). The financial models are discounted cash flow models (or net present value models) applied by Council to calculate developer contributions for a range of elements within the Plan.

The financial models, and their associated access database, also record costs associated with the Plan, works and capital reserves to complete the provision of infrastructure in accordance with the Warriewood Valley Master Plan. A working description of the financial models and their methodology is provided in Appendix 1.

Pittwater Council commissioned the preparation of a discounted cash flow financial model¹⁴ to manage the financial contributions of the Plan and to support its objectives for:

1. Development within Warriewood Valley to be funded through developer contributions thereby avoiding any burden to existing rate payers;
2. The equitable distribution of costs between those who developed in Warriewood Valley in the early stages and those who developed in the latter stages; and
3. Council to only become a lender as a last resort and that Council's risk profile was reflected in an interest rate premium.

Whilst the objectives listed above are supported in principle, this independent review has found that the application of the parameters within the financial model (and its resulting calculations) in conjunction with the Ministerial Cap has created an undesirable situation for Council. In effect the method of applying the key parameters within the model has resulted in developers within the early phases of development in Warriewood Valley paying a lower contribution. The capping of the Plan at \$62,100 (without indexation) would place a significant risk on Council as it would remove the ability to levy future development escalating contribution rates in order to balance the income / expenditure of the Plan.

¹⁴ Note: Council has confirmed that the discounted cash flow model was originally designed and introduced to Section 94 Planning by Warringah Council prior to the succession of the two Councils. At the time the principles of the model were validated through the University of Technology Sydney (UTS). Further, the financial model has continually been reviewed by external advisors and has been utilised as the basis of Council's financial modelling in the application of the contribution rates for Section 94 contributions in Warriewood Valley.

The parameters most affecting the model:

- The value of the discount rate (reflecting the time value of money) applied within the model;
- The value of the risk premium applied to elements in deficit in the early stages of the Plan;
- Changes in dwelling yields / the extent of the industrial area to be developed in Warriewood Valley to reflect changes in the Master Plan;
- Inclusion of additional works throughout the life of the Plan to reflect changes in land use;
- Significant Increases in the value of land;
- The timing of income / expenditure in the models application; and
- The cost estimate for works items being moderately underestimated at the commencement of the Plan.

Based on the “*time value of money*” principle and the algorithm of the discounted cash flow modelling-technique, Council’s discounted cash flow model lowered its contribution rates in the earlier years and then scaled them progressively up over the remaining predicted life of the Warriewood Valley Section 94 Plan. As a result contribution rates increased over the past 10 years almost threefold (from \$23,796 to \$63,306 as of 30 June 2008).

Further, owing to changes in the economic climate, it is now considered unlikely that the full development of Warriewood Valley will be achieved within the next 2 – 3 years (by 2012). Should the financial model be left unmitigated and continue to be used to calculate contribution rates, we anticipate that over the next five years the contribution rate would need to increase to around \$100,000 (2015\$) per equivalent dwelling to enable the full costs of works to be secured. This predicament creates a stressed development scenario for future residential development within Warriewood Valley.

In light of the preceding discussion, the following section will respond to the specific questions outlined in the project brief.

Query 1: Is it appropriate for Council to pass on the financial risk for the construction of works to the plan and what implications would this have to housing affordability? What are the financial risks of NPV modelling compared to other plans and is it appropriate?

Whilst the use of a discounted cash flow model as part of a Section 94 Contributions Plan may be perceived as a mechanism of passing risk on, in the case of the Warriewood Valley Section 94 Plan, this fact is under pressure due to the application of the parameters as stated above.

The application of the parameters applied within the financial models has resulted in a greater funding risk being passed onto the Council, particularly if the cap on the contribution rate prevails for the life of the Plan. This is

because potentially insufficient funds will be collected for the development that has and will occur over the life of the Plan. If increased contributions (as determined by the financial models) are not secured over the life of the Plan this could leave Council with a funding deficit.

It is noted that the DoP, though the draft Local Development Contribution Guidelines 2009 proposed a method for determining contribution rates by applying a NPV methodology in the calculation of development contribution rates. The guidelines recommended the use of a discount rate equivalent to the yield on 10 year government bonds less an assumed annual inflation index of 2.5%. Furthermore the guidelines recommended that CPI was indexed at 2.5% per annum¹⁵.

A comparison to other contribution plans has identified that the application of an NPV model may only be appropriate in the case that an initial developer contributes to the risk. For example, an initial developer may choose to take on the cost of infrastructure (such as roads or open space), or part thereof, over and above that which is required by their respective development. In return for the initial financial risk, the same developer could be rewarded through the application of an NPV model that escalates (rather than discounts) the costs. In this way the developer would recuperate their initial outlay along with a reasonable risk premium.

In the case of the Warriewood Valley Section 94 Contributions Plan, although no one developer took on the initial risk that justified the significant discounting of cost at the time of payment, Council has utilised an NPV model to achieve equity and to apply the time value of money to contribution rates.

At the present contribution rate we understand that the development of larger detached dwellings and town houses has proved to be viable to date. The development and sale of dwellings has remained consistent over the life of the Plan and median dwelling prices in Warriewood Valley are lower than median dwelling and land costs for the remaining portion of Pittwater LGA.

Whilst the current contribution rate represents 11 - 12% of land value (which is considered reasonable), as the contribution rate and land values continue to increase, it is likely that there will become a point where it will be necessary for the developer to pass on the additional cost of development to the end purchaser. This may result in a higher final cost of the property and reduce its affordability. Should this scenario occur, it would be contrary to Council's objectives for Warriewood Valley and would also increase the financial risk to Council of funding the program of works.

The impact of the development contribution rate to housing affordability and housing type is an important one. The contribution rate is presently applied irrespective of the dwelling type (i.e. the same rate for single detached

¹⁵ Section 4.7 Page 39 of the draft Local Development Contribution Guidelines 2009

dwellings as 1 and 2 bedroom apartments). As a result, we recommend that there should be an equivalent yield adjustment for alternative dwelling types such as apartments as is the current case for seniors living.

Query 2: Was the risk premium levied by Council too high?

Under the scenario of the discount model Council applied, we do not believe the risk premium rate was excessive. However should the Council move to a financial model without a discount rate, a risk premium equivalent to Council's own cost of funds would be appropriate. Generally our recommendation would be that Council would try to not have a negative cash reserve that is, the Council matches' expenditure with income wherever possible.

It should also be noted in this respect that through the life of the Plan to date, Council has generally managed the reserve balance positively and paid back interest on surplus funds. We consider this a fair and equitable approach. We recommend that moving forward, Council is not required to pay interest back unless the cumulative funds exceed a set amount across the sum of each element for example a working capital amount of \$2m. It would not be pragmatic to keep a positive cash flow for each individual element as expenditure is lumpy.

We also recognise that given the uncertainty of estimating costs and future price escalations, Council should include a contingency provision. Any surpluses could then be applied to supplement recreational open space acquisitions.

Query 3: Assess the rate assumptions used in the plan against industry best practice including the risk premium, discount rate and cost of works indexation.

Risk Premium: the risk premium is the sum of the discount rate and an interest rate premium. The discount rate applied by Council equated to the long term government bond rate (5% - 6%). The interest rate premium (0% - 5%) equated to an interest premium to cover business risk for lending on infrastructure.

The risk premium was set as the interest rate charged to any negative cash reserve balance. Given the risks associated with delivering the Plan and the fact that no were contingencies applied to capital works, we consider a risk premium of 9 - 11% to be justified on a commercial basis. Council has however subsequently reduced the interest rate premium to 0 in an effort to lower contribution rates.

Discount Rate: the discount rate used by the financial model was applied in an effort to promote equity in the contribution rates. We recommend that the new NPV model is consistent with the draft Local Development Contributions Guidelines 2009 and set at a rate equivalent to the current yield on a 10 year government bonds less an assumed annual inflation index of 2.5%.

Indexation of Works: the Consumer Price Index (CPI) rate was applied for the indexation of works. This is in keeping with the advice provided by the draft Local Development Contributions Guidelines however an alternative option that may be considered by Council is the Building Price Index (BPI). It is recommended however that

should the use of the BPI be considered appropriate by Council in some circumstances, it is agreed with the DoP prior to use.

Query 4: How is risk / contingency treated once works are completed?

We understand that Council's estimates of the cost of capital works and land acquisition do not have inbuilt contingencies. The contribution rate paid by developers is based on the cost of works to complete plus the reserve balance divided by the number of equivalent dwelling still to be levied. Hence if costs come in under budget the reserve balance moves to positive and the future cost of works to complete is reduced. If Council underestimates the cost of works however, the shortfall will be passed onto future contributions. Council's risk is therefore in theory nil provided it is free to adjust the contribution rate.

The application of a new financial NPV model consistent with the draft Local Development Contributions Guidelines 2009 requires however a more rigorous approach to the estimation of the cost of works within the Plan to represent the full cost including project management and contingency.

Query 5: How are works in kind acknowledged in the Plan and what is their impact on the distribution of risks and costs?

Our review of the model and discussions with Council have identified that the value of any works in kind undertaken by the developer are directly credited against / taken off the total required developer contribution. These direct material benefits are registered as income within the financial model. Furthermore all works in kind treated in this way are confined to the Plan.

This approach is considered reasonable and appropriate.

7. ADMINISTRATION COSTS

An independent review has been undertaken of the costs associated with the administration of the Plan. For the purposes of the review there are two administration costs, one associated with the day to day management of the Plan and the second associated with the administration or management of projects and works that form part of the Plan.

The following section describes how the financial model addresses administration costs within the Plan in response to the brief.

Query 1: Specifically verify that the administration costs relate solely to the administration of the Plan and not infrastructure delivery.

This query arose from the DoP's view that the administration costs associated with the Plan were high in comparison to amounts levied by other Councils. The DoP advised Council in July 2009 that a maximum of \$1,000 in administration costs per equivalent dwelling was considered to be appropriate. Subsequently in December 2009 the DoP released the draft Local Development Contribution Guidelines 2009. Section 8.2.7 of the draft Guidelines 2009 clarified that *"As a general practice the plan administration and management component of the contribution should be no more than 4% of the value of works / land in the plan."*

Owing to the Plan's unique predicament, we have identified a number of ways in which the administration costs associated with the Plan can be calculated. These include:

1. A calculation of the anticipated administration costs of the Plan as a proportion of all works (i.e. from 1988 to 2012);
2. A calculation of the historic costs as a proportion of works to date (i.e. up to 30 June 2008); and
3. A calculation of the forecast costs of the Plan as a proportion of intended works (i.e. from 30 June 2008 to development completion).

The calculations and results of each approach are discussed below.

1. Total Costs as a Proportion of Total Works

In accordance with the first approach listed above, the Plan anticipates an administration cost of \$3,996,508 over its 14 year life. This represents 4% of the cost of capital works and is considered in order with costs applied by other Councils that vary between 0.3% to 6% including 0.3%, 0.71%, 0.82%, 1.1%, 1.114%, 3% and 6%. The 4% is also consistent with the rate referred to above and nominated by the DoP in the draft Local Development Contribution Guidelines December 2009.

2. Costs as a Proportion of Works to 30 June 2008

A review of the historic costs of administering the Plan (approach 2 above) provides a different outcome. As of June 30, 2008 the Council had secured \$1,926,265 for the administration of the Plan however \$2,628,976 had been expended in costs. At that time 1,056 equivalent residential dwellings and 310 equivalent industrial / commercial dwellings¹⁶ had been developed representing a contribution levy of \$1,410 per equivalent dwelling on money collected. However with respect to administration costs that had been expended (yet not collected) the rate per equivalent dwelling increased to \$1,924. This rate exceeds the DoP's recommended benchmark of \$1,000 per equivalent dwelling.

In order to address the matter, Council has set out its method for calculating administration costs associated with the Plan. In effect the Council has established a time sheet approach for all officers at the Council involved in the administration of the Plan. The timesheet includes the times for staff across the range of Council departments and 70% of the time for Council's dedicated Section 94 Officer. The latter seems reasonable given that the Warriewood Valley Section 94 Plan is the major Section 94 Plan being managed by Council.

The costs of Council officer time (and therefore administration costs) have been calculated as a multiple (1.7) of their respective salaries. This multiplier is considered appropriate as it incorporates overhead costs. By way of comparison, commercial organisations generally apply a multiplier of between 2.2 and 3.0.

The Council's calculations show that the administration of the Plan on a per annum basis equates to approximately \$270,000 or \$2,700,000 over the Plan's 10 year period to 2008. This amount is in the order of the costs incurred by Council to date (\$2,628,976) but exceeds the contributions secured (\$1,926,265) by \$702,711. Taking into account interest costs, this figure increases to a shortfall of \$788,850.

Whilst the Council's methodology for calculating the administration costs incurred to date appear reasonable, on a percentage of works basis the costs are considered high. By way of example, the \$2,628,976 administration cost incurred to 20 June 2008 represents 6.3% of the total income received (\$44,028,101 including MPB) and 8% of the \$35,085,627 expended¹⁷. This is at the high end of the spectrum in comparison to the administration rates charged by other Councils as discussed above.

3. Forecast Costs as a Proportion of Works from June 30, 2008 to Completion

The third and final approach that may be used to calculate administration costs is to forecast the ongoing cost of administering the Plan or the 'value of works remaining' for this element as shown in Table 2. The \$1,367,532 cost

¹⁶ Based on Plans rate of 17.36 equivalent dwellings per hectare and completion of 17.86ha being completed

¹⁷ Both percentages calculated excluding \$2,628,976 cost of Plan Administration to Date

forecast to administer the Plan to 2012 represents 2.13%¹⁸ of the total cost of works to occur excluding the Plans administration allowance. This cost is considered in keeping with the range of costs applied by other Councils discussed above.

Applying Council's revised costs (\$270,000 per annum), should the full development of Warriewood Valley be completed by 2012, the administration cost would only amount to 1.26% of the \$64,251,998 of works to remain. For reasons to be discussed in Chapter 9 however, it is unlikely that the development will be completed by 2012. It is more reasonable to assume that the development will extend to 2017 / 2018.

Accordingly the \$1,367,532 cost remaining in the Plan would be inadequate to cover the administration of the Plan for the next eight to nine years. Taking the next eight years at \$270,000 per annum (assuming full completion of the Plan by 2017) the administration costs would amount to 3.36% of the cost of works.

In summary it may be understood that the historic costs of administering the Plan have been high for a number of reasons. The high costs may have been a result of the Plan's complexity owing to Warriewood Valley's low level of infrastructure provision at the development's inception and the areas interface with bush, industry and riparian zones.

Furthermore, discussions with a range of senior Council officers indicate that the Plan has been rigorously and comprehensively managed with regular reviews and monitoring. Furthermore in the interests of transparency and equity the community and developers have been consulted and kept informed of the Plans reviews. On a works basis the costs have also been high as insufficient funds have been secured to enable half of all works to occur however the Plan has been in operation for 10 years of its 14 year life.

Owing to the historic costs of administering the Plan it will not be possible for Council to establish a cost of \$1000 per equivalent dwelling as recommended by the DoP. This is because at the stage of development when 56% of the residential development and 60% of the industrial development has occurred the cost of administering the Plan (\$2.6m) has already exceeded the \$1.8m that would be secured for full development for 100% of dwellings at that rate.

Notwithstanding this position, this independent review considers it appropriate for Council to re-evaluate the processes associated with managing and reviewing the Plan in order to make significant savings. A review should seek to reduce the cost of administering the Plan to or below 4% of the value of works / land. This benchmark has been identified in light of Council's revised administration costs and bearing in mind the complexity of outstanding works. Furthermore this proportion was endorsed by the DoP in its Local Contributions Review Final Report dated July 2009 and the draft Local Development Contributions Guidelines December 2009.

¹⁸ Calculated excluding forecast administration costs of Plan

As a final recommendation, we also suggest that a review of the financial model in accordance with the draft Local Development Contributions Guidelines 2009 would further assist in reducing the time associated with administering the Plan.

Query 2: Review the contract administration costs to verify that these costs are already accounted for within the project management costs for each work item in the NPV model.

We have been advised by Council that the contract administration costs are incorporated within the project management costs for all work items in the Plan. Our review of the financial model access database can confirm that they do provide a separate line item for project management costs and accordingly there is no apparent double up in this respect. As the financial models do not distinguish between the contract administration costs and other project management costs for each work item, it is not possible however to independently confirm that the administrations costs have been included.

In this respect we support the review of the Plan and financial model so that it is in accordance with the Local Contributions Review Final Report¹⁹ that recommended *“Plan administration costs should be identified and calculated separately from design and project management costs within schedules to enable greater transparency.”*

We can confirm however that the financial models apply a range of project management rates (between 2% and 10%) dependant on the nature of the works. For the majority of works a 2% rate is applied. In the case of material public benefits, land dedication and library costs for example, no project management rate has been applied.

Query 3: The appropriateness of applying NPV to administration costs where such costs are known and expended on an annual basis.

We believe that it is inappropriate to apply an NPV approach to administration costs as these costs can be determined as fixed annual costs. The costs associated with administering the early administration of the Plan have been discounted below the average and the latter stages consequently have a premium applied to address the shortfall. We consider this approach adds to Councils current risk of having an unpaid funding liability for this element of the Plan.

As discussed under Query 1 above, as of 2008, the Council had secured \$1,926,265 in costs for the administration of the Plan however \$2,628,976 had been expended by Council time. Accordingly at that time there was an unfunded shortfall of \$788,850 (inclusive of interest).

¹⁹ DoP, July 2009

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Should the Plan be capped at any stage during its life, or should development not occur to the level envisaged (i.e. all 1,886 dwellings developed) Council will not be able to recover its full costs resulting in a liability for Council.

This matter is particularly pertinent to this review as the capping of the present contribution rate at \$62,100 would result in Council not being able to address the existing \$788,850 shortfall through the Plan. This would create an additional funding shortfall for Council.

As an alternative option, whilst limiting the overall administration costs to 4% of the actual value of works / land in the Plan (and by applying the \$62,100 contribution cap) Council could contribute to the balance of the administration costs on an annual basis. This would support a more equitable solution to managing the administration costs going forward.

8. REMOVAL OF THE LIBRARY BOOK ELEMENT

The library book component of the library element of the Plan was included to address the increase in demand for library services resulting from the population growth associated with the development. In the interest of cost efficiencies the Council contributed the funds secured by the Plan to the funds alternatively secured to build the new Mona Vale library in 2004. It was considered appropriate by Council at that time to spend the library book component of the Plan up front as an integral part of completing the library and its associated resources.

The expenditure of the complete library funds prior to the finalisation of development in Warriewood Valley (and therefore the recoupment of all costs) was undertaken at risk by Council. This was in the good faith that the levy would be secured against future development to occur within Warriewood Valley in accordance with the adopted Warriewood Valley Section 94 Plan.

As of 30 June 2008 the library component of the Plan had been expended to the value of \$1,633,704. At such time however \$754,183 had been secured representing a shortfall of \$879,521. By this time, an interest charge had been accrued to the value of \$350,140 resulting in a total cost of this element to Council of \$1,229,660.

The Minister for Planning, by letter dated 10 July 2009, directed Pittwater Council to cease to secure the library book component of the library element of the Plan. Council subsequently wrote to the DoP explaining that this Direction would limit Council's ability to recover the expended funds elsewhere. This would in turn reduce Council's ability to provide some services to the disadvantage of the wider Pittwater community.

The subsequent draft Local Development Contributions Guidelines 2009 outlined the proposed changes to the ways in which councils levy new development for infrastructure. Whilst the draft Guidelines 2009 recognise library's as key community infrastructure, Appendix C clarifies that contributions should be limited to building works and not equipment.

Appendix B of the same draft Guidelines 2009 however provides further clarification as to what constitutes key and additional infrastructure. In this respect it is important to highlight that Note 2 of Appendix B states that:

*"Community infrastructure that does not comprise buildings or works (for example, rescue equipment, books, computers) is **not** key community infrastructure. An exception is where a new building (or an extension to an existing building) considered community infrastructure includes items other than building or works (such as fit out). In such cases, where the items would be considered integral to the provision, extension or augmentation of community infrastructure may be considered key community infrastructure".*

In light of Council's position we recommend that Council seeks approval from the Minister to continue to secure the library book component of the library element of the Plan in order to recoup the expended funds. In the

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interests of complying with the intentions of the Minister's various directions we recommend that Council seeks to use the contributions secured under the \$62,100 cap towards the library book element. The recoupment of costs in this way would need to be offset by the elimination or rationalisation of an alternative element(s) of the Plan.

This independent review recommends that Council requests to secure the library book funds as Council had not only significantly commenced, but completed their financial commitments in good faith and in accordance with an adopted Plan. Furthermore this scenario is considered particular to the Warriewood Valley Section 94 Plan and would not increase the levy any further than the cap established by the Minister. The application for collecting the library book component to the Minister would need to be demonstrated through a business case.

9. FINANCIAL IMPLICATIONS TO COUNCIL

Taking into consideration the findings of the previous Chapters of this review, the following Chapter summarises the potential financial implications of altering the Plan for Council. This assessment also makes reference to Council's broader financial strategy and the relevant implications.

9.1 Development to Date

As of February 2009, 7 of the 14 residential sectors within Warriewood Valley had been completed providing 990 dwellings. Another sector had been released providing an additional 66 residential lots for sale. In total 1,056 equivalent dwellings had been developed (comprising 56% of the total estimated dwelling yield). To date \$44m has been secured through developer contributions representing 44% of the Plan's total cost of works.

As of 30 June 2008, 830 residential dwellings were still to be completed and \$57.2m collected in residential contributions. At the same time an additional 9.2ha of industrial / commercial land was yet to be developed and \$8.4m in associated contributions collected. The value of combined remaining industrial and residential remaining works was \$65.6m.

9.2 The Effect of a Development Tail

Whilst Warriewood Valley has another three sectors to be rezoned and developed to deliver the remaining 830 dwellings calculated by the Plan for Warriewood Valley, it is anticipated at this stage the full number will not be realised by 30 June 2012 (being the current finalisation date of the Plan).

This is not considered an unusual scenario as the development yield of any plan is often forecast over a period of time and based on industry outlooks that may be expected to fluctuate. Accordingly it is unlikely that any reasonable sized master plan (as in the case of Warriewood Valley) will be delivered to its full potential, particularly by the forecast date. Typically we expect that any development of a reasonable scale and complexity may have a "development tail" extending over say 5 to 10 years.

In the case of Warriewood Valley, owing to portions of a number of sectors not proceeding as originally forecast it is now considered likely that there is only scope for an estimated 794 additional equivalent dwellings to be developed. Furthermore owing to adjustments in the global economic climate and the flow on impacts to housing development it is also considered unlikely that full development will be achieved by 2012. Rather it is now considered likely that the Plan's life will be extended to around 2017.

The development shortfall will exacerbate the funding shortfall, and associated risk for Council, for two key reasons. Firstly a shortfall results in less dwellings contributing to the funding of the Plan. Secondly the methodology employed by the financial model relies on the contribution rates being escalating due to the time value of money and derived on the remaining expenditure which for reasons explained in Section 6 of this report, favours earlier development. Consequently the shortfall from a reduced yield becomes far greater than a simple multiple of dwelling numbers by a fixed rate. It is therefore important that in future revisions of the Plan, Council develops a strategy for managing any prospective "development tail".

9.3 The Effect of a \$20,000 Cap

Taking into consideration the likely revised dwelling yield of 794 lots in Warriewood Valley, a \$20,000 cap to developer contributions would result in a further \$15.88m being secured from residential development for works. Given that as of 2008 / 2009 \$57.23m of the Plan's costs was yet to be secured by residential dwellings, this would result in a shortfall of over \$41.4m.

Presuming that the full 830 lots could be developed in accordance with the Plan, a \$20,000 cap would still result in a shortfall of just over \$40.6m.

9.4 The Effect of Capping the Existing Contribution Rate

Given the methodology applied by the Warriewood Valley Section 94 Financial Model (as described in Chapters 6 and 7 as well as Appendix 1 of this Review) a cap on the Plan at its current rate would still create a significant funding shortfall. By way of example, a \$62,100 cap at a 794 lot yield would generate a further \$49.3m in revenue. At the full 830 lot yield this would equate to \$51.5m.

Accordingly in either scenario, the Council is likely to experience a shortfall into the future as a result of the \$62,100 cap of between \$5.7m and \$7.9m. This is a substantial shortfall.

The shortfall will be further increased as a result of the existing deficit accrued in relation to some elements of the Plan, namely the administration costs and library book costs. Presently these elements are in deficit of:

- \$788,850 for administration costs; and
- \$879,000 for library books and resources.

Furthermore, this review has found that the Plan's cost of works, as of 30 June 2008 may represent a modest underestimate to the degree of \$1m.

Accordingly a \$62,100 cap to the Plan's contribution rate, in addition to the costs bulleted above would result in a liability for Council of between \$8.4m and \$10.6m.

9.5 Funding Implications for Council

Council made an undertaking at the inception of the development of the Warriewood Valley and in the preparation of the Plan, that the development would be self funding. That is the cost of developing Warriewood Valley in respect to infrastructure provision, would not be subsidised by wider Pittwater community. This undertaking was made as the works would not have been required should the development have not been approved and implemented. Furthermore in Council's submission to the DoP in February 2009²⁰, it recognised that *"Pittwater Council would not have been in a position to accept the land release area if that was not to be the case for its full duration"*.

Council's submission progressed to state that:

"To change the financial arrangements mid term is not sustainable for Pittwater Council and its community. The additional financial burden would be unacceptable and would add to an already significantly unfunded outstanding list of infrastructure requirements."

Addressing the funding implications from the LGA perspective, on a one off per capita basis the potential shortfall would result in a cost of between \$448 and \$68²¹ per household in Pittwater²². Alternatively on a per resident basis this translates into a cost of between \$154 and \$196²³.

Discussions with Council's Chief Financial Officer have identified that the Council would not be in a position to fund the shortfall through rates owing to the inequitable impact this would have to service provision elsewhere in the LGA. Furthermore the shortfall could not be funded through a loan as this would have a detrimental impact to Council's long term financial strategy and position.

In light of the above reasons, a shortfall of this scale would leave Council with no alternative but to reduce work components of the Plan or to leave part of Warriewood Valley undeveloped. This predicament would in turn have an adverse affect to housing choice, availability and economic activity in the North East Subregion.

²⁰ Submission to the Minister for Planning, Pittwater Council, February 2009

²¹ Based on 2006 ABS Statistics of 18,666 dwellings for Pittwater LGA, a yield of 794 and 830 equivalent dwellings and a contribution rate of \$62,100

²² Please note that Councils database as of July 1 2009 estimates that that LGA had 22,276 dwellings however for the sake of the exercise the 2006 ABS statistics have been used.

²³ Based on ABS 2006 Population estimate for Pittwater LGA of 54,157, a yield of 794 and 830 equivalent dwellings and a contribution rate of \$62,100

10. CONCLUSIONS AND RECOMMENDATIONS

The following Chapter provides a summary of the key findings of the independent review. It also provides recommendations to address the funding shortfall and the financial models methodology.

10.1 Summary of Findings

In summary, the prior Chapters of this independent review of the Warriewood Valley Section 94 Plan have found that:

1. The Plan's cost of works are appropriate, and if anything are a modest underestimate (in the order of \$1m). The underestimate may be a result of Council's choice of contingencies, design and project management rates. Appropriate contingencies should range between 5 and 10% and a design and project management cost of 15% should be applied (with the exception of the Library Services and Plan Administration and Management Elements). Whilst the application of the CPI is in keeping with DoP guidance, Council may consider the use of the BPI as an appropriate alternative in some circumstances.
2. The Plan should fund 100% of works relating to through traffic routes as these works would not have been required should development within Warriewood Valley have not occurred. Notwithstanding this, it is recommended that 25% of costs are reapportioned from the Plan to the wider community for works within Jacksons Road and 15% of costs for Garden Street (for access improvements to the Centro Warriewood Shopping Centre) to account for 'external' regional traffic demands.
3. Council seeks approval from the Minister to secure the library book component of the Library element of the Plan in order to recoup expended funds (demonstrated through a business case) and that contributions are secured within the current \$62,100 cap at the rationalisation of other elements within the Plan.
4. Council will need to manage the administrative and management processes of the Plan so that administration costs in the future amount to no greater than 4% of the total cost of works in the Plan (CPI adjusted). We do not consider it appropriate to apply an NPV to administration costs.
5. The application of the parameters utilised by the Plan's financial models which are now subject to restrictions due to the Minister's cap have resulted in a financial risk to Council. The Council should seek to review the Plan and generate a new financial model in accordance with the requirements as set out in the draft Local Government Development Contributions Guidelines 2009 utilising a NPV method to manage the cash flow and determine contribution rates.

10.2 Financial Implications to Council

In light of the reviews findings listed above, the capping of the Plan will have significant financial implications for Council. By way of example, a \$20,000 cap on the Plan, assuming full development is achieved by 2012 would result in a shortfall of just over \$40.6m. A \$62,100 cap would still result in a shortfall at best of just over \$5.7m.

Adding to this shortfall the unmet administration costs of the Plan (\$788,850), the expended library component (\$879,500) and the potential underestimation of the costs of works, this review has found that Council will be subject to an unfunded liability in the order of \$8.4m. This liability is likely to increase should the full development yield of Warriewood Valley not be realised or the life of the Plan extend significantly beyond 2012.

10.3 Recommendations for Moving Forward

This independent review concludes that the Warriewood Valley Section 94 Plan could not reasonably be reduced so that it would fall under the \$20,000 threshold advocated by the Minister's Direction. In this regard Planning Circular PS 09-001 (issued January 23, 2009) recommends "Councils with affected plans to consider:

- *amending the contributions plan(s) to comply with the Direction, or*
- *when determining monetary contributions, reducing the contribution rates specified in an applicable contributions plan in order to comply with the Direction (i.e. in accordance with Clause 5 of the Direction), or*
- *seeking the Minister's approval to impose a condition or conditions that exceed(s) the maximum amount set out in the Direction.'*

Based on the outcomes of this review, as a minimum we recommend that Council takes the third option and seeks the Minister's permission for the Plan to exceed the maximum rate of \$20,000 per equivalent dwelling. To address the full scope of matters identified by this review however, we recommend a number of additional mechanisms are implemented by Council. These mechanisms are summarised, in no set order, below.

1. Secure the \$62,100 Cap

The Minister's permission is sought to retain the interim contribution rate for Warriewood Valley at \$62,100 per equivalent dwelling pending Council completing a review of the Plan, generating a new NPV model, seeking Ministerial approval for additional community infrastructure and adopting the revised Plan.

2. Permission for Library Book Cost Recoupment

As the library book funds were spent in good faith, in accordance with an adopted Section 94 Plan and in light of Council's financial implications, we recommend that the Minister's extraordinary permission is sought to continue to recoup the \$879,500 expended for library books and resources through the Plan.

In the interests of working cooperatively with the DoP however we recommend that the cost of the library resources is not added onto the \$62,100 cap (back to \$63,300) but rather included within this amount. As a result Council would need to reduce costs to cover this element by eliminating some future works from the Plan.

3. A Review of the Plan

In order to address the funding shortfall identified by this we recommend that a detailed review of the Plan is undertaken including all works and costings together with the generation of a new NPV model in accordance with the draft Local Government Development Contributions Guidelines 2009.

During the Plan's review process, we recommend that no further works are committed to that have not already commenced. This is to ensure that going forward expenditure does not exceed revenue. Furthermore in accordance with the draft Local Government Development Contributions Guidelines 2009, the public exhibition and adoption process for a revised plan will need to be held until after Part 5B of the Act is passed through the legislative process.

4. Reduce Levels of Infrastructure Provision and Scope of Works

A review of the Plan should seek to identify where infrastructure provision could be reduced and any associated costs. Based on our review of existing costs, this will be a challenging task as many works are reasonably required and if anything existing costs of works appear to be an underestimate. Furthermore developers and the Warriewood Valley community have expectations regarding the level of service provided for by the Plan.

Notwithstanding the above, we have identified two preliminary avenues through which levels of infrastructure provision and the scope of works could be investigated for reduction as follows:

- Undertake a major revision of open space requirements using a tailored approach to Warriewood Valley's demographics, particularly its age group; and
- Re-addressing how land is valued. For example rather than averaging costs a more accurate mechanism may be the nomination of land to be acquired.

4. Contingencies, Indexation, Design and Project Management Rates

Subject to the outcomes of the Plan's review and any revised details, it is considered appropriate to consistently apply:

- contingencies of between 5% and 10% dependent upon the nature of the element. On larger projects it would be advantageous to prepare a 'risk and opportunity' register to canvass potential risks and opportunities and apply risk weightings to offer a calculated contingency rather than a percentage based approach
- the Consumer Price Index (CPI) in accordance with the draft Local Government Development Contributions Guidelines 2009 and where appropriate consider the use of the Building Price Index (BPI); and
- a design and project management cost of 15% to the works components of the Plan elements with the exception of the 'Library Services Element' and 'Plan Administration and Management Element'.

We also recommend that future calculations of the cost of capital works should identify specific allowances for: the net cost of undertaking the works; escalation costs; co-ordinating contractor (principal contractor) site set-up and site supervision (preliminaries); co-ordinating (principal contractor) margins; design and project management and contingencies. This will assist in ensuring no items are missed, improve accountability and transparency and enable improved budgetary management.

5. Increase Density and Revise Contribution Rates Accordingly

A review of development density within appropriate sectors of Warriewood Valley (with the intention of increasing the number of equivalent dwellings that could be developed) may assist in reducing the funding shortfall. It will be important to ensure however that any potential increase in density reduces, rather than compounds, the financial shortfall by increasing the need for infrastructure (notably recreation facilities).

This report has also highlighted that any review of development density should incorporate a review of the spread of contribution rates. This is because the continued application of a flat rate will not facilitate the viable development of smaller (higher density) dwellings.

6. Design and Implement a New Financial Model

A key component of managing the financing of the Plan in the future will be the preparation of a new financial model that:

1. Has a simplified and more user friendly approach;
2. Clearly defines and tracks assumptions and inputs in the cash flow;
3. Retains historical data;
4. Demonstrates changes in the capital works programme including existing works escalated and additional works to the original Plan;
5. Does not assume 100% take up and acknowledges a development tail in a risk profile; and
6. Demonstrates how the Plan could be terminated.

In keeping with the Minister's advice (dated July 10, 2009) we also recommend that any revised model takes into account the principles set out in the draft Local Government Development Contribution Guidelines 2009 prepared by the DoP.

7. Encourage Rapid Completion of Development

As a final mechanism, we recommend that Council adopts a strategy to deal with incomplete or delayed take up rates.

APPENDIX 1 - DESCRIPTION OF MODEL METHODOLOGY

Hill PDA has undertaken an audit of the Financial Models that underpin the Warriewood Valley Section 94 Contribution Plan. Council uses the Financial Models and associated database to calculate contributions records, control their works programme and monitor capital reserves to fulfil the Warriewood Valley Master Plan.

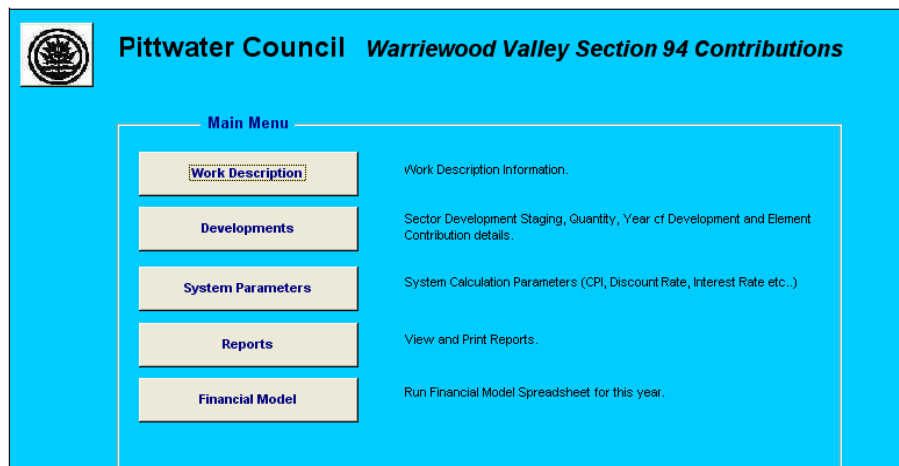
The models and database are namely:

- The Warriewood Valley Section 94 Contribution Access Database,
- The Warriewood Valley Section 94 Financial Model – including all capital costs and recreation open space; and
- The Warriewood Valley Section 94 Creek Land Model – relating to land acquisition for the creek corridor.

The following Appendix provides a summary of how the models function and what role they play in the management and operation of the Warriewood Valley Section 94 Plan. The explanation has been broken down in accordance with three components listed above.

The Warriewood Valley S94 Access Database

The Warriewood Valley Section 94 Access Database stores and computes escalated development costs by works description, sector, date and year of development. An image of the database's main menu page is shown below.



The access database feeds summary data into the Financial Model Spreadsheet with current cost estimates escalated to date of works. The cost estimates include a surcharge for contract management fees. These vary from 0% to 10% depending upon the nature of works. An example of a page of the model is shown below.

WORK DESCRIPTIONS: Warriewood Valley Section 94 Contributions

Element: PC Pedestrian and Cycleway Network
Cost Type: CW Capital Works
Item No: 5

Item Description:
 Network for Sector 1

Year of Cost Est. (ending June): 2000 **Year of Actual Cost (ending June):** 2001
M'ment Costs (%): 2 **Actual Cost:** \$81,933.00

Item 1st Cost (inc. m'ment %): Current yr\$ \$316,580.23
Material Public Benefit: Sector 1 Sub Sector 0 **Clear**

Detailed Item Description and Objectives:
 Pathway between Apollo Street and the detention basin. Pathway constructed - 220 lin m. Embellishment 525 sq m.

Item Breakdown (Work Items):

Work Item	Description	Quantity	Unit	Rate	Amount
a	Pathway (2.5m wide)	220	lin m	\$175.00	\$38,500
b	Embellishment of buffer	2375	sq m	\$35.00	\$83,125
c	Seats and bins	4	item	\$1,000.00	\$4,000
d	Signage	9	item	\$500.00	\$4,500
ea	Subtotal	200	lin m	\$1,700.00	\$340,000

Record: 14 of 6
 Scroll through Elements, Cost Types and Items
 SHIFT + ENTER to save changes ESC to undo unsaved changes

Record: 56 of 267

The Warriewood Valley Section 94 Financial Model

The Warriewood Valley Section 94 Financial Model imports capital costs from the access database and consolidates the costs by each element as follows:

- Bushfire Protection Trail
- Community Services Facilities
- Plan Management & Administration
- Pedestrian & Cycleway network
- Public Library Services
- Public Recreation and Open Space
- Traffic and Transport
- Creek-line Corridor (Works)

The financial model uses the following variables for cost escalation and discounting:

- Consumer Price Index 1.7% p.a. (capital works price inflation)
- Discount Rate 5.82% p.a

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- Interest Rate Premium 0.0%p.a.
- Land Price Index 6.0% p.a. (land acquisition inflation)

The CPI is used to escalate all future costs. It is a flat rate for all future years.

The discount rate is used to discount future expenditure from which contributions are calculated. The example below is from the 2005 model for Creek-line Corridor Capital works. At the start of the 2005 Financial Year there was an estimated \$9.97m in capital works outstanding with about 1,640 equivalent dwellings yet to be developed.

With a reserve balance standing at - \$0.52m for this element of works, the 1,640 dwelling had to levy on average \$6,402 per dwelling. However with the discount factor of 6.8% , the initial two years were discounted to \$5,669 and \$6,077 respectively. The result of this discounting is that the latter years had to be escalated. By 2011 and the 2012 the required contribution nearly doubles to \$9,143 and \$10,120 respectively.

Financial year ending June	Year Index							
	2005	2006	2007	2008	2009	2010	2011	2012
ANNUAL RATE OF DEVELOPMENT								
Industrial/Commercial	10.1%	14.8%	9.3%	0.3%	12.3%	0.3%	2.1%	0.0%
Residential	8.2%	6.6%	9.7%	12.8%	13.9%	9.4%	9.2%	4.2%
STP Buffer	0.0%	0.0%	0.0%	0.0%	27.6%	27.6%	27.6%	0.0%
ANNUAL DEVELOPMENT (in equivalent dwellings)								
Existing Industrial	30.94	13.48	26.40	1.59	1.59	1.59	6.31	0.00
Industrial	0.00	31.67	0.00	0.00	36.54	0.00	0.00	0.00
Residential	153.00	123.00	181.00	239.00	258.00	175.00	153.00	78.00
STP Buffer	0.00	0.00	0.00	0.00	42.82	42.82	42.82	0.00
Grand Total	183.94	167.15	207.40	240.59	338.95	219.41	201.14	78.00
Cumulative Total	85.5	103.6	124.0	148.6	182.6	204.0	234.1	250.1
Overall % Developed	37.3%	44.3%	53.3%	63.3%	78.3%	87.9%	96.6%	100.0%
EXPENDITURE								
Capital Establishment Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Capital Works	1,183,595.97	1,647,128.34	1,788,858.88	893,652.15	2,065,353.90	1,552,592.67	696,218.36	147,174.71
Land Industrial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Land Residential	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Project Management and Design	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Loan Expenditure	\$1,183,595.97	\$1,681,718.03	\$1,864,799.84	\$951,121.53	\$2,344,637.57	\$1,722,608.24	\$788,678.39	\$170,221.10
Negative Interest Total	\$1,183,595.97	\$1,681,718.03	\$1,864,799.84	\$951,121.53	\$2,344,637.57	\$1,722,608.24	\$788,678.39	\$170,221.10
REVENUE								
Industrial/Commercial	\$115,400.78	\$274,095.15	\$186,008.72	\$11,275.92	\$592,000.03	\$13,192.73	\$57,733.62	\$0.00
Residential	\$867,447.01	\$747,584.05	\$1,184,761.63	\$1,693,624.41	\$1,976,436.86	\$1,436,002.09	\$1,396,929.89	\$789,366.03
STP Buffer	\$0.00	\$0.00	\$0.00	\$0.00	\$326,046.28	\$326,274.56	\$326,530.81	\$0.00
Grand Total	\$1,042,847.80	\$1,021,679.20	\$1,370,770.35	\$1,704,900.33	\$2,944,381.17	\$1,825,469.38	\$1,841,194.31	\$789,366.03
CASH FLOWS								
Net Cash Flow	\$140,718.17	\$660,038.24	\$495,970.51	\$753,778.80	\$351,300.60	\$102,861.14	\$1,039,515.22	\$619,144.93
Cumulative Cash Flow	\$742,548.83	\$1,568,092.34	\$2,303,373.94	\$3,057,152.74	\$3,408,453.34	\$3,511,314.48	\$4,550,829.70	\$5,169,974.63
Interest Charge	\$76,372.77	\$165,265.27	\$234,322.12	\$183,088.23	\$163,162.47	\$170,278.02	\$165,348.03	\$0.00
Revenue Balance	\$742,548.83	\$1,568,092.34	\$2,303,373.94	\$1,734,833.36	\$1,545,895.23	\$1,613,312.11	\$619,144.93	\$0.00
NET CASH								
NET CASH	\$669.39	\$6,077.92	\$6,345.64	\$7,086.29	\$7,646,80.36	\$6,418,201.64	\$12,401,373.86	\$789,366.03
CONTRIBUTION RATE								
CONTRIBUTION RATE	\$669.39	\$6,077.92	\$6,345.64	\$7,086.29	\$7,646,80.36	\$6,418,201.64	\$12,401,373.86	\$789,366.03

This discounting of contributions is further compounded by the fact the model is reset each year and hence the current year is discounted to future years. This compounding effect along with CPI, reducing density and other parameters of the Plan that have changed (including increasing land prices and additional expenditure being introduced) has seen contribution rates increase from the Plans commencement in 1998.

The current capping of Section 94 Contributions has meant that Council can not seek appropriate contributions from later developments thereby increasing Council's financial risk.

Independent Review of Warriewood Valley Section 94 Plan

Furthermore the model assumed 100% development take up and had not factored in any tail for the development programme. A development tail may be expected as the remaining development blocks become increasingly fragmented and / or investors hold blocks for other purposes.

The Warriewood Valley Section 94 Creek Line Model

The same principles of discounting the current year contribution rates described above were utilised in the Creek Line Section 94 Model. With a 0% discount rate the contributions for creek land would have increased from \$11,300 in 2005 to \$13,591 in 2012. With the current 6.35% discount rate the same contribution element goes from \$8,455 in 2005 to \$14,306.

The image below shows the contribution sheet for all elements of the plan.

Financial year ending June:	2010	2011	2012	2013	TOTAL
EXPENDITURE					
Capital Establishment Fee	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Works	\$2,406,266.68	\$18,015,689.29	\$14,960,323.58	\$0.00	\$35,382,279.55
Land Industrial	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Land Residential	\$1,611,744.84	\$936,108.95	\$538,389.34	\$0.00	\$3,086,243.13
Project Management and Design	\$272,186.00	\$313,557.56	\$272,186.00	\$0.00	\$857,929.56
Indexed Total Expenditure	\$4,290,197.52	\$19,633,119.53	\$16,359,751.37	\$0.00	\$84,811.70
Negative Indexed Total	-\$4,290,197.52	-\$19,633,119.53	-\$16,359,751.37	\$0.00	-\$84,811.70
REVENUE					
Industrial/Commercial	\$1,692,110.48	\$2,156,404.16	\$303,980.05	\$0.00	\$4,152,494.69
Residential	\$8,663,209.28	\$12,352,899.99	\$11,322,065.07	\$0.00	\$32,338,174.34
STP Buffer	\$0.00	\$0.00	\$2,736,848.15	\$0.00	\$2,736,848.15
Grand Total	\$10,355,319.76	\$14,509,304.14	\$14,362,893.27	\$0.00	\$39,227,517.18
CASH FLOWS					
Net Cash Flow	\$6,065,122.24	-\$5,123,815.39	-\$1,996,858.09	\$0.00	\$39,142,705.48
Cumulative Cash Flow	\$7,010,949.17	\$1,996,858.09	\$0.00	\$0.00	\$0.00
Interest Charge	\$385,590.02	\$109,825.31	\$0.00	\$0.00	\$0.00
Reserve Balance	\$7,010,848.17	\$1,996,858.09	\$0.00	\$0.00	\$0.00
NVP(Exp)	-\$36,893,074.31	-\$28,082,251.86	-\$14,362,893.27	\$0.00	\$0.00
Reserve Balance (excl. Ponderosa)					
	\$7,582,870.14	\$2,058,900.45	\$0.00	\$0.00	\$0.00
Contribution Rate	\$ 45,958.67	\$ 48,633.46	\$ 51,463.93	\$ -	\$ -

APPENDIX 2 - REVIEW BRIEF – PART E
SCOPE OF SERVICES

QUOTE Q08/09 – INDEPENDENT REVIEW OF WARRIEWOOD VALLEY SECTION 94 CONTRIBUTIONS PLAN (PLAN NO 15)

PART E – SCOPE OF SERVICES

E1.1 BACKGROUND ISSUES

Pittwater Council manages the Warriewood Valley Section 94 Contributions Plan (Plan) including the plan management, setting contribution rates, applying contributions through the determination of development consent for development within the Warriewood Valley Plan area and management and delivery of the works program under the Plan. The current Plan is Amendment No 16.

E1.2 REVIEW PROCESS

Under the direction of the Minister, the Council is to undertake a two step process to review the Warriewood Valley Section - 94 Contributions Plan as follows:

- (a) Undertake an **Independent Review** of the Plan addressing issues raised by the Department of Planning (this Brief), scheduled to be completed by the end of September 2009 (practical date for completion to be confirmed by consortium); and;
- (b) Council to amend the Plan taking into account the agreed findings of the Independent Review (and as approved by the Department of Planning), scheduled to be completed by the end of 2009 (timeframe may need to be extended).

E1.3 THE INDEPENDENT REVIEW

The Minister for Planning by letter dated 10 July 2009 has directed Council to procure an Independent Review of the Warriewood Valley Section 94 Contributions Plan No 15 (Amendment No 16) under a Brief approved by the Department of Planning.

The Independent Review is to address the following:

a) Cost Estimates of Works and in doing so;

- Provide an assessment of the costs for infrastructure for each element to be provided under the plan, with sufficient rigour to prevent any need for reassessment of those costs within the next three years, taking into account;
 - Appropriate contingencies (%) for each work item,
 - Appropriate indexation for work into the future,
 - Appropriate design and project management costs (%) for each work item.

b) Apportionment of Traffic and Transport Element and in doing so;

- Review the Traffic and Transport element of the Plan and consider if there is a requirement for the funding of appropriate traffic infrastructure to be apportioned to the broader community on the basis of any identified through traffic function.
- This review is to be based on sound traffic modelling and technical assessment.
- This review is to address the issue that should the Warriewood Valley development not have occurred, then there would be no requirement to provide traffic infrastructure works within Warriewood Valley to discourage through traffic and slow traffic speeds nor culvert structures over the creek systems to provide flood free access to the new residential development.

c) Financial Implications to Council for significant changes to the Plan and in doing so:

- Review the contributions imposed under the Plan and the connection to Council's financial strategy together with the appropriateness of making any major changes to the Plan and the implications for the Council.
- Review of apportionment within each element of the Plan given that should the Warriewood Valley development not exist, then there would be no requirement to provide any infrastructure within Warriewood Valley over and above maintaining that which in the pre-development condition was rural.

d) Impact of removal of Library Book component from the Plan

- The financial implications to the Council for cessation of the library book component of the Library Services element of the Plan given that the library book component has been fully expended in advance of Contributions received.

e) Administration of the Plan and in doing so:

Independent Review of Warriewood Valley Section 94 Plan

- Review the Administration costs authorised under the Plan. Matters to be considered include;
 - Review the administration costs specifically to verify that the Administration costs relate solely to administration of the Plan and not infrastructure delivery.
 - Review the contract administration costs to verify that these costs are already accounted for within the project management costs for each works item in the NPV model.
 - The appropriateness of applying NPV to administration costs where such costs are known and expended on an annual basis.
- f) **Net Present Value (NPV) modelling for financial management of the Plan and in doing so;**
 - Review the NPV modelling methodology, taking into account:
 - The appropriateness of Council passing on all the financial risk for the construction of works to the Plan and future development and the impact this has on housing affordability. The assessment is to compare the financial risks of a typical Section 94 Plan methodology compared to NPV modelling and comment on the appropriateness of each methodology.
 - Consideration as to whether the risk premium levied by the Council was too high.
 - An assessment of the rate assumptions used in the Plan against industry best practice, including;
 - Risk premium
 - Discount rate
 - Cost of Works indexation
 - An assessment of how risk/contingency is treated once works are completed
 - An assessment of how "works in kind" are acknowledged in the Plan on the basis that the risk lies with the Developer not the Council and hence overall risk to the Plan is reduced

APPENDIX 3 - REVIEW OF COST OF WORKS FOR EACH ELEMENT OF THE PLAN

The following Appendix provides a more detailed review of the cost of works for each element of the Plan.

Traffic and Transport Element

The Traffic and Transport Element totals \$12,942,164.00 in the Plan comprising \$12,532,811.52 of works and \$409,352.89 of land costs.

We have not been provided with details of the land costs and neither are we qualified to comment on the land costs.

The \$12,532,811.52 of works costed in the Plan has recently been costed at \$14,385,761.81 an increase of \$1,443,597.81 over the Plan allowance. The major reasons for the increase are: The cost to underground power cables; escalation increases since the original dates of the estimates and scope of works changes as a result of further information becoming available.

Several items included in the Plan have already been completed and the cost of these items (4.1, 4.2, 9, 13.5) totalling \$1,758,725.86 have been omitted from the estimated current cost. We have likewise omitted them from our reviewed cost.

We have been advised that a number of items are proposed to be deleted from the Plan because they are works peripheral to the valley and can be judged as requiring funding apportionment from other sources. These items have been estimated at \$4.48m (Item 33 to be added and will increase the total) based on current estimates. These items have been omitted from the forecast cost of works.

We have calculated the cost of the works inclusive of recommended allowances for Design and Project Management and Contingencies. Our revised total is \$11,210,124.00 inclusive of \$332,932.19 of land cost.

We have been provided with details of the revised costs and comment as below:

- 1.0 \$7.683m of the costs are based upon a Consultant estimate prepared in November 2006. Items 3, 4.3, 12, 24, 32, 41, 46.
- 1.1 The estimated costs exclude design and Project Management costs. Allowances of between 0.5 – 5% have been added for design costs. These allowances are in our experience too low to adequately cover design and management costs.
- 1.2 The estimated costs include for works to be undertaken at night with corresponding premiums. Council could review to determine whether any of these works could be undertaken during daytime hours.
- 1.3 The estimated costs include 7.5% contingency allowance.

- 1.4 Escalation of 9.4% has been added based on CPI.
- 1.5 \$1.889m (the balance) is based on Council estimates.
- 1.6 Design costs of between 0.5% have been added. These allowances are in our experience too low to adequately cover design and management costs.
- 1.7 The estimates generally include for 'traffic control' but no other allowances for Contractor's margin and preliminary costs are evident however we have concluded the rates are sufficient to include Contractor's margin and preliminary costs.
- 1.8 No contingency allowance is apparent.

We consider the allowances in the revised costs are generally based upon reasonable Construction allowances for Construction but inadequate allowances for Design and Project Management and Contingencies.

Creekline Works Element

The Creekline Works Element in the Plan totals \$7,282,338 comprising \$334,482 water quality monitoring, \$112,661.04 of flood modelling and \$6,835,194.96 of civil and landscaping works.

The works have been more recently costed at \$6,283,993.50 excluding water quality monitoring and flood modelling. We are advised that water quality modelling is no longer required (e-mail 16 November 2009) but flood modelling is still required and therefore the cost of \$112,661.04 should be added to the latest costs which then totals \$6,396,654.54 (\$6,283,993.50 + \$112,661.04). This is a reduction of \$885,682.98 on the Plan.

This reduction is due to the deletion of water quality monitoring but also, in the main, to the deletion of Item 2.73 Narrabeen Creek – Corridor G (STP Buffer area 1) (\$847,354.40).

Our review of the costs as hereunder, inclusive of our recommended allowances for Design and Project Management and Contingency, provides a total of \$7,822,413.77:

	\$
Civil Works costing	4,600,520.38
Landscape costing	2,670,959.82
Narrabeen Creek detention basin	438,272.53
Flood modelling	112,661.04
Total reviewed cost	\$7,822,413.77

We have been provided with details of the revised costs and comment as below.

1. Civil works

- 1.1. The Civil works have been calculated based upon a interrogation of actual costs for completed works. We consider this basis to arrive at the current estimated costs to be sound providing previous and future works are similar in nature. We understand this to be correct.
- 1.2. The costs so determined have been escalated to current date using CPI. Considering our comments in Section 2.3 we have also considered the impact on escalation using BPI indices in lieu of CPI. We have found the escalation arrived at using the two methods to be very similar over the considered period.
- 1.3. By utilising actual costs a contingency allowance is built into the costings.
- 1.4. The estimates do not include any allowance for design and Project Management costs and therefore the estimates are deficient in this regard.
- 1.5. Our review of the costs is shown in the table below.

	\$
Civil Works costing	3,636,775.00
Ddt Contingency allowances included	0
Ddt Design and Project Management fees included	0
Ddt escalation included	0
Net Cost of Works	3,636,775.00
Add escalation BPI 0%	0
Add design and Project Management 15%	545,516.25
Add Contingency allowance 10%	418,229.13
Reviewed Cost	\$4,600,520.38

2. Landscaping

- 2.1. Landscaping costs are based on current estimates. By reference to previously completed works the allowances appear reasonable.
- 2.2. The allowances exclude provision for design and Project Management costs.
- 2.3. No contingency allowance is apparent although the contingent risks for landscaping are low.
- 2.4. Our review of the costs is:

Independent Review of Warriewood Valley Section 94 Plan

Item	\$
Landscape costing	2,211,975.00
Ddt Contingency allowances included	0
Ddt Design and Project Management fees included	0
Ddt escalation included	0
Net Cost of Works	2,211,975.00
Add escalation BPI 0%	0
Add design and Project Management 15%	331,796.25
Add Contingency allowance 5%	127,188.56
Reviewed Cost	\$2,670,959.82

3. Narrabeen Creek detention basin (Item 1.5) is an exception to the foregoing

- 3.1. The estimate is based upon a 2007/2008 estimate. We consider the works allowances are reasonable
- 3.2. The estimate is inclusive of a 10% contingency.
- 3.3. A 5.4% allowance is included for design and Project Management costs.
- 3.4. Escalation of \$22,983 has been added based upon CPI. Using BPI (refer Section 2.3) the escalation calculated is \$6,460.
- 3.5. Our review of the costs is:

Item	\$
Narrabeen Creek Council costing	435,243.50
Ddt Contingency allowances included	(42,260.00)
Ddt Design and Project Management fees included	(30,000.00)
Ddt escalation included	(22,983.00)
Net Cost of Works	340,000.50
Add escalation BPI 1.9%	6,460.00
Add design and Project Management 15%	51,969.08
Add Contingency allowance 10%	39,842.96
Reviewed Cost	\$438,272.53

Creekline Land Element

We have not been provided with details of the Creekline Land Element that totals \$12,638,393.03 in the Plan.

The area of Creek works still to be undertaken calculated from the Creekline works estimate is 76,275m². When this is extended by the land values in Table 6.2 of the Plan a value of \$12,171,251.75 is derived. We are unable to reconcile the difference between this figure and the Plan value.

We are not qualified to comment on the land values. This is to be commented upon by Hill PDA. For the purpose of our review we have adopted the Plan value in our review.

Community Facilities Element

The Community Facilities Element in the Plan totals \$9,068,908 comprising: Community Centre allowance \$3,172,890; Child Care Centre \$3,188,520.00 and land purchase \$2,707,497.80. Whilst the Plan \$ allowance reflects 2 No general Community facilities and 1 Childcare Centre the Plan narrative (Section 7.3 Page 49) refers to a 'assumption that a single community service facility will be constructed' and (Section 7.4.4 Page 52) refers to a 886m² generic Community Centre requiring 853m² of parking and a land area of 3,478m²

There is no discussion in the Plan narrative over a size of Childcare Centre.

The works and land have recently been costed at \$8,077,818 a reduction to the Plan of \$991,080. The principal reduction is in the estimate of land acquisition value of \$727,496.

We have been provided with details of the revised costs and comment as below:

1. The costings for the Community Centre and Childcare Centre are based upon the cost of other similar facilities and a June 2009 estimate prepared by a Quantity Surveyor for an Early Child Education and Family Resource Centre.
 - 1.1. We consider the application of historic costings and recent estimates is a valid method to arrive at an estimate of the Community Centre and Childcare Centre providing the inclusions and exclusions are carefully considered.
 - 1.2. The Quantity Surveyor's estimate allows for the design, management and construction of the facility. It is inclusive of 11% Design and Project Management fees; 5% Contingency (2.5% Design and 2.5% Construction) but excludes external carparking and loose furniture, fittings and equipment.
2. An allowance of \$30,000 has been made to undertake a needs analysis and determine a brief for the works. We consider this to be an appropriate allowance.
3. Community Centre
 - 3.1. Council's recent estimate totals \$2,812,000. By reference to the Quantity Surveyor's estimate and crosschecking against similar facilities with which we are currently involved we consider the Design and construction allowance of \$2,812,000 to be appropriate providing the area of 886m² represents the fully enclosed covered area required and not the total area of covered and unenclosed covered area.

- 3.2. Although the Quantity Surveyor's estimate excludes carparking we have calculated that the estimated cost of \$2,812,000 is sufficient to also included 853m² of carparking on-grade as per the Plan requirements.
- 3.3. Our estimate of the works is \$2,719,000 inclusive of : carparking; excluded but required items; contingencies as Section 2.2 and Design and Project Management as Section 2.4.
- 3.4. An allowance of \$200,000 has been made for loose furniture, fittings and equipment which we consider to be an appropriate allowance.
4. Child Care Centre
 - 4.1. We have been advised that a Child Care facility is required for 104 children of which 25 places replaces existing facilities. The estimate allowance against the plan therefore should reflect only the 76% costing for new facilities i.e. for 79 children. Within the early childhood centre only 96m² out of 436m² replaces existing stock.
 - 4.2. Council's recent estimate totals \$2,820,000.
 - 4.3. The required area is 1,438m² GFA.
 - 4.4. By reference to the Quantity Surveyors estimate and cross checking against similar facilities with which we are currently involved, we consider the Design and Construction allowance should be \$4,200,000 inclusive of: carparking; excluded but required items; contingencies as Section 2.2 and Design and Project Management as Section 2.4.
 - 4.5. An allowance of \$235,818 has been made for loose furniture, fittings and equipment. We consider \$100,000 should be sufficient and offer similar comments as per 4.2
5. Community Centre Land
 - 5.1. The current estimate includes an allowance for 1,800m² of land at \$550/m² = \$990k. We are not qualified to comment on the land values. This is to be commented upon by Hill PDA. We note that in the Plan it was anticipated that a land area of 3,478m² would be required. The reduction in land area has resulted in a saving however the land cost/ m² is obviously greater than envisaged when the Plan costs were calculated.
6. Child Care Centre Land
 - 6.1. The current estimate includes an allowance for 1,800m² of land (60% of required area) at \$550/m². We are not qualified to comment on the land values. This is to be commented upon by Hill PDA. We note that in the Plan it was anticipated that a land area of 3,478m² would be required. The reduction in land

area has resulted in a saving however the land cost/ m² is obviously greater than envisaged when the Plan costs were calculated.

6.2. Based upon the above areas the land to be costed into the Plan should be 2,330m² (3,000m² (land area)/GFA 1,851m² x GFA for Plan 1,438m²) x \$550/m² = \$1,281,000.

Based on the foregoing we consider the appropriate current allowance for the Community Facilities Element should be:

Survey	\$30,000
Multi-purpose community centre	\$2,719,000
Fitout to community centre	\$200,000
Child care centre	\$4,200,000
Equipment for child care centre	\$235,818
Land acquisition community centre	\$990,000
Land acquisition child care centre	\$1,281,000
	\$9,655,818

Recreation & Open Space Element

The Recreation and Open Space Element in the Plan totals \$15,121,193 comprising \$5,973,159 of works and \$9,148,034 of land costs.

We have not been provided with details of the Land cost estimates and cannot determine a area to calculate the land costs. Council have sought opportunities to co-locate recreation and open space elements with existing facilities such as Narrabeen Sports High School. In some instances use of the land is by way of lease rather than purchase. Council should provide a reconciliation of land to be purchased/ leased with appropriate costs.

We are not qualified to comment on the land values. This is to be commented upon by Hill PDA. Lease costs of land are to be accounted for in the financial model by Hill PDA.

The works have recently been costed at \$5,995,270 a increase to the Plan of \$22,111.42.

We have been provided with details of the revised costs and comment as below:

1. The estimates are calculated by measuring and costing the works with allowances for items that will be required but are subject to further design. We have conducted a initial review and consider the methodology applied to be appropriate.
2. No allowance has been added for a co-ordinating Contractors margin or Preliminaries and it is assumed that any requirements are included in the rates and that Council direct labour will undertake the works

Independent Review of Warriewood Valley Section 94 Plan

3. An allowance of 10% has been added for design and Project Management.
4. No contingency allowance has been added.
5. The Plan includes an allowance of \$730,036.08 for Sports ground – Jacksons Road (Item 6.3). This has more recently been costed at \$500,000. The documentation recently provided to us indicates this item is expected to be deleted. We have omitted this item from our reviewed costing
6. Our review of the costing is:

	\$
Capital works costs	5,995,270.00
Ddt Item 6.3 Pedestrian / cycle underpass (Boondah Reserve to sports ground)	(500,000.00)
Ddt Contingency allowances included	(0.00)
Ddt Design and Project Management fees included	<u>(499,570.00)</u>
Net Cost of Works	4,995,700.00
Add escalation BPI 0%	000
Add design and Project Management 15%	749,355.00
Add Contingency allowance 5%	<u>287,252.75</u>
Capital works costs adjusted	\$6,032,307.75
Land costs	<u>\$9,148,034.00</u>
Recreation & Open Space reviewed cost	\$15,180,341.75

Pedestrian & Cycleway Element

The Pedestrian & Cycleway Element of the Plan totals \$6,508,156 and comprises \$5,875,870.52 of works and \$632,285.76 of land costs.

We have not been provided with details of the Land Costs. We are unable to determine a land area from the information supplied. We are not qualified to comment on the land values. This is to be commented upon by Hill PDA

The works have recently been costed at \$5,254,841.60 a decrease to the Plan of \$621,028.92. The principal saving is changing boardwalk to concrete pathway in STP buffer area 3 (Item 8).

We have been provided with details of the revised costs and comment as below:

1. The estimates are calculated by measuring and costing the works with allowances for items that will be required but are subject to further design. We have conducted a review and consider the methodology applied to be appropriate.
2. No separate allowance has been added for a coordinating Contractors margin or Preliminaries however we consider the rates sufficient to include.

Independent Review of Warriewood Valley Section 94 Plan

3. An allowance of 4-10% has been added for design and Project Management. Generally 4% has been added to the estimates for pathways and 10% to the estimates for bridges
4. No contingency allowance has been added
5. Our review of the costs is:

	\$
Capital works costs	5,254,841.60
Ddt Contingency allowances included	(0.00)
Ddt Design and Project Management fees included	(274,801.00)
Net Cost of Works	4,980,040.60
Add escalation BPI 0%	0.00
Add design and Project Management 15%	747,006.09
Add Contingency allowance 10%	<u>572,704.67</u>
Capital works costs adjusted	\$6,299,751.36
Land costs	<u>\$632,285.76</u>
Recreation & Open Space reviewed cost	<u>\$6,932,037.12</u>

Bush Fire Protection Element

The Bush Fire Protection Element in the Plan totals \$504,328. The Plan includes for bridges over Narrabeen Creek and Fern Creek and connections between sectors 5 & 8 and 9 & 10.

The works have recently been costed at \$241,399.98 a decrease to the Plan of \$262,928.02. The decrease is due to deletion of connections between sectors 5 & 8 and 9 & 10 and changing the bridges to culverts.

We have been provided with details of the revised costs and comment as below:

1. The estimates are calculated by measuring and costing the works with allowances for items that will be required but are subject to further design. We have conducted a initial review and consider the methodology applied to be appropriate.
2. No allowance has been added for a co-ordinating Contractors margin or Preliminaries unless it is considered to be in the rates (*Council to confirm*).
3. No allowance has been added for design and Project Management.
4. No contingency allowance has been added.

	\$
Capital works costs	241,399.98
Ddt Contingency allowances included	(0.00)
Ddt Design and Project Management fees included	(0.00)
Net Cost of Works	241,399.98
Add escalation BPI 0%	0.00
Add design and Project Management 15%	36,210.00
Add Contingency allowance 10%	27,761.00
Capital works costs adjusted	<u>\$305,370.98</u>

Library Services Element

The Library Services Element in the Plan totals \$186,518 comprising \$101,074 for library resource items and \$85,444 for Library equipment.

We have not been provided with details of library resource items and understand this cost relates to incurred expenditure on the basis of increased demand due to extra population in Warriewood valley that Council were seeking to recoup.

We have been provided with a recent update of the costs associated with library equipment in the sum of \$69,830. We understand this relates to equipment required in the library to cope with increased resources because of extra population in Warriewood valley. We are unable to verify the basis of these costs however the costs do not appear unreasonable for the items stated.

In the absence of contrary information we have adopted the above costs of \$170,904 in our summary and added 5% contingency as per our recommendation in Section 2.2: the calculated total is \$179,449.20.

Ponderosa Parade Drainage Element

No further works remain to be undertaken and no costs are included in the Plan.

Plan Administration & Management Element

The Plan Administration & Management Element in the Plan totals \$1,367,532. This was based on a yearly charge commencing at \$443,705.94 in 2009 and reducing to \$307,942.01 in 2012. Currently it is forecast that the Plan programme will run for 5 years and then will run at a reduced rate for a further 5-10 years. This would indicate that the overall allowance is likely to be inadequate.

The Plan Administration & Management Element is to recoup solely the cost of administering the plan and not directly the cost of infrastructure delivery. The cost of administering the Plan includes the cost of preparation of

the Plan including the involvement of Council officers and Council representatives in: Plan preparation, Plan reviews and monitoring and updating procedures demanded by the Plan.

The cost of Council officer's involvement in infrastructure delivery is to be recouped by allowance in each works element.

We have been provided with a 'Re-Justification' of Charges which totals \$270,339.37 per annum. This is undated. The charges appear to relate solely to the Plan Administration Element and are therefore appropriate. This method of calculating the actual cost of administration and applying it to the forecast number of years the plan will run for has been adopted by other Councils and is a reasonable approach. The adequacy of the recovery of cost vis a vis expenditure is dependent upon accurately forecasting the life of the Plan. The equity of recovery of the Plan Administration & Management Element relies on accurately forecasting the life of the Plan and this holds true for any mechanism for recovery of administration costs. Any formula to increase the Plan cost if programme years extend the Plan will result in extra cost to later developers and inequality.

We therefore recommend the Council attempt to more accurately define the life of the Plan.

For the purpose of our review we have assumed that the Plan does run for 5 years and then tails off for 5-10 years as currently forecast. We have assumed that as the Plan tails off so does the cost of administering the Plan.

Our calculation of the Plan administration & Management element is:

Cost per annum: $(\$270,340 \times 5 \text{ years}) + (\$270,340 \times 10 \text{ years} \times 50\% \text{ diminishing factor}) = \$2,703,400$

This indicates that the Plan allowance is inadequate to cover the extended period of the Programme.

The Plan Administration & Management Element in the Plan equates to 2.13% of the total cost of the works excluding the Plan administration allowance. The revised total we have calculated of \$2,703,400 will equate to 4.22%. We have reviewed several Plans of other Councils and found administration charges ranging from 0.3 – 6% including 0.3%, 0.71%, 0.82%, 1.1%, 1.114%, 3% and 6%. In any administration component there are some fixed elements and therefore programme duration will influence the level of fee. Considering the foregoing the Plan allowance is within the range anticipated.

DISCLAIMER

This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

This report does not constitute a valuation of any property or interest in property. In preparing this report we have relied upon information concerning the subject property and/or proposed development provided by the client and we have not independently verified this information excepted where noted in this report.

Submissions to Development of Plan on Local Development Contributions Guidelines

**DRAFT DEVELOPMENT CONTRIBUTIONS GUIDELINES
2009**

**PITTWATER COUNCIL SUBMISSION
TO
DEPARTMENT OF PLANNING**

February 2009

1.0 Introduction

The release of the *Draft Local Development Contributions Guidelines* provides further guidance to Councils in understanding how the Part 5B provisions of the Environmental Planning and Assessment Amendment Act 2008 are to be implemented.

Pittwater Council has keenly awaited the release of the Draft Guidelines, as part of its response to the Ministerial Direction of July 2009 regarding the Warriewood Valley Section 94 Contributions Plan. In this regard, Council welcomes the Department's decision to define 'riparian corridor' in the legislation, such that stormwater facilities and systems, cycleways and land for passive open space located in a riparian corridor will be identified as '*key community infrastructure*'.

Given Council's experience with the NPV financial modelling methodology on its Section 94 Plan, Pittwater Council sees benefits in meeting with the Department to discuss issues regarding the NPV financial modelling method, particularly as Council progresses towards a new financial model based on the Draft Guidelines and recommendations resulting from the independent review recently completed by HillPDA on the Warriewood Valley Section 94 Contributions Plan (Amendment No 16).

Council however, raises a fundamental issue with the legislation (Part 5B provisions) and Draft Guidelines in that neither the legislation or Guidelines recognise that managing natural risks may be fundamental element to those areas with environmental constraints however are required to advance a land release area/ redevelopment. In situations where development can only occur where natural risks are managed, then the management of natural risks (such as flood mitigation, bushfire prevention works, coastal erosion protection, landslip management and the like) should be identified as "*key community infrastructure*" as these items invariably are deemed essential infrastructure as they affect the future safety of people in a development.

Council provides comments in relation to the Draft Guidelines, as summarised below:

- Use of terms relating to "*drainage and stormwater management works*"
- impact of the State Infrastructure Contributions
- procedural matters relating to Additional Community Infrastructure
- Indexing and Net Present Value
- Planning Agreements
- Section 7.8 of the Draft Guidelines
- implementation and resourcing issues
- grammatical/minor errors

2.0 Use of terms

2.1 "*Drainage and stormwater management works*" is a listed key community infrastructure, appearing in the Draft Regulation and Draft Guidelines. Nonetheless, there is no definition for this term either in legislation or in Appendix A of the draft Guidelines.

2.2 The Draft Guidelines is inconsistent in its use of "*stormwater drainage infrastructure*" and "*drainage and stormwater management works*", with no definitions attached to either term.

2.3 Recommendations

Pittwater Council recommends the Department:

- (a) define “drainage and stormwater works” in the Glossary of the Guidelines (Appendix A), and the definition should include “culverts, pipe work, natural water courses, creek systems, stormwater management works designed and constructed in accordance with the Water Management Act 2000”;
- (b) review the draft Guidelines to ensure consistent use of terminology regarding drainage and stormwater management works.

3.0 **Impact of State Infrastructure Contributions**

Council acknowledges the need to identify and cost all infrastructure and servicing provision applicable to a new release area, (but only where the release area is commenced now). Difficulty however arises when the release area is halfway in its development phase and State Infrastructure Contributions are then introduced.

- 3.1 Concern is raised to the inference that councils need to consider State Infrastructure Contributions in the preparation of its Local Development Contributions Plans, as there is likelihood that this hinders a council’s ability to levy local contributions to the rate required under its Section 94 Plan (if the rate exceeds \$20,000 and will require the Minister’s approval) and in turn, council’s ability to provide infrastructure to an acceptable level or industry standard that its community expects.
- 3.2 Concern is raised generally to how State Infrastructure Contributions are applied to urban release areas, how it is introduced, and the lack of transparency and accountability of the process.
 - (a) Timing of its introduction where contributions are introduced late in the development phase of land release projects such as what occurred in 2008 for Warriewood Valley (commenced development in 1998).
 - (b) Lack of transparency and accountability, particularly when:
 - there has been no exhibition process for State Infrastructure contributions proposals (contrary to p12 of the draft Guidelines)
 - there is no formal document advising the specific State Infrastructure works, the monetary rate, and proposed timing of provision.

As in the case of Warriewood Valley, Council were only advised of the application of the State Infrastructure Contribution via the rezoning process for a ‘sector’ and currently, only applies to this sector. No formal advice has been provided on the monetary figure or the specific infrastructure details.

3.3 Recommendations

Pittwater Council recommends that the:

- (a) the Department review the application of State Infrastructure contributions on release areas already commenced before the date that the provisions were introduced (that is Sections 94ED to 94EH of the Act), and accordingly, remove from the Guidelines the requirement to consider State Infrastructure Contributions in the preparation of Section 94 Plans (including amendments to existing Plans) to those urban release areas.

- (b) The NSW State Government develop and introduce legislation regarding the implementation of State Infrastructure Contributions on urban release areas (and are not 'special contributions area' as defined under Section 93C of the Act) that incorporates public exhibition of the State Infrastructure Contribution, identified works and monetary rate of contribution, and its accountability.
- (c) The legislative changes recommended in (a) and (b) be introduced ahead of Part 5B and the Guidelines coming into effect.

4.0 Process for Seeking Ministerial Approval

- 4.1 It is appreciated that the Draft Guidelines gives an overview of when councils are to seek Ministerial approval for additional community infrastructure, and the information that is to accompany such a submission.

Council however, raises concern that the Guidelines do not provide timeframes for seeking Ministerial approval for either the ability to include "additional community infrastructure" in new Section 94 Plans (or in negotiating Planning Agreements), or where the contribution rate is proposed to exceed \$20,000. Councils, in seeking Ministerial approvals, require certainty that time periods are achieved.

- 4.2 The Notes in Appendix B of the Draft Guidelines provides exceptions to items that may be key community infrastructure where it is considered integral to the provision, extension or augmentation of community infrastructure. It is appropriate however, that this exception is better explained in Section 2.3.3 of the Draft Guidelines rather than exist as a note to an appendix.

4.3 Recommendations

Pittwater Council recommends that:

- (a) the process for seeking Ministerial approval for inclusion of 'additional community infrastructure' in Section 94 Plans or Planning Agreements, and ability of Councils to levy above \$20,000 be reviewed to include timeframes; and
- (b) the Part 5B provisions and Section 2.3.3 of the Guidelines be amended to include the exceptions to items that may be key community infrastructure to ensure consistency; and
- (c) the changes recommended in (a) and (b) be introduced ahead of Part 5B and the Guidelines coming into effect.

5.0 Indexing and Net Present Value (NPV) method

- 5.1 Pittwater Council agrees that the Net Present Value method to modelling Developer Contributions is a sound financial approach which ultimately minimises the exposure of a council to financial liability.

The DoP's methodology that the Present Value of Costs equals the Present Value of Revenue ensures that costs associated with a Contributions Plan are fully funded by the developers themselves.

The use of the 10 year Government Bond Rate (discounted for inflation) is a valid discount rate that reflects the time value of money.

However, the use of CPI at a fixed rate of 2.5% is inappropriate as an inflationary measure/indicator for expenditure (works and land purchases) associated with an infrastructure development. General CPI that historically reflects a general basket of consumable goods (bread, milk etc) has run at around 3% to 4%. In term of cost of infrastructure provision (e.g. cost of materials etc) such items would run at around 8%. Accordingly, the use of a fixed 2.5% CPI indicator to escalate works would see such works being under inflated thus placing pressure on future recosting reviews to heavily inflate real costs. This may potentially see spikes in contribution rates.

- 5.2 It is noted that the use of CPI is prescribed in the Regulation. However, using the Sydney CPI for rural/regional areas outside Sydney Metro as well as the fixed 2.5% CPI in the NPV are inappropriate, and should be reviewed.

Additionally, indexing land component against the CPI is inappropriate as it does not reflect actual and projected land costs increases in an area. In this case, the Land Price Index is the more appropriate index for land.

5.3 Recommendations

- (a) Given that Pittwater Council utilises the NPV method in its Section 94 Plan, Council would be happy to meet with the Department to further discuss issues relating to the NPV method.
- (b) Pittwater Council recommends that the Department review the application of CPI in the NPV method, and the application of the Sydney indices on rural/regional areas outside Sydney Metro.
- (c) The CPI is inappropriate for land, a more appropriate index be used for land that accurately reflects the actual and projected land costs increases in an area (such as the Land Price Index).

6.0 Planning Agreements

- 6.1 Council is concerned that the negotiation of Planning Agreements is limited to key community infrastructure, particularly when the basis for negotiations is the Section 94 Plan and may already include '*additional public infrastructure*' that has been approved by the Minister (that is, Minister-approved Section 94 Plan).

The need to again seek Ministerial approval to include additional public infrastructure into the negotiations (already approved for inclusion in a Section 94 Plan), and in turn in a Planning Agreement, places undue burden and additional timeframe in the negotiations process such that it becomes a hindrance to the process.

6.2 Additionally, there is lack of transparency and accountability in applications under Part 3A, and the role of councils to negotiate Planning Agreements that may include additional public infrastructure.

6.3 As Councils are not the only planning authority that may be negotiating Planning Agreements with developers, this should be reflected in Chapter 6 of the Draft Guidelines.

6.4 Recommendations

(a) Pittwater Council recommends that the process relating to Planning Agreements be reviewed:

- where the Minister has already approved additional public infrastructure for inclusion in a Section 94 Plan; and
- to ensure transparency and accountability in the process, in particular development projects under Part 3A of the Act.

(b) Pittwater Council recommends that the Department review Chapter 6 of the Guidelines to replace the term “council” with “Relevant Planning Authority” or “councils and other planning authorities”.

7.0 Section 7.8 of the Draft Guidelines

7.1 This Section discusses Material Public Benefits (MPBs) and Works In Kind (WIK). Whilst it defines both processes and indicates that they should be dealt with in a different manner, the process outlined confuses the issues, eg valuation and policy. This becomes important in urban release areas and greenfield developments where is less desirable for MPB (such as community facilities) to be contemplated for offsetting against essential infrastructure works (eg drainage, roads).

7.2 The Draft Guidelines and Environmental Planning & Assessment Act does not adequately define the methodology for assessing the value of MPB or WIK, which is necessary in ensuring that probity is maintained. The Guidelines’ approach to value land or works is to adopt the valuation assessed developer contribution, requiring that the Plan costs are accurate at any point in time. The reality is that the estimates are usually pre-designed estimates and individual items in the Schedules may vary significantly.

The Guidelines propose the ability to offset WIK/MPB values against the assessed contribution, which is not generally possible at development approval stage as valuation of such works has generally not occurred. It is proposed that the Draft Guidelines require assessment and payment of full contribution with a separate payment for agreed WIK.

7.3 Recommendations

Pittwater Council recommends that:

- (a) the Department prepare separate sections for MPB and WIK, in the Guidelines rather than in Section 7.8., in recognition of the different nature of such works;
- (b) the NSW State Government amend the The Draft Guidelines and Environmental Planning & Assessment Act to adequately define the methodology for assessing the value of MPB or WIK, which is necessary in ensuring that probity is maintained;

- (c) valuation and payment for WIK be undertaken separately from the assessment of contributions.

8.0 Implementation and Resourcing

- 8.1 The Draft Guidelines indicates the preparation of a 'Principal' Contribution Plan regardless there may be several contributions plans applicable to a Local Government Area.

The recommended structure of the 'Principal' Contribution Plan document, under the Draft Guidelines, makes for a complicated document that further complicates the issue surrounding development contributions (which is, by itself, a complex issue). Documents such as these, as with Principal LEP's under the Standard LEP Template, are not 'one-size fits all' documents.

- 8.2 Concern is again raised with the timing and resourcing capacities of the Department of Planning to implement these Guidelines and the Part 5B provisions. As already experienced with the range of reforms implemented, meeting timeframes and providing assistance to local government not been achieved.
- 8.3 The Draft Guidelines and the accompanying Policy Statement indicate a Performance monitoring program and reporting mechanism to the Department of Local Government. However, there is no timeframe for its introduction. The timeframe for reporting needs to be communicated to councils well ahead to ensure that councils are able to resource and undertake these additional reporting requirements.

8.4 Recommendations

Pittwater Council recommends that:

- (a) the Department together with the Local Government Shires Association and targeted councils review the structure for the 'Principal' Contribution Plan aimed at simplifying the structure (and does not duplicate sections) of the document.
- (b) the NSW State Government ensure there is sufficient resources available to adequately implement the legislation and Guidelines, particularly in assisting councils and public with the changes, and the administrative process for obtaining the Minister's approval for additional community infrastructure and levying above \$20,000.
- (c) The introduction of the legislation, Guidelines and reporting requirements needs to be communicated well ahead of its effective date to ensure councils are able to meet its requirements under these reforms (minimum 1 month notice).

9.0 Grammatical/ Minor errors in the Draft Guidelines

- 9.1 Minor editing is required, in the Draft Guidelines regarding to such matters:

- Incorrect cross-references between Sections 2.3.3 and 3.8 (in p17 & 28)
- Inconsistency in contract value (p69) as stated in the *Local Government Act 1993*, being lower value stated in Clause 163 of *Local Government Regulation (General) 2005*.

9.2 Recommendations

Pittwater Council recommends that the Department review the Guidelines to ensure:

- (a) cross-references within the document, including any references to other legislative requirements are accurate;
- (b) refers to \$150,000 as the contract value, in relation to Section 7.8.3 of the Guidelines consistent with the *Local Government Regulation (General) 2005*.

Business Plan for inclusion of Library Books recoupment (including independent report)

SUBMISSION TO MINISTER FOR PLANNING

February 2010

Business Plan

for the

**Inclusion of Library Book recoupment
within**

**The Warriewood Valley
Section 94 Contributions Plan**



PITTWATER COUNCIL

Business Plan for inclusion of Library Book recoupment

1. Context

The new Part 5B of the EP&A Act outlines the legislative provisions for the levying of development contributions by Councils. The Draft Local Development Contributions guidelines issued by the Planning NSW in November 2009 effectively establish a two-tier system for local contributions.

Councils must seek Ministerial approval to obtain a contribution for what is referred to as additional community infrastructure. This Business Plan seeks the Ministers approval for Pittwater Council to continue to levy for library books to recoup expenses already incurred.

The Draft Local Development Contribution Guidelines issued by the Department outline a number of issues which should be considered by a Business Plan. Sections 4 to 11 of this Plan seek to address these issues.

2. Background

The Library Element of the WV S.94 Plan was originally developed to acknowledge the increased demand on Library Services due to the increased population of Warriewood Valley.

This Element has always been broken down into three components:

- I. Need for additional library floor space
- II. Need for additional library resources (books, etc)
- III. Need for additional equipment (computers, shelving, etc)

Due to the relatively small size of the land release it wasn't considered appropriate to build a Branch Library in Warriewood Valley. Due to the reasonable proximity of Council's Central Library in Mona Vale, it was seen that augmenting this facility would be a more reasonable and cost effective method of meeting the demands of the new population of Warriewood Valley.

Relatively early in the life of the S.94 Plan, Council decided to construct a new Central Library at Mona Vale and it was therefore timely to use the floor space component of the Library Element to expand the proposed new facility to meet the needs of the Warriewood Valley community.

Once the new Library was built in 2004-2005, it was then appropriate to finalise over the next five years the remaining library resources (books) and equipment components of the Library Element of the WV S.94 Plan.

As a result, the Library Element has fully expended its Library Resources (books) component and was seeking to recoup this expenditure of \$879,500 by levying the remaining dwellings in Warriewood Valley.

Council is of the opinion that it has been levying for these components in good faith and in keeping with relevant legislation and best practice guidelines.

At no time has there been any challenge by the State Government or a Developer to the components of this Element.

Council is of the opinion that it is unreasonable to mid-way through the Land Release to challenge or question the basis on how Council has been operating the Plan.

This position is supported by the Independent Review (by Hill PDA) of the Contributions Plan undertaken at the request of the Minister. The following is an extract of their findings:

The subsequent draft Local Development Contributions Guidelines 2009 outlined the proposed changes to the ways in which Councils levy new development for infrastructure. Whilst the draft Guidelines 2009 recognise library's as key community infrastructure, Appendix C clarifies that contributions should be limited to building works and not equipment.

Appendix B of the same draft Guidelines 2009 however provides further clarification as to what constitutes key and additional infrastructure. In this respect it is important to highlight that Note 2 of the Appendix B states that:

*"Community infrastructure does not comprise buildings or works (for example, rescue equipment, books, computers) is **not** key community infrastructure. An exception is where a new building (or an extension to an existing building) considered community infrastructure includes items other than building or works (such as fit out). In such cases, where the items would be considered integral to the provision, extension or augmentation of community infrastructure may be considered key community infrastructure".*

In light of Council's position we recommend that Council seeks approval from the Minister to continue to secure the library book component of the library element of the Plan in order to recoup the expended funds. In the interests of complying with the intentions of the Minister's various directions we recommend that Council seeks to use the contributions secured under the \$62,100 cap towards the library book element. The recoupment of costs in this way would need to be offset by the elimination or rationalisation of an alternative element(s) of the Plan.

This independent review recommends that Council requests to secure the library book funds as Council had not only significantly commenced, but completed their financial commitments in good faith and in accordance with an adopted Plan. Furthermore this scenario is considered particular to the Warriewood Valley Section 94 Plan and would not increase the levy any further than the cap established by the Minister.

3. Is the proposed development contribution based on a reasonable apportionment between existing demand and new demand for public infrastructure to be created by the proposed development to which the contribution relates?

The expenditure on expanding the existing library was a reasonable approach to take to ensure that existing demand was not contributing to a possible new Branch Library in Warriewood Valley.

The opportunity of Council redeveloping its main library at Mona Vale provided a perfect opportunity for the Section 94 Plan to contribute a reasonable proportion towards expanding the new library to accommodate the needs of the incoming population of Warriewood Valley.

4. Do other alternative infrastructure/facility types exist to cater for some or all of the demand?

When the current Contributions Plan was first developed in 1998 a range of options were considered. However an assessment of the relative standards and planning thresholds could not support a separate Branch Library in Warriewood Valley.

Page 96 of the Draft Local Development Contributions guidelines suggested a threshold test of 10,000 people would be required for a Branch Library.

This is clearly much higher than the just over 5,000 people anticipated by the completion of the Warriewood Valley Release.

5. Are the estimates of demand for each item of public infrastructure to which the proposed development contributes relates reasonable?

As nearly all of the library works have been completed there is little reliance on future estimation. Earlier in the life of the Plan estimates for library books and equipment were based on historical data supplied by the library regarding the cost of these items. The capital contribution towards an expanded new Library was based on detailed cost estimates for that project at the time.

6. Will the infrastructure be operational when those demanding the facility require it?

Due to the opportunity to contribute to Council's decision to redevelop its main library at Mona Vale this Element was able to deliver its works in a very timely fashion.

To have developed and expanded the new library at a later date would have been for more expensive. As a result of the relatively early provision of the capital facility it was also required to provide at a relatively early stage the library books and equipment to fill the new and expanded library.

7. Accuracy of cost estimates and risk measures in place to manage budget overruns?

This has been covered in Section 5 of this Plan.

8. What other sources of income are available to assist in funding the infrastructure?

At the time of expending funds on the Library there were limited other funding opportunities.

9. What is the best and most appropriate funding mix considering housing affordability, inter-generational equity and risk management?

The Contribution Plan has always been premised on the fact that this and other infrastructure in the Plan should be paid for by the new development. The Business Plan has clearly demonstrated that the incoming population will generate a demand for library facilities.

10. What will be the impact of the proposed development contribution on the affordability of the proposed development?

This Element will have a minimal impact on housing affordability. The Library Services Element is only a small part of the overall contribution levy and the library book recoupment is only one of three major items within this Element.

Council intends to comply with the Minister's existing contribution 'cap' of \$62,100 and any proposed future Contributions Plan will only include the library books recoupment in a form which allows the overall Plan to remain under the \$62,100 cap over the next three years.

By achieving this, Council believes it is complying with the Minister's direction which seeks to ensure housing affordability.

11. Conclusion

This Business Plan has argued that Council's decision to expand its current Library at Mona Vale was the most appropriate and cost effective way of meeting the need for library services of the incoming population of Warriewood.

The inability of Council to recoup the \$879,500 from within the Plan would place an unjust financial burden on Council as the books were expended in good faith and in accordance with the adopted Section 94 Plan. If this already expended cost was unable to be met from within the Plan, Pittwater Council would be required to fund the \$879,500 from General Revenue thus placing a significant and un-budgeted financial burden on the Council's limited financial resources.

The opportunity to provide additional floorspace early in the life of the Contributions Plan also meant there was a requirement to provide additional books and equipment to 'stock' this space relatively early in the life of the Plan. As a result, the Plan has expended \$879,500 on library books which was to be recouped from the remaining development in the Valley.

On page 89 of the Draft Local Development Contributions guidelines issued by Planning NSW in November 2009, libraries are identified as key community infrastructure. Note 2 on page 90 of the guidelines states that:

Community infrastructure that does not comprise buildings or works (for example, rescue equipment, books, computers) is not key community infrastructure. An exception is where a new building (or an extension to an existing building) considered community infrastructure includes items other than buildings or works (such as the fit-out). In such cases, where the items would be considered integral to the provision, extension or augmentation of community infrastructure may be considered key community infrastructure.

Clearly the provision of additional books as part of providing an expanded library meets the exception criteria outlined in the above Note in the guidelines.

As such, it appears appropriate that the recoupment of the library book expenditure be considered key community infrastructure and be included in the review of the Warriewood Valley Section 94 Plan.

12. Recommendation

Council requests that the Minister for Planning agree that Library Books (recoupment of expenditure already incurred) as outlined in this Business Plan be considered key community infrastructure in relation to the Warriewood Valley Section 94 Plan.

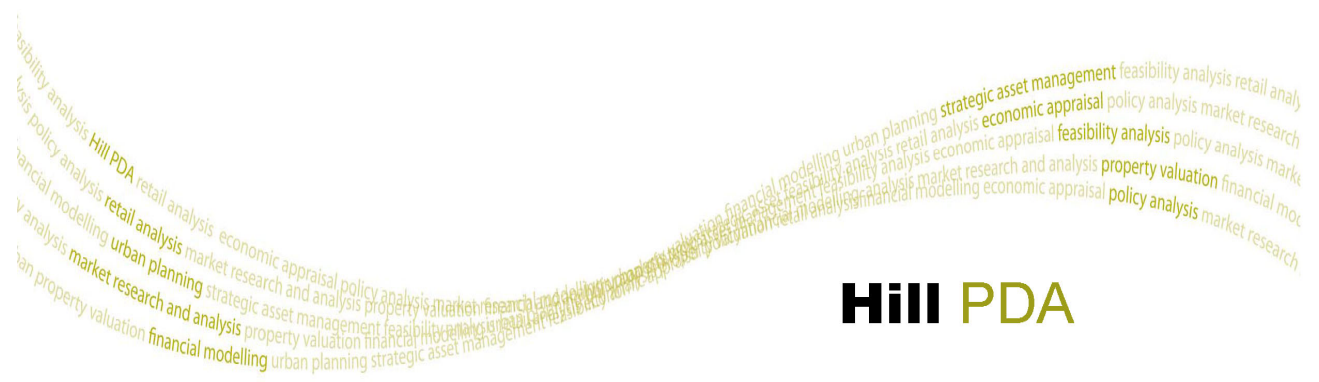
Review of Business Plan for the Inclusion of Library Books within the Warriewood Valley Section 94 Contributions Plan

PREPARED FOR
Pittwater Council

January 2010

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QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

REVIEWED BY



25 January 2010

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Dated

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1. INTRODUCTION

Hill PDA has been commissioned to independently review a Business Plan prepared by Pittwater Council (Council) for the inclusion of library books within the library services element of the Warriewood Valley Section 94 Plan. The Business Plan seeks the NSW Minister for Planning's approval of the library book component as key community infrastructure.

This Independent review has been commissioned in accordance with the requirements of Section 31 of the *Environmental Planning and Assessment Act 2008 (the EP&A Act)* and the *draft Local Development Contribution Guidelines 2009*. Section 31b of the Act requires a suitably qualified person, independent of the Council, to assess the proposed development contribution against the key considerations for development contributions for the purposes of Part 5B of the Act.

1.1 Review Context

The Warriewood Valley Section 94 Plan (the Plan) was first adopted by Council as a single plan consolidating various elements on June 1st 1998. The Plan was prepared in accordance with Council's understanding of the level of infrastructure and services required by the incoming residents and the particular circumstances of Warriewood Valley. One element of the Plan relates to Library Services and includes library books as a work item. As of June 2008 the library services element of the Plan had secured \$754,183 in contributions.

The Warriewood Valley Section 94 Plan was independently reviewed by Hill PDA in December 2009. The independent review was commissioned in response to the NSW Minister for Planning's Direction under Section 94E of the EP&A Act. The Direction required local government to cap development levies at \$20,000 with the objective of boosting housing development and supply. As the Warriewood Valley Section 94 Plan contribution rate exceeded this threshold, an interim rate was approved at \$62,100 (the library book component being extracted as it was not considered key community infrastructure) whilst the review was undertaken.

In December 2009, the DoP issued the draft Local Development Contribution Guidelines 2009. The draft guidelines clarified that *"a council can only require a development contribution for community infrastructure if the infrastructure is key community infrastructure."*¹

¹ Draft Local Development Contribution Guidelines 2009, DoP, Page 15

Appendix B of the draft Guidelines provides a guide as to what may be considered key and additional community infrastructure. Appendix B shows that libraries may be considered key community infrastructure. Importantly however the notes that relate to Appendix B state that:

Community infrastructure that does not comprise buildings or works (for example, rescue equipment, books, computers) is not key community infrastructure. An exception is where a new building (or an extension to an existing building) considered community infrastructure includes items other than building works (such as the fit-out). In such cases, where the items would be considered integral to the provision, extension or augmentation of community infrastructure may be considered key community infrastructure.

The note above is particularly pertinent in the context of library services in the Warriewood Valley Section 94 Plan. This element of the Plan comprises of three key components being library capital costs (i.e. floorspace), resources (books etc) and equipment (i.e. computers, shelving etc). Prior to the Minister for Planning's Direction in July 2009 advising that the library book component of the Plan could not longer be included, Council had expended the majority of the funds to be secured through the element to extend and fit out Mona Vale Library (including library books).

Accordingly as of 30 June 2008 the library services element of the Plan had been expended to the value of \$1,633,704. At such time however \$754,183 had been secured representing a shortfall of \$879,500.

Accordingly the Council seeks the Ministers consent for the inclusion of library books as key community infrastructure for the purposes of the recouping the expended funds through the Warriewood Valley Section 94 Plan.

1.2 Key Considerations

The key considerations against which this review of Council's Business Plan has been undertaken align with those outlined in Table 1 of the draft Guidelines 2009. These include:

1. Can the public infrastructure that is proposed to be funded by a development contribution be provided within a reasonable time?
2. What will be the impact of the proposed development contribution on the affordability of the proposed development?
3. Is the proposed development contribution based on a reasonable apportionment between existing demand and new demand for public infrastructure to be created by the proposed development to which the contribution relates?

4. Is the proposed development contribution based on a reasonable estimate of the cost of proposed public infrastructure?
5. Are the estimates of demand for each item of public infrastructure to which the proposed development contribution relates reasonable?

For simplicity and clarity, this review has addressed each of the above considerations in order.

1.3 Delivery Time Frames

The first key consideration queries whether the public infrastructure in question can be provided in a reasonable time frame. This consideration has been superseded by the fact that Council has not only significantly commenced, but completed the delivery of the majority of this element in good faith that the cost of works would be recouped through the life of the Plan.

By way of explanation, Section 8.7 of the draft Guidelines 2009 refers to the ability for Council's to provide community infrastructure, and then to obtain a monetary contribution from development to repay the reasonable costs of infrastructure in accordance with the EP&A Act.

The library services element of the Plan (including the library book item) has been part of the approved Warriewood Valley Section 94 Plan since its preparation in 1998. Accordingly when the opportunity arose to extend and fit out the library in Mona Vale, it was considered a timely and cost effective way to deliver the services in reasonable proximity to the Warriewood Valley Release Area. Accordingly Council decided that it was reasonable for an appropriate portion of the funds that had, and were to be collected by the Plan, to be expended up front to fit out the library.

1.4 Impact to Development Affordability

The second key consideration queries whether the inclusion of a contribution for library books, as part of the library services element, would adversely influence the affordability of the proposed development. The library services element of the Plan, as of the 2008 / 2009 financial year sought a contribution of \$1,705.18 per equivalent dwelling representing 3% of the overall equivalent dwelling contribution rate of \$62,100.

Council has confirmed that should the Minister approve library books as key community infrastructure, any associated development contributions for this work item would fall within, and therefore not increase the existing \$62,100 contribution rate.

As part of the wider review of the Warriewood Valley Section 94 Plan undertaken by Hill PDA in December 2009, the effect of the current contribution rate of \$62,100 was discussed. It was found that the \$62,100 contribution rate represented 11 - 12% of land value within Warriewood Valley. This is considered a reasonable proportion.

Furthermore the review found that to date, the development of larger detached dwellings and town houses has proven to be viable. Furthermore the development and sale of dwellings had remained consistent in Warriewood Valley over the life of the Plan and median dwelling prices in Warriewood Valley remained lower than median dwelling and land costs for the remaining portion of Pittwater LGA.

Accordingly, we maintain that if the contribution for library services (including library books) was to be approved and secured under the existing contribution cap, there would be nil direct effect to the affordability of development within Warriewood Valley.

1.5 Demand & Apportionment

The third and fifth key considerations query whether the request for the library book item to be included within the Plan had been based on reasonable estimates of demand and apportionment.

The library services element of the Plan was included at the Plan's inception to address the increase in demand resulting directly from the significant population growth (an estimated 5,800 people) within the Warriewood Valley.

The development of the Warriewood Valley Release Area represents a unique situation in Pittwater LGA whereby the dwelling size and cost of housing allows for a younger demographic with a greater proportion of children. The *Demographic and Facility / Services Needs Studies*² undertaken at the time of the Plan's preparation anticipated a higher proportion of families with children in the release area and therefore the need for facilities such as libraries.

Despite the growth in demand for library services as a result of development, the scale of the population growth does not warrant the construction of a separate library facility in Warriewood Valley. This position is supported by Appendix C – *Criteria for Infrastructure* of the draft Guidelines 2009 which recognizes a threshold of 10,000 people as appropriate for a new branch library facility.

Bearing this in mind and in the interests of keeping the library services element of the Plan at a reasonable scale, the most cost effective and reasonable approach was considered the part funding of the expansion of the Mona Vale Library to meet the needs of the population.

² Demographic and Facility / Services Needs Studies, Ingleside –Warriewood Urban Release Area 1994

The Mona Vale Library is located less than 2km from Warriewood Valley in the closet town centre to the Release Area. The augmentation of these facilities and the provision of library books with contributions from development in the Warriewood Valley Release Area is therefore supported.

1.6 Cost of Infrastructure

The fourth key consideration for proposed additional community infrastructure queries whether the estimated costs of the infrastructure are reasonable. In response, Council's Business Plan has established that the majority of the library works have been completed and accordingly there is minimal need to estimate potential costs or to have these estimates reviewed independently. Furthermore at the time of spending the funds, the estimates had been based on detailed costings and data supplied by the library.

1.7 Conclusion

In conclusion, Council has shown that the development of the Warriewood Valley Release Area has generated a direct need for library services. Given that development in Warriewood Valley has been occurring for over 12 years, and the library services element of the Plan (including library books and equipment) have been a component over that period, Council considered it reasonable (and in accordance with the EP&A Act) to expend the funds up front in the good faith that the costs could be recouped.

Council's Business Plan has confirmed that should the Minister approve the library book component of the element as key community infrastructure for the purposes of the Plan, the contributions for this work item would continue to be incorporated within the \$62,100 per equivalent dwelling contribution cap. Hill PDA's independent review of the Warriewood Valley Section 94 Plan found that should this occur, the contribution would not hinder the viable development of housing in Warriewood Valley.

For the reasons given above, this independent review supports Council's position that the provision of library books was an integral part of providing library facilities to the Warriewood Valley population. Accordingly this review supports Council's request for the Minister for Planning to agree that library books be considered key community infrastructure within the Warriewood Valley Section 94 Plan and that the contribution is permitted until such time as Council has recouped its costs.

DISCLAIMER

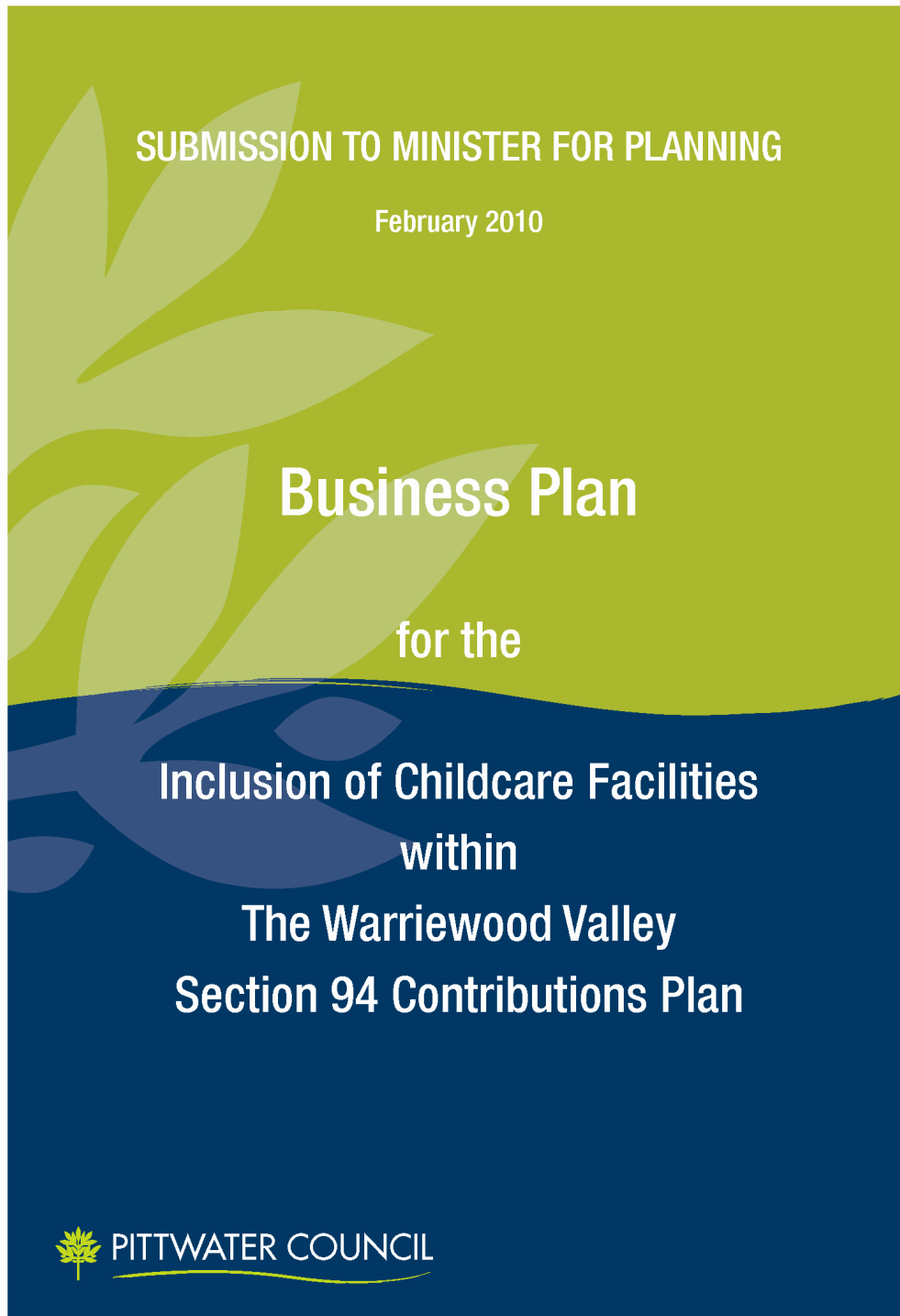
This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

This report does not constitute a valuation of any property or interest in property. In preparing this report we have relied upon information concerning the subject property and/or proposed development provided by the client and we have not independently verified this information excepted where noted in this report.

Business Plan for inclusion of Childcare Facilities (including independent report)



Business Plan for inclusion of Childcare Facilities

1. Context

The new Part 5B of the EP&A Act outlines the legislative provisions for the levying of development contributions by Councils. The Draft Local Development Contributions guidelines issued by the Planning NSW in November 2009 effectively establish a two-tier system for local contributions.

Councils must seek Ministerial approval to obtain a contribution for what is referred to as additional community infrastructure. This Business Plan seeks the Ministers approval for Pittwater Council to continue to levy for childcare facilities and in particular new Long Day Care places.

The Draft Local Development Contribution Guidelines issued by the Department outline a number of issues which should be considered by a Business Plan. Sections 4 to 11 of this Plan seek to address these issues.

2. Background

A range of community facilities and services are intended to be provided through the Warriewood Valley Section 94 Plan to support the needs of the residential development in the Valley. The range of facilities and services to be provided under the Community Facilities Element of the Plan include:

- Childcare Facilities (Long Day Care places)
- Community Centre Facilities

The current strategy in the Plan remains flexible as to how these facilities will be provided. The following are the major options currently under consideration and suitable sites are still being investigated.

- a) Provision of a large combined childcare facility and general community centre all located on one site.
- b) Provision of a separate childcare facility and a separate general community centre on different sites.
- c) The provision of a childcare facility integrated with a proposal Council has for a new Early Childhood Education & Family Resource Centre and a separate general community centre.

It should be noted that under Option C, the Contributions Plan would make a proportional contribution (based on 79 new Long Day Care places) towards Council's proposed new integrated facility which would have a total of 104 Long Day Care places. The concept plan would also include the following elements which would be funded by Council.

- The relocation of the existing Warriewood Children's Centre, a facility operated by Pittwater Council. This service currently includes 25 long day care places.
- The relocation of Pittwater Family Day Care administrative base to the site including playgroup space. This service is operated by Pittwater Council.
- The relocation of Mona Vale Early Childhood Health Centre including 3 clinic rooms. Early Childhood Health services are provided by NSW Health and generally operate from buildings owned by Local Government.

- The development of multi function seminar and meeting rooms for parent meetings and staff meetings including TAFE outreach training for childcare staff in the local area.
- The provision of professional rooms for use by paediatric speech pathologists, occupational therapists and other specialists who work with children and families.
- The potential relocation of the hospital audiology department.

Option C is currently the preferred option and Council staff have developed a concept plan for the proposed Early Childhood Education & Family Resource Centre. A number of sites are being examined for this facility with the preferred option currently a partnership with Northern Sydney Central Coast Health to have the facility located in the grounds of Mona Vale Hospital. This facility would provide an additional 79 Long Day Care places to cater for the needs of new families in Warriewood Valley.

Under this option a preferred site for the general community centre has not been identified and a number of possibilities continue to be explored.

3. Importance of childcare

Since the current Warriewood Valley Section 94 Plan was developed by Council in June 1998, childcare facilities have always been included as an important part of the overall infrastructure provision for the Valley.

For working families formal childcare is more often than not an essential piece of community social infrastructure which allows them to remain in the workforce.

Council's research in the childcare area over time has found that approximately one in two working families with pre-school aged children require formal childcare. These other families rely on a range of other informal care such as grandparents.

The relatively high cost of housing in Pittwater compared to other areas often results in two parent families having both parents working (often one parent works part-time).

Overall Long Day Care Centres have become a key part of the social infrastructure that supports working families. This is true for the rest of Pittwater and is also clearly the case for the incoming population of Warriewood Valley.

4. *Is the proposed development contribution based on a reasonable apportionment between existing demand and new demand for public infrastructure to be created by the proposed development to which the contribution relates?*

It is anticipated that a significant increase in the need for childcare places will result from the release of land in the Warriewood Valley and this increase exceeds the threshold of 320 children aged 0 – 5 years identified in the NSW Planning document "Draft Local Development Contributions guidelines" (November 2009).

At the time of the 2006 Census collection there had been approximately 884 new homes built in the area and within the relevant Census Collection Districts there were a total of 330 children aged 0 to 4 years. It is anticipated that the further release of an additional 1002 dwellings (since the 2006 census) would conservatively result in a population of 650 children aged 0 – 4 years at the conclusion of the Land Release.

Allied to this is an ongoing shortage of childcare places within the LGA. As recently as September 2008 the NSW Department of Community Services (now Department of

Human Services - Community Services) identified an existing shortage of 118 childcare places in Pittwater LGA. This data was released in September 2008 as part of the "Preschool Investment and Reform Plan". The report identified a total of 3,643 children aged 0 – 5 years in Pittwater with an existing capacity of 1,874 places for children using care for 12 hours or more per week.

While there has been some increase in childcare capacity in Pittwater over the past few years as a result of the private sector developments, this increase has assisted in addressing existing supply shortages only. It must be noted that no new private centres have been opened or have been approved within the Warriewood Valley Land Release area to date.

As a result it is reasonable to apportion the full cost of new childcare facilities to the incoming development.

5. *Do other alternative infrastructure/facility types exist to cater for some or all of the demand?*

As noted earlier the Department of Human Services – Community Services identified an existing shortage of childcare in the Pittwater LGA. This identified shortage confirms informal data collected by the Children's Services section of Pittwater Council on vacancy rates in existing childcare centres and on waiting lists kept by services as well as discussions with families seeking care for their children.

Family Day Care, a home based child care service, has grown significantly over the past few years with carers establishing within the Warriewood Valley area. The service however has grown to capacity and is not able to increase its provision.

Overall there are no other alternative infrastructure/facilities which could cater for this demand and therefore additional provision of long day care places is required.

6. *Are the estimates of demand for each item of public infrastructure to which the proposed development contributes relates reasonable?*

The provision of a new Long Day Care Centre is seen as reasonable to meet this new demand.

At the 2006 Census there were approximately 330 children aged 0 – 4 years in the Census Data Collection Districts covered by the land release. At the time approximately 47% of dwellings had been completed (884). Extrapolating this figure the total number of 0 – 4 year olds is expected to be approximately 650.

This increase exceeds the threshold of 320 places for children 0 – 5 years identified in the NSW Department of Planning document "Draft Development Contributions Guidelines 2009" (November 2009).

Whilst the private sector may cater for some of this demand there will still be a significant shortfall of places for these new residents.

Assuming that approximately 50% of all children aged 0 to 4 years will require formal child care places then a half of the 650 new children ie. 325 children will require care. Our data indicates that 2 children are currently utilising each childcare place in Pittwater LGA ie a 50 place childcare service will have approximately 100 children utilising these places. On this basis we would anticipate that even if a private childcare provider were to establish a 60 place centre (utilised by 120 children) there remains a significant shortfall

in the supply of childcare places. Council has identified a range of proposals for the development of future childcare and the preferred Option C, the establishment of an Early Childhood Education and Family Resource Centre providing an additional 79 long day care places is the preferred option.

7. Will the infrastructure be operational when those demanding the facility require it?

It is proposed to provide the childcare facilities in approximately 2012/2013 - 2013/2014. Well over 50% of the Release Area will have been developed and there will be a strong demand for childcare.

The early stages of the Plan concentrated on provision in other Elements such as Creekline Works and Open Space. Due to this the Community Services Element has a significant positive balance and is well positioned to deliver its childcare component over the next 3-4 years.

This Element and the broader S.94 Plan is regularly reviewed (at least annually) and the status of ongoing development in the Valley is monitored and the timing of works adjusted accordingly.

8. Accuracy of cost estimates and risk measures in place to manage budget overruns?

Council has developed a concept plan for its proposed Early Childhood Education and Family Resource Centre. This concept plan has been used by Donald Cant Watts Clarke Pty Ltd Quantity Surveyors to provide a detailed Feasibility Estimate.

These estimates and appropriate contingencies have been further reviewed by Hill PDA and their sub-consultants Rider Levett Bucknell as part of a comprehensive Independent Review of the Warriewood Valley Section 94 Plan.

As a result of these reviews, the current estimates (as detailed below) provide a high degree of confidence, reduce risk and enhance Council's ability to manage the work within budget.

Childcare Centre	\$4,200,000
Equipment	\$ 235,818
Land Acquisition	\$1,281,000

9. What other sources of income are available to assist in funding the infrastructure?

There are currently limited alternative funding sources to fund this infrastructure in Warriewood Valley. To fund this project out of Council's other funding sources would place unacceptable pressure on Council's overall finances.

10. What is the best and most appropriate funding mix considering housing affordability, inter-generational equity and risk management?

The Contribution Plan has always been premised on the fact that this and other infrastructure in the Plan should be paid for by the new development. The Business Plan has clearly demonstrated that the incoming population will generate a demand for childcare facilities (ie. Long Day Care places) and that there is no existing capacity within services in the remainder of Pittwater to meet this demand.

11. What will be the impact of the proposed development contribution on the affordability of the proposed development?

The proposed childcare facility will have a minimal impact on housing affordability. The Community Services Element is only a small part of the overall contribution levy and the childcare facility is only one of two major items within this Element.

Council intends to comply with the Minister's existing contribution 'cap' of \$62,100 and any proposed future Contributions Plan will only include the proposed childcare facility in a form which allows the overall Plan to remain under the \$62,100 cap over the next three years.

By achieving this, Council believes it is complying with the Minister's direction which seeks to ensure housing affordability.

12. Conclusion

A childcare facility and general community centre have always been envisaged in the Warriewood Valley Section 94 Plan since its inception. Significant funds have been collected already within the Plan towards these facilities.

Childcare is a critical part of contemporary community infrastructure with many families now dependant on the availability of formal care.

A recent independent review of the S.94 Plan by Hill PDA found that the childcare component of the Plan within an overall Plan structure that kept the contribution rate below the \$62,100 would not adversely affect housing affordability.

Finally detailed cost estimates for the proposed works and an independent review of these costs provide a high degree of certainty that any risks associated with providing this infrastructure can be appropriately managed.

13. Recommendation

Council requests that the Minister for Planning agree that childcare facilities (Long Day Care places) as outlined in this Business Plan be considered key community infrastructure in relation to the Warriewood Valley Section 94 Plan.

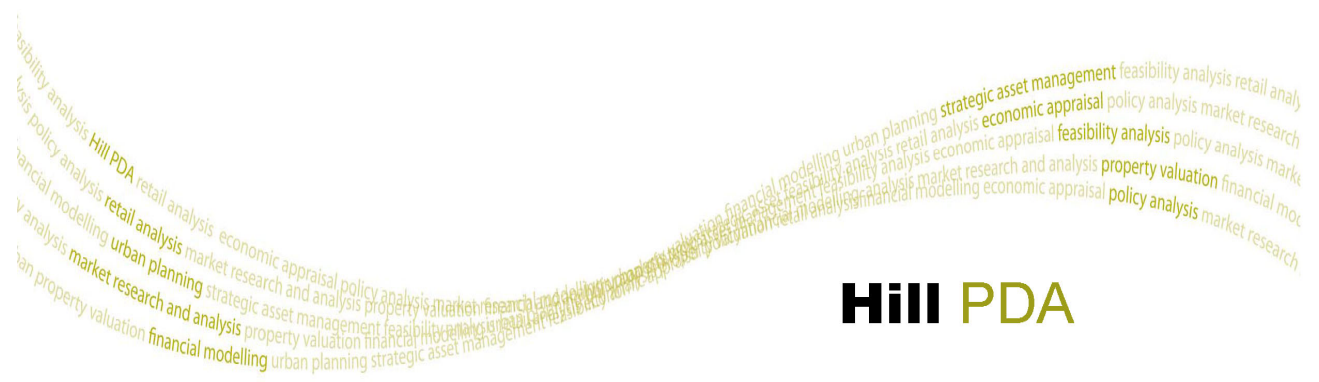
Review of Business Plan for the Inclusion of Childcare Facilities within the Warriewood Valley Section 94 Contributions Plan

PREPARED FOR
Pittwater Council

January 2010

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QUALITY CONTROL

This document is for discussion purposes only unless signed and dated by a Principal of Hill PDA.

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25 January 2010

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1. INTRODUCTION

Hill PDA has been commissioned to independently review a Business Plan prepared by Pittwater Council (Council) for the inclusion of child care facilities (long day care) within the Warriewood Valley Section 94 Plan. The Business Plan was prepared by Council to provide information in support of Council's request that the NSW Minister for Planning (the Minister) approve the infrastructure as key community infrastructure.

This Independent review has been commissioned in accordance with the requirements of Section 31 of the *Environmental Planning and Assessment Act 2008 (the EP&A Act)* and the *draft Local Development Contribution Guidelines 2009*. Section 31b of the Act requires a suitably qualified person, independent of the Council, to assess the proposed development contribution against the key considerations for development contributions for the purposes of Part 5B of the Act.

1.1 Review Context

The Warriewood Valley Section 94 Plan (the Plan) was first adopted by Council as a single plan consolidating various elements on June 1st 1998. The Plan was prepared in accordance with Council's understanding of the level of infrastructure and services required by the incoming residents and the particular circumstances of Warriewood Valley. One element of the Plan relates to community facilities and includes child care facilities as a work item. As of June 2008 the community facilities element of the Plan had a reserve closing balance of \$2,609,507.

The Warriewood Valley Section 94 Plan was independently reviewed by Hill PDA in December 2009. The independent review was commissioned in response to the Minister's Direction under Section 94E of the EP&A Act. The Direction required local government to cap development levies at \$20,000 with the objective of boosting housing development and supply. As the Warriewood Valley Section 94 Plan contribution rate exceeded this threshold, an interim rate was approved at \$62,100 (the library book component being extracted) whilst the review was undertaken.

In December 2009, the DoP issued the draft Local Development Contribution Guidelines 2009. The draft guidelines clarified that *"a council can only require a development contribution for community infrastructure if the infrastructure is key community infrastructure."*¹

Appendix B of the draft Guidelines provides a guide as to what may be considered key and additional community infrastructure. Appendix B shows that community services such as occasional child care and outside of school hours care may be considered key infrastructure whilst long day care centres, pre schools and family day care may be considered additional community infrastructure. Accordingly the Council seeks the Minister's consent for the inclusion of child care facilities (particularly long day care) as key community infrastructure for the purposes of the Warriewood Valley Section 94 Plan.

¹ Draft Local Development Contribution Guidelines 2009, DoP, Page 15

1.2 Key Considerations

The key considerations against which this review of Council's Business Plan has been undertaken align with those outlined in Table 1 of the draft Guidelines 2009. These include:

1. Can the public infrastructure that is proposed to be funded by a development contribution be provided within a reasonable time?
2. What will be the impact of the proposed development contribution on the affordability of the proposed development?
3. Is the proposed development contribution based on a reasonable apportionment between existing demand and new demand for public infrastructure to be created by the proposed development to which the contribution relates?
4. Is the proposed development contribution based on a reasonable estimate of the cost of proposed public infrastructure?
5. Are the estimates of demand for each item of public infrastructure to which the proposed development contribution relates reasonable?

For simplicity and clarity, this review has addressed each of the above considerations in order.

1.3 Delivery Time Frames

The first key consideration queries whether the public infrastructure in question can be provided in a reasonable time frame. In order to examine this matter, the following section provides some background to the Plan, the delivery of infrastructure that has occurred to date and the proposed work schedule for the child care facilities.

The Warriewood Valley Section 94 Plan's current life extends from 1998 to 2012. As of February 2009, 56% (1,056) of all anticipated residential development had occurred. It is therefore now considered likely that the development of the remaining portion of Warriewood Valley will extend beyond the life of the Plan and therefore 2012.

As of February 2009, Council had secured \$44m in contributions (including material public benefits) representing 44% of the Plan's revenue. Of this, \$35m has been spent on works showing that Council has been active in ensuring the Plan is implemented and the appropriate infrastructure provided commensurate with the needs of the population.

Whilst some elements of the Plan have been built / implemented already, it has always been an intention to provide the necessary community facilities (including child care) towards the end of the Plan's life. The latter provision of this element was necessary in order to prioritise the provision of basic infrastructure such as roads, open space and creekline works in the earlier stages of development, to accumulate sufficient funds and to ensure there was a reasonable level of demand for suitable community facilities.

The Work Schedules (E.5) provided within Amendment 16 of the Plan shows Council's intentions to spend the community facility component of the Plan between 2010 and 2012.

Owing to changes in the global economy and development rates, the works programme has been rescheduled so that the child care facilities will be provided within the 2012 / 2013 and 2013 / 2014 financial years. Council has confirmed that this timing is practical and will align with the strong growth in demand for child care facilities in Warriewood Valley as residential development continues to occur.

To date the community facility component of the Plan has secured \$2.6m. In order to minimise the risk of securing insufficient contributions to this element, Council has maintained a pooled fund for the facilities and has prioritised the necessary infrastructure provision and works.

The provision of child care facilities (long day care) has been prioritised based on latent and forecast demand. Furthermore the existing contribution of \$2.6m represents over 45% of the estimated cost of works for the child care facility including equipment as well as land costs. It is therefore considered likely that the provision of the infrastructure by Council can and will be met within a reasonable time.

1.4 Impact to Development Affordability

The second key consideration queries whether the inclusion of a contribution for child care facilities, as part of the community facilities element, will adversely influence the affordability of the proposed development. The community facilities element of the Plan, as of the 2008 / 2009 financial year sought a contribution of \$7,467.94 per equivalent dwelling. The community facilities element of the Plan represents 12% of the overall equivalent dwelling contribution rate of \$62,100.

The community facilities element comprises of both the child care component as well as the construction of a purpose built community facility. Based on current cost estimates and contribution rates, the child care facility represents 40% of the total community facilities contribution.

Council has confirmed that should the Minister approve child care facilities (long day care) as key community infrastructure, any associated development contributions for this work item would fall within, and therefore not increase the existing \$62,100 contribution rate.

As part of the wider review of the Warriewood Valley Section 94 Plan undertaken by Hill PDA in December 2009, the effect of the current contribution rate of \$62,100 was discussed. It was found that the \$62,100 contribution rate represented 11 - 12% of land value within Warriewood Valley. This is considered a reasonable proportion.

Furthermore the review found that to date, the development of larger detached dwellings and town houses has proven to be viable. Furthermore the development and sale of dwellings had remained consistent in Warriewood Valley over the life of the Plan and median dwelling prices in Warriewood Valley remained lower than median dwelling and land costs for the remaining portion of Pittwater LGA.

Accordingly, we maintain that should the contribution for child care facilities (long day care) was to be approved and secured under the existing contribution cap, there would not be no change to the affordability of development within Warriewood Valley.

1.5 Demand & Apportionment

The third and fifth key considerations query whether the request for the child care facilities (long day care) to be included within the Plan had been based on reasonable estimates of demand and apportionment.

As context to this key consideration, the development of the Warriewood Valley Release Area represents a unique situation in Pittwater LGA whereby the dwelling size and cost of housing allows for a younger demographic with a greater proportion of children. The *Demographic and Facility / Services Needs Studies*² undertaken at the time of the Plan's preparation anticipated a higher proportion of working mothers in the release area and therefore the need for community facilities, such as long day child care, to support this need.

Since the preparation of the facility / service needs studies in 1994, over 56% of residential dwellings in Warriewood Valley have been developed. Consequently it is on the basis of actual development over the past 12 years and the characteristics of the ABS Census data that latent demand and forecast demand can be substantiated. This is considered both reliable and contemporary data for analysis.

Contributing to the evidence for demand is the Department of Human Services – Community Services 2008 report referred to in the Council's Business Plan. This report identified an existing shortage of child care spaces across the LGA and Council's ongoing discussions with the Department of Human Services can confirm that this is still the case. Furthermore Council can confirm that over the 12 years of development in Warriewood Valley, a privately operated Long Day Care centre has not been provided in the locality. Whilst child care centres have been developed elsewhere in the LGA over this period, they have only addressed latent demand.

As outlined in Appendix B of the draft Development Contribution Guidelines 2009, the population threshold for a Long Day Care Centre within a defined area is 320 children aged 0 – 4 years. Given that, based on Council estimates, the Warriewood Valley Release Area would alone comprise of a population exceeding 650 children aged 0-4 years it is reasonable that at least one long day care centre for children should be provided and entirely apportioned to development within Warriewood Valley.

Further to the matter of apportionment, the Council's preferred option for providing the child care facilities is part of a wider Early Childhood and Education Resource Centre. It is understood that this centre will provide a range of complementary services for children within the LGA as well as economies of scale. Importantly however Council has confirmed that the proposed child care contribution, secured through the Warriewood Valley Section 94 Plan, will only be applied to the child care component of the centre and to a level that is commensurate with the demand generated by the development. The remaining costs of the centre will be funded through alternative sources unrelated to the Plan.

² Demographic and facility / Services Needs Studies, Ingleside –Warriewood Urban Release Area 1994

Coupled with the growth in demand for child care is the existing undersupply of child care facilities in the LGA, the increasing latent demand and limited market response (particularly in Warriewood Valley). These factors combine to support Council's case for the Minister's approval of child care facilities (including long day care) as key community infrastructure in this instance and the provision of these facilities by Council.

1.6 Cost of Infrastructure

The fourth key consideration for proposed additional community infrastructure queries whether the estimated costs of the infrastructure are reasonable. In response, Council's Business Plan has established that a concept plan was prepared for a long day care centre with a detailed feasibility estimate prepared by Donald Cant Watts Corke (DCWC) Quantity Surveyors in June 2009.

To ensure that the cost estimates were rigorous an independent review was undertaken by Rider Levett Bucknall (RLB) Quantity Surveyors. This review found that whilst the June 2009 feasibility prepared by DCWC included allowances for design, project management fees and contingencies, it excluded several specified items including car parking and loose furniture fittings and equipment.

Accordingly RLB reviewed the 'cost estimates of works' and provided recommendations of costing for the items excluded from DCWC's report. Whereas the DCWC report was for 104 childcare places, the Business Plan costing relates to only 79 places being that component required for Warriewood Valley. The Business Plan cost for the design and construction of works to accommodate the 79 places is \$4.2 million and consequential to the above, RLB have concurred with this cost allowance.

Pittwater Council have included in their Business Plan an allowance of \$235,818 for loose furniture, fittings and equipment. This allowance has been based upon an itemised list that RLB have reviewed and verified. The \$235,818 relates solely to the proportion of the total cost for the 79 places i.e. the component required for Warriewood Valley.

In summary RLB's independent review of the cost of works concurred with the design and construction cost of \$4.2 million and the loose furniture, fittings and equipment allowance of \$235,818 included within the business case. These costs include all of the works required to bring the community infrastructure into operation with the exception of the land component. The land component has also been estimated and apportioned to a value of \$1.281m.

1.7 Conclusion

In conclusion, Council has shown that the development of the Warriewood Valley Release Area has generated a direct need for child care (long day care) facilities. Whilst residential development in Warriewood Valley has been occurring for over 12 years, this need has not been met by the private market. Even in the case that the private market did provide a new facility in the future, the scale of demand is such that there would still be a requirement for Council to make up the shortfall.

Council's Business Plan has confirmed that should the Minister approve child care facilities (long day care) as key community infrastructure for the purposes of the Plan, the contributions for this work item would continue to be incorporated within the \$62,100 per dwelling contribution cap. Hill PDA's independent review of the

Review of Business Plan for Child Care Facilities

Warriewood Valley Section 94 Plan found that should this occur, the contribution would not hinder the viable development of housing in Warriewood Valley.

For these reasons, this independent review supports Council's request for the Minister for Planning to agree that child care facilities (long day care places) be considered key community infrastructure within the Warriewood Valley Section 94 Plan.

DISCLAIMER

This report is for the confidential use only of the party to whom it is addressed (the client) for the specific purposes to which it refers. We disclaim any responsibility to any third party acting upon or using the whole or part of its contents or reference thereto that may be published in any document, statement or circular or in any communication with third parties without prior written approval of the form and content in which it will appear.

This report and its attached appendices are based on estimates, assumptions and information sourced and referenced by Hill PDA and its sub consultants. We present these estimates and assumptions as a basis for the reader's interpretation and analysis. With respect to forecasts we do not present them as results that will actually be achieved. We rely upon the interpretation of the reader to judge for themselves the likelihood of whether these projections can be achieved or not.

As is customary, in a report of this nature, while all possible care has been taken by the authors to prepare the attached financial models from the best information available at the time of writing, no responsibility can be undertaken for errors or inaccuracies that may have occurred both with the programming or the financial projections and their assumptions.

This report does not constitute a valuation of any property or interest in property. In preparing this report we have relied upon information concerning the subject property and/or proposed development provided by the client and we have not independently verified this information excepted where noted in this report.

C7.4 23B Macpherson Street, Warriewood

Meeting: Council

Date: 1 February 2010

STRATEGY: Land Use & Development

ACTION: Coordinate land use planning component of land release

PURPOSE OF REPORT

To respond to Council's decision of 21 December 2009 that sought a report to Council outlining the options available to "limit the footprint of any future retail area on 23B Macpherson Street, Warriewood".

1.0 BACKGROUND

1.1 Council resolved on 21 December 2009:

1. *That a report be presented to Council outlining options available to limit the footprint of any future retail area on 23B Macpherson Street, Warriewood.*
2. *That this report be tabled at the first Council Meeting in February 2010.*

1.2 The *Ingleside/Warriewood Urban Land Release Area Demographic and Facility/Service Needs Studies* (Travers Morgan 1994) and the subsequent *Warriewood Valley Urban Land Release Planning Framework* (Pittwater Council 1997) identified the potential for limited retailing that provides convenience to the incoming population of Warriewood Valley.

It was identified that a retail facility be established in the vicinity of the Macpherson Street/Garden Street intersection, as it is spatially central to the residential and commercial/industrial areas and school in Warriewood Valley. This intention has been expressed in the Development Control Plans (DCP) applicable to Warriewood Valley – first in DCP 29 – Warriewood Valley Urban Land Release, and now its successor – Pittwater 21 DCP.

1.3 As a result of a development enquiry in June 2009, Council officers sought legal clarification to ascertain the permissibility of a retail facility on the subject site, which is zoned 2(f) Urban Purposes – Mixed Residential under *Pittwater Local Environmental Plan 1993* (Pittwater LEP). The legal advice concluded that it is unclear whether a retail facility can be construed as "associated community and urban infrastructure" and therefore, any retail facility may be prohibited. This ambiguity was unintended as it has always envisaged (in line with the *Ingleside/Warriewood Urban Land Release Area Demographic and Facility/Service Needs Studies*, the *Warriewood Valley Urban Land Release Planning Framework 1997* and Pittwater 21 DCP) to allow some form of retail facility in Warriewood Valley for the incoming population.

- 1.4 At its meeting of 9 November 2009, Council resolved to progress the statutory rezoning process and amend the Pittwater LEP to permit “neighbourhood shop” and “restaurant” on 23B Macpherson Street, Warriewood. The LEP amendment was site specific, as the approved masterplan for Sector 8, which is at the junction of Macpherson and Garden Street, contains a retail facility.

The LEP amendment contains a definition of “neighbourhood shop” that will apply specifically to the subject site, which is as follows:

“neighbourhood shop means retail premises used for the purposes of selling small daily convenience goods such as foodstuffs, personal care products, newspapers and the like to provide for the day-to-day needs of people who live or work in the local area, and may include ancillary services such as a post office, bank or dry cleaning, but does not include restricted premises.”

The Draft LEP is now with the Department of Planning (DoP) for gazettal.

- 1.5 Under Section 117(2) of the EP&A Act, the Minister issues Directions that relevant planning authorities, such as local Councils, must follow when amending LEPs. Direction 6.3, entitled “Site Specific Provisions”, of the Section 117 Directions, states:

“(1) The objective of this Direction is to discourage unnecessarily restrictive site specific planning controls.”

A copy of Direction 6.3 is in Attachment 1.

To impose any development standards or requirements additional to those already contained in the Draft LEP, would be inconsistent with Ministerial Direction 6.3. The Draft LEP is consistent with this Direction as it does not nominate a “site specific planning control” such as a floor space standard.

2.0 ISSUES

- 2.1 This report:

- **Clarifies the intention of the Planning Proposal** relevant to the Draft LEP, as endorsed by Council at its meetings of 20 July 2009 and 9 November 2009
- **Discusses the options** available
- **Discusses the implications to the DA assessment** of the initiatives to limit the footprint of any future retail area on 23B Macpherson Street, Warriewood
- Advises Council of a **new Development Application** (DA) (N0603/09) for a retail facility on the subject site (lodged 22 December 2009), which has a smaller floor space proposed than the DA previously submitted and subsequently refused

2.1.1 CLARIFYING THE INTENTION OF THE PLANNING PROPOSAL (DRAFT LEP)

The Planning Proposal is the document justifying a proposed amendment to an LEP and is subsequently forwarded to the DoP for their approval to commence the statutory rezoning process. The intention of the Planning Proposal, presented to Council on 20 July 2009, is:

- To commence a site-specific amendment to the permissible uses in the zone for 23B Macpherson Street, Warriewood consistent with the Sector 8 masterplan

- To be consistent with State Government Directions
- To be consistent with the strategic documents and objectives relating to the Warriewood Valley Urban Land Release
- To permit “neighbourhood shop” and “restaurant” on the site (refer to the definition of “neighbourhood shop” above). The definition of “neighbourhood shop” and its relationship with the terms of the State Government’s Draft Centres Policy, the Metropolitan Plan and Sub-Regional Strategy Plan for the North-East Region, along with the specific floor space limits in Pittwater DCP 21, guides the future footprint of any future retail facility on the subject site.
- The purpose of any reference to the *Warriewood Valley Retail Demand Assessment* (2009), by Hill PDA on behalf of Warriewood Properties (Appendix 4 to the Planning Proposal), was to demonstrate there was up to date data on retail demand in Warriewood Valley to provide to DoP.

2.1.2 Options

Options and the implications of initiatives to limit the footprint of any future retail area are:

- 1) Place a restrictive covenant on title
- 2) Maintain a specific development control in DCP 21, being Control C6.15 – Warriewood Valley Land Release Area Focal Neighbourhood Centre
- 3) Place a development standard in Pittwater LEP
- 4) Revise the Warriewood Valley Planning Framework

1) **RESTRICTIVE COVENANT ON TITLE**

Historically, restrictions on title were imposed, limiting the materials, colours or size of a dwelling/structure. A covenant requiring a maximum floor space ratio to limit the area of any future retail development, may be placed on the land title of the subject site.

A covenant has limited power in the planning context and would require the owners’ agreement.

2) **PITTWATER 21 DCP (CONTROL C6.15 – WARRIEWOOD VALLEY LAND RELEASE AREA FOCAL NEIGHBOURHOOD CENTRE)**

Control C6.15 (see Attachment 2) specifically states that a Focal Neighbourhood Centre is to be established in the vicinity of the Macpherson Street and Garden Street intersection, and requires a retail floor space area of between 855m² and 2,222m², which represents a floor space ratio of 0.15:1.

The locational and floor space requirements originate from the original *Ingleside/Warriewood Urban Land Release Area Demographic and Facility/Service Needs Studies*, and in turn, are cross-referenced in the *Warriewood Valley Urban Land Release Planning Framework 1997*.

In 2009 Pittwater 21 DCP was reviewed (in force July 2009). The provisions of this control were not altered. It is worth noting that the Sydney East Joint Regional Planning Panel, in its determination of an earlier DA on this site, in refusing the DA, stated, inter alia:

“3. The Panel notes that DCP 21 has a range of 800m² to 2,222m² GFA, and the Panel puts major weight on this size range. This is because buyers into the area are likely to have consulted the DCP and made their decision on the basis that the maximum size of a shopping centre will be 2,222m². To allow a shopping centre that is 75% larger than the maximum size indicated in the DCP, seems to us breach the faith of those who relied on the DCP being upheld.”

If Council were to resolve to amend the Pittwater LEP and seek to apply a floor space standard to 23B Macpherson Street, Warriewood the statutory rezoning process would need to start over and a new Planning Proposal would need to be prepared. Updated information, relevant to this site, would also be required to demonstrate to the Department's satisfaction, and in turn, the Minister for Planning, that regardless of Direction 6.3, imposing a floor space standard is appropriate and reasonable.

3) DEVELOPMENT STANDARD IN PITTWATER LEP

As mentioned previously, a Draft LEP is currently with DoP for gazettal. The Draft LEP does not specify a floor space standard.

In the process of amending the LEP, Council officers sought advice from DoP staff, who verbally advised not to impose development standards that will specifically restrict any future development, consistent with Direction 6.3 of the Section 117 Directions.

Subsequent to Council's decision of 21 December 2009, a formal request was sought from DoP in regard to a floor space standard within the LEP. In correspondence dated 19 January 2009, DoP advised:

“Re: 23B Macpherson Street, Warriewood.

I refer to Council's letter of 29 December 2010 and our recent discussion concerning inclusion of a retail floor space standard for this site in the Pittwater LEP.

As you are aware, Section 117 Direction 6.3 aims to discourage unnecessarily restrictive site specific planning controls, such as the inclusion of a development standard which restricts floor space. Given this Direction, it is unlikely that the Department of Planning will support the inclusion of a floor space restriction for 23B Macpherson Street in the Pittwater LEP. It is appropriate to retain such a standard in a Development Control Plan.

The Planning Proposal for 23B Macpherson Street is near the end of its target 6 month time frame, which runs from 23 July 2009, and the Department is working to finalise the Proposal as soon as possible.”

4) REVISE WARRIEWOOD VALLEY PLANNING FRAMEWORK 2010

Elsewhere in tonight's Agenda, is a report on a review of the Warriewood Valley Planning Framework. A change being proposed in the review of the Planning Framework relates to the section discussing the future retail development for the Valley (titled “Retail and Services” under the *Draft Warriewood Valley Planning Framework 2010*), where it proposes to nominate 23B Macpherson Street, Warriewood as the site for the Focal Neighbourhood Centre. Additionally, the retail floor space already expressed in the Pittwater 21 DCP will be enforced as a specific floor space requirement in the Planning Framework.

The *Draft Warriewood Valley Planning Framework 2010* will, if agreed to by Council, become the contemporary strategic document for Warriewood Valley.

This will strengthen the control on the floor space of the retail facility by its direct relationship with the objectives of the 2(f) zone in Schedule 11 of Pittwater LEP.

2.1.3 IMPLICATIONS OF OPTIONS ON THE DEVELOPMENT ASSESSMENT PROCESS

In considering the options listed above, the following implications are provided to understand how these options are likely to be dealt with in the assessment of DAs.

The use of Option 1 (restrictions on title) to a large extent is surpassed by planning legislation, and is not viewed favourably in the Court process. Further, Clause 39 of Pittwater LEP suspends any covenants that impose a restriction on the carrying out of development.

Notwithstanding Clause 39, covenants may be conditioned via Development Consent to reflect an assessment outcome. Without a Development Consent condition requiring a covenant and without the owner volunteering a covenant, this option is irrelevant.

If Council were of the mind to insert a floor space standard in Pittwater LEP, and should the DoP agree (notwithstanding its policy position relative to Section 117 Direction 6.3), an applicant can still seek a variation under SEPP 1. Similarly, the provisions in Control C6.15 (in Pittwater 21 DCP) are capable of variation. Controls in either an LEP or DCP, are able to be varied subject to merit assessment and appropriate process.

Clause 30B(2) of Pittwater LEP obliges Council to only grant consent for permissible uses in the 2(f) zone and only after the objectives of the zone within Part 2 of Schedule 11 of the LEP are considered.

Objective (a) of the 2(f) zone, in Schedule 11, relates to the “planning strategy” for the area, i.e. the contemporary Planning Framework. By placing locational and floor space requirements for the Focal Neighbourhood Centre in the *Draft Warriewood Valley Planning Framework 2010*, a substantial variation to the floor space requirements would be more difficult for an applicant to substantiate in the DA process.

2.1.4 NEW DEVELOPMENT APPLICATION

On 22 December 2009, a new DA was lodged with Council for 23B Macpherson Street, Warriewood to construct a retail facility comprising a 2,222m² supermarket, 142m² of specialty shops, a café of 80m², a centre management office, associated amenities, ATM machines, parking for 97 vehicles, associated landscaping, drainage, creekline modification and rehabilitation works, and subdivision of the land such that the creekline corridor is dedicated to Council.

The DA (N0603/09) is currently on public exhibition and continues to be assessed. Council will be the determining authority for this DA.

It is Council's opinion that the proposal is not permissible under the current 2(f) zone. Should the Draft LEP be gazetted, whether a “supermarket” and “specialty shops” are permissible, or can be conditioned to be permissible as a “neighbourhood shop”, will be an integral aspect of the assessment of this DA.

3.0 SUSTAINABILITY ASSESSMENT

3.1 Supporting & Connecting Our Community (Social)

- 3.1.1 The Draft LEP, currently awaiting gazettal, aims to reflect the strategic documents for the land release and achieve the best possible outcome for the residents of Warriewood Valley, remaining consistent with the Department of Planning's Directions for plan-making.

3.2 Supporting & Caring for our Natural Environment (Environmental)

- 3.2.1 Any application for the site must achieve the best possible outcome for the natural environment by endeavouring to reduce the ecological footprint and protecting and enhancing our biodiversity.

3.3 Enhancing our Working & Learning (Economic)

- 3.3.1 The strategic floor space control in the DCP and supporting documents, seeks to provide the best possible outcome for the economic environment by endeavouring to produce orderly and planned development in Warriewood Valley, and ensuring the delivery of a viable land release.

3.4 Leading an Effective & Collaborative Council (Governance)

- 3.4.1 Consideration of the options assists in understanding the statutory issues and State Government Directions in relation to plan-making.

3.5 Integrating our Built Environment (Infrastructure)

- 3.5.1 Reinforcing the floor space controls in the Planning Framework, assists in attaining the best possible outcome for the community to achieve the strategic goal of a Focal Neighbourhood Centre of limited size on 23B Macpherson Street, Warriewood.

4.0 EXECUTIVE SUMMARY

The progression of the Warriewood Valley Urban land Release is based on foundation documents that establish the environmental, social and economic infrastructure needed to provide for a viable, sustainable and liveable area for its community.

In this regard, the *Ingleside/Warriewood Urban Land Release Area Demographic and Facility/Service Needs Studies*, the *Warriewood Valley Urban Land Release Planning Framework 1997*, the original DCP 29, and the current DCP 21, all specify the need for a retail facility of approximately 2,200m² for the incoming population of the Valley.

When the permissibility of a future retail facility was questioned in June 2009 in regard to the 2(f) zone (applicable only to the sector that provided for a future retail facility, i.e. Sector 8 within which 23B Macpherson Street is located), a report was presented to Council seeking endorsement of a site specific amendment to the zone's permissible uses.

This Planning Proposal sought to introduce a definition of a “neighbourhood shop” (being a mandatory standard definition of the State Government). This Planning Proposal reflected the Council’s policy position contained within the strategic documents and DCP 21, and was presented in a form that was consistent with the State Government’s Section 117 Directions relating to local plan-making (as per Attachment 1).

In accordance with the Department’s policy, as reiterated in correspondence of 19 January 2010, it is not an option to place a floor space standard in the Draft LEP.

The most appropriate option to strengthen Council’s position in regard to the desired extent of retail floor space of the Focal Neighbourhood Centre in Warriewood Valley is by amending the Planning Framework for Warriewood Valley to include specific locational and floor space criteria. In this way, the inter-relationship between the strategic documents and the objectives of the 2(f) zone are strengthened.

A separate report on this Agenda proposes an amendment to the *Warriewood Valley Urban Land Release Planning Framework 1997* to, inter alia, reinforce the locational and floor space policy position of Council in relation to a Focal Neighbourhood Centre in the Valley.

RECOMMENDATION

That the report be noted.

Report prepared by Kelly Wilkinson, Strategic Planner (Land Release)

Lindsay Dyce
MANAGER, PLANNING AND ASSESSMENT

6.3 Site Specific Provisions

OBJECTIVE

- (1) The objective of this direction is to discourage unnecessarily restrictive site specific planning controls.

WHERE THIS DIRECTION APPLIES

- (2) This direction applies to all relevant planning authorities.

WHEN THIS DIRECTION APPLIES

- (3) This direction applies when a relevant planning authority prepares a planning proposal that will allow a particular development to be carried out.

WHAT A RELEVANT PLANNING AUTHORITY MUST DO IF THIS DIRECTION APPLIES

- (4) A planning proposal that will amend another environmental planning instrument in order to allow a particular development proposal to be carried out must either:
 - (a) allow that land use to be carried out in the zone the land is situated on, or
 - (b) rezone the site to an existing zone already applying in the environmental planning instrument that allows that land use without imposing any development standards or requirements in addition to those already contained in that zone, or
 - (c) allow that land use on the relevant land without imposing any development standards or requirements in addition to those already contained in the principal environmental planning instrument being amended.
- (5) A planning proposal must not contain or refer to drawings that show details of the development proposal.

CONSISTENCY

- (6) A planning proposal may be inconsistent with the terms of this direction only if the relevant planning authority can satisfy the Director-General of the Department of Planning (or an officer of the Department nominated by the Director-General) that the provisions of the planning proposal that are inconsistent are of minor significance.

Direction 6.3 – issued 1 July 2009

Extract Taken from Department of Planning website

C6.15 Warriewood Valley Land Release Area Focal Neighbourhood Centre

Land to which this control applies

- Land identified as being within the Warriewood Valley Land Release Area - P21DCP-BCMDCP055

Uses to which this control applies

- Warriewood Valley Sector Development/Subdivision

Outcomes

The local convenience retail needs of the incoming population are met. (S)
 A focal point in the Valley that links local services and facilities, including local retailing, public open space, public transport and community facilities. (S)
 Car dependency is reduced and other modes of transport encouraged. (En)
 A sense of community and place. (S)

Controls

A focal neighbourhood centre is to be established in Warriewood Valley, in the vicinity of the Macpherson and Garden Streets intersection (within Sector 3, 8 or 11). This location is spatially central to the incoming residential population, industrial/commercial areas, and school located in the Valley, and within reasonable walking and cycling distance of most residents and employees in Warriewood Valley. Macpherson Street is also the primary vehicular and public transport route through the Valley along which medium density residential development is concentrated.

The focal neighbourhood centre is to incorporate a retail floor space area between 855m - 2,222m to meet the retail convenience needs of the incoming population (such as a small general store, post office shop, ATM, internet coffee shop, etc). The retail potential in Warriewood is limited to this size given nearby established retail/commercial centres at Mona Vale and Warriewood Square. (Refer to Ingleside/Warriewood Urban Land Release Area Demographic and Facility/Service Needs Studies (December, 1994).

The focal neighbourhood centre must be linked to public transport nodes and the pedestrian and cyclist network, and if possible, to the district park and/or community facilities. This will enable the majority of residents and people employed in the Valley to walk or cycle to the local shops, public transport, and services. This will also enhance the viability of the neighbourhood centre as a focal point in the Valley. Reduced dependence on the car is encouraged.

The opportunity exists for shop-top housing to be incorporated with the retail facilities within the neighbourhood centre.

Safety and security are to be considered in the design of the centre.

Carparking for the centre is to be in accordance with this DCP.

Requirements under the Disability Discrimination Act 1992 and this DCP must also be considered in the design of the centre.

Variations

Nil.

Advisory Notes

See Appendix 3 - Warriewood Valley Urban Land Release Planning Context & Criteria for background information.

C7.5 Delegations over Christmas - New Year Recess 2009/2010**Meeting:** Council**Date:** 1 February 2010

STRATEGY: Business Management**ACTION:** Effectively manage Council's corporate governance responsibilities

PURPOSE OF REPORT

To report to the Council instances where the Mayor and/or the delegated Committee appointed by the Council on 21 December 2009 have been required to exercise delegated authority over the 2009/2010 Christmas - New Year recess period.

1.0 BACKGROUND

1.1 At its meeting held on 21 December 2009 the Council noted and approved delegations to the Mayor (in relation to the policy making functions of the Council) and a Committee of Council (in relation to the regulatory functions of the Council) over the Christmas -New Year recess period. The Council resolved as follows:

- "1. That the Council note the delegation to the Mayor of its policy-making functions in accordance with section 226 of the Local Government Act, 1993 over the Christmas - New Year recess period.*
- 2. That the Council also note delegations to the Mayor as noted in paragraph 1.4 of the report.*
- 3. That pursuant to section 379(1) of the Act, authority be delegated to a Committee of the Council, comprising the Mayor (who shall be chairperson), the 3 relevant ward Councillors if available, and any other Councillor who has an expressed interest in a particular matter or application if available, to carry out and resolve upon the regulatory functions of the Council, including the determination of development applications, S96 modifications and S82A Review applications during the **2009/2010** Christmas - New Year recess period. The Committee shall be appointed for the recess period only.*
- 4. That all Councillors be provided with copies of any reports dealing with regulatory matters, including the determination of development applications, S96 modifications and S82A Review applications prior to the delegated Committee determining such matters.*
- 5. That a report be submitted to the first Council meeting of the new year outlining all matters and decisions taken by the Mayor (with respect to any policy making functions) and/or the above-mentioned Committee (with respect to any regulatory functions) under delegation during the Christmas / New Year recess period."*

2.0 ISSUES

2.1 Exercise of delegation by the Mayor – Policy making functions

There were no policy making functions of the elected Council that were exercised by the Mayor during the recess period.

2.2 Exercise of delegation by Committee of Council – Regulatory functions

There were no regulatory functions of the elected Council that were exercised by a delegated Committee of Council during the recess period.

3.0 SUSTAINABILITY ASSESSMENT

A sustainability assessment is not required for this report.

4.0 EXECUTIVE SUMMARY

- 4.1 Historically Pittwater Council has delegated its policy-making functions during the Christmas - New Year Recess to the Mayor and a Committee of Council comprising delegated councillors.
- 4.2 A report therefore is submitted outlining all matters and decisions taken by the Mayor (with respect to any policy making functions) and/or the above-mentioned Committee (with respect to any regulatory functions) under delegation during the Christmas - New Year recess period.
- 4.3 There were no policy making or regulatory functions undertaken by the Mayor or delegated Committee of Council during the 2009/2010 recess period.

RECOMMENDATION

- 1. That Council note there were no policy making or regulatory functions undertaken by the Mayor or the delegated Committee of Council during the 2009/2010 recess period.

Report prepared by Ruth Robins, Principal Officer Administration

Warwick Lawrence
MANAGER, ADMINISTRATION & GOVERNANCE

C7.6 Minutes of the Environmental Infrastructure Levy Advisory Committee Meeting held 9 December 2009

Meeting: Council

Date: 1 February 2010

STRATEGY: Recreational Management
Beach and Coastal
Traffic and Transport
Vegetation Management

ACTION: Provide Infrastructure renewal

PURPOSE OF REPORT

To present to Council for consideration the recommendations of the Environmental Infrastructure Levy Advisory Committee held on 9 December 2009 (Attachment A).

1.0 BACKGROUND

- 1.1 The Environmental Infrastructure Levy Advisory Committee is a forum to assist in the development and review of Pittwater Council's Environmental Infrastructure Levy Strategy and Works Program.

2.0 ISSUES

2.1 EILA 4.1- Progress Report on Works completed under Program – 1 July 2005 to 30 June 2009

- The Pittwater Environmental Infrastructure Levy – Progress Report for works completed under Program 1 July 2005 to 30 June 2009, audited by Council's auditors Spencer Steer was presented to the Committee. This document is available on Council's web page. [Forwarded to Councillors under separate cover.]
- The income collected through the Levy funding for the 4 years to 30 June 2009 is **\$6,915,902** made up of:

Levy	\$5,197,644
Grants/Other Income	\$1,693,656
Interest	\$ 24,602
Total	\$6,915,902

- The total expenditure for the 4 years to 30 June 2009 is **\$6,481,178** made up of:

Levy	\$4,787,522
Grants/Other	\$1,693,656
Total	\$6,481,178

- The unexpended funds as at 30 June 2009 in the amount of **\$434,724** are guaranteed and carried through to the 2009/2010 financial year.
- The levy compounds annually based on the amount of the improved rate increase * over the last four years. The rate increase has been:

2005/2006	3.5%
2006/2007	3.6%
2007/2008	3.4%
2008/2009	3.2%

The approved rate increase* for 2009/2010 is 3.5%)

- Grant opportunities rely on submissions for funding made by Council in respect to specific works items within the program and depend upon funding opportunities made available through the various government agencies.

2.2 **EILA 4.2: Proposed 2010/2011 Major Works Program**

- The draft Environmental Infrastructure Program 2010/2011 Major Works Program as set out in the revised Attachment A to the Minutes save for Item D – Church Point Seawall was endorsed by the Committee for recommendation to Council that the program be included in the Major Works Program for the draft Pittwater Council Management Plan 2010 -2014.
- The Item D – Church Point Seawall expenditure was deferred for further consideration.
- The total Environmental Infrastructure Levy Program Budget for 2010/2011 is **\$1,445,291**

2.3 **EILA 4.3: Current 2009/2010 Program – Progress Report**

- The status of the works program under the current program was noted by the Committee.
- The modifications to the EI Program 2009/2010 Works program were endorsed by the Committee.
- The modifications to the 2009/2010 Works Program are within the priorities set through the Pittwater Environmental Levy Community Contract.
- The 2009 / 2010 Environmental Infrastructure Levy Expenditure Program to December 2009 is:

Budget

EI Levy contribution	\$1,801,756
Grants / Other contributions	<u>\$ 50,567</u>
Total 2009/2010	\$1,863,031

Expenditure

Expenditure to December 2009	\$ 461,751
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- The final expenditure as at 31 December 2009 will be reported to Council through the Quarterly Report for December 2009.

3.0 SUSTAINABILITY ASSESSMENT

This report does not require a sustainability assessment

4.0 EXECUTIVE SUMMARY

- 4.1 To present to Council the resolutions of the Environmental Infrastructure Levy Advisory Committee Meeting of 10 June 2009.

RECOMMENDATION

1. That the Minutes of the Environmental Infrastructure Levy Advisory Committee Meeting held on 9 December 2009 be noted.
2. That the endorsement by the Committee of the 2010/2011 major works program (with the exception of the Church Point Seawall) for inclusion in the draft Pittwater Council Management Plan 2010-2014 be noted.
3. That the Environmental Infrastructure Levy Advisory Committee be thanked for their individual participation.

Report prepared by

James Payne
MANAGER, URBAN INFRASTRUCTURE

Minutes

Environmental Infrastructure Levy Advisory Committee Meeting

Held on

9 December 2009

Commencing at 4.06pm.

Attendance:

Members of the Committee, namely

Cr Townsend (Southern Ward) - Chairperson
Cr Grace (Northern Ward)
Mr Frank Makin, Bayview Church Point Residents Association
Mr John Waring, Clareville & Bilgola Plateau Residents Association
Mr Richard McIntyre, Warriewood Valley Rezoning Association
Mr Peter Mayman, Avalon Preservation Association
Ms Sharon Kinnison, Scotland Island Residents Association

Council Advisors

Mr James Payne, Manager, Urban Infrastructure (or nominee)
Mr Chris Hunt, Director Urban & Environmental Assets
Mr Steve Lawler, Principal Officer, Reserves, Recreation & Building Services
Ms Dianne Bonner, Minute Secretary

All Pittwater Council's Agenda and Minutes are available on Pittwater's website at
www.pittwater.nsw.gov.au

Environmental Infrastructure Levy Advisory Committee Meeting

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EILA4.3	Environmental Infrastructure Levy – Current 2009/2010 Major Works Program – Confirmation of Program	
5.0	General Business	
6.0	Next Meeting	

Note

1. The Environmental Infrastructure Levy Advisory Committee Meeting commenced at 4:06pm and concluded at 6:05pm.
2. Cr Townsend chaired the meeting.
3. Cr Grace joined the meeting at 4:42pm.

1.0 Apologies

COUNCIL DECISION

That apologies be received and accepted from Mr Kim Nelson, Careel Bay Trailer Boat Club and Mrs Margaret Makin, Bayview-Church Point Residents Association, represented by Mr Frank Makin and leave of absence be granted from the Environmental Infrastructure Levy Advisory Committee Meeting held on 9 December 2009. Cr Grace conveyed an apology for late arrival.

(Cr Townsend/Peter Mayman)

Note

1. Minute Secretary was requested to amend the EILA Charter in the Agenda to reflect that the current membership included Sharon Kinnison who has replaced Fraser Cooper-Southern.

2.0 Declarations of Pecuniary Interest - Nil

3.0 Confirmation of Minutes

COMMITTEE RECOMMENDATION

That the Minutes of the Environmental Infrastructure Levy Advisory Committee Meeting held on 10 June 2009, be confirmed as a true and accurate record of that meeting.

(Richard McIntyre/ Cr Townsend)

4.0 Committee Business

EILA4.1 Environmental Infrastructure Levy - Progress Report on Works Completed under Program - 1 July 2005 to 30 June 2009

COMMITTEE RECOMMENDATION

That the Progress Report on Works Completed under the Pittwater Environmental Infrastructure Levy program, as reported through the Pittwater Environmental Infrastructure Levy Progress Report for the period 1 July 2005 to 30 June 2009, be noted.

(Richard McIntyre/Peter Mayman)

Note

1. Manager Urban Infrastructure confirmed that the Progress Report will be posted on the Council website.
2. Manager Urban Infrastructure confirmed that Item 4.1 will be reported to Council by way of the Minutes.
3. The members commended Council staff on the quality of the Progress Report.

EILA 4.2 Environmental Infrastructure Levy - Proposed 2010/2011 Major Works Program

COMMITTEE RECOMMENDATION

1. That the draft Environmental Infrastructure Program 2010/2011 Major Works Program as set out in the amended Attachment A, save for Item D – Church Point Seawall, be endorsed by the Committee for recommendation to Council that the program be included in the Works Program for the draft Pittwater Council Management Plan 2010/2014.
2. Item D in the report – Church Point Seawall expenditure to be deferred for further consideration.

(Frank Makin/Cr Grace)

Notes

1. An amendment to Attachment A (see attached) was distributed to the members at the meeting. The second-last item under **Road Rehabilitation & Roadside Verge Improvements** is amended to read ***“Inala Place, Nth Narrabeen, Irrawong Rd to turning circle (PC1 = 4.10)”***.
2. Cr Grace joined the meeting at 4:42pm.

EILA4.3 Environmental Infrastructure Levy – Current 2009/2010 Major Works Program – Confirmation of Program

COMMITTEE RECOMMENDATION

1. That the adopted Environmental Infrastructure Program 2009/2010 Major Works Program be noted.
2. That the current Environmental Infrastructure Program 2009/2010 Major Works program as presented in Attachment A be endorsed by the Committee and recommended to Council in the December 2009 Quarterly Review.

(Cr Grace/Richard McIntyre)

5.0 General Business

1. A recommendation was put to the meeting that the existing Committee Members be retained and membership be reviewed at the time of moving into a new levy period.
2. Recommended dates for meetings for 2010 were March and October. Dates will be confirmed to the Members early in 2010.

6.0 Next Meeting

COMMITTEE RECOMMENDATION

That the next meeting of the Environmental Infrastructure Levy Advisory Committee will be held in March, 2010 on a date to be advised. The meeting will commence at 4:00pm in the Level 3 Conference Room, Vuko Place, Warriewood.

(Cr Townsend/John Waring)

**THERE BEING NO FURTHER BUSINESS
THE MEETING CONCLUDED AT 6:05PM
ON WEDNESDAY 9 DECEMBER 2009**

REVISED ATTACHMENT A TO ITEM EILA 4.2

2010/2011 MAJOR PROJECTS

Period ending 30 June 2011P

Job No	Description of Work	Proposed Program 2010/11 EI Levy Total Budget
	A. ROAD REHABILITATION AND ROADSIDE VERGE IMPROVEMENTS	
	Road Rehabilitation	
	Park St, Mona Vale, Pittwater Rd to Dygal St (PCI = 4.99)	51,750
	Wanawong Rd, Avalon, Wandearah Rd to southend (PCI = 4.08)	14,375
	Prince Alfred Pde, Newport, No 60 to No 90 (PCI = 3.76)	45,000
	Surfview Rd, Mona Vale, Seabeach Ave to Darley St (PCI = 3.36)	105,000
	St Andrews Gate, Elanora Heights, Merridong Rd to Kalang Rd (PCI = 3.95)	64,400
	Koorangi Ave, Elanora Heights, Maralinga Ave to Bungoona Ave (PCI = 4.0)	49,450
	The Serpentine, Bilgola, North Bilgola Headland to Barrenjoey Rd (PCI = 4.04)	62,100
	Binburra Ave, Avalon, No 35 to No 82 (PCI = 4.09)	51,750
	Inala Place, Nth Narrabeen, Irrawong Rd to turning circle (PCI = 4.09)	36,800
	Noolinga Rd, Bayview, Kananook Ave to end (w) (PCI = 4.10)	16,100
	Kerb & Guttering Supporting Rehabilitation Program	
	Irrawong Rd, Nth Narrabeen, Garden Street to No 13 Irrawong	40,000
	Footpath and verge treatment supporting Rehabilitation Program	
	Garden Street, Nth Narrabeen, Taiyul Rd to Bolwarra Rd	41,391
	TOTAL	\$578,116
	B: PEDESTRIAN, CYCLIST & ACCESSIBILITY IMPROVEMENTS	
	Samuel St, Mona Vale, Whitney St to Mona Vale Rd	90,000
	Pittwater Rd, Nth Narrabeen, Garden St to Nareen Pde	50,000
	Lido Ave, Nth Narrabeen at No 22/24	15,000
	Narroy Ave, Nth Narrabeen at Nareen Creek	61,794
	TOTAL	\$216,794

	C: SPORTING FACILITIES & OPEN SPACE IMPROVEMENTS	
	Nth Narrabeen rock pool carpark – provide picnic facilities, landscaping and upgrade carpark	126,794
	TOTAL	\$126,794
	D: PITTWATER ESTUARY & COASTLINE EROSION REHABILITATION	
	Nth Palm Beach dunes	60,000
	McCarrs Creek – foreshore rehabilitation	38,000
	Church Point seawall – between general store and cargo wharf	208,794
	TOTAL	\$306,794
	E: BUSHLAND MANAGEMENT & ACCESS TRACK IMPROVEMENTS	
	Bushfire Asset Protection Zones	60,000
	Risk Management – Bushland	30,000
	Bicentennial Coastal Walkway upgrades in accordance with risk management assessment priorities	50,000
	Warriewood Ingleside escarpment walking track and ancillary infrastructure	76,794
	TOTAL	\$216,794
	TOTAL ENVIRONMENTAL INFRASTRUCTURE LEVY	\$1,445,291

***Note:** All unexpended funds from 2009/2010 program year to be brought forward to the 2010/2011 program on 1 July 2010

Community, Recreation and Economic Development Committee

8.0 Community, Recreation and Economic Development Committee Business

C8.1 Pittwater Volunteer Awards Program 2010

Meeting: Community, Recreation & Economic
Development Committee

Date: 1 February 2010

STRATEGY: **Building Communities**

ACTION: Develop a program to recognise outstanding members of the community

PURPOSE OF REPORT

To seek one Councillor from each Ward to assess the nominations for the Pittwater Volunteer Awards Program 2010.

1.0 BACKGROUND

- 1.1 On 7 July 2008 Council approved the replacement of numerous volunteer recognition programs with a new Pittwater Volunteer Awards Program. The purpose was to create a single integrated program that overcame some of the duplication, inconsistencies and timing difficulties that characterised the previous award programs.
- 1.2 The inaugural Pittwater Volunteer Awards were presented at a Civic Reception attended by over 200 people at Mona Vale Golf Club on Tuesday 12 May 2009.
- 1.3 The awards ceremony was well received by the volunteers and the organisations they represented, with a great deal of positive feedback received both on the night and afterwards.
- 1.4 As recommended by Council at its meeting on 3 August 2009 a revised Policy No. 2 *Recognition of Community Service – Awards* was adopted to reflect the changes that have been made to the awards program. A copy of the amended policy has been included at Attachment 1.

2.0 ISSUES

- 2.1 The advertising process for the 2010 awards program has commenced. The program will be widely promoted through local media (editorial coverage and advertising), Council's website, Council staff attendance at network meetings, and by direct contact with local organisations advising them of the program and inviting nominations.
- 2.2 The categories for nominations include:
 - Environmental
 - Bushcare
 - Youth
 - Community Service and Support

- Surf lifesaving
- Sporting groups
- Rural Fire Service
- Emergency services

- 2.3 Nominations are open from Monday 1 February to Friday 5 March 2010. Council staff will be collating nominations as they arrive in order for nomination packages to be circulated to relevant Councillors.
- 2.4 The presentation of the Pittwater Volunteer Awards will culminate at a Civic Reception at Bayview Golf Club on Tuesday 11 May 2010. This is timed to coincide with National Volunteers Week that runs from 10 to 16 May 2010. The national theme for this year is *Volunteering: Now more than ever*.
- 2.5 This report requests that one Councillor from each Ward be nominated to sit on an assessment panel.

3.0 SUSTAINABILITY ASSESSMENT

3.1 Supporting & Connecting our Community (Social)

- 3.1.1 This program acknowledges the significant contribution that volunteering makes toward the wellbeing of the community in Pittwater.

3.2 Valuing & Caring for our Natural Environment (Environmental)

- 3.2.1 This program recognises the work of a wide range of individuals and organisations in protecting Pittwater's natural environment.

3.3 Enhancing our Working & Learning (Economic)

- 3.3.1 This program recognises the contribution of volunteers to community education and economic sustainability.

3.4 Leading an effective & Collaborative Council (Governance)

- 3.4.1 This program recognises and strengthens the link between Council and the community.

3.5 Integrating our Built environment (Infrastructure)

- 3.5.1 No significant impact.

4.0 EXECUTIVE SUMMARY

- 4.1 The Pittwater Volunteer Awards Program recognises the efforts of the many hundreds of volunteers that contribute to the Pittwater community. It is a means for Council, on behalf of the Pittwater community to say 'thank you' and 'your efforts are valued and appreciated'.

RECOMMENDATION

That one Councillor from each Ward be nominated to sit on the Pittwater Volunteer Awards Program assessment panel.

Report prepared by Angela Boyle

Lindsay Godfrey

MANAGER, COMMUNITY, LIBRARY & ECONOMIC DEVELOPMENT

Council Policy – No 2	Adopted:	OM 3.3.97
	Amended:	CS 27.9.99 OM (CRED) 3.8.2009

RECOGNITION OF COMMUNITY SERVICE – AWARDS**Principal Objective**

To provide support and recognition to individuals who provide outstanding services to the Pittwater community.

Policy Statement

- 1) That Council recognise the outstanding contribution of Pittwater's volunteers through a regular recognition and awards program
- 2) That this program include:
 - An annual civic reception to mark International Volunteer Day, which occurs on December 5 each year.
 - An annual awards program, the Pittwater Volunteer Awards, as part of National Volunteer Week in May.
- 3) Both volunteer programs will focus on the contribution of individual volunteers but to also highlight the contribution of the organisations for which they work.
- 4) The Volunteer Awards focus on recognising Pittwater residents and also those non-residents who have made a significant contribution to Pittwater and its community.
- 5) A Panel comprising one Councillor from each Ward be formed each year to judge the nominations received for the Volunteer Awards.
- 6) That the judging Panel each year be provided with all necessary information to assist them with their deliberations including information relating to any other awards that nominees may have received.



C8.2 Mona Vale CBD Safety Working Party

Meeting: Community, Recreation & Economic
Development Committee

Date: 1 February 2010

STRATEGY: **Building Communities**
Town and Village

ACTION: Provide planning, design, investigation and management of the town and villages

PURPOSE OF REPORT

To update Council on the Mona Vale CBD Safety Working Party and propose the expansion of the group to include the village centres of Newport and Avalon.

1.0 BACKGROUND

- 1.1 On 7 July 2008 a report was taken to Council on the Pittwater Village Community Safety Initiative Project. As a result of this report, Council resolved to establish a working party in order to address the ongoing safety issues within the Mona Vale CBD.
- 1.2 A planning meeting was held in July 2008 with key stakeholders, including the Police, State Transit Authority (STA), late night food and liquor suppliers, community organisations, Council staff and the local Member of Parliament. The issues identified included:
 - Late night transport
 - Coordination of security
 - Alcohol Free Zones
 - Late night food outlets
 - Prevention strategies
- 1.3 The first Mona Vale CBD Safety Working Party meeting was held in August 2008. Meetings continued monthly initially, then moved to bi-monthly, and they are now being run quarterly.
- 1.4 The group has continued to meet regularly, with a solid and consistent membership that has contributed to the overall success of the working party. The primary outcomes of the group have been twofold in terms of improved relationships and task / project specific outcomes.
- 1.5 The relationship based outcomes that have been observed include an increased sense of shared responsibility for issues, the importance and effectiveness of ongoing communication and networking opportunities, as well as the opportunity to deliver joint projects.
- 1.6 The following is a list of some of the projects that have been developed either as a result of the group discussion or recommendations in some form:

- Improved street lighting
- Integration of Council's CCTV system
- Review of Alcohol Free Zones and Alcohol Prohibited Areas
- Increased coordination of Policing and public domain security
- Various community education campaigns

2.0 ISSUES

- 2.1 The Mona Vale CBD Safety Working Party was initially established in response to particular concerns around safety in Mona Vale.
- 2.2 A number of the members of the group have expressed similar views over time that the issues that are being discussed in the meetings are issues that are increasingly not limited to Mona Vale, for example alcohol related violence and safety on public transport. Additionally a number of the representatives have a mandate broader than Mona Vale, for example STA, Manly Drug Education and Counselling Centre (MDECC) and Northern Beaches Local Area Command.
- 2.3 A planning meeting was held on 14 December 2009 to discuss the effectiveness of the working party to date and review plans for the future.
- 2.4 Feedback in the planning meeting was overwhelmingly positive, with members feeling that it is a worthwhile group that should continue to meet. Discussions were also had around the possibility of expanding the group to a *Pittwater Villages Safety Working Party* so as to include Newport and Avalon (as other identified key hot spot areas).
- 2.5 The existing working party members strongly felt that the aims of the group needed to be targeted and any expansion of its mandate should be limited to the other two major villages of Newport and Avalon.
- 2.6 Over the last year Council staff have been approached by the Chambers of Commerce and individuals concerned with anti-social behaviour in Newport and Avalon villages. The expansion of the existing working party is an effective way of trying to address some of these similar issues in these major village centres.

3.0 SUSTAINABILITY ASSESSMENT

3.1 Supporting & Connecting our Community (Social)

- 3.1.1 The working party has contributed to the reduction in anti-social behaviour in Mona Vale. The expansion of the group to include Newport and Avalon will aim to reduce anti-social behaviour in these areas and have a positive impact on the overall health and wellbeing of Pittwater residents.

3.2 Valuing & Caring for our Natural Environment (Environmental)

- 3.2.1 The strategies as developed through the working party aim to minimise the negative impact on the environment that comes with anti-social behaviour.

3.3 Enhancing our Working & Learning (Economic)

- 3.3.1 The financial implications of anti-social behaviour are significant for both Council and local businesses and in some cases private residents.

3.4 Leading an effective & Collaborative Council (Governance)

- 3.4.1 The working party demonstrates a collaborative approach within Council to managing the range of issues as a result of anti-social behaviour.

3.5 Integrating our Built environment (Infrastructure)

- 3.5.1 The working party has contributed to a reduction in infrastructure damage in and around Mona Vale.

4.0 EXECUTIVE SUMMARY

- 4.1 The Mona Vale CBD Safety Working party has proved an effective means to work on the issues of safety in a particular area. The success of the working party can be attributed to the commitment from its members to regular attendance and ongoing active contribution.
- 4.2 Due to the success of the working party, combined with the increasing concerns around issues of safety in Newport and Avalon, the expansion of this group to a *Pittwater Villages Safety Working Party* is deemed an appropriate way to develop and sustain the outcomes of the group.

RECOMMENDATION

1. That Council support the expansion of the Mona Vale CBD Safety Working Party to include the village centres of Newport and Avalon.
2. That Council support the change of name of the group to the 'Pittwater Villages Safety Working Party'.
3. That an invitation be extended to representatives of the Avalon and Newport Chambers of Commerce to be members of the expanded working party.

Report prepared by Angela Boyle

Lindsay Godfrey

MANAGER, COMMUNITY, LIBRARY & ECONOMIC DEVELOPMENT

C8.3 Policy - Closed Circuit Television (CCTV)

Meeting: Community, Recreation & Economic
Development Committee

Date: 1 February 2010

STRATEGY: Town & Village

ACTION: Provide Planning, design, investigation and management of town and villages.

PURPOSE OF REPORT

To provide an update on the development and implementation of the CCTV system in order for Council to adopt a draft policy on CCTV which will be placed on exhibition for public comment.

1.0 BACKGROUND

- 1.1 Council has a long history of operating CCTV cameras at various sites, including Vuko Place Warriewood, Lakeside Caravan Park Narrabeen, the Coastal Environment Centre and its offices at Mona Vale and Avalon Recreation Centre. These CCTV cameras have generally not been maintained, monitored or accessed in a coordinated way.
- 1.2 As part of a broader response to anti-social behaviour, Council staff have been reviewing and upgrading the existing CCTV system in attempt to ensure a more integrated and effective system.
- 1.3 Over the past 18 months Councils CCTV system has been enhanced with significantly improved abilities to provide information and footage to the Police regarding anti-social behaviour.
- 1.4 The CCTV system focuses on providing asset protection to a number of key Council facilities including –
 - Customer Service Centres at Mona Vale and Avalon
 - Mona Vale Library
 - Avalon Recreation Centre
 - Newport Community Centre
 - Lakeside Caravan Park
 - Coastal Environment centre
- 1.5 The CCTV system also monitors some general public domain areas, particularly around Village Park Mona Vale. There may be opportunities to extend this public domain surveillance in the future to other parts of Mona Vale, or into other villages such as Newport and Avalon. Currently the Avalon Beach Chamber of Commerce has a CCTV network operating in Avalon village and staff are in discussions with the Chamber about how to make their network more effective.

2.0 ISSUES

2.1 Legislative Framework

2.1.1 Pittwater Council's CCTV system is operating in accordance with the relevant legislative requirements listed below:

- *Privacy and Personal Information Act 1998*
- *Workplace Surveillance Act 2005*
- *Security Industry Act 1997*

2.1.2 The state guidelines, NSW Government Policy Statement and Guidelines for the Establishment and Implementation of Closed Circuit Television (CCTV) in Public Places, have also been considered in the development and implementation of Council's CCTV system.

2.2 CCTV Guidelines

2.2.1 Internal CCTV Guidelines have been developed for use by Council staff and provide information on a range of key issues related to the CCTV system.

2.2.2 The CCTV Guidelines address the following areas:

- Preliminary information
- Responsibilities of Business Units
- Authorised staff
- Management of access and viewing of cameras
- Recorded material
- Police contact and use of the system
- Breaches of the guidelines

2.2.3 The CCTV Guidelines were developed based on the extensive review of other local government policies and procedures.

2.2.4 Consultation was conducted internally with other Business Units including, Reserves and Recreation and Finance and IT (Risk Management) and externally with Northern Beaches Local Area Command (NBLAC).

2.3 Advice to Staff

2.3.1 Council staff have been formally informed of the operation of the CCTV system through the regular staff newsletter PittTrends, that keeps staff informed with up to date information on workplace changes and new systems. Annual reminders will be provided to all Council staff about the nature and extent of the CCTV system.

2.3.2 Formal advice will also form part of the new staff induction package as produced by Human Resources.

2.4 Public Information

- 2.4.1 The locations of the CCTV cameras is clearly apparent to the public with signs that CCTV cameras are operating displayed at the perimeter of the area covered by the system and at other key points.
- 2.4.2 The signs provide the following information:
- Inform the public that cameras are in operation.
 - Allow people entering the area to make a reasonable approximation of the area covered by the system.
 - Identify Pittwater Council as the owner of the system.
- 2.4.3 Once a CCTV Policy is adopted, the operation of Council's CCTV system will be further publicised through the local media, Council publications and other appropriate forums. Information regarding the CCTV system will be made available on an ongoing basis to the public via Council's website.
- 2.5 Proposed Draft Policy**
- 2.5.1 The process of reviewing and updating Council's CCTV system has highlighted the need for the development of clear policy and procedure to support the effective use of the system.
- 2.5.2 While internal documentation and communication has been essential with regard to changes to the operation of the CCTV system, the importance of public information regarding the CCTV system is equally as important.
- 2.5.3 Once adopted, a policy on CCTV will provide an overall framework for the public on the nature and extent of the CCTV system. The draft policy is attached to this report for consideration by Council (Attachment 1).
-

3.0 SUSTAINABILITY ASSESSMENT

3.1 Supporting & Connecting our Community (Social)

- 3.1.1 The CCTV system aims to reduce the threat of crime by impacting on the actual and perceived safety of the community in certain areas in Pittwater.

3.2 Valuing & Caring for our Natural Environment (Environmental)

- 3.2.1 The CCTV system provides some level of protection for the natural environment in areas that are monitored in the public domain.

3.3 Enhancing our Working & Learning (Economic)

- 3.3.1 The CCTV system aims to reduce Council's costs associated with graffiti vandalism and malicious damage.

3.4 Leading an effective & Collaborative Council (Governance)

- 3.4.1 The integration of Council's CCTV system demonstrates a collaborative approach in managing community safety issues both within Council, and with other lead agencies including the Police.

3.5 Integrating our Built environment (Infrastructure)

- 3.5.1 The existence of the CCTV system aims to minimise the negative impacts of graffiti vandalism and malicious damage to infrastructure.

4.0 EXECUTIVE SUMMARY

- 4.1 Anti-social behaviour consists of a range of significant and complex issues that cannot be addressed through any one approach or strategy. It requires a range of complimentary strategies to assist with reduction, however it is important to note that the issue will never be eradicated completely.
- 4.2 The review and upgrade of the CCTV system is just one of the strategies being employed to address anti-social behaviour in Pittwater. The CCTV system and supporting policy and procedure has been developed with due consideration given to relevant legislative requirements and State Government guidelines.

RECOMMENDATION

1. That Council's draft policy on CCTV as outlined in Attachment 1 be adopted as an interim policy.
2. That Council's draft policy be placed on exhibition for public comment.
3. That the results of the exhibition be reported back to Council for consideration.

Report prepared by Angela Boyle

Lindsay Godfrey

MANAGER, COMMUNITY, LIBRARY & ECONOMIC DEVELOPMENT

Council Policy – No	Adopted:	
	Amended	
Version:		

TITLE: Closed Circuit Television (CCTV)

STRATEGY: Town and Village

BUSINESS UNIT: Community, Library and Economic Development

RELEVANT LEGISLATION: Privacy and Personal Information Act 1998, Workplace Surveillance Act 2005, Security Industry Act 1997

RELATED POLICIES:

Objectives

The CCTV system currently focuses on providing asset protection to a number of key Council facilities. The CCTV system also monitors some general public domain areas, particularly around Village Park Mona Vale.

The CCTV system contains a number of cameras which are networked to Council offices at both Vuko Place and Boondah Depot. Recordings are taken 24 hours a day, however the camera footage is generally not monitored live.

The objectives of Pittwater Council's CCTV system are as follows:

- To reduce crime levels by deterring potential offenders.
- To reduce fear of crime.
- To assist Police in the detection and prosecution of offenders.
- To help secure a safer environment for those people who live in, work in and visit the areas that are monitored.
- To assist Council in general claims management.

The CCTV system may also be used for intelligence gathering on individuals and locations, in relation to criminal offences.

The CCTV system will operate in accordance with the following key principles:

- *Principle 1*
Pittwater Council's CCTV system will be operated fairly, within applicable law, and only for the purposes for which it is established.

- *Principle 2*
The system will be operated with due regard to the privacy and civil liberties of individual members of the public.
- *Principle 3*
The public interest in the operation of the system will be recognised by ensuring the security and integrity of operating procedures.
- *Principle 4*
The public will be provided with clear and easily accessible information in relation to the CCTV system.
- *Principle 5*
Information recorded will not exceed that necessary to fulfil the aims and objectives outlined in this policy.

Policy Statement

It is recognised that the threat of crime is an important factor impacting on the actual and perceived safety of certain areas in the Pittwater area. The aim of the CCTV system is to reduce the potential for crime in the Pittwater area.

Natural Environment Committee

9.0 Natural Environment Committee Business

C9.1 Minutes of the Sydney Coastal Councils Group Ordinary Meeting of 5 December 2009

Meeting: Natural Environment Committee

Date: 1 February 2010

STRATEGY: Beach & Coastal Management

ACTION: Strategic Initiative - Partner with other councils, SCCG and Catchment Management Authorities to integrate and complement regional initiatives

PURPOSE OF REPORT

To advise Council of the Minutes of the Sydney Coastal Councils Group (SCCG) Ordinary Meeting held on 5 December 2009 and hosted by the City of Sydney Council.

1.0 BACKGROUND

- 1.1 The SCCG is a forum to promote co-ordination between the 15 member councils on environmental issues relating to the sustainable use and management of the Sydney urban coastal environment.

2.0 ISSUES

2.1 Item 6.2 – Correspondence – Shark Attack Issues

Following a request to the Department of Primary Industries from the SCCG to develop a community awareness campaign to inform swimmers of the risk of shark attack in coastal waters (rather than relying on the installation of warning signs), the Minister for Primary Industries responded with advice regarding the Government's NSW Shark Smart Program.

The new program includes an educational website dealing with the importance of sharks in marine ecosystems and a recently prepared Shark Smart information brochure designed to inform swimmers as to how to reduce the risk of shark attack when swimming in coastal waters. Pittwater Council has obtained a supply of the brochures for distribution to swimmers and beachgoers by way of the Pittwater Lifeguards and the CEC.

2.2 Item 9.6 – NSW Government Coastal Reform Package

During the NSW Coastal Conference held from 3-5 November 2009, the NSW Government announced the finalisation of the NSW Sea Level Rise Policy Statement containing sea level rise planning benchmarks to be utilised by state agencies and local government for the purposes of strategic and land use planning as well as the assessment of development applications.

To assist in this process, the state government also released the following documents for consultation:

- Draft NSW Coastal Planning Guideline – Adapting to Sea Level Rise

- Draft Coastal Risk Management Guide: Incorporating sea level rise benchmarks in coastal risk assessments
- Draft Flood Risk Management Guide: Incorporating sea level rise benchmarks in flood risk assessments.

The NSW Government is keen to work with local government to ensure that appropriate provision is made in all relevant planning instruments and council planning policies to enable the ongoing sustainable development of the NSW coastal zone in response to the impacts of climate change and in particular, sea level rise.

Pittwater Council has already made a submission in regard to the NSW Government Coastal Reform package and the SCCG has now also made a submission which includes a legal assessment of the proposed planning reforms by HWL Ebsworth Lawyers.

3.0 SUSTAINABILITY ASSESSMENT

No sustainability assessment required

4.0 EXECUTIVE SUMMARY

- 4.1 The minutes of each Sydney Coastal Councils Group meeting are reported for the information of Council at the request of the SCCG Executive Committee.

RECOMMENDATION

1. That the Minutes of the SCCG Ordinary Meeting of 5 December 2009 (appended as Attachment 1) be noted.
2. That in support of the SCCG initiative to promote the NSW Shark Smart Program, Council also includes a link to the Shark Smart webpage on the Pittwater website.

Report prepared by Paul Hardie – Principal Officer – Coast & Estuary

Chris Hunt
DIRECTOR, URBAN & ENVIRONMENTAL ASSETS

LIST OF ACTIONS FROM THE ORDINARY MEETING
5 December 2009

Item	Action	By whom	Due By
6 2	Correspondence Sydney CMAs 1) The Group liaise with the Sydney CMA noted the Group's disappointment that the a letter was not received in time for the Full group meeting and that the Group looked forward to a response as soon as possible 2) Cllr James (Chair of HN LGAG) invited any member councils delegate to attend the next LGAG meeting if they were interested (to be held 25 February) Sydney Water 3) Contact the nominated SWC delegates to start organizing the SCCG – SWC forum 4) To ensure that all member council staff and Councillors are invited to participate in this forum NSW Climate Change activities 1 Write again to the new Premier and Climate Change Minister with a cc to the Director General of Premiers and Cabinet seeking an urgent response the February SCCG correspondence Shark Attack issues 1 Member Council's be encouraged to request multiple copies of the DII Shark Smart education brochure for community distribution (via www.industry.nsw.gov.au/sharksmart) 2 The SCCG put a link on the SCCG web site regarding the NSW Shark Smart program include access to the education brochure 2010 Marine Ecology Forum 3 SCCG consider organizing a forum in 2010 in partnership with SIMS entitled "Sydney's Changing Marine Ecology"	SCPO ALL SCPO ALL SCPO / Chair ALL SCPO RCEO / POCB	Dec 25 Feb Dec – Feb ASAP Feb ASAP Dec 2010
7	Presentation – Federal Government Inquiries into Coastal Zone 1) The Group write to the Prime Minister (with cc to the Climate Change and Environment Ministers) noting those key inquiry recommendations the Group is most interested in and highlighting interest in knowing about implementation processes and responses for the report 2 The Secretariat consult with the SCCG Technical Committee and Full group delegates to assist to determine Inquiry priority recommendations the SCCG is most interested in seeing action on 3 The Group write to Minister Penny Wong providing comment on the <i>Climate Change Risks to Australia's Coasts</i> report including chapter 6 and how the SCCG hoped to be involved in working through implementation solutions	Secretariat Secretariat Secretariat	Feb / March Feb (meeting) Feb
8 1	SCCG Strategic Plan A draft Strategic Plan be tabled at the next meeting for consideration	RCEO	20 March
8 26	SCCG Annual Survey 1) The Secretariat email the survey to all SCCG delegates for completion electronically to ensure that all views and feedback is gathered 2) The Secretariat prepare a representations report for consideration at the March 2010 meeting	SCPO POCB	Dec 17 Feb
9 4	SCCG Capacity Building Program Potential forums for 2010 highlighted during meeting included <ul style="list-style-type: none"> • "Sydney's Changing Marine Ecology" (with SIMS) • "Climate Change legal liability issues" • "Environmental Monitoring" • Sydney Water / SCCG – Water recycling and partnerships with local government • Community Engagement - what have we learnt where are we now, and where are we going 	Secretariat	2010
9 6	NSW Government Coastal Reform Package 1) The SCCG Secretariat finalise the SCCG submission in consultation with member councils and be approved by the SCCG Executive Committee	SCPO / RCEO / Chair	23 Dec

Item	Action	By whom	Due By
9 9	SCCG Summer Activities Program 1) SCCG work with Member Councils and the media to ensure effective promotion of the initiative	POCB	Dec – Jan
9 12	SCCG Key Activities Report (Sept-Dec) 1) Once the SCCG Water Quality Monitoring web site is launched the Secretariat inform Prof Bruce Thom so he can put a link on the Australian Coastal Society web site	Bruce Thom	Jan – Feb
10 1	Audited Annual Financial Statements 1) The SCCG RCEO write to Spencer Steer noting SCCG concerns and seek clarification of why the Audit process has taken so long 2) Pending response from Spencer Steer the RCEO seek alternative arrangements for an appropriate auditor 3) SCCG Executive Committee be charged with finalizing the audit process with Spencer Steer	RCEO RCEO Executive	Feb Feb Feb - March
	General Business • Sewerage Services – “Priority Sewerage Program” the SCCG write to the MD of Sydney Water supporting Hornsby Council's request to accelerate this sewer program for the areas of Galston and Glenorie Resolved that for consideration at next meeting (report to be provided by Cllr Christina Kirsch) The SCCG consider writing to Federal Climate Change Minister and Minister for the Environment requesting the establishment of a public reporting process that enables local governments (and others) to upload carbon emissions reductions targets (1990 base line) and update carbon emissions where available to be easily reported	SCPO Cllr Kirsch	Jan < 20 March
11 1	Meeting dates 2010 Saturday 20 March 2010 at 12 noon (Botany Bay City Council) Saturday 12 June 2010 at 12 noon (City of Sydney) Saturday 11 September 2010 at 12 noon (AGM) (Manly Council) Saturday 4 December 2010 at 12 noon (City of Sydney)	ALL	2010
11 2	Next Meeting 1) The next meeting be held at Botany Bay City Council on 20 March 2010 (pending confirmation)	ALL	20 March

SYDNEY COASTAL COUNCILS GROUP Inc.
MINUTES FOR THE ORDINARY MEETING
HELD ON SATURDAY 5 DECEMBER, 2009
AT CITY OF SYDNEY COUNCIL, COUNCIL CHAMBERS

IN ATTENDANCE

Clr Brian Troy	Botany Bay Council
Clr Wendy McMurdo	Hornsby Council
Clr Cathy Griffin	Manly Council
Clr Barbara Aird	Manly Council
Clr Veronique Marchandean	North Sydney Council
Clr David James	Pittwater Council
Mr Paul Hardie	Pittwater Council
Clr Peter Towell	Sutherland Shire Council
Clr Dr Conny Harris	Warringah Council
Clr Dr Christina Kirsch	Warringah Council
Clr Wendy Norton	Willoughby Council
Clr Lynne Saville	Willoughby Council
Clr Nicola Grieve	Woollahra Council
Mr Geoff Withycombe	SCCG
Mr Craig Morrison	SCCG
Mr Ragnar Haabjoern	SCCG
Prof Bruce Thom	Honorary Member
Dr Judy Lambert	Honorary Member
Mr George Copeland	Honorary Member
Mr George Cotis	Honorary Member
Mr Phil Colman	Honorary Member
Ms Shirley Colless	Honorary Member
Ms Lynne Czinzer	Invited Guest

1. OPENING

The meeting opened at 12 45pm. Clr McMurdo (Chairperson) opened the meeting and welcomed delegates to the City of Sydney. Clr McMurdo thanked the City of Sydney Council for hosting the meeting.

2. APOLOGIES

Mr Warrick O'Brien	Botany Bay Council
Clr Clover Moore MP	City of Sydney Council
Mr Anthony Hewton	Manly Council
Clr Denise Wilton	Mosman Council
Clr Margaret Woodsmith	Randwick Council
Clr Sally Betts	Waverley Council
Clr Yvonne Coburn	Waverley Council
Mr Gary Dunnett	National Parks and Wildlife Service

It was also noted that Mr Gary Dunnett - Regional Manager Sydney - National Parks and Wildlife Service was also an apology to make the presentation to the meeting regarding the review and redevelopment of the Sydney Harbour National Park Plan of Management. Delegates were informed that Prof Thom will give an alternative presentation focusing on Item 9.7 in the agenda "Federal Government Inquiries into the Coastal Zone and Climate Change".

Resolved that the apologies be received and noted

Councils not represented at the meeting
City of Sydney, Leichhardt, Mosman, Randwick, Rockdale, Waverley

3. DECLARATION OF PECUNIARY INTERESTS

Resolved that there was no declaration of pecuniary interests

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Annual General Meeting of the SCCG held on 12 September at North Sydney Council

The RCEO informed the meeting that Warringah Council had requested a minor correction to Item 13 – General Business “Marine Field Station Long Reef” delegates were informed that it was the Warringah Council delegate who was looking for support as Warringah Council had not written formally to the SCCG requesting such support. Change made

Resolved that the Minutes of the Annual General Meeting of the SCCG held on 12 September 2009 hosted by North Sydney Council be received and adopted with amendment

4.2 Minutes of the Technical Committee Meeting of the SCCG held on 22 October hosted by Willoughby City Council

Resolved that the Minutes of the Technical Committee Meeting of the SCCG held on 22 October hosted by Willoughby City Council be received and noted

5. BUSINESS ARISING

Business arising from minutes other than those items listed below in Reports

Delegates were referred to action list attached to the meeting memo. The RCEO noted that all actions coming from the AGM had been undertaken.

6. CORRESPONDENCE

6.1 Sent and Received Correspondence

Recommended that the circulated “sent” and “received” correspondence be received and noted

6.2 SCCG correspondence from the last meeting (including responses where available)

Sydney Water

- Delegates were informed that the SCCG wrote to Sydney Water to express its continued disappointment that the concerns raised by the Group relating to construction guarantees and alternative recycled water supply solutions for the Northside Storage Tunnel remain unanswered, and
- Liaise with Sydney Water in determining a date and agenda for a workshop involving SCCG Member Councils, Sydney Water and other potential recycled water users in Sydney. The key aim of the workshop would be to discuss actions and projects that facilitate water recycling and re-use projects in eastern Sydney.

Kerry Schott – Sydney Water MD has responded (16 October) suggesting the convening of a workshop in second half of February 2010 or soon after and that Darryl Lloyd from SWC Recycled Water Development team will be in contact.

Ms Schott also noted the SCCG’s disappointment about SWC response to the Group’s concerns about the recycled water pipeline in the Northside Storage Tunnel. Ms Schott reiterated SWC previous response and noted that the recycled pipeline is significantly eroded to a point where it can’t be used. This was not expected and that repair costs and operational risks of the pipeline make the

future use less attractive than other options. Now with more experience they think alternatives available to supply recycled water are considered better

Delegates noted strong interest in this proposed workshop and that it provided good timing with the review of the draft Sydney Water Sharing Plan

Additional issues noted by delegates for consideration in the proposed workshop

- Concerns regarding the proposed sewage storage tank on Northern Beaches
- The broad utilization of dry toilets and other water conservation measures
- What recycling / reuse program is being planned for Eastern Sydney
- Other problems with the Northside sewage tunnel including other corrosion issues and related OH&S concerns
- IPART considerations and process for recycled waters

NSW Climate Change activities:

The SCPO noted the Group had again written to the NSW Government as per the second resolution of the Full Group this time resolved at the AGM that the Group again write to the Minister with a cc to the Director General of Premiers and Cabinet seeking an urgent response to the February SCCG correspondence

It was again resolved to the new Premier and Minister seeking action on the SCCG February correspondence

• **Shark Attack Issues**

The SCPO noted that the Group had written to the NSW DPI (now NSW DII) with the aim of requesting they produce a Shark hazard brochure for the community to be developed in partnership with, the SCCG, SLSA and the SMCMA

The SCPO further noted that the Minister had responded highlighting the new Shark Smart program being undertaken and the provided a copy of the new SharkSmart education brochure recently prepared

It was also noted that Councils can request multiple copies of this brochure. It was resolved that the SCCG put a link on the SCCG web site regarding the NSW SharkSmart program
www.industry.nsw.gov.au/sharksmart

Delegates further noted the apparent changes to Sydney marine ecosystems and communities as a result of Climate Change impacts. It was resolved that the SCCG consider organising a forum in 2010 in partnership with SIMS entitled "Sydney's Changing Marine Ecology"

Sydney Metro / Hawkesbury Nepean CMAs

At the last meeting it was resolved that the SCCG write to the Sydney CMA noting

- Appreciation of the quarterly report received by the SCCG
- Encourage the CMA to improve broader communication and consultation with local government
- That the CMA be recommended to set up a Local Government Advisory Committee similar to the successful HNCMA committee
- Disappointment that the Sydney CMA's Scientific Committee has not been supported and this needs to be addressed to utilise the available resource and to assist to priorities research / science needs for the region and to provide a level of peer review of internal CMA activities, investigations and outcomes

Delegates were informed that the Hawkesbury Nepean CMA had responded. The HNCMA noted that

- The HNCMA provide regular feedback to its Councils through the HN Local Government Advisory Group and that the LGAG will consider the suggestions for regular report to Councils
- The SMCMA have recently convened the Scientific Advisory Committee - further meetings in the new year will focus on the 'Accounting for the Nature' Policy of the Wentworth Group
- The SCCG correspondence and the HNCMA response will be tabled at the next LGAG meeting

Clr James (Chair of HN LGAG) invited any member councils delegate to attend the next LGAG meeting to be held on 25 February - if they were interested

**Resolved that
Sydney CMAs**

- 1) The Group write to the Sydney CMA noted the Group's disappointment that the letter was not received in time for the Full group meeting and that the Group looked forward to a response as soon as possible
- 2) Clr James (Chair of HN LGAG) invited any member councils delegate to attend the next LGAG meeting if they were interested (to be held 25 February)

Sydney Water

- 1) Contact the nominated SWC delegates to start organizing the SCCG – SWC forum
- 2) To ensure that all member council staff and Councillors are invited to participate in this forum

NSW Climate Change activities

- 1) Write again to the new Premier and Climate Change Minister with a cc to the Director General of Premiers and Cabinet seeking an urgent response the February SCCG correspondence

Shark Attack issues

- 1) Member Council's be encouraged to request multiple copies of the DII Shark Smart education brochure for community distribution (via www.industry.nsw.gov.au/sharksmart)
- 2) The SCCG put a link on the SCCG web site regarding the NSW Shark Smart program include access to the education brochure

2010 Marine Ecology Forum

- 1) SCCG consider organizing a forum in 2010 in partnership with SIMS entitled "Sydney's Changing Marine Ecology"

7. PRESENTATION – (Prof Bruce Thom) Federal Government Inquiries into the Coastal Zone and Climate

Proceedings in brief

In the absence of NPWS to give a presentation regarding the review of the Sydney Harbour National Park Plan of Management, Prof Thom provided delegates with a review of the

- ***Managing our Coastal Zone in a Changing Climate the Time to Act is Now***

The House of Representatives Climate Change, Water, Environment and the Arts Committee has released its inquiry report. ***Managing our Coastal Zone in a Changing Climate the Time to Act is Now and.***

Prof Thom reviewed the background to this 18 month inquiry including the Terms of Reference, the establishment of the committee, and background to numerous past Federal Government inquiries

Prof Thom then reviewed the report's 47 recommendations particularly those of direct interest to the SCCG and Local Governments' more generally

The inquiry generated a high level of interest from the Australian community, with over 100 written submissions and 180 exhibits. The Committee heard from over 170 witnesses at 28 public hearings held around Australia. The SCCG is sighted 22 times in the final report.

- ***Climate Change Risks to Australia's Coasts – A First Pass Assessment***

Prof Thom noted that on 14 November, the Minister for Climate Change and Water, Senator Penny Wong released the *Climate Change Risks to Australia's Coasts* report at Clovelly Beach. It was noted that the report maps the impacts of climate change on Australia's coastal communities. The report represents the first continental scale mapping of residential buildings at risk from climate change. It also details the risks to coastal infrastructure, services, industry and the environment as a result of climate change induced sea level rise.

Prof Thom encouraged delegates to review the document particularly chapter 6 – *Coastal Adaption – Towards a National Agenda* include the 12 issues as identified as requiring further attention. It was further noted that these will be addressed at the National Coastal Summit to be convened by the Commonwealth in Adelaide 18-19 February.

The full report is *Climate Change Risks to Australia's Coasts* is available from the Department of Climate Change web site www.climatechange.gov.au

Resolved that

- 1) Prof Thom be thanked for his presentation
- 2) The Group write to the Prime Minister (with cc to the Climate Change and Environment Ministers) noting those key inquiry recommendations the Group is most interested in and highlighting interest in knowing about implementation processes and responses for the report
- 3) The Secretariat consult with the SCCG Technical Committee and Full group delegates to assist to determine Inquiry priority recommendations the SCCG is most interested in seeing action on
- 4) The Group write to Minister Penny Wong providing comment on the *Climate Change Risks to Australia's Coasts* report including chapter 6 and how the SCCG hoped to be involved in working through implementation solutions

8. ADMINISTRATIVE MATTERS

8.1 Review of the Draft SCCG Strategic Plan (2009-2013)

Proceedings in brief

The RCEO noted that due to an exceptionally busy period following the SCG AGM limited progress has been undertaken on the new SCCG Strategic Plan. This was of disappointment to the RCEO however it was unavoidable due to other project, program and advocacy issues currently being managed by the Secretariat. The RCEO noted that he expected to table a draft Strategic Plan for consideration at the next meeting.

Resolved that

- 1) the report be received and considered
- 2) A draft SCCG Strategic Plan be tabled at the next meeting for consideration

8.2 SCCG Annual Survey

Proceedings in brief

The Annual survey was distributed to delegates for their completion. The aim of the survey is to enable the Sydney Coastal Councils Group Secretariat to identify what SCCG activities have assisted member councils and importantly to identify additional avenues and activities to further enhance this assistance. Delegates were requested to hand in the survey in at the end of the meeting or fax back to secretariat on 9265 9660.

Resolved that

- 1) delegates complete the survey to be distributed at the meeting
- 2) The Secretariat email the survey to all SCCG delegates for completion electronically to ensure that all views and feedback is gathered
- 3) The Secretariat prepare a representations report for consideration at the March 2010 meeting

9. REPORTS

9.1 Beachwatch & Harbourwatch Programs - Clr. McMrudo

Resolved by the Beachwatch Advisory Committee representatives that the report on Beachwatch and Harbourwatch Programs be received and noted

9.2 Technical Committee Report

Resolved that the report be received and considered

**9.3 (a) Sydney Metropolitan Catchment Management Authority's Update
(b) Hawkesbury Nepean Catchment Management Authority's Update**

Resolved that the reports be received and discussed

9.4 SCCG Capacity Building Officer – Program Update Report

Proceedings in brief

The POCB provided a review of the SCCG Capacity Building program

Update of Capacity Building Database and Website Development

Full Group members were updated on the development of the database and website upgrade. The Secretariat has been working with various web developers. With learnings from this process the Secretariat are currently working on revised consultation briefs.

It is recognised that this activity is a substantial investment of money and hours for the Group. Overall the project proposes to become a valuable addition for the SCCG's Member Councils to assist integrated coastal zone management across the Sydney region.

SCCG – SSSI - GIS Forum "Sydney's Integrated Spatial Future – Bringing Managers and Spatial Professionals Together"

Delegates were given a brief report regarding the subscription aspect of the upcoming forum.

A quick glance of the evaluation forms from the now presented forum (9 December 2009) showed that the 85 participants believed the event was as very worthy experience to be in attendance of. On two occasions presenters commented during their presentations that the GIS forum presented by the SCCG and the Surveyors and Spatial Sciences Institute (SSSI) was contributing positively to demystifying the 'Wall of Mystery' that can appear in the Spatial profession and that can exist between information required, formats, data sets and databases when communicating graphical and spatial data across departments and organisations. The three sponsors involved were also extremely happy with supporting the event.

SCCG Summer Activities Program – January 2010

The Summer Activities Program has over 80 events planned for the month of January 2010. The program is proudly being supported by Sony and Coastcare. An exciting initiative for 2010 is the 50%

Discount incorporated with Summer Activities brochure to be provided to the public by the Marine Discovery Centre at Bondi (supported by Randwick City and Waverley Councils)

Brochures will be distributed to Member Councils through the Summer Activities Program Primary Contact as soon as possible following final production

Envisioning the SCCG Capacity Building program in 2010

The POCB noted that a year in the life of the Capacity Building program has allowed for a retrospective look at the year that was and the achievements and learnings from 2009. In brief, some of the milestones accomplished by the program have included

- SCCG Capacity Building Directions Document
- SCCG Alternative Energy for Coastal Cities Forum
- NRM Grants List
- Estimating Sea-Level Extremes in an Uncertain Future workshop
- SCCG Community Climate Change Forum
- SCCG Councillor Climate Change Forum
- SCCG Capacity Building Program Steering Committee
- SCCG Database
- SCCG & Surveying and Spatial Sciences Institute – GIS Forum
- SCCG Summer Activities Program 2010

The POCB noted his gratitude and thanks for the guidance and support offered by the Full Group delegates throughout the year. The Capacity Building Program is looking forward to stronger collaborations and delivering more beyond compliance assistance for integrated coastal zone management in the increasingly challenging times and climate changing environment

Potential forums for 2010 highlighted during meeting included

- "Sydney's Changing Marine Ecology" (with SIMS)
- "Climate Change legal liability issues"
- "Environmental Monitoring"
- Sydney Water / SCCG – Water recycling and partnerships with local government
- Community Engagement - what have we learnt where are we now, and where are we going

Resolved that

- 1) the reports be received and noted
- 2) The Project Officer – Capacity Building be thanked for outcomes achieved in 2010

9.5 NSW Aquatic Biosecurity Report

Resolved that

- 1) The report prepared by Melissa Walker (DII) be received and discussed
- 2) Outcomes to date be considered by the Committee for additional actions

9.6 NSW Government Coastal Reform Package

Proceedings brief

The SCPO noted that during the NSW Coastal Conference held between the 3rd and 5th November, the NSW Government announced the finalisation of the *NSW Sea Level Rise Policy Statement* as well as the release of the following documents for consultation

- *Draft NSW Coastal Planning Guideline – Adapting to Sea Level Rise*
- *Draft Coastal Risk Management Guide Incorporating sea level rise benchmarks in coastal risk assessments*

VIII

- *Draft Flood Risk Management Guide Incorporating sea level rise benchmarks in flood risk assessments*

All of these documents apply to all coastal areas of NSW, including the 'NSW Coastal Zone', as well as Sydney Harbour and Botany Bay. The SCPO noted that summaries of each document can be found in report included in the business papers. The release of the guides and guidelines demonstrates the NSW Government's activities in working with Councils to guide planning for uses of land along the NSW coast in response to the impacts of climate change including sea level rise.

The SCPO noted that to assist all Member Councils, the SCCG facilitated a 1 day workshop attended by approximately 50 SCCG delegates on 1 December 2009 to

- 1) Hear from the NSW Department of Planning and NSW Department of Environment, Climate Change and Water on the content of the documents
- 2) To have a regional forum that enables Member Council staff and elected members to discuss their council's information and technical needs in applying the guidelines
- 3) Assist the SCCG in preparing a regionally representative submission on the guidelines and guides on behalf of SCCG Member Councils

The SCCG Secretariat is currently preparing a submission for consultation with member councils.

Discussion was undertaken regarding the merits of the guidelines as well as needs for Government to better define and clarify implementation mechanisms, guidance and associated policy and resource support.

Resolved that

- 1) The draft reports be received and considered
- 2) The outcomes of the SCCG Member Council forum on 1 December be reviewed and discussed
- 3) The SCCG Secretariat finalise the SCCG submission in consultation with member councils and be approved by the SCCG Executive Committee

9.7 Federal Government Inquiries into the Coastal Zone and Climate Change

- Item covered by Prof Thom presentation in Item 7

Resolved that the reports be received and discussed

9.8 Recent SCCG Grant Program Update and Scoping Report

Proceedings in Brief

The Secretariat reviewed recent SCCG grant applications and programs.

Grant projects underway

- **Natural Disaster Mitigation Program Grant**

The RCEO noted that the 'Scoping Study for the extraction of sand reserves from the 'Sydney Shelf Sand Body' for development protection and augmentation of beach systems under immediate threat from coastal storm activity' was not quite completed for launch at the meeting. Some final information is currently being included regarding the economic, social and environmental components of the study. The RCEO noted that the preliminary cost / benefit analysis for the 3 case study sites are all coming out positive which was very encouraging. Following final comments and input from the project Steering Committee the report will be finalized and launched in February 2010.

- **Community Action Grant Application**

"Quantifying the Value of Sydney Beaches in order to assess cost / benefit of necessary coastal protection / abatement measures as a result of enhanced climate change impacts"

- **Urban Sustainability Program**

"Urban Sustainability Support Alliance", (LGSA, Eurobodalla, Manly, DEC, Baton Forum, LGMA, SCCG/IES)

National Disaster Mitigation Program

- "Mapping and Responding to Coastal Inundation"

This project will map areas of risk utilising sophisticated modelling together with Councils own information sources (eg Lidar technology) to determine risk and develop consistent model planning and management responses in consultation with relevant state government agencies and the broader community. A technical workshop with key national experts is to be held on 8 December to further clarify the project methods and expected outcomes for member councils

Project Stages include

Stage 1 Effect of Climate Change on Sea level Rise and Extreme Sea Levels

Stage 2. Development of Model Planning provisions to integrate sea level rise and extreme sea level events into relevant planning strategies of the SCCG

Stage 3 Develop and distribute community risk disclosure information and corresponding community and stakeholder education program

- "Education empowerment of Landslide Risk Management to regulators and practitioners"

The project involves

- 1) The presentation of up to 10 workshops at venues around the nation, with the intent to cover each state capital (excluding Darwin) but including Newcastle and Wollongong
- 2) Development of the workshop materials
- 3) The development of DVDs, of an interactive nature, that contain the AGS (2007) Guidelines, instructional tools and other workshop materials, and will incorporate recordings of relevant portions of the workshops. At least two of the workshops will be fully recorded and edited

Resolved that the report be received and noted

9 9 January 2010 - SCCG Summer Activities Program

Proceedings in Brief

This item address in Item 9 4

Resolved that

- | |
|--|
| <ol style="list-style-type: none"> 1 The report be received and noted. 2 The POGB provide a verbal report on activities and promotion for the 2010 S A P 3 SCCG work with Member Councils and the media to ensure effective promotion of the initiative |
|--|

9 10 SCCG in the Press

Proceedings in Brief

Delegates were referred to the report included in the business papers

It was noted that the SCCG has had significant press presence over the last reporting period including major articles in metro and regional papers and television appearances by the Chairperson on the ABC 7 30 report

Resolved that the report be received and noted

9 11 18th NSW Coastal Management Conference – Outcomes Report

Proceedings in Brief

Delegates were referred to the report included in the business papers. It was noted that the Secretariat attended the conference and presented 4 papers (with project partners). Details of conference outcomes and SCCG presented papers are in the report attached to the Business papers. Delegates wishing copies of the SCCG papers or other presented at the conference were encouraged to visit the conference web site <http://www.coastalconference.com> or contact the Secretariat who can also provide them.

Resolved that the report be received and noted

9 12 Key Activities Report for September – December 2009

Proceedings in Brief

Delegates were referred to the report included in the business papers. The RCEO noted that the new SCCG Environmental Monitoring Web site has been finalized after over 18 months in preparation.

The site will soon be virtually launched with a media promotion and formal liaison with member councils and other interested parties. The SCCG has also recently purchased a domain name where the site is hosted www.monitor2manage.com.au

Resolved that

- 1) The SCCG Key Activities report for September– December 2009 be received and noted
- 2) Once launched the Secretariat inform Prof Bruce Thom so he can put a link on the Australian Coastal Society web site

9.13 SCCG Submission / Advocacy

Draft SCCG Submission Discussion

- I NSW Coastal Reform Package(s)

Resolved that the SCCG submission be discussed

10. TREASURER'S REPORT

10.1 Audited Financial Statement for the period 1 July 2008 to 30 June 2009

Proceedings in Brief

The RCEO informed delegates that the Group is yet to receive the final audit statement from the SCCG auditors. Spencer Steer Delegates noted that taking some 5 months to undertake the SCCG audit which was not good enough and directed the RCEO to liaise with Spencer Steer noting SCCG concerns and seek clarification of why this process takes so long.

Pending response the RCEO is to also seek alternative arrangements for an appropriate auditor. It was further resolved that the SCCG Executive Committee be charged with finalizing the audit process with Spencer Steer.

Resolved that

- 1) The SCCG RCEO write to Spencer Steer noting SCCG concerns and seek clarification of why the Audit process has taken so long
- 2) Pending response from Spencer Steer the RCEO seek alternative arrangements for an appropriate auditor
- 3) SCCG Executive Committee be charged with finalizing the audit process with Spencer Steer

10.2 Financial Statement for the period ending September 2009

Resolved that the Financial Statements for the period ending September 2009 be received and adopted

11. GENERAL BUSINESS

• Sewerage Services – “Priority Sewerage Program”

At the September Hornsby Council meeting it was resolved that

- 1 Council bring the issues to the SCCG and use that group's leverage to lobby State Government to address the problem of sewerage at Galston and Glenorie in a shorter time frame ie prior to 2011 (*Council's full report is available on request*)

Resolved that the SCCG write to the MD of Sydney Water supporting Hornsby Council's request to accelerate this sewer program for the areas of Galston and Glenorie

Resolved that for consideration at next meeting (report to be provided by Cllr Christina Kirsch)

The SCCG consider writing to Federal Climate Change Minister and Minister for the Environment requesting the establishment of a public reporting process that enables local governments (and others) to upload carbon emissions reductions targets (1990 base line) and update carbon emissions where available to be easily reported

11.1 2010 Meeting dates / Next Meeting

Resolved that meeting date and locations for 2010 SCCG meetings be

- Saturday 20 March 2010 at 12 noon (Botany Bay City Council)
- Saturday 12 June 2010 at 12 noon (City of Sydney)
- Saturday 11 September 2010 at 12 noon (AGM) (Manly Council)
- Saturday 4 December 2010 at 12 noon (City of Sydney)

11.2 Agenda items for the next SCCG meeting

Resolved that delegates suggest additional agenda items including presentations for the next SCCG meeting proposed for Saturday 20 March 2010

11.3 Next Meeting

Resolved that

- 1) The next meeting be hosted by Botany Council (pending confirmation) on Saturday 20 March 2010 starting at 12 noon

Cllr McMurdo thanked delegates for their attendance and a productive meeting and for City of Sydney Council for hosting the meeting. Cllr McMurdo also wished all SCCG delegates a merry and safe Christmas and new year.

SCCG 20 Year Celebration Dinner

Delegates joined by previous SCCG Chairpersons, Executive Committee delegates and past RCEO headed to Darling Harbour for a gala dinner to celebrate the Group's 20 year in operation 1989 to 2009.

The meeting closed at 5.10pm

Confirmation of Minutes

/ /

C9.2 Minutes of the Narrabeen Lagoon Joint Estuary Floodplain Management Committee held on 27 August 2009

Meeting: Natural Environment Committee

Date: 1 February 2010

STRATEGY: Community Engagement, Education & Awareness

ACTION: Undertake community consultation regarding all major Councils plans and projects

PURPOSE OF REPORT

To consider the Minutes of the Narrabeen Lagoon Joint Estuary/Floodplain Management Committee (NLJEPMC) Meeting held at Warringah Council on 27 August 2009 – Attachment 1.

1.0 BACKGROUND

The NLJEPMC is a forum that assists Council in the preparation, development and implementation of Estuary and Floodplain management plans for Narrabeen Lagoon. The Committee is administered on a rotational basis and this function currently resides with Warringah Council.

2.0 ISSUES

- 2.1 The Draft Terms of Reference for the committee will be presented for adoption by the Committee at the next meeting in November 2009, to consider the administrative changes requested from stakeholders and representatives.
 - 2.2 The Committee endorsed the proposed direction for the Narrabeen Lagoon Restoration Project in that the Plan of Management for Narrabeen Lagoon be progressed and the Narrabeen Lagoon Flood Study be prioritised.
 - 2.3 Reports were put to the Committee for information on the multi-use trail around the lagoon in the Warringah LGA and the progress of the urban sustainability grant a joint project by both Councils.
-

3.0 SUSTAINABILITY ASSESSMENT

This report does not require a sustainability assessment.

4.0 EXECUTIVE SUMMARY

- 4.1 That Council recognise the NLJEFM Committee's endorsement of the proposed redirection of the Narrabeen Lagoon Restoration Project in that the Plan of Management for Narrabeen Lagoon be progressed and the Narrabeen Lagoon Flood Study be prioritised.

RECOMMENDATION

That the minutes of the Narrabeen Lagoon Joint Estuary/Floodplain Management (NLJEFM) Committee Meeting held 27 August 2009 be noted.

Report prepared by

Mark Beharrell

ACTING GROUP LEADER, CATCHMENT MANAGEMENT & CLIMATE CONTROL

NARRABEEN LAGOON JOINT ESTUARY & FLOODPLAIN MANAGEMENT COMMITTEE

Held on Thursday, 27 August 2009

In the Guringai Room, Warringah Council Civic Centre, commencing at 5pm

ATTENDANCE**Present:****Members:**

Warringah Council: Cllr Michael Regan (Mayor) (Chairperson), Cllr Conny Harris and Cllr Michelle Ray

Pittwater Council: Cllr David James (Mayor) and Cllr Jacqueline Townsend

Stakeholder Members:

Narrabeen Lakes Sailing Club - Joy & Andy Gough

Anglers Action Group - David Cunliffe

NSW Academy of Sport - Brendan Barrett

Community Representatives:

Warringah: Cynthia Patton.

Pittwater: Spiro Daher and Bruce Wilson

State Government Departments:

Department of Environment, Climate Change and Water (Estuaries) - Gus Pelosi

Department of Environment, Climate Change and Water (Flood) - David Avery

Department of Industry and Investment (Fisheries) - Marcel Green

NSW National Parks and Wildlife Services - Chris Grudnoff

NSW Maritime - Steve Black

Council Officers:

Warringah: Manager Natural Environment - Gareth Curtis

Team Leader, Natural Environment Strategic Outcomes - Todd Dickinson

Environmental Projects Officer - Kara Fleming

Pittwater: Project Leader - Floodplain Management - Sue Ribbons

Narrabeen Lagoon Joint Estuary & Floodplain Management Committee

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1. APOLOGIES:

Stakeholder Members:

Narrabeen Lakes Chamber of Commerce (Judy Gurd-Chapman)

Community Representatives:

Warringah: Paul Jaffe

Pittwater: Peter Cowell

Council Members:

Warringah: Director, Community and Environmental Services – Gayle Sloan

Pittwater: Director, Urban and Environmental Services Division - Chris Hunt

State Government Departments:

DECCW (Estuaries) - Arthur Michos

Land and Property Management Authority - Dan Cross

Department of Planning - Santina Camroux

Sydney Water Corporation - Norm Nikolich

Council Officers:

Pittwater: Acting Group Leader, Catchment Management & Climate Change – Mark Beharrell

NOTES:

- The meeting commenced at 5:05pm.
- The Chair was handed to Cllr David James (Mayor) at 6:41pm.
- Cllr Michael Regan (Mayor), Cllr Conny Harris and NSW National Parks and Wildlife Services (Chris Grudnoff) left the meeting at 6:41pm.

2. DECLARATION OF PECUNIARY INTERESTS

Nil

3. ITEMS FOR DISCUSSION/INFORMATION

3.1 Confirmation of Terms of Reference

Submitted by Warringah and Pittwater Councils

The primary function of the Narrabeen Lagoon Joint Estuary and Floodplain Management Committee (NLJEPMC) is as an advisory body to both Warringah and Pittwater Councils on matters concerning the management of both the Narrabeen Lagoon estuary and surrounding floodplain. The Councils are responsible for preparing and implementing Estuary and Floodplain Management Plans and associated studies for Narrabeen Lagoon. The development of these plans and studies involves extensive consultation with various community groups and government authorities, ensuring that differing preferences and requirements for management of the lagoon proper and surrounding floodplain are fully canvassed and provide for sustainable environmental, social and economic outcomes. The Committee provides a forum for discussing these strategic matters as they affect Narrabeen Lagoon and its catchments.

The Committee was held in abeyance during the Council election period in 2008. Following these elections, both Pittwater and Warringah Councils resolved to continue the NLJEPMC. As this is the first meeting of the new membership of this Committee, it is prudent to review the Terms of Reference for the Committee provided at Attachment 1.

RECOMMENDATION OF THE COMMITTEE TO COUNCIL:

1. That the Committee accept the requested changes presented by Mr David Avery.

Cllr David James / Mr Bruce Wilson

2. That the Council adopt the Draft Terms of Reference as a living/working document, subject to the administrative changes requested from stakeholders and representatives.

Cllr David James / Cllr Michael Regan

Note: A show of hands was not tallied.

3.2 Narrabeen Lagoon Restoration Project Update

Submitted by Warringah Council

Background

The Narrabeen Lagoon Restoration Project (NLRP) was established following the Narrabeen Lagoon Summit hosted by Warringah Council in April 2005. At its meeting of 25 October 2005, Warringah Council resolved to establish the Narrabeen Lagoon Restoration Project under the auspice of a Project Advisory Board to Council, and appointed a Chair to the Board. The steering committee for the Board held its first meeting on 19 December 2005 and the Board was fully operational by February 2006.

A concept paper was prepared (Gordon, 2006) and subsequently adopted by Council at its meeting of 23 May 2006. The Concept Paper states the aim of the NLRP "is to redress as much as practical the accelerated infill that has occurred due to catchment development and to re-establish a sustainable ecological regime that address the loss of native vegetation, both terrestrial and marine, while at the same time enhancing the recreational quality of the Lagoon".

Work and investigations completed to date on the NLRP have focussed on two stages; Stage 1 activities are associated with addressing sediment infill (and associated flood impacts on the Wakehurst Parkway) and weed infestation in Middle Creek due to catchment development and, Stage 2 activities are associated with deepening areas of the Central Basin to enhance seagrass growth, promote water circulation and recreational usage, and potentially infill deeper dredge holes. The proposed activities and project scope have been investigated in consultation with relevant State agencies including the NSW Department of Industry and Investment (Fisheries), who have continued to provide technical support throughout the project.

The project to date has been overseen by the Narrabeen Lagoon Restoration Project Advisory Board which included representatives from both Pittwater and Warringah Council and two community representatives. The Advisory Board held meetings every four to six weeks with the last meeting held in July 2008. The Chair tendered his resignation on 4 November 2008. Warringah Council adopted the Strategic Community Framework on 26 May 2009, which disbanded the Advisory Board and stated that the NLRP be "referred for consideration by the Narrabeen Lagoon Joint Estuary Floodplain Management Committee to expose the project to wider community involvement and enable it to be considered as part of a total catchment management approach".

Current Issues

The Middle Creek component of the project has progressed well since the last Advisory Board meeting, and a flood modelling report has recently been provided to Council. Staff are currently considering this report along with a recent Creek Management Study which was completed for the Middle Creek catchment. These reports will guide future progress associated with this component of the project.

The Central Basin component has experienced a number of setbacks which have hindered its progress. At this point, there are a number of uncertainties surrounding the future of this component which include:

- The discovery of significant areas of healthy seagrass growing throughout the proposed dredge area.
- The project has experienced significant changes in scope which has hindered the efficient progression of the project. These have largely related to inconsistencies between stakeholder desires, likely environmental and recreational benefits, and the project scope.
- At times there have been instances of conflict between the Advisory Board and Council staff in relation to project objectives and project progression.
- A number of environmental investigations indicate there will be minimal positive environmental impacts (e.g. limited change in circulation), and potentially some negative impacts resultant from the proposed dredging.
- Given the current project scope is prohibited under Warringah's LEP it will be necessary to prepare a Plan of Management that identifies and gives support to this proposal.
- The project will require compliance with permits and policies of the NSW Department of Industry and Investment (Fisheries) in relation to any damage of seagrass habitat. This may involve the imposition of an environmental bond which may be forfeited in the event of a breach of the conditions of consent. Demonstrating compliance with these permits and policies will require a rigorous monitoring program which will add to the cost of the project.

Proposed direction

Following the adoption of the Strategic Community Framework by Warringah Council on 26 May 2009, the Advisory Board has been disbanded and the NLRP has now been referred to this Committee for consideration and advice. The NLJEFMC is considered to be the most appropriate group for providing strategic advice in relation to the future direction of the project. Under this model it is proposed that the day to day management of the project will continue to rest with Warringah Council staff, however staff will continue to report progress and seek advice from the Committee at relevant project stages. Formal decisions in relation to the project will be referred to both the elected Warringah and Pittwater Councils for consideration.

It is proposed that the Middle Creek component of the project be considered by staff in light of the recent reports that have been prepared, and provide a recommendation on future activities to the next meeting of this Committee. At this juncture, it is proposed that the Central Basin component of the project be suspended pending the development of a Plan of Management for Narrabeen Lagoon. It is proposed that the Plan of Management process be brought forward to commence in 2009/10 and involve full community consultation with all stakeholders regarding the future management of Narrabeen Lagoon as an important environmental and recreational asset for the community. As part of this process, Council will continue to liaise with the NSW Department of Lands and both parties have agreed the need, and support for, the preparation of a Plan of Management for Narrabeen Lagoon as part of any future joint land management arrangement (including the potential development of a Management Trust and State Park). If recreational dredging is provided for in an adopted Plan of Management and dredging of Narrabeen Lagoon is progressed, it is proposed that the NSW Department of Lands be approached to provide 50/50 funding towards the works.

Importantly, staff, executive and Mayors from both Pittwater and Warringah Councils have met to discuss the current status of the project. The parties have agreed that it would be prudent to redirect resources currently assigned to the Restoration Project towards the preparation of an updated Narrabeen Lagoon Flood Study. The Flood Study was not expected to commence until 2010/11, however the reallocation of resources will allow this to be brought forward to commence in 2009. The Flood Study will provide important and up to date flood risk management planning which will directly benefit over 800 properties and several thousand residents living in the floodplain of Narrabeen Lagoon, in both Warringah and Pittwater Council areas.

RECOMMENDATION OF THE COMMITTEE TO COUNCIL:

1. That the Committee endorse the proposed direction for the Narrabeen Lagoon Restoration Project in that the Plan of Management for Narrabeen Lagoon be progressed and the Narrabeen Lagoon Flood Study be prioritised as outlined above.
2. Council staff provide a report to the next meeting on the progress and communications completed to date regarding the Plan of Management and Flood Study.

Cllr Jacqueline Townsend / Cllr Michelle Ray

VOTING

For the recommendation: 6 votes

Abstained from voting: Mr B. Wilson

3.3 Narrabeen Lagoon Multi-Use Trail

Submitted by Warringah Council

Grant Funding for the design and construction of the proposed Narrabeen Lagoon Multi-Use Trail has been obtained from the Commonwealth's Regional and Local Community Infrastructure Program – Strategic Projects 2008-09 (\$4 Million), the Department of Planning's Metropolitan Greenspace Programs 2007 & 2008 (Total of \$370,000) and the Department of Environment and Climate Change's Estuary Management Program 2008 (\$158,750).

The proposal involves the construction of approximately 2.5 kilometres of trail, boardwalk and bridge infrastructure for the south western basin of Narrabeen Lagoon. The outcome will be an 8.5 kilometre Multi-Use Trail circumnavigating the entire Lagoon. This will provide an outstanding iconic recreational and tourist facility for Sydney's Northern Beaches. This facility is intended to allow maximum accessibility for a wide range of users whilst ensuring minimal impact on the sensitive environment. Through facilitating safe access to the foreshores of Narrabeen Lagoon, this project will increase the community's awareness about this unique and extraordinary environment.

The project is divided into two stages, Stage 1 involves the construction of the trail from Deep Creek Bridge to Middle Creek Reserve and Stage 2 involves the construction of the trail from Middle Creek Reserve to South Creek Reserve.

Council has undertaken a number of investigations, including ecological and heritage surveys, for Stage 1 of the track. Council commissioned a design consultant to analyse and prepare a number of concept design options and present the preferred method of construction. The concepts were to meet certain design objectives and strategies and the analysis included a comparison of route options. A route has been selected and the concept design is currently being finalised.

RECOMMENDATION OF THE COMMITTEE TO COUNCIL:

1. That the information be noted.

Cllr Jacqueline Townsend / Ms Cynthia Patton

VOTING

For the recommendation: 6 votes

Abstained from voting: Mr Bruce Wilson

Note: Mr Bruce Wilson put an amendment that Warringah Council welcomes community members to be involved in the development of the multi use trail. The amendment lapsed for want of a seconder.

3.4 Update on Narrabeen Lagoon – Creating a Sustainable Catchment Grant

Submitted by Warringah Council

In 2007 the NSW Environmental Trust awarded Warringah and Pittwater Councils a \$1.9 million grant as an Alliance Project under the Urban Sustainability Program. This grant funding is being used to restore the Narrabeen Lagoon Catchment area through natural resource management and a catchment-wide sustainable living education program. This grant supports existing restoration programs at Narrabeen Lagoon by focusing on enhancing the sustainability of Middle Creek, Mullet Creek and Nareen Creek.

Bush regeneration works are ongoing at Middle Creek, Mullet Creek and Nareen Creek until December 2010 with a total value of approximately \$495,000. New bush regeneration contracts are to commence at Deep Creek and the Nareen Wetlands by the end of October 2009 with a total value of approximately \$160,000. The education program is continuing with the creation of a Bushcare DVD, the Sustainable Champions Program, the SHOROC Regional Sustainability Conference and assorted bushwalks and other community events.

Council and community consultation is ongoing with quarterly meetings held with a joint Council Peer Review Group and a community Project Reference Group.

RECOMMENDATION OF THE COMMITTEE TO COUNCIL:

1. That the information be noted.

Mr Spiro Daher / Cllr Michelle Ray

4. BUSINESS WITHOUT NOTICE

Nil

5. NEXT MEETING

DATE: Thursday 3 December 2009

TIME: 5:00pm

VENUE: Flannel Flower Room, Warringah Civic Centre, Dee Why

There being no further business the meeting closed at 7:08pm

Council Meeting

10.0 Adoption of Community, Recreation and Economic Development Committee Recommendations

RECOMMENDATION

That the recommendations of the Community, Recreation and Economic Development Committee comprising all Council members be, and are hereby, adopted.

11.0 Adoption of Natural Environment Committee Recommendations

RECOMMENDATION

That the recommendations of the Natural Environment Committee comprising all Council members be, and are hereby, adopted.

12.0 Councillor Questions

13.0 Response to Councillor Questions Taken on Notice at Previous Meetings (*Advice Only – Not for discussion*)