

# Moss Vale Road North Urban Release Area

## Local Infrastructure Contributions Framework

### Summary

Council is responsible for planning and coordinating the delivery of local infrastructure to support new development. Local infrastructure can include local roads, footpaths and cycleways, open space, parks and playgrounds, sporting facilities, community buildings such as libraries, arts and performance space, and meeting spaces, halls and other venues.

The Moss Vale Road North Urban Release Area is anticipated to deliver between 2,000 and 2,500 new homes housing a new community of between 4,600 and 5,750 people. The delivery of the release area relies on the early delivery of physical infrastructure such as roads and drainage. This not only enable development to occur by providing access to the release area, but it manages the impacts of development on water quality and flood risk downstream of the release area.

The future community needs to be supported with road and path connections to existing networks and have access to a range of community facilities and open space such as parks, playgrounds, and sporting facilities. A flood evacuation route is also required to ensure everyday business and activities aren't interrupted by flooding events.

To add to the natural amenity and biodiversity resources of the release area, the natural areas along existing creek lines need to be restored and maintained. The existing trees and other vegetation along Moss Vale Road also have an important role in maintaining scenic values. It too needs to be enhanced and maintained.

This document identifies the local infrastructure essential to enable the delivery of the release area and support the future community with necessary facilities. It also identifies the indicative cost of this infrastructure and the current challenges in securing sufficient funding. It concludes by examining a range of options to deliver the infrastructure before recommending a solution to ensure the full range of local infrastructure is provided.

Other funding initiatives, including Federal and State Government grants and loans may also become available as the release area is delivered. These may supplement the recommended solution helping to reduce the overall infrastructure cost and/or accelerate the delivery of enabling infrastructure.

### The Release Area's Infrastructure Requirements

An evidence base of technical studies, concept designs and costings, and land valuations have been used to identify the proposed local infrastructure contributions framework. Flood modelling was also undertaken to identify the flood evacuation route and confirm the drainage infrastructure manages run-off to the required level.

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The following infrastructure has been identified as essential to enable the delivery of the release area and support the future community.

- Roads, roundabouts, and bridges to connect the preliminary development stages of the release area to the existing road network and provide the initial lengths of the network of Collector Roads within the release area. The network also provides the main flood evacuation route to which all minor roads will connect.
- Drainage infrastructure such as wetlands, detention basins and pollutant traps to maintain water quality and the rate and volume of run-off to ensure there are no adverse impacts on flooding downstream of the release area.
- Open space in two district-sized and 3 local-sized parks and playgrounds to meet the recreation needs of new residents.
- Natural areas along watercourses and Moss Vale Road to protect and enhance biodiversity values and provide a buffer between new homes and Moss Vale Road.
- Community facilities through the upgrade of existing regional and district facilities such as libraries, swimming pools, and art galleries.

The road and drainage infrastructure, open space, and natural areas for the release area are identified in **Figure 1** and **Table 1**.

## Design & Costing Details

The following documents and information provide indicative costings for the essential infrastructure and support the exhibition of this document.

- Collector Roads designed to standard specified in draft DCP Chapter and costed in the suite of documents prepared by Stantec (Civil Plan Set & Cost Estimate – July 2024).
- Roundabouts designed and costed in the suite of documents prepared by Stantec (Civil Plan Set & Cost Estimate – July 2024).
- Bridges designed and costed in the suite of documents prepared by Stantec (Bridge Design Report & Cost Estimate – July 2024).
- Drainage infrastructure identified in the Integrated Water Cycle Assessment prepared by SEEC – March 2022 and Stantec’s Cost Estimate – July 2024.
- Open space embellishment costed (indexed) using the embellishment outcomes and rates identified in Council’s adopted *Community Infrastructure Strategic Plan 2018*.
- Land values identified in Preston Rowe Paterson’s Valuation Report – March 2022.

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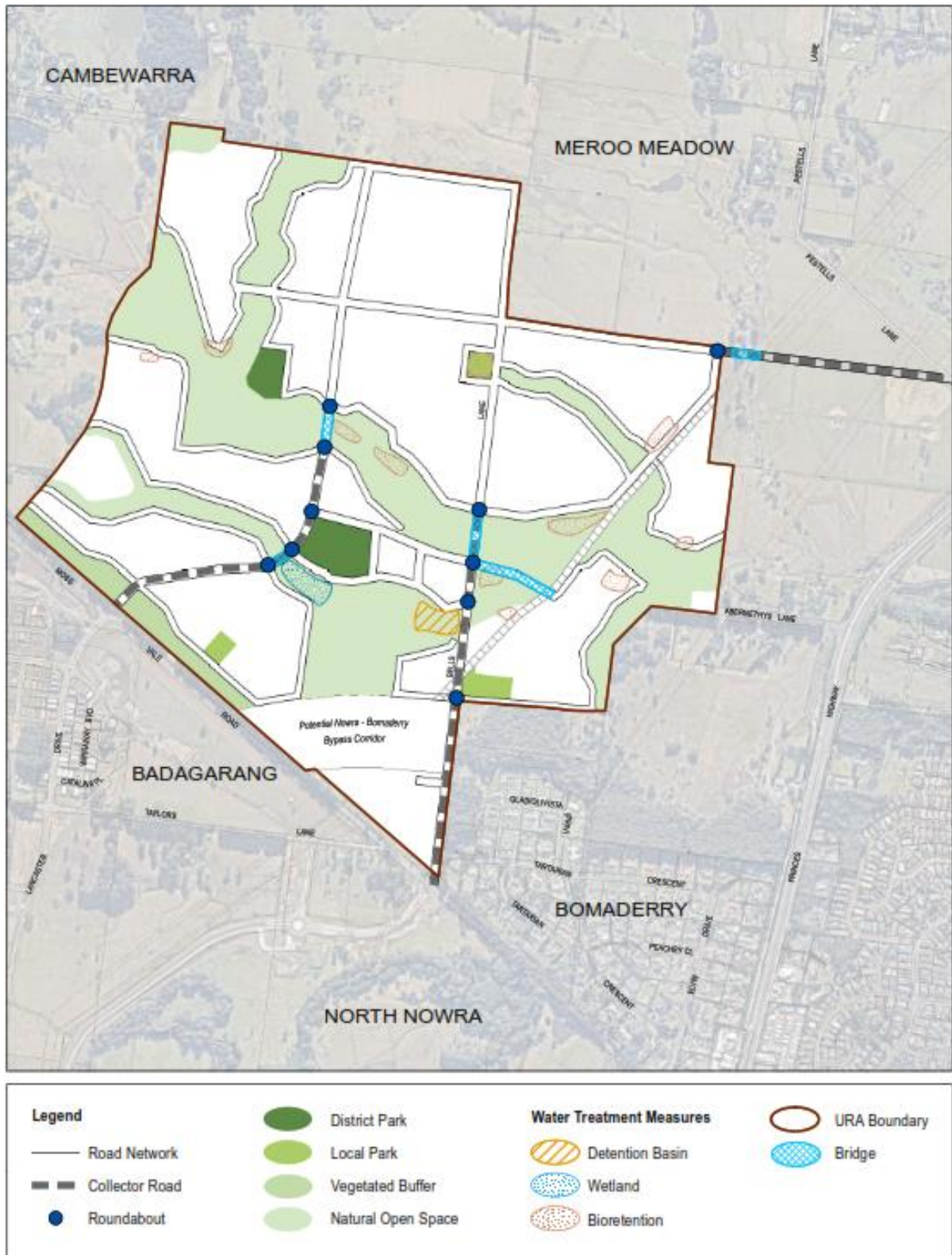


Figure 1 – Indicative essential infrastructure

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No.	Item	Description	Cost (\$)
1	Central Boulevard Collector Road	Construct 1,030 metres of new Collector Road connecting to the existing roundabout on Moss Vale Road and Lancaster Drive. Includes drainage and professional fees.	5,128,349
2	Central Boulevard Collector Roundabouts	5 roundabouts on key intersections within the release area	739,824 739,824 798,330 798,330 798,330
3	Central Boulevard Collector Bridges	2 bridges	2,866,500 6,598,800
<i>The Central Boulevard is a key component of the main flood evacuation route for the release area.</i>			
4	Bells Lane Collector Road	Upgrade 1,080 metres of existing road to Collector Road connecting to the existing roundabout on Moss Vale Road and Bannada Way (also known as the Far North Collector Road). Includes drainage, relocation of power lines, professional fees, and gas pipeline protection works.	7,282,605
5	Bells Lane Collector Road Roundabouts	4 roundabouts on key intersections within the release area	739,824 739,824 798,330 798,330
6	Bells Lane Collector Road Bridges	2 bridges	2,691,000 1,579,500
7	Abernethys Lane Collector Road	Upgrade existing road to 460 metres of Collector Road. Includes drainage and professional fees.	2,487,558
8	Abernethys Lane Collector Road Bridge	1 bridge	2,535,000
9	Pestells Lane Collector Road	Construct 1,370 metres of Collector Road connecting to a new intersection on Pestells Lane. Includes drainage and professional fees.	5,323,109
10	Pestells Lane Collector Road Roundabouts	3 roundabouts on key intersections within the release area.	798,330 798,330 739,824
11	Pestells Lane Collector Road Bridge	1 bridge	10,530,000
12	Acquisition of land for roads	\$50 per m <sup>2</sup>	3,991,000
13	District Park 1	Embellishment of a 2.38-hectare park.	1,610,884
14	District Park 2	Embellishment of a 1.15-hectare park.	1,314,384

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No.	Item	Description	Cost (\$)
15	Local Park 1	Embellishment of a 8,800m <sup>2</sup> park.	279,896
16	Local Park 2	Embellishment of a 4,900m <sup>2</sup> park.	279,896
17	Local Park 3	Embellishment of a 4,500m <sup>2</sup> park.	279,896
18	Acquisition of land for open space	\$50 per m <sup>2</sup>	2,678,900
19	Drainage		8,230,656
20	Acquisition of land for drainage	\$50 per m <sup>2</sup>	4,049,300
21	Natural Areas – Riparian Corridor	Restoration of approximately 60 hectares of riparian corridor and management for 5-years	-
22	Natural Areas – Scenic Buffer	Enhancement of approximately 4.36 hectares of vegetated buffer to Moss Vale Road and management for 5-years	-
<b>Total</b>			<b>79,024,663</b>

Table 1 – Indicative list and cost of essential infrastructure

## Existing Local Infrastructure Contributions

The Shoalhaven Contributions Plan 2019 applies to the release area and charges new development to fund upgrades of the existing community facilities identified in **Table 2**.

No.	Item	Contribution per dwelling (\$)
1	Northern Shoalhaven Sports Stadium	821.55
2	Nowra Swimming Pool Expansion	637.12
3	Planning Area 1 Recreation Facilities Upgrades	860.00
4	Nowra Integrated Youth Services Centre	35.18
5	Shoalhaven Community & Recreation Precinct	2,266.62
6	Shoalhaven Entertainment Centre	1,713.07
7	Shoalhaven City Library Extensions	1,502.37
8	Shoalhaven Regional Gallery	82.48
9	Citywide Fire & Emergency Services	162.05
10	Shoalhaven Fire Control Centre	237.08
11	Contributions Management & Administration	673.90
<b>Total</b>		<b>8,991.43</b>

Table 2 – Existing local infrastructure contributions

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### NSW Government Cap on Contributions

The NSW Government's local infrastructure contributions policy is an important consideration for the release area. The *Environmental Planning and Assessment (Local Infrastructure Contributions) Amendment Direction 2021* ([link](#)) sets a \$30,000 threshold for contributions per dwelling.

Comparing scenarios of varying development yield against the infrastructure cost identifies the gaps in infrastructure funding for the release area. The scenarios in **Table 3** distribute the cost of identified infrastructure (which total \$79,024,663) and existing contributions (\$8,991.43 per dwelling) across various development outcomes.

Yield	2,000	2,250	2,500	2,750
Infrastructure Cost	\$39,512.33	\$35,122.07	\$31,609.86	\$28,736.24
Plus existing Contributions	\$48,503.76	\$44,113.50	\$40,601.29	\$37,727.67
Gap to threshold	-\$18,503.76	-\$14,113.50	-\$10,601.29	-\$7,727.67

Table 3 – Indicative contributions per dwelling versus \$30,000 threshold.

### Infrastructure Funding Options

The Local Infrastructure Contributions Framework for the release area could include, but is not limited to, the *Shoalhaven Development Contributions Plan 2019*, a new development contribution plan specific to the release area, voluntary planning agreements, and Federal and State Government funding initiatives.

The essential infrastructure identified to support the release will cost significantly more than the NSW Government's \$30,000 per threshold. The following potential approaches to settle a local infrastructure contributions framework for the release area have been identified:

1. Reduce the infrastructure to lower the cost beneath the threshold. This requires an exercise to identify and prioritise the infrastructure items. It will ultimately lead to the undersupply of infrastructure, either to enable development or support the new community. The non-delivery of enabling infrastructure will likely delay the delivery of the release area and the supply of new homes while other funding initiatives are settled. Council's ability to meet the NSW Government's recently released 5-year housing targets for Shoalhaven would be impacted.

Depending on the infrastructure not selected, the impacts of the development on water quality and flood risk may not be appropriately managed. This scenario also creates a future financial liability for Council to fund new and upgraded infrastructure to meet the needs of the future community.

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2. Apply to increase the threshold to deliver all the identified infrastructure. This requires an application to the Independent Pricing and Regulatory Tribunal (IPART) to vary the cap, a process which can take 12-18 months. While this may secure all the required infrastructure, it would likely delay the delivery of the release area. Council's ability to meet the NSW Government's recently released 5-year housing targets for Shoalhaven would be impacted.

In addition, an application does not guarantee the requested amount. The IPART will also examine all the proposed infrastructure charges and can remove items it considers non-essential.

3. Federal and State Government funding. Several funding initiatives have been foreshadowed, including potential access to funds through the NSW Government's Accelerated Infrastructure Fund. No initiatives are currently open for applications. These initiatives are accessed through relevant application processes and there is no guarantee the necessary funding can be secured. This would result in the undersupply of infrastructure, delays in the delivery of the release area, and a need for Council to ultimately fund (or help fund) infrastructure.
4. Development funds and delivers all identified local infrastructure. This relies on the owners/developers in the release area proposing a voluntary planning agreement or agreements to either deliver the necessary infrastructure and/or make the required contributions. Voluntary planning agreements are not subject to the \$30,000 threshold. This is considered the most "complete" option to secure the delivery of all local infrastructure but is a solution which needs to be proposed by the current owners/developers and agreed to by Council.
5. Council leads the delivery of infrastructure below the threshold with responsibility for delivering remaining infrastructure transferred to development. A collaborative approach where Council leads and coordinates the delivery of key infrastructure to enable development, such as road and bridges, and development delivers the infrastructure directly related to development, such as drainage and local parks. The infrastructure Council is responsible for is secured through addition to the existing City-wide Development Contributions Plan. The infrastructure required to be delivered by development is identified and required in the development controls for the release area.

This option could be prepared in a short timeframe (approximately 6-months) and secures and coordinates delivery of all the identified infrastructure.

## Proposed Local Infrastructure Contributions Framework

Option 5 is recommended due to the ability to secure and coordinate the delivery of all required infrastructure and obtain necessary monetary contributions. It works with the NSW Government's threshold on development contributions and can be delivered quickly to "release" the release area and allow subdivision activity and the supply of new homes to commence.

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Requiring developers to dedicate the land for roads, drainage and open space to Council at no cost provides further savings, reducing potential acquisition costs of \$10,719,200.

The proposed approach also retains previously proposed arrangements for development to fund the restoration of natural areas, maintain them for a period of 5-years and dedicate them to Council at no cost. This is secured in the proposed development controls.

The proposed approach is set out in in **Tables 4 & 5** which identify the proposed split between the infrastructure funded by development contributions and the infrastructure delivery responsibilities of development. The table categorises the infrastructure to be funded and delivered through an amendment to the existing Contributions Plan and the infrastructure required to be delivered as part of any development.

**Table 4** identifies a potential contribution of \$28,972 per dwelling based on the assumed delivery of 2,500 dwellings. This is below the threshold (\$30,000) and provides an allowance for cost variations and indexation of contributions over the initial years of development activity.

**Table 5** indicates approximately \$18,351,116 worth of infrastructure is proposed to be delivered with development.

As this point, the draft DCP Chapter includes proposed satisfactory arrangement controls to support the implementation of this approach. When assessing a development application, Council will consider whether satisfactory arrangements exist or are proposed by the developer for the provision of good quality infrastructure essential to support the proposed development and the orderly and economic development of the release.

This option also enables the potential use of Government funding initiatives to help fund or accelerate the delivery of infrastructure. Other opportunities to enable the early delivery of infrastructure include works-in-kind agreements (WIKAs) with developers securing the early delivery of enabling infrastructure.

Council's Contribution Plan			
No.	Item	Description	Cost \$)
1	Central Boulevard Collector Road	Construct 1,030 metres of new Collector Road connecting to the existing roundabout on Moss Vale Road and Lancaster Drive. Includes drainage and professional fees.	5,128,349
2	Central Boulevard Collector Roundabouts	5 roundabouts on key intersections within the release area	739,824 739,824 798,330 798,330 798,330
3	Central Boulevard Collector Bridges	2 bridges	2,866,500 6,598,800



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No.	Item	Description	Cost (\$)
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4	Bells Lane Collector Road	Upgrade 1,080 metres of existing road to Collector Road connecting to the existing roundabout on Moss Vale Road and Bannada Way (also known as the Far North Collector Road). Includes drainage, relocation of power lines, professional fees, and gas pipeline protection works.	7,282,605
5	Bells Lane Collector Road Roundabouts	4 roundabouts on key intersections within the release area	739,824 739,824 798,330 798,330
6	Bells Lane Collector Road Bridges	2 bridges	2,691,000 1,579,500
7	Pestells Lane Collector Road	Construct 685 metres of Collector Road connecting to a new intersection on Pestells Lane. Includes drainage and professional fees.	2,661,554
8	Pestells Lane Collector Road Roundabouts	1 roundabout on a key intersection with the release area.	739,824
9	Pestells Lane Collector Road Bridge	1 bridge	10,530,000
<i>The Central Boulevard is a key component of the main flood evacuation route for the release area.</i>			
10	District Park 1	Embellishment of a 2.38-hectare park.	1,610,884
11	District Park 2	Embellishment of a 1.15-hectare park.	1,314,384
<b>Total</b>			<b>49,954,346</b>
<b>Cost per dwelling (based on delivery of 2,500 dwellings)</b>			<b>19,981</b>
<b>Plus existing contributions</b>			<b>8,991</b>
<b>Cost per dwelling (based on delivery of 2,500 dwellings)</b>			<b>28,972</b>

Table 4 – Proposed additions to existing Contributions Plan

Development Delivered			
No	Item	Description	Cost (\$)
1	Abernethys Lane Collector Road	Upgrade existing road to 460 metres of Collector Road. Includes drainage and professional fees.	2,487,558
2	Abernethys Lane Collector Road Bridge	1 bridge	2,535,000

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3	Pestells Lane Collector Road	Construct 685 metres of Collector Road connecting to a new intersection on Pestells Lane. Includes drainage and professional fees.	2,661,554
4	Pestells Lane Road Roundabouts	2 roundabouts on key intersections within the release area.	798,330 798,330
5	Local Park 1	Embellishment of a 8,800m <sup>2</sup> park.	279,896
6	Local Park 2	Embellishment of a 4,900m <sup>2</sup> park.	279,896
7	Local Park 3	Embellishment of a 4,500m <sup>2</sup> park.	279,896
8	Drainage	Delivery of drainage infrastructure such as wetlands, detention basins, and pollutant traps.	8,230,656
10	Natural Areas Riparian Corridor	– Restoration of approximately 60 hectares of riparian corridor and management for 5-years	-
11	Natural Areas Scenic Buffer	– Enhancement of approximately 4.36 hectares of vegetated buffer to Moss Vale Road and management for 5-years	-
12	Dedication of land	For roads and drainage infrastructure, open space, and natural areas.	-
<b>Total</b>			<b>18,351,116</b>

*Table 5 – Infrastructure to be delivered by development*