



South Dural Infrastructure Strategy and Business Case

16 September 2016





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1. Introduction

1.1. The South Dural Project

The South Dural project is a proposal to rezone 240 hectares of land currently zoned as rural and, once achieved, the provision of infrastructure and services and the development of a residential community with associated infrastructure and incorporating the retention of a high quality, native forest. The development will provide for a population of 7,700 in up to 2,900 homes.

1.2. Background

In August 2011, the Minister for Planning and Infrastructure called for expressions of interest from land owners, with large holdings close to infrastructure, to develop their land for housing. In the “*Summary of Departmental Actions Potential Home Sites*” report, published in March 2013, South Dural was nominated as a ‘Strategic Investigation Site’ that had the potential for future housing. The nomination was subject to further planning and infrastructure studies being undertaken that were to determine the extent of, and the parties responsible for providing infrastructure and the parties responsible to bear the costs.

In December 2013, Hornsby Shire Council resolved to support the planning proposal proceeding to investigation stage and referred a planning proposal to the Department of Planning and Environment for a Gateway Determination. The Gateway Determination, issued in March 2014, determined that the rezoning of South Dural should proceed subject to a number of conditions. Condition 1(e) requesting that a study be commissioned that addresses:

“infrastructure strategy and business plan, including assessment of all infrastructure requirements, demonstrating that the development can be undertaken at no additional cost to government and identifying responsibility for the delivery of infrastructure”.

1.3. Purpose of this Report

This report has been prepared to satisfy Condition 1(e) of the Gateway Determination that an infrastructure strategy and business case be undertaken. This report addresses:

- The Details of the South Dural Proposal;
- A Social Appraisal;
- An Economic and Financial Appraisal; and
- An Environmental Appraisal.

This report is supplemented by the South Dural Planning Proposal dated September 2016 which includes detailed investigations into the provision for infrastructure.

2. Details of the South Dural Proposal

2.1. Development Description

The South Dural Planning Proposal includes:

- The rezoning of 240 hectares of land currently classified rural into;
 - Residential Developable Area – approximately 113 hectares;
 - Local Parks – approximately 10 hectares;
 - Detention basins and Collector Roads – approximately 7 hectares
 - Environmental land (Vegetation and Riparian) - 62 hectares;
 - Asset Protection Zones – 37 hectares

(The overall 240ha includes 20.8 ha for the Retirement Village and Sydney Water site which is not included in the NDA)

- The development of up to 2,900 dwellings accommodating a population of 7,700 people consisting of:
 - 1,100 apartments; and
 - 1,800 detached homes.
- \$125 million of local infrastructure; 100% privately funded;
- \$73 million contribution to state road infrastructure; 100% privately funded and representing 46% of total cost;
- \$10 million of upgrades to lead-in infrastructure; 100% privately funded; and
- \$2.5 million for the preparation and peer review of the technical studies and planning proposal for rezoning; 100% privately funded.

(Collectively the **South Dural Project**)

Development is expected to commence in 2019 with completion expected in 2035.

In the documentation submitted to address the conditions imposed by the March 2014 Gateway Determination, the South Dural Project is proposed to be implemented as follows:

i) Amendment to Hornsby Local Environmental Plan 2013

- Amending the existing zoning of the land in accordance with the Proposed Zoning Map included as shown in Figure 1.

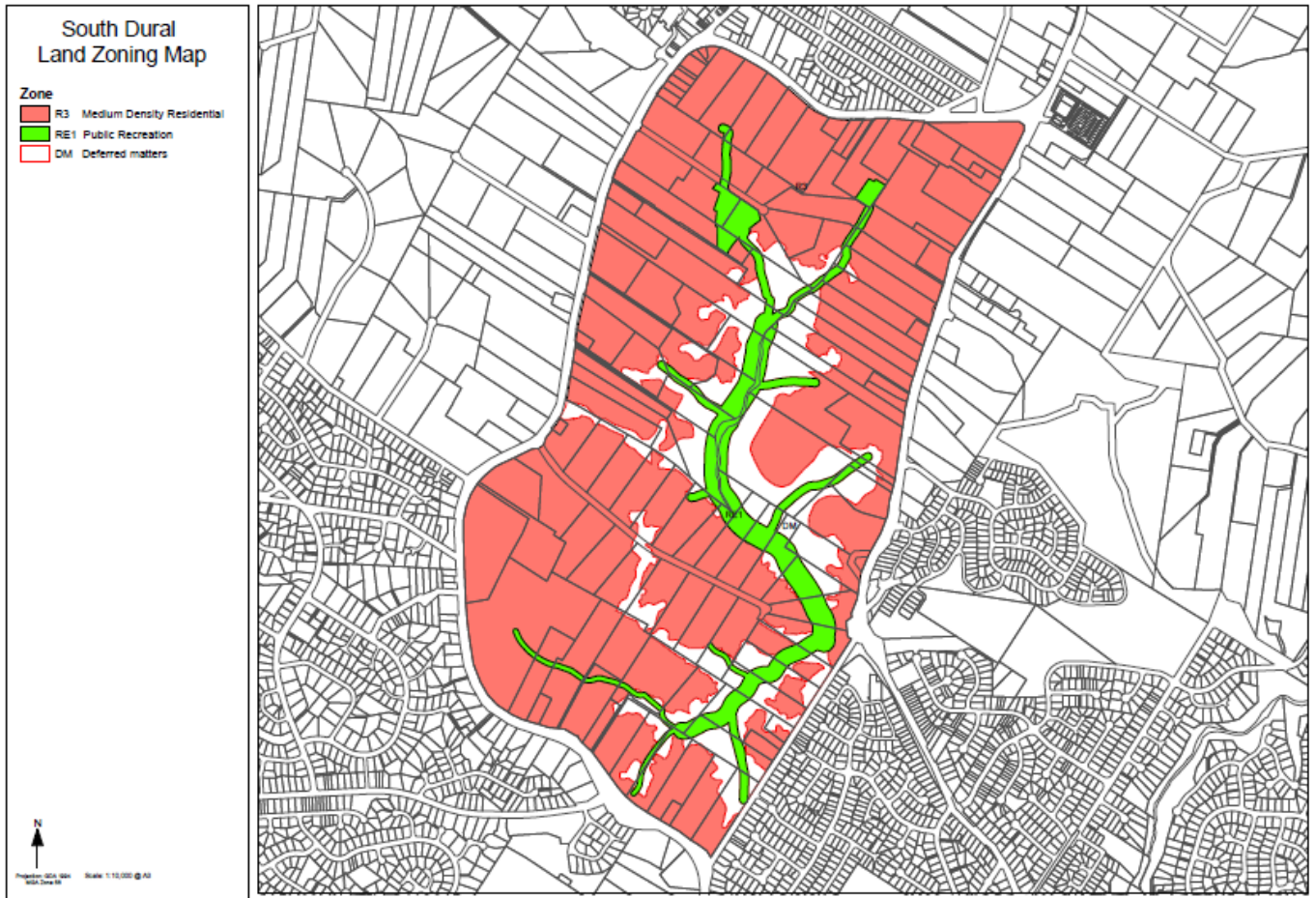


Figure 1 – Proposed Zoning Map

The proposed zones include:

- an R3 Medium Density zone to provide for a diverse range of residential housing types including detached homes and apartments as well as accommodating local recreational parks;
 - An RE1 zone for the creation of recreational parks;
 - An environmental area to be treated as a deferred matter. The rezoning is awaiting the passing of NSW Government legislation that has been proposed to address the protection of significant native forest in New South Wales; and
 - The insertion of a Village Precincts Plan map in the amending LEP.
- Planning approval based on the creation of 5 precincts within the South Dural Project with requirements to detail planning and infrastructure contributions

It is proposed that 5 individual precincts are created within the South Dural Project. Each precinct will have its own boundary and detailed urban layout and will address the delivery and funding of infrastructure within that precinct. The five precincts are shown on the Village Precincts Plan included as Figure 2.

The South Dural Project land area is large at 240 ha and is currently held by 135 landowners. The creation of 5 precincts will overcome the challenges of developing 'Fragmented Land'. The coordination of the

smaller number of land holders in the individual precincts is more effective and manageable and the committed costs that are required to be borne and distributed reduced to manageable levels.

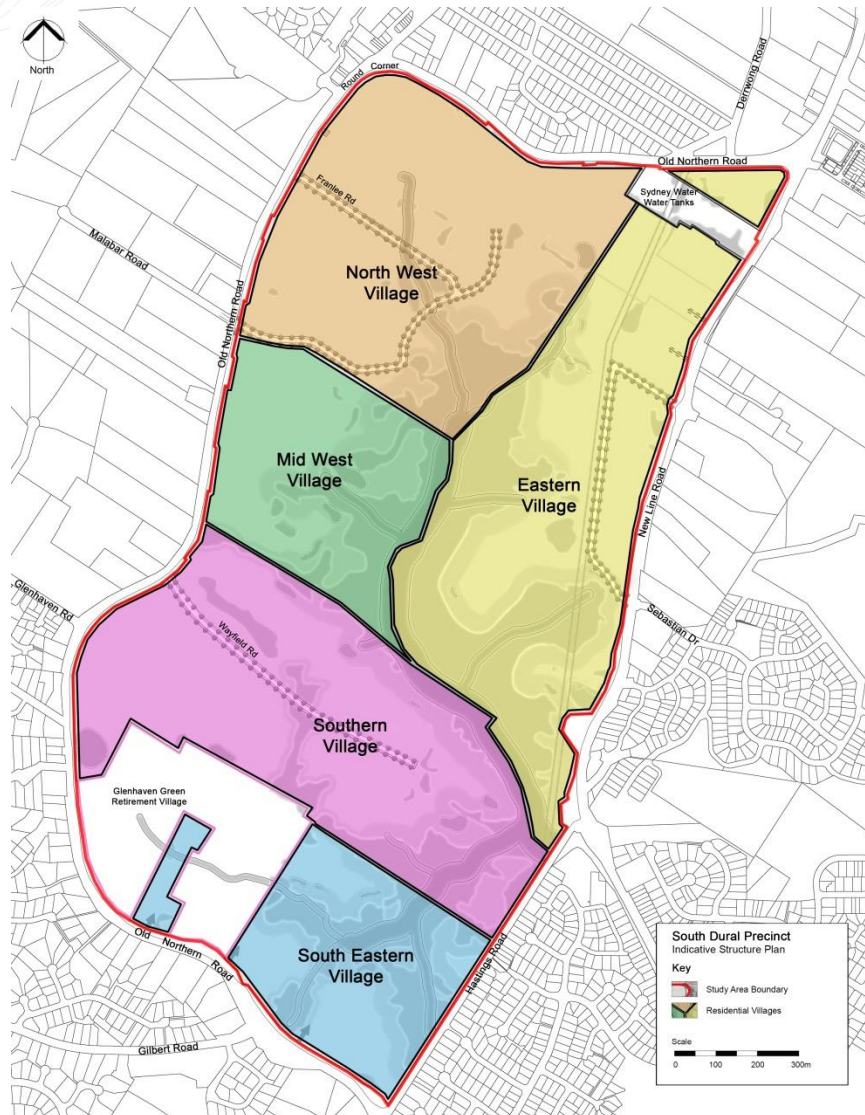


Figure 2 – Village Precincts Plan

The following ‘Satisfactory Arrangement Clauses’, relating to the creation of the 5 precincts, have been included in the amending LEP:

6.1 Arrangements for designated State Public Infrastructure

1. *This clause applies to land identified as South Dural on the Clause Application Map.*
2. *The objective of this clause is to require satisfactory arrangements to be made for the provision of designated State public infrastructure before the subdivision of land in South Dural to satisfy needs that arise from development on the land, but only if the land is developed intensively for urban purposes.*

3. *Development consent must not be granted for the subdivision of land in South Dural unless the Director-General has certified in writing to the consent authority that satisfactory arrangements have been made to contribute to the provision of designated State public infrastructure in relation to that lot.*
 - a) *Subclause (2) does not apply to:*
 - b) *any lot identified in the certificate as a residue lot, or*
 - c) *any lot created by a subdivision previously consented to in accordance with this clause, or*
 - d) *any lot that is proposed in the development application to be reserved or dedicated for public open space, public roads, public utility undertakings, educational facilities or any other public purpose, or*
 - e) *a subdivision for the purpose only of rectifying an encroachment on any existing lot.*

6.2 *Public utility infrastructure*

1. *This clause applies to land identified as South Dural on the Clause Application Map.*
2. *Development consent must not be granted for development on land in South Dural unless the Council is satisfied that any public utility infrastructure that is essential for the proposed development is available or that adequate arrangements have been made to make that infrastructure available when required.*
3. *This clause does not apply to development for the purpose of providing, extending, augmenting, maintaining or repairing any public utility infrastructure.*

6.3 *Development Control Plan*

1. *This clause applies to land identified as South Dural on the Clause Application Map.*
2. *The objective of this clause is to ensure that development on land identified as South Dural in subclause (1) occurs in a logical and cost-effective manner, in accordance with a staging plan and only after a development control plan that includes specific controls has been prepared for each precinct.*
3. *Development consent must not be granted for development on land identified in subclause (1) unless a development control plan has been prepared for each precinct that provides for the matters specified in subclause (4).*
4. *The development control plan must provide for all of the following:*
 - a) *a staging plan for the timely and efficient release of urban land, making provision for necessary infrastructure and sequencing,*
 - b) *an overall transport movement hierarchy showing the major circulation routes and connections to achieve a simple and safe movement system for private vehicles, public transport, pedestrians and cyclists,*
 - c) *an overall landscaping strategy for the protection and enhancement of riparian areas and remnant vegetation, including visually prominent locations, and detailed landscaping requirements for both the public and private domain,*
 - d) *a network of active and passive recreation areas,*
 - e) *stormwater and water quality management controls,*

- f) *amelioration of natural and environmental hazards, including bush fire, flooding and site contamination and, in relation to natural hazards, the safe occupation of, and the evacuation from, any land so affected,*
 - g) *detailed urban design controls for significant development sites,*
 - h) *measures to encourage higher density living around open space,*
 - i) *measures to accommodate and control appropriate neighbourhood commercial and retail uses,*
 - j) *suitably located public facilities and services, including provision for appropriate traffic management facilities and parking.*
5. *Subclause (4) does not apply to development for any of the following purposes:*
- a) *a subdivision for the purpose of a realignment of boundaries that does not create additional lots,*
 - b) *a subdivision of land if any of the lots proposed to be created is to be reserved or dedicated for public open space, public roads or any other public or environment protection purpose,*
 - c) *a subdivision of land in a zone in which the erection of structures is prohibited,*
 - d) *development on land that is of a minor nature only, if the consent authority is of the opinion that the carrying out of the proposed development would be consistent with the objectives of the zone in which the land is situated.*
6. *For the purposes of this clause:*
- a) *a 'precinct' means the area of land identified on the Clause Application Map as the North West Village Precinct, Mid West Village Precinct, Eastern Village Precinct, Southern Village Precinct and South Eastern Village Precinct.*
 - b) *a development control plan for a precinct may be prepared (and submitted to the relevant planning authority) by the owners of the land within the relevant precinct to which it applies or by a minimum of 51% of the owners of the relevant precinct.*
- A new development control plan is proposed which will introduce detailed planning, built form and environmental protection controls at a precinct level.

ii) Infrastructure Funding

- Local and State infrastructure costs for South Dural are estimated to be \$295.5 million over a 15 year period consisting of:
 - \$125 million for Section 94 costs;
 - \$158 million for state road upgrades;
 - \$10 million for lead-in infrastructure upgrades; and
 - \$2.5 million for professional services and peer review.

In order to satisfy the NSW Government requirement that there is 'No Additional Cost to Government', the following funding mechanism is proposed:

Section 94 Local Development Contributions

The Section 94 Plan Local Development Contributions are estimated to be \$125 million¹ for the cost of infrastructure and land. This cost has been estimated on the basis of \$48,500 per house and \$33,900 per apartment. Under the South Dural Planning Proposal it is proposed that 100% of these costs be levied to the development. This proposal requires removal of the current Section 94 cap imposed by the Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012 and the removal of the requirement for the State Government to provide gap funding. By removing the leviable cap of \$30,000 per house and \$20,000 per apartment, the development will contribute 100% of the attributable costs which will relieve the State Government from funding the gap of \$48.5 million².

To implement this proposal the Minister for Planning will be required to amend the Section 117 Direction and remove the leviable cap for the South Dural Project.

Funding for Old Northern Road and New Line Road Upgrades

The South Dural Project is proposing to contribute \$73.3 million of its attributable costs towards essential upgrades to New Line Road and Old Northern Road. \$27.7 million of the \$73.3 million is proposed for inclusion in a Voluntary Planning Agreement between the Lyon Folkestone Joint Venture, who control approximately 44 hectares of net developable area, and the Minister for Planning. This agreement is to be executed in parallel with the making of the amending Hornsby Local Environmental Plan. The remaining \$45.6 million of the \$73.3 million is to be funded through the precinct planning approval mechanism and committed at the development stage of each precinct of the South Dural Project. It is proposed that the mechanism to secure funding will be through the execution of a voluntary planning agreement between the precinct land owners and the Minister for Planning be executed at the precinct approval stage.

¹ Estimated land values in Section 94 calculations are subject to valuation advice.

² Note: At 1,060 apartments and 1,840 allotments the Section 94 gap funding that would be required by the State Government would be approximately \$48.5 million. This assumes a cap \$30,000 per allotment and \$20,000 per apartment.

3. A Social Appraisal of the South Dural Planning Proposal

An appraisal of the social elements of the proposal has been undertaken through the review of Government Policy.

3.1. NSW Planning Policy

3.1.1. NSW State Plan (NSW 2021)

The NSW State Plan (2021), released in 2006 and updated in 2010, guides outcomes in priority areas up to 2021. Notably, the NSW State Plan (2021) promotes integrated transport and land use planning as a way to stimulate the economy and achieve the following targets:

- Increase the number of jobs close to home;
- Improve housing affordability;
- Improve the public transport system;
- Provide reliable public transport;
- Improve road safety;
- Increase walking and cycling; and
- Improve the road network.

The South Dural rezoning will contribute to each of these targets.

3.1.2. A Plan for Growing Sydney

The Sydney Metropolitan Strategy 'A Plan for Growing Sydney' was published in December 2014 with the intent of guiding land use planning decisions by the NSW Government for the next 20 years. *A Plan for Growing Sydney* provides a vision for Sydney as being a strong global city, and a great place to live. To achieve this, the NSW Government has established goals that Sydney will be:

- A competitive economy with world class services and transport;
- A city of housing choice with homes that meet our needs and lifestyles;
- A great place to live with communities that are strong, healthy and well connected; and
- A sustainable and resilient city that protects the natural environment and has a balanced approach to the use of land and resources.

A Plan for Growing Sydney identifies a housing target of 664,000 new homes and 689,000 jobs across Sydney in the next 20 years. This is a substantial increase on previous strategies and is recognised as the most important element of driving Sydney's economic growth.

South Dural is located within the North subregion, which is expected to grow by more than 237,000 people by 2031. This population will require some 105,350 new homes. Identified priorities for the subregion include:

- Improve transit connections throughout the global economic corridor to better link centres and transport gateways. South Dural is highly accessible, being located within proximity to existing centres including North West Business Park and Castle Hill. South Dural is also within proximity to the North West Rail Link stations (which will have commuter parking) at Castle Hill and Cherrybrook;
- Accelerate housing supply, choice and affordability and build great places to live. The NSW Government is to work with councils within the subregion to identify suitable locations for new services, jobs and homes which are close to transport; including the North West Rail link. Since March 2013, South Dural has been endorsed by Hornsby Shire Council and the Department of Planning and Environment as an infill site, providing homes close to jobs, transport and existing and planned infrastructure and services. More than 95% of the proposed residential areas are within walking distance (i.e. 800 m) to a bus stop.
- Protect the natural environment and promote its sustainability and resilience. Protect and enhance national and regional parks including strategic additions to enhance bushland connectivity. The proposal secures the conservation of approximately 65 ha of native vegetation on the site. Significant trees outside of the core conservation zone will be protected and incorporated into the urban design of village precincts; and
- Promote early strategic consideration of bushfire, flooding and coastal erosion in relation to any future development in the subregion. The proposal is supported by a number of studies including biodiversity, bushfire and flooding and water management. These studies informed the preparation of the Structure Plan and helped identify the parameters and outcomes for future precinct planning.

The South Dural Project, consisting of 2,900 dwellings, will provide a great place to live, comprising an eco-friendly residential community set amongst the forest, with homes that meet the needs and lifestyles of a range of people and with a village structure that will encourage the creation of a community that is strong, healthy and connected.

3.1.3. The NSW Long Term Transport Master Plan

The *NSW Long Term Master Plan (2012)* sets the framework for the NSW Government to deliver an integrated, modern transportation network which will support growing communities. The *NSW Long Term Master Plan (2012)* is principally focussed on six key transport challenges that include sustaining growth, providing essential access and integrating modes of transport to meet the needs of customers in all communities.

The South Dural Project is strategically positioned geographically to take full advantage of the improvements targeted to the public transportation networks across Northern and North-West Sydney. The release of South Dural will be well serviced by the Governments \$8.3 billion investment in Sydney Metro Northwest.

3.1.4. Community Strategic Plan (Your Community Plan 2013-2023)

The Hornsby Shire Council '*Hornsby Community Strategic Plan 2013-2023*' sets the direction and main priorities for the communities across the shire over a 10 year period which responds to those key aspirations of local communities. The vision of the plan is embodied within five key themes: 'my environment, my community, my lifestyle, my property and my Council'.

3.1.5. Hornsby Shire Community Plan 2010-2020

The *Hornsby Shire Community Plan 2010-2020*, adopted 30 June 2010, represents a strategy for the future of the shire, establishing goals to deliver improved wellbeing for the communities and residents. The key strategic themes and goals set out in the plan focus on:

- Ecology;
- The Economy;
- Society and Culture;
- Human Habitat; and
- Governance.

Greater housing diversity, a focus on amenity, safety through urban design principles and the implementation of adequate public services and infrastructure will support the growth of a healthy and happy community which develops a strong attachment to place.

3.1.6. Strategic Justification

The strategic justification for the rezoning of land for the South Dural site was first demonstrated by the identification of the South Dural Site as a 'strategic investigation site' in March 2013 as part of the then Department of Planning and Infrastructure's '*Potential Home Sites Program*'. The South Dural Site was seen as a 'strategic fit' in terms of planned growth and urban policy. The South Dural Site is bound on three sides by existing urban development and has the potential to contribute to a planned pattern of growth and goes some way in meeting Sydney's future housing needs. In particular, the South Dural site was found to be highly accessible, due to its proximity to Castle Hill and to the planned North West Rail Link stations at Castle Hill and Cherrybrook. The planning proposal that was submitted and later endorsed by Hornsby Council in December 2013 and the subsequent Gateway Determination, received in March 2014, to proceed with the planning proposal, further demonstrates Hornsby Council's and the NSW Governments continued commitment to support the rezoning of the South Dural Site.

The South Dural Project will go some way in addressing Australia's national housing affordability and supply crisis. In recent years, Sydney house prices have risen significantly, at a rate higher than consumer prices and median incomes, impacting housing affordability. Less Australian households own their house outright than ever before, with most households either having a mortgage or renting. In 2012, the former National Housing Supply Council estimated cumulative shortfall over the period 2001-2011 had reached 228,000 dwellings, and forecast this to increase to around 370,000 dwellings by 2016 and 670,000 by 2031. Recent pronouncements by all levels of government agree that the contributing causes of the housing affordability crisis include inadequate housing supply in the market, complex planning systems and high infrastructure levies. All levels of Government have developed policy framework to address housing affordability across Australia.

The proposal has the potential to secure long term conservation outcomes for existing threatened and ecologically endangered vegetation communities within the South Dural Site, adjacent to Georges Creek, in perpetuity. In

addition it will provide new local parks and ‘kick-a-bout’ spaces for new residents and visitors to the area as well as pedestrian and cycle networks that have the opportunity to connect to the ever expanding surrounding network.

3.2. Appraisal Summary

Much of the residential stock currently being planned for the corridor precincts of the North West Rail link will be medium to high density and will generally, serve a different market to the low-medium density lifestyle housing planned in the South Dural Project. The South Dural Project, residential market positioning, would be a lifestyle/ecological residential estate that leverages off the existing native forest in the core of the site, with some medium high density development surrounding the native forest.

4. Economic and Financial Appraisal

4.1. Financial

A technical consultant team has been commissioned to investigate the infrastructure requirements for the South Dural Project proposal including the scope of work required, costings and timing of works. Of particular relevance from the investigation is the transport modelling work undertaken by WSP Parsons Brinkerhoff and the services and utilities investigations work undertaken by Cardno engineers.

The investigations which are outlined in detail in the South Dural Development Transport Management and Accessibility Plan and the South Dural Services Report concluded the need for the works outlined in Table 1 at a total infrastructure cost of \$295.5 million. In consultation with the Department of Education and Communities the investigations have concluded there is no need for a school.

Table 1 – South Dural Infrastructure Costs

Item	Scope	Cost
State Roads – Widening		
New Line Road	Old Northern Road to Sebastian Drive	\$10,370,000
	Sebastian Drive to Hastings Road	\$0
	Hastings Road to Purchase Road	\$27,720,000
	Purchase Road to Boundary Road	\$0
	Boundary Road to Castle Hill Road	\$520,000
Old Northern Road	New Line Road to Glenhaven Road	\$46,800,000
	Glenhaven Road to Hastings Road	\$17,820,000
	Hastings Road to Castle Hill Road	\$16,460,000
State Roads – Intersections		
Old Northern Road and Hastings Road	Additional turn bays and widening of departure lanes	\$4,840,000
Old Northern Road and Gilbert Road	Additional left turn bay and conversion of left-right lane to right only	\$700,000
Old Northern Road and Kenthurst Road	Additional turn bay	\$1,020,000
Old Northern Road and New Line Road	Signalisation and additional turn bays	\$9,050,000
New Line Road and Sebastian Drive	Additional turn bay	\$420,000
New Line Road and Hastings Road	Signalisation and additional turn bays	\$5,660,000
	New Line Road, County Drive and Shepherds Road	Tbc

Item	Scope	Cost
New Line Road and Victoria Road	Tbc	\$500,000
New Line Road and Castle Hill Road	Tbc	\$4,330,000
Local Infrastructure (section 94 costs)		
Open Space	Land and works required to deliver neighbourhood parks and passive open space	\$40,134,000
Traffic & Transport	Land and works required for internal collector roads and intersections	\$32,592,800
Water Management	Land and works required for water management and detention basins	\$34,056,989
Community Facilities	Provisions for augmentation and upgrades to existing community facilities	\$17,152,800
Administration	Administration and management	\$600,000
Lead in Infrastructure		
Water	Connection to Sydney Water services	\$20,000
Waste water	450mm diameter sewer carrier	\$3,060,000
Power	4 x 11kV feeder from Galston Zone substation	\$6,693,000
Telecommunications	Connection to NBN services	\$91,450
Natural Gas	Connection to Gas services running along boundary roads	\$20,000
Road restoration	Allowance for road restoration	\$100,000
Planning Costs	Preparation of planning documents, technical studies, project management and peer review	\$2,500,000

The South Dural Project proposal is to fund 100% of all lead in services, 100% of local infrastructure items for inclusion within a Section 94 Plan and 46% of the road network upgrade costs for New Line Road and Old Northern Road. The remaining 54% of road network costs are proposed for funding by State Government as this proportion of works is generated by existing and future development other than the South Dural Project. This apportionment model satisfies the condition to achieve the “no additional cost to government” requirement within the Gateway Determination.

4.2. South Dural’s proponent led model compared to Government led.

To understand the significance of the funding proposed by the South Dural Project a comparison to that of other government led urban release models is shown below. As an example the South Dural Project model has been compared on a per net developable hectare basis with a North West Growth Centre precinct – North Kellyville. In this comparison a developer in North Kellyville pays the State Infrastructure Contribution amount and the capped Section 94 rate. On a per hectare basis, at a density of 26, this amounts to:

North Kellyville State Infrastructure Contribution	\$198,000
North Kellyville Section 94 Contribution	\$780,000
TOTAL	\$978,000

Under the NSW Government release model, the NSW Government meets half of the costs of the State Infrastructure (\$198,000 per hectare) and funds the Section 94 gap (approximately \$30,000 per dwelling or \$780,000 per hectare). This is a Government contribution of \$978,000 per developable hectare.

For the South Dural Project, the contribution proposed on a per hectare rate at 26 dwellings per hectare is:

South Dural State Infrastructure Contribution	\$651,324
South Dural Section 94 Contribution	\$1,136,524
TOTAL	\$1,787,848

These costs can be broken down by precinct as follows:

Precinct	NDA	S94 Contribution	S94 Contribution Rate (\$/ha NDA)	State Road Contribution	State Road Contribution Rate (\$/ha NDA)
North West Village	35.96	\$41,936,897	\$1,166,210	\$23,421,610	\$651,324
Mid West Village	11.85	\$13,127,853	\$1,107,836	\$7,718,189	\$651,324
Eastern Village	24.97	\$27,737,942	\$1,110,851	\$16,263,560	\$651,324
Southern Village	30.02	\$32,412,028	\$1,079,681	\$19,552,746	\$651,324
South Eastern Village	9.74	\$9,903,363	\$1,016,772	\$6,343,896	\$651,324
TOTAL	112.54	\$125,119,923	\$1,136,524	\$73,300,000	\$651,324

It is proposed that the Lyon Folkestone Joint Venture \$27.7M contribution towards State road infrastructure be tied to all land holdings controlled by the Lyon Folkestone JV. This contribution is proposed to be paid upfront to release the NW precinct. Subsequently, the Lyon Folkestone JV would be seeking a credit towards its land holdings in other precincts.

There are additional costs to meet the full funding of the road upgrades required for New Line Road and Old Northern Road. These costs amount to \$84.7 million.

The transport modelling undertaken by WSP Parsons Brinckerhoff shows that the existing road network is currently underperforming and requires upgrades. Even if the South Dural Project does not proceed, the road upgrade works on New Line Road and Old Northern Road are still required to meet the existing traffic conditions and planned and background growth. Under a 'without South Dural' scenario the Government would be responsible for funding and delivery of the \$158 million of state road works. With South Dural and under the 'no additional cost to Government' funding model proposed the Government is responsible for funding only \$84.7 million of road works. The South Dural Project contributions are in effect providing a budget saving to the NSW Government of \$73.3 million. In addition, the funding model proposed to remove Governments contribution to Section 94 infrastructure costs saves a further \$48.5 million. That equates to a total saving of \$121.8 million.

4.3. Timing and Cash flow

The South Dural project will occur over an estimated 15 year period. This timeframe is variable according to market conditions.

The delivery of infrastructure, dwellings, timing and costs are forecasted in Appendix A.

The availability and requirements for all infrastructure items is demonstrated in the Cardno Services report and WSP Transport Management and Accessibility Plan.

4.4. Economic

The proposal will result in considerable economic multipliers and employment benefits, both directly and indirectly, across the economy.

A positive retail trading impact will be incurred on the surrounding retail centres. The new population is estimated to generate annual retail expenditure of around \$156 million by 2031. The total production value of the construction of dwellings at the subject site is \$1.16 billion, with the potential to generate 750 jobs per annum during construction, equivalent to 3 jobs per dwelling per annum.

5. Environmental Appraisal

5.1. Ecological Attributes

The key ecological attributes of the South Dural Site include:

- The presence of 22 hectares of moderate and high condition Sydney Turpentine Ironbark Forest which is listed as an endangered ecological community under the TSC Act and as critically endangered under the EPBC Act;
- The presence of 10.5 hectares of moderate and high condition Blue Gum High Forest which is listed as critically endangered under the TSC Act and EPBC Act;
- The presence of moderate condition Shale Sandstone Transition Forest which is listed under the TSC and EPBC Acts as critically endangered.
- The presence of a substantial corridor of riparian vegetation along Georges Creek which has ecologic values in terms of the protection of water quality in the aquatic ecosystems onsite and downstream; this corridor is also likely to be important to local wildlife habitat connectivity;
- A known population of threatened plant species including *Epacris purppurascens var. purpurascens*;
- Potential habitat for 12 threatened flora species listed under the TSC and EPBC Acts.
- Potential habitat for 24 threatened fauna species listed under the TSC Act and/or EPBC Act and 10 additional species of fauna listed as migratory under the EPBC Act.

5.2. Proposed Strategy

The proposal presents a biodiversity strategy which places a high degree of importance and significance upon the vegetated corridors to be conserved and protected in perpetuity. The strategies for management mechanisms will be finalised and endorsed by Hornsby Shire Council as part of Village Precinct DCP's precinct plans which are required prior to subdivision for each of the village precincts within the South Dural Project.

5.3. Vegetation Management Plan

All retained areas of native vegetation will need to be managed to maintain and improve the conditions of the corridors as the subject site is developed for residential purposes within the surrounding villages. The management of the native vegetation corridors should be carried out under approved and endorsed management plans that coordinate the schedule of rehabilitation works and which sets out clear outcomes and measurable targets for re-vegetation and improvement works. These vegetation management plans will need to support each of the Part B DCP precinct plans which are required prior to subdivision for each of the village precincts.

5.4. Appraisal Summary

The South Dural Project seeks to retain, protect and celebrate 62 hectares of native forest comprising significant quantities of endangered ecological communities listed under the TSC Act and EPBC Act. The protection of the native forest in perpetuity will provide an environmentally sound outcome and contribute to the unique character of the South Dural precinct.

Appendix A – Cash Flow Analysis

South Dural - State Government Costs & Revenues



Consolidated Contribution Cashflow	Date	1-Jan-19	31-Dec-19	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30	31-Dec-31	31-Dec-32	31-Dec-33
	Year	-	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Costs	Total																
<i>State Road Costs</i>																	
Total State Road Costs	157,990,000	-	11,710,805	15,361,236	7,300,862	7,300,862	15,432,642	15,432,642	7,300,862	11,159,957	11,159,957	17,077,235	17,077,235	7,300,862	9,012,637	5,362,206	-
<i>S94 Works / Land</i>																	
Total S94 Works / Land	124,700,000	-	3,558,359	10,675,076	10,675,076	10,675,076	10,675,076	10,675,076	10,675,076	10,675,076	10,675,076	10,675,076	10,675,076	9,541,439	4,849,444	-	-
<i>Infrastructure Costs</i>																	
Total Infrastructure Costs	9,984,450	-	425,474	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	737,488	312,014	-	-
Total Costs	292,674,450	-	15,694,637	26,887,259	18,826,885	18,826,885	26,958,665	26,958,665	18,826,885	22,685,980	22,685,980	28,603,258	28,603,258	17,579,789	14,174,096	5,362,206	-
Revenue	Total																
<i>State Road Contribution</i>																	
Total State Road Contribution	73,300,000	23,421,610	-	-	-	16,263,560	-	-	7,718,189	-	19,552,746	-	-	6,343,895	-	-	-
<i>S94 Contributions</i>																	
Total S94 Contributions	124,700,000	-	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	10,580,606	8,313,333	-	-	-
<i>Infrastructure Costs</i>																	
Total Infrastructure Costs	9,984,450	-	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	850,947	624,028	-	-	-
<i>Stamp Duty on Sales</i>																	
Total Stamp Duty on Sales	65,000,000	-	-	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	5,564,394	3,791,667	-	-
<i>Upfront Costs</i>																	
Total Upfront Costs	1,550,450	1,550,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	274,534,900	24,972,060	11,431,554	16,995,947	16,995,947	33,259,507	16,995,947	16,995,947	24,714,136	16,995,947	36,548,693	16,995,947	16,995,947	20,845,650	3,791,667	-	-
Net Cashflow	-18,139,550	24,972,060	-4,263,084	-9,891,312	-1,830,938	14,432,622	-9,962,718	-9,962,718	5,887,251	-5,690,032	13,862,714	-11,607,311	-11,607,311	3,265,861	-10,382,429	-5,362,206	-
Cumulative Cashflow		24,972,060	20,708,976	10,817,664	8,986,727	23,419,349	13,456,631	3,493,913	9,381,164	3,691,132	17,553,846	5,946,535	-5,660,776	-2,394,915	-12,777,344	-18,139,550	-18,139,550

Discount Rate	6.00%
Present Value of Cashflow	-2,190,578

Check	
Cost Check	-
Revenue Check	-
Net Cashflow Check	-

Assumptions & Notes

The South Dural project will occur over a 15 year period 2019-2034
 250 lots delivered per annum
 A discount rate of 6% has been applied
 Section 94 costs based on APP Work schedules 7 September 2016 subject to valuation advice. Traffic and Water management costings provided by Cardno 10 June 2016
 High level strategic state road costs provided by WSP Parson Brinckerhoff 6 September 2016
 South Dural apportioned share of road costings at 46% of \$157,990,000
 Lead-in infrastructure costings provided by Cardno 10 June 2016
 State road contribution revenues are received on release of precinct
 State road contributions received from the South Dural Project are expended over the next 2 years. State Government contributions to state road costs are prorated over the duration of the project commencing in year 2.
 S94 revenues and costs occur proportionally to lots delivered
 Stamp duty assumed at 5% of gross revenue and occurs proportionally as lots are delivered
 State Government is in a net positive cumulative cashflow position until year 11