

ITEM 9. CONCLUSION OF THE 1994 ULTIMO PYRMONT PUBLIC AMENITIES AND SERVICES AGREEMENT**FILE NO: S096051****SUMMARY**

The Central Sydney Planning Committee is a signatory to the (1994) *Ultimo Pyrmont Public Amenities and Services Agreement* ('the Services Agreement'), along with the Minister for Planning, the former City West Development Corporation (now the Sydney Harbour Foreshore Authority) (the Authority), and the City of Sydney.

On 9 May 2013, the Central Sydney Planning Committee noted the City's reconciliation of the *Ultimo Pyrmont Section 94 Contributions Plan 1994* ('the Ultimo Pyrmont Plan') and delegated authority to the Chief Executive Officer to conclude the Services Agreement on behalf of the Central Sydney Planning Committee on the commencement of a new development contributions plan for Ultimo-Pyrmont. Previous resolutions of the Central Sydney Planning Committee are shown at **Attachment A**.

The Central Sydney Planning Committee's approval is now being sought to conclude the Services Agreement before a new development contributions plan commences. This is because the NSW Government's proposed overhaul of the NSW planning system has created uncertainty about when a new contributions plan can be prepared. Meanwhile, the Services Agreement has reached the end of its useful life.

The City recently initiated discussions with the Minister for Planning and Infrastructure's representative and the Authority about concluding the Services Agreement and has prepared a Draft Termination Deed to assist with discussions. Concluding the Services Agreement will allow the City to focus resources on reviewing and streamlining development contributions so they are more simple, fair, transparent, accountable and better reflect community needs.

RECOMMENDATION

It is resolved that:

- (A) authority be delegated to the Chief Executive Officer to conclude the *Ultimo Pyrmont Public Amenities and Services Agreement* on behalf of the Central Sydney Planning Committee; and
- (B) the Central Sydney Planning Committee note that the *Ultimo Pyrmont Public Amenities and Services Agreement* may be concluded before a draft development contributions plan is prepared to replace the existing *Ultimo Pyrmont Section 94 Contributions Plan 1994*.

ATTACHMENTS

Attachment A: Resolution of the Central Sydney Planning Committee of 9 May 2013.

BACKGROUND

1. The Central Sydney Planning Committee is a signatory to the (1994) Ultimo Pyrmont Public Amenities and Services Agreement ('the Services Agreement') along with the Minister for Planning, the former City West Development Corporation (now the Sydney Harbour Foreshore Authority) and the City of Sydney.
2. The Services Agreement governs the Ultimo Pyrmont Section 94 Plan 1994 ('the Plan') alongside the urban renewal of Ultimo Pyrmont. Under the Services Agreement, the Government is responsible for delivering \$120 million of the \$143 million of infrastructure works items listed in the Ultimo Pyrmont Plan. The Government forward funded most of the works items and the Ultimo Pyrmont Plan recoups the Government's expenditure with contributions paid to the City and passed onto the Government.
3. On 9 May 2013, the Central Sydney Planning Committee noted the City's reconciliation of the Ultimo Pyrmont Plan and delegated authority to the Chief Executive Officer to conclude the Services Agreement on behalf of the Central Sydney Planning Committee on the commencement of a new development contributions plan for Ultimo-Pyrmont. Previous resolutions of the Central Sydney Planning Committee about the Services Agreement are shown at **Attachment A**.
4. The Central Sydney Planning Committee's approval is now being sought to conclude the Services Agreement before a new development contributions plan commences. This is because the NSW Government's overhaul of the NSW planning system has created uncertainty about when a new contributions plan can be prepared, what infrastructure can be funded, and how much funding can be provided from contributions.
5. Meanwhile, the Services Agreement has reached the end of its useful life. In particular:
 - (a) the urban renewal and redevelopment of Ultimo Pyrmont is largely complete;
 - (b) most of the works items in the Services Agreement are complete;
 - (c) most remaining works will likely be delivered by developers as works-kind;
 - (d) the residential population projections in the Services Agreement and Plan have been exceeded while the workforce population projections are unlikely to be realised; and
 - (e) a new contributions plan cannot commence until the Services Agreement is concluded.
6. The City recently initiated discussions with the Minister for Planning and Infrastructure's representative and the Authority about concluding the Services Agreement. To assist with discussions, the City has prepared a Draft Termination Deed proposing:
 - (a) the Services Agreement will terminate on the date all signatories to the Services Agreement execute the Deed;

- (b) the Authority will not be required to complete the six outstanding works items in the Services Agreement;
 - (c) the Authority will continue to maintain the completed works items, until they are transferred to the City;
 - (d) the City will accept transfer of completed works items in line with the Deed; and
 - (e) the City will no longer transfer contribution payments to the Authority.
7. Upon conclusion of the Services Agreement, the City will cease forwarding contributions received under the Plan to the Sydney Harbour Foreshore Authority. Any contributions received by the City after the conclusion of the Services Agreement will, instead, be held as 'Restricted Funds' and may only be used to fund six remaining works items in the Plan and Services Agreement that the City is responsible for and that have not been completed. The urban renewal and redevelopment of Ultimo Pyrmont is largely complete and there has been a considerable slowdown in development activity in recent years with a corresponding drop in development contributions. Contributions received in recent years are minor when compared with contributions received by the City in other parts of the Local Government Area. City staff will also commence preparing a new draft contributions plan for public exhibition to ensure future contributions can be used to address community needs.

KEY IMPLICATIONS

Organisational Impact

8. Concluding the Services Agreement will have a positive organisational impact by allowing the City to focus resources on reviewing and streamlining the City's development contributions plans so they are more simple, fair, transparent, accountable, and better reflect community needs. The Services Agreement requires significant City staff resources to administer.

Risks

9. There are some requirements in the Services Agreement that need to be continued after the Services Agreement is concluded. Examples include that the Authority will continue to maintain the completed works items, until they are transferred to the City, and that the City will accept transfer of completed works items. Relevant issues are addressed in the Draft Termination Deed prepared for discussion between the City and the Minister for Planning and Infrastructure's representative and the Authority.
10. Risks with delaying concluding the Services Agreement are that current issues with the Services Agreement will persist, potentially for some years until councils implement the Government's reforms to overhaul the NSW planning system.

Social / Cultural / Community

11. Concluding the Services Agreement will have a positive social, cultural and community impact as it will facilitate preparation of a new draft contributions plan that is simpler, fairer, more transparent, accountable, and better reflects community needs.

Economic

12. Concluding the Services Agreement will have a positive economic impact as it will enable the City to focus resources on preparing a new draft contributions plan so contributions can be directed to a contemporary infrastructure works list that better reflects community needs and supports economic development.

BUDGET IMPLICATIONS

13. It is anticipated that contributions to be received by the City under the Plan (between the conclusion of the Services Agreement and the commencement of a new contributions plan) will be relatively minor, with an average of less than \$100,000 per annum received over the last four financial years. Additionally, as funds will be restricted, the implications of any amounts received will not be realised until outstanding works items in the Plan are incorporated into the City's capital works program. Budget implications related to any new contributions plan will be addressed in a future report.

RELEVANT LEGISLATION

14. Part 4 Division 6 of the *Environmental Planning and Assessment Act 1979* and Part 4 of the *Environmental Planning and Assessment Regulation 2000*.

CRITICAL DATES / TIME FRAMES

15. The report considered by the Central Sydney Planning Committee on 9 May 2013 advised that the City anticipated publicly exhibiting a new draft plan for Ultimo Pyrmont in the second half of 2013, and adopting the draft plan in 2014, but that this was contingent on the Government's proposed overhaul of the NSW planning system. The City has recently formed an internal working group to consider options for preparing a new draft contributions plan in more detail.

OPTIONS

16. The alternative option is to delay concluding the Services Agreement until a new development contributions plan for Ultimo Pyrmont commences, consistent with the Central Sydney Planning Committee's resolution of 9 May 2013. This option is no longer recommended given uncertainties arising from the Government's proposed overhaul of the NSW planning system including uncertainties about changes to development contributions and the timeframe for councils to implement reforms.

PUBLIC CONSULTATION

17. The City undertook public consultation in 2012 and 2013 as part of the reconciliation of the Plan, including meetings with community members that raised issues about the Plan. The City will undertake additional public consultation when preparing a new draft contributions plan and this will be addressed in a future report. The City has recently initiated discussions with the Minister for Planning and Infrastructure's representative and the Sydney Harbour Foreshore Authority about concluding the Services Agreement.

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