

Parkwood Planning Proposal

Services and Infrastructure report

2 June 2017

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PART ONE – REPORT OVERVIEW

1 Executive Summary

A planning proposal to enable the urban development of land at Parkwood in Yass Valley has been submitted to Yass Valley Council and a Gateway Determination issued by the Department of Planning and Environment on 16 April 2015. The Gateway Determination in part requires that the funding and delivery of services and infrastructure be addressed by this updated Servicing Report, to be finalised after a forum held with all relevant government service providers. This cross border forum occurred on 16 March 2016.

Parkwood within NSW will form part of a planned community that is located on and adjacent to both sides of the border between NSW and the ACT. The total urban release will comprise of approximately 11,500 dwellings of which approximately 5,000 will be located within Parkwood (NSW). Location maps are at Figures 1 and 2.

A review of the options for the delivery of services and infrastructure to support the urban development of Parkwood confirms that there is at least one existing legal, practicable and financially feasible option for the delivery of all infrastructure and services. This is referred to in the report as the 'base case' option.

Based on a review of the services and infrastructure options, it is the conclusion of this report that the planning proposal is supportable and justified in proceeding. The base case option provides certainty within existing legislation.

In the base case, financial arrangements between the NSW and ACT governments would be in accordance with 'business as usual', developed and implemented within overarching frameworks. These frameworks include:

- » Commonwealth/ State agreements, which may also require associated bi-lateral agreements
- » Overarching and operational MOUs between NSW and the ACT governments, for example, emergency services, which are updated from time to time.

The base case involves financial arrangements between Yass Valley Council and the ACT government for the provision of contracted municipal/local services in Parkwood by the ACT government. In the unlikely event that agreement cannot be reached on service costs, Yass Valley Council could provide the service itself or consider an alternative outsourced service provider.

Council, NSW and ACT service delivery agencies believe there are more efficient and effective service delivery options in addition to the base case. The long lead time for planning Parkwood in NSW provides flexibility to respond to emerging government policy and legislative directions, as well as changes in government and Council preferences, over time. There is also the opportunity for exploration of more innovative and efficient service delivery options which are described in this report. These options achieve the 'borderless community' approach to a greater extent.

Some, but not all, of the borderless community options would require specific financial agreements, legislative change and/or amendments to regulations. For example, specific intergovernmental arrangements may be required for schools should the decision be taken for ACT rather than NSW provision. Legislative change and amendments to regulations would be required to outsource some regulatory services to the ACT government; some of these changes may occur as a result of the current review of the NSW Local Government Act while others may require specific consideration.

It has been suggested in agency consultation that service innovation requiring legislative change and/or other negotiated financial arrangements could be explored post rezoning in 2020 and

potentially beyond if desired. Agency consultation generally suggested that service delivery options requiring such actions should be determined five years before construction commences in NSW, to allow the appropriate time for preparation by the NSW and ACT governments.

Key features of the 'base case' option

Service delivery

The base case includes:

- » Local service delivery by Yass Valley Council, or via Council contracting with ACT government agencies to deliver services wherever enabled within existing legislation.
- » Icon Water providing bulk water, with Council being the local water supplier.
- » ACTEWAGL providing gas and electricity.
- » A p-12 school and related education services provided by the NSW government.
- » Emergency services provided by the ACT government, building on the approach and arrangements in existing MOUs and tested via desk top exercises prior to construction commencing.
- » Police, child protection and other state and territory services provided by a combination of NSW and ACT government agencies, building on existing arrangements including joint taskforces and special constable arrangements.
- » Land management services in the conservation corridor provided primarily by the Conservation Trust, possibly supported by some government service provision.

Funding

- » The Ginninderry Joint Venture will fund all capital costs for local and utilities infrastructure required by the Parkwood development in NSW and will provide land for a school that may be required.
- » Recurrent utilities costs will be funded by user charges.
- » Yass Valley Council will recurrently fund local services through rates income raised from the development, fines, user charges and government grants. A sub category of the residential rate would be struck for Parkwood as a 'centre of population' under Section 529 (2) (b) of the *Local Government Act*
- » , reflecting the existing usage by Yass Valley Council of rating sub categories. In this instance, the rates are expected to reflect rates levels in the adjoining ACT suburbs.
- » State and Territory services will be recurrently funded in the usual way including Commonwealth and State funding, private sector contributions and user charges.
- » Funding for a community development position throughout the development phase will be provided by the Ginninderry Joint Venture.

Engagement

- » Ongoing engagement, dispute resolution and governance processes are proposed and will be refined over time to ensure alignment with the terms of overarching MOU between the ACT and NSW Governments, as well as meeting the requirements of all other relevant cross agency MOUs and all planning approvals.
- » Local governance options include a place manager and a community committee.

Figure 1 West Belconnen/Parkwood Lands

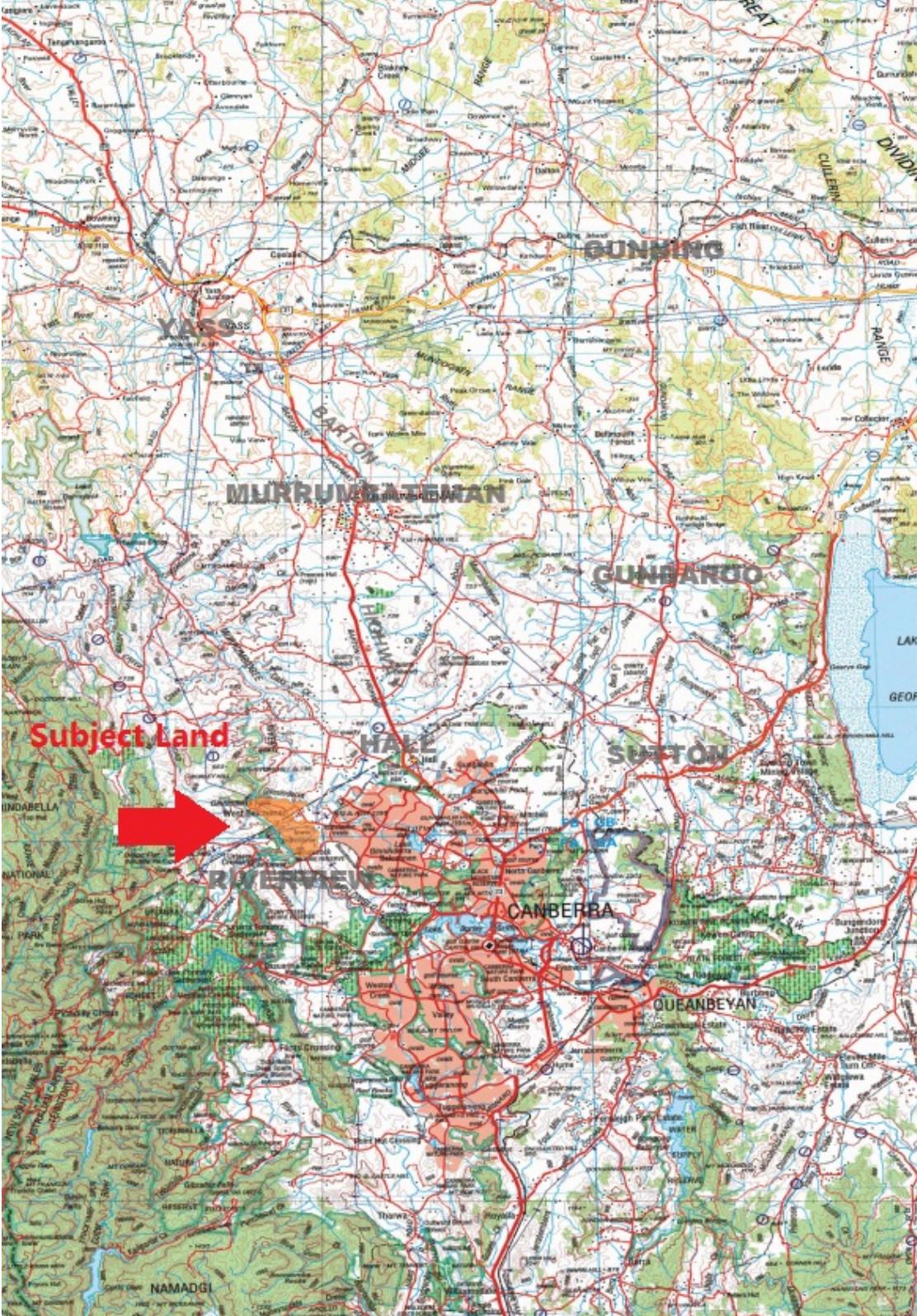
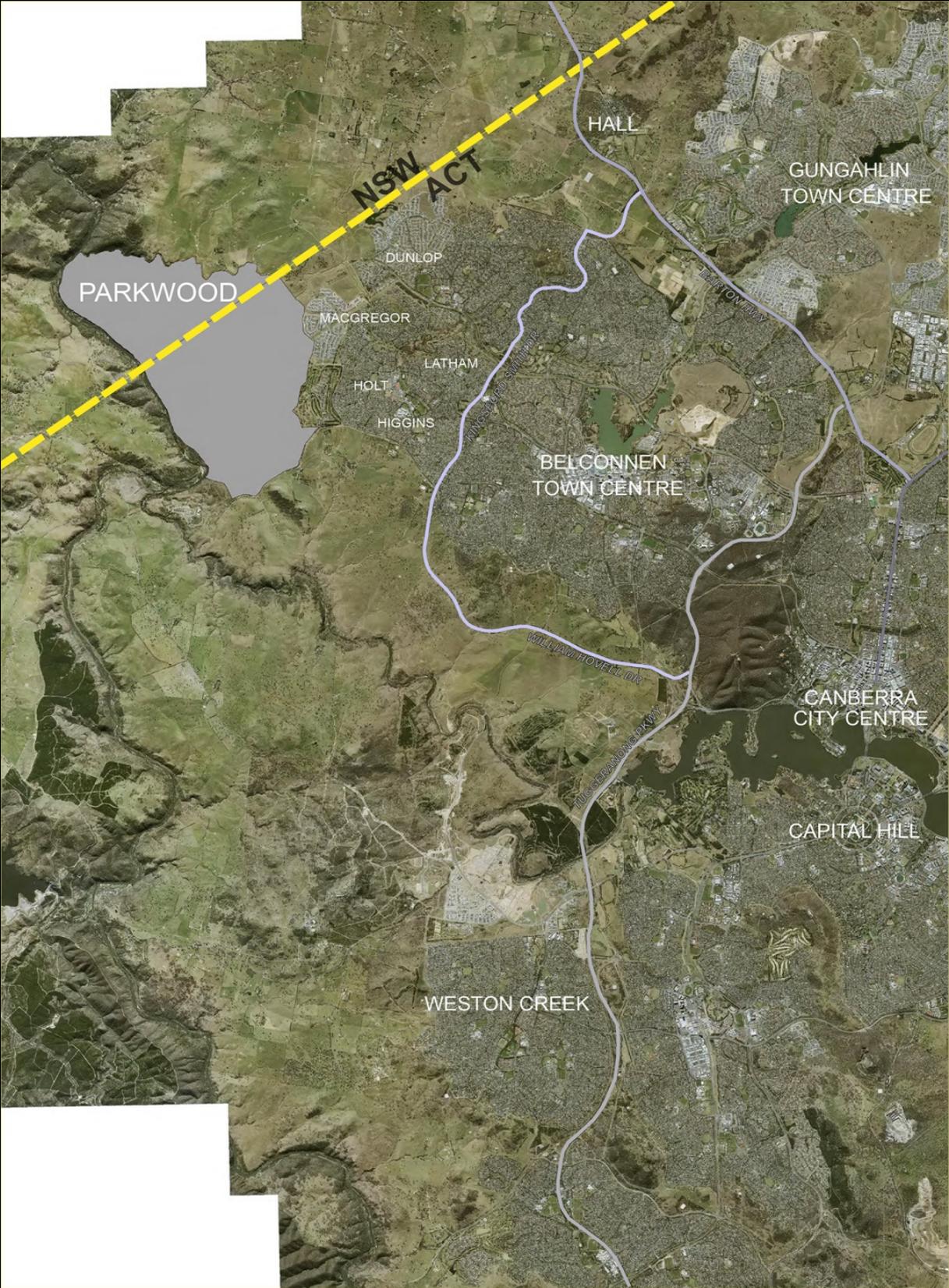


Figure 2 Location to North West



2 Purpose of the report

The purpose of this report is to describe the range of options and recommended approach to the provision of services and infrastructure required to support the urban development of Parkwood in NSW adjacent to the border with the ACT. The Gateway Determination issued by the Department of Planning and Environment on 16 April 2015, was subject to a number of conditions including the following:

1. The planning proposal is to be revised prior to community consultation to include a Cross Border Government Servicing Report that addresses the intended framework for government funding and service delivery to the land by the ACT Government, NSW Government and Yass Valley Council, and
2. Prior to submitting a revised planning proposal to the General Manager, Southern Region, a forum is to be held with all relevant government service providers to determine if the servicing framework in the Cross Border Government Servicing Report is practicable.

This report also describes which State and Territory Governments agencies have been consulted with and the consultations held with Yass Valley Council. This includes the outcome of the interagency forum held on 16 March 2016.

3 Consultation overview

Since 2007, the Ginninderry Joint Venture has been consulting with relevant government agencies on the proposed urban development at West Belconnen and Parkwood, commencing with the ACT Land Development Agency. Preliminary discussions commenced with Yass Valley Council in 2009 and with the NSW Department of Planning and Infrastructure in 2010. These discussions included the examination of principles and approaches to ownership and operation of local infrastructure and services.

In June 2013, the ACT Government announced that an agreement had been reached with Riverview Projects (ACT), to facilitate the planning and development of West Belconnen and Parkwood. Extensive engagement with key agencies in both jurisdictions was undertaken prior to this announcement. This included the NSW Department of Premier and Cabinet, the Office of Environment and Heritage and the ACT Chief Minister's Directorate.

In November 2013 a three day planning and design forum (PDF) was held. The PDF was an interactive series of workshops which combined the skills and experience of technical experts from the ACT and NSW Governments and a broad range of consultancies, government decision makers and key community representatives. The PDF sought to resolve project challenges and explore design options that reflect the West Belconnen/Parkwood sustainability vision. The preliminary draft West Belconnen/Parkwood Master Plan was developed at the PDF with significant input from Government agencies and Yass Valley Council.

From November 2013 to November 2015 when the ACT Government approved the rezoning of West Belconnen, a significant amount of engagement continued with ACT Government Directorates including the Environment and Planning Directorate, Territory and Municipal Services and Icon Water. Extensive engagement with Yass Valley Council was also undertaken in the lead up to the submission of the planning proposal in June 2014. This engagement refined the principles and approach to local infrastructure and service provision outlined in the planning proposal.

In April 2015 the NSW Department of Planning and Environment issued the Gateway Determination. This heralded a new phase in the engagement process with Government agencies in both jurisdictions.

From August 2015 discussions were held with senior staff from across NSW agencies to canvas a range of options for service delivery, identify if there were preferred options, possible timing and next steps, and funding mechanisms.

From January 2016 a series of meetings with NSW Government agency representatives confirmed the outcomes of the post gateway discussions and in some cases highlighted additional options for service delivery. The options were tested with senior representatives from across the ACT Government Directorates in the lead up to the Cross Border Inter Agency Forum, which helped to ensure informed discussion at the Forum.

The Forum was designed to test the framework and approach, including options for service and infrastructure delivery and preferred options where these had been identified.

After various presentations, forum workshops commenced by reviewing the proposed principles guiding planning of services and infrastructure. These were broadly agreed, with a small number of additions suggested which have been incorporated.

The workshops and then the Forum as a whole examined the draft approach for delivery of each service or type of infrastructure, including funding. All the options identified have now been included

in section 6.5, including the base case as well as options that contribute more significantly to a borderless community look and feel.

A summary of the key outcomes of the Cross Border Cross Agency Forum is at Appendix A.

A complete list of agencies consulted in 2015 and 2016 is at Appendix B.

PART TWO – DEVELOPMENT OVERVIEW

4 West Belconnen and Parkwood urban release - facts and figures

4.1 What form of development – mix of dwelling types and densities

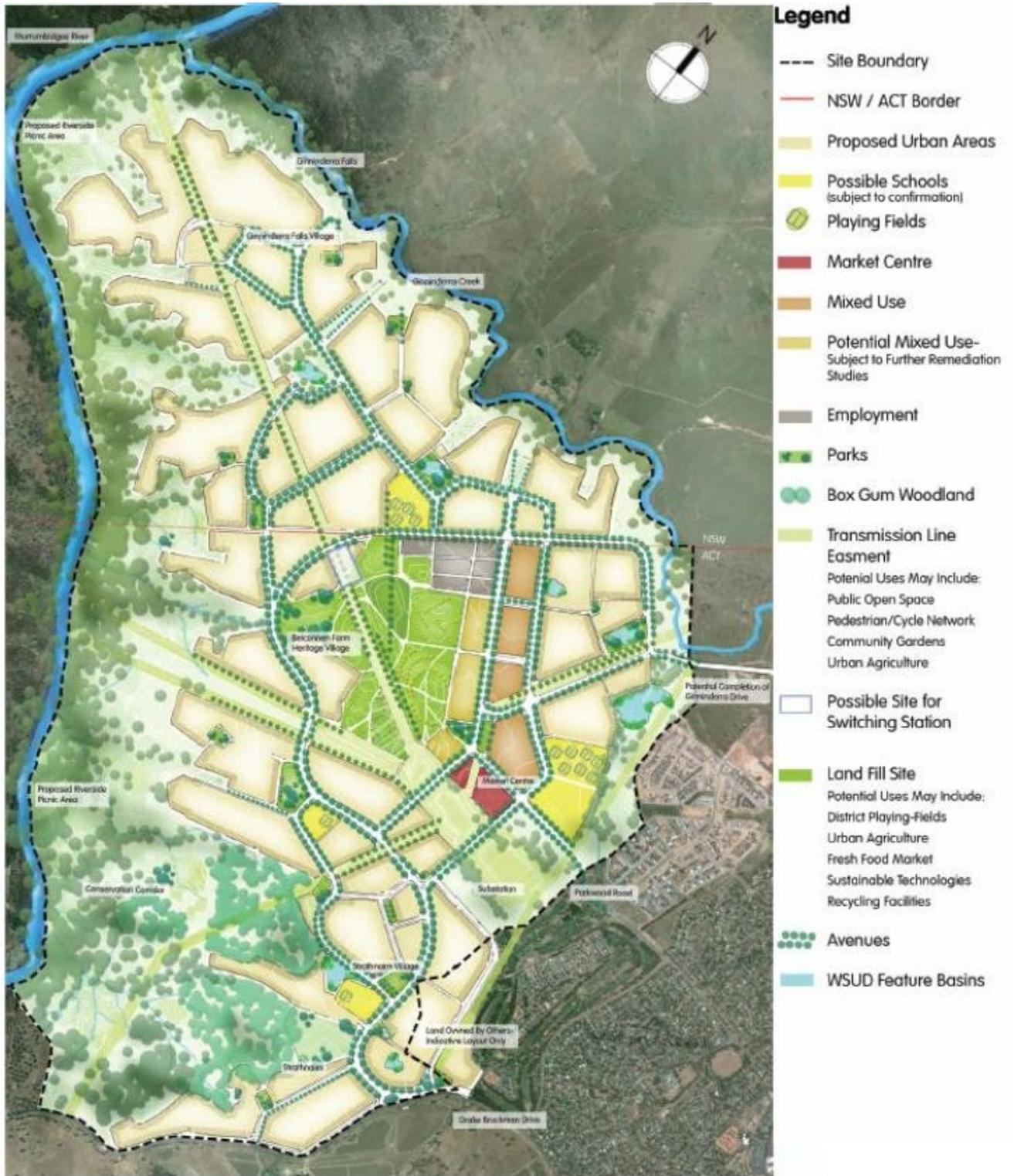
Parkwood within NSW will form part of a planned community that is located on and adjacent to both sides of the border between NSW and the ACT. It is adjacent to the existing urban area of West Belconnen in the ACT. The total urban release both sides of the border will comprise approximately 11,500 dwellings, with approximately 5,000 located within Parkwood (NSW). This equates to an eventual population of approximately 13,500 in NSW with expected commencement in 2032 and a project duration of approximately 35 to 40 years.

Whilst the overall urban release both sides of the border will include the full range of urban services and facilities, the NSW lands at Parkwood will comprise of principally residential development and a site set aside for a state school (preschool to year 12). The ACT lands release will comprise a range of residential types and services including:

- » 1 x public school preschool to year 10
- » 2 x independent schools
- » Playing fields and recreation facilities
- » A market centre of a scale to support a full line supermarket and smaller supermarket along with specialty retail and non-retail specialty uses (e.g. banks, post offices).

The overall urban release both sides of the state/territory border has been principally informed by a master plan prepared by Roberts Day subject to any subsequent site specific studies - see Figure 3.

Figure 3 Masterplan



4.2 Staging of development

The staging of the overall urban release is based on an average take up of 300 lots per annum. In accordance with the proposed sequencing, the first release in NSW is expected in 2032 – see Figure 4 below.

Figure 4 Staging of the development



Indicative Staging Plan

5 The rezoning and development approvals process

5.1 The rezoning process

The rezoning process for the Parkwood lands is by way of a planning proposal. The planning proposal comprises the following key elements:

- » An area of approximately 600 hectares
 - > The area proposed to be released for urban purposes is approximately 394 hectares
 - > The land to be set aside for conservation/riparian uses is approximately 206 hectares
- » The total number of dwellings to be provided is approximately 5,000 with an estimated population of 13,500. The planning proposal is part of an overall West Belconnen ACT/NSW release of an estimated 11,500 dwellings
- » Proposes rezoning from the current RU1 Primary Production and E3 Environmental Management to principally R1 General Residential and E2 Environmental Conservation
- » The zoning of the land generally along Ginninderra Creek upstream from the ACT border to the Ginninderra Falls to a modified E3 Environmental Management zone. The E3 zone has been modified from the existing E3 zoning that currently applies under the Yass LEP 2013.

In terms of the rezoning process, the Parkwood LEP will be a stand-alone or principal LEP separate to the current Yass Valley LEP 2013. Doing so recognises the unique circumstances of the Parkwood lands and enables the tailoring of provisions and land use zones to address the long term urban development of land adjacent to the border with the ACT.

5.2 The master planning/DCP process

The proposed Parkwood LEP is intended to include provisions relating expressly to urban release areas. The urban release area provisions are similar to those found in other Local Environmental Plans such as Blacktown LEP 2015 and Queanbeyan LEP 2012. Set out below is the proposed draft provision requiring the preparing of a Development Control Plan (DCP) prior to any residential subdivision being approved. This DCP will be informed by a master plan for the entire release and specific neighbourhood plans. The proposed provision in the Planning Proposal as it relates to the preparation of a DCP is as follows:

- (1) The objective of this clause is to ensure that development on land in an urban release area 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 the land.
- (2) Development consent must not be granted for development on land in an urban release area unless a development control plan that provides for the matters specified in subclause (3) has been prepared on the land.
- (3) 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. A neighbourhood structure plan must be prepared in accordance with the adopted staging plan addressing the following considerations:
 - a. Flooding requirements to provide safe access/egress for residents in times of flooding.
 - b. Bushfire requirements to ensure protection and management issues are identified through land use planning to provide a safer environment to the community.
 - c. Biodiversity requirements to:
 - i. Conserve the diversity of native vegetation communities, including their component species and genes throughout the identified E2 and E3 zones, and the conservation/urban edge interface within Parkwood.
 - ii. Minimise the impact of development on the biodiversity of Conservation Corridor and the conservation/urban edge interface.
 - d. Contamination requirements to ensure that the land to be developed is not subject to any contaminants that may cause harm to the future population of Parkwood.
 - e. Cultural heritage requirements to protect and enhance the sites, items or areas of cultural significance within Parkwood.
 - f. Access and movement requirements to:
 - i. Facilitate legible, safe and efficient pedestrian, bicycle, public transport and private vehicle movements.
 - ii. Ensure pedestrian and cycle paths in Parkwood provide good access to key destinations and through connections to the ACT.
 - iii. Connect neighbourhoods and provide identifiable transport routes. Vehicular access into Parkwood from the ACT will be via Parkwood Road.
 - g. Essential service requirements to:
 - i. Ensure adequate utilities including water, sewerage, electricity, gas, telecommunications and public lighting is available to service the future development and peak demands.
 - ii. Ensure development is serviced by infrastructure designed to achieve sustainable outcomes.
 - iii. Locate services that reduce environmental impact, are not visually obstructive and do not compromise community safety.
 - iv. Provide public utilities in a timely, efficient and cost effective manner.
 - h. Drainage requirements to ensure development in Parkwood incorporates stormwater management, reuse, retention and detention strategies to limit change to the hydrological system (flow rate and duration) of the receiving waterways.
 - i. Water Sensitive Urban Design (WSUD) requirements to:
 - i. Ensure the layout and design of development promotes sustainable and integrated land and water resource management strategies incorporating best practice stormwater management, water conservation and environmental protection.
 - ii. Provide WSUD measures in a timely, efficient and cost effective manner.
 - j. Water and energy requirements to adopt principles of sustainable development in terms of the overall usage of water and energy within the neighbourhood.
- 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 contamination.
 - g) Detailed urban design controls for significant development sites.
 - h) Measures to encourage higher density living around transport, open space and service nodes.
 - 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.
 - k) In terms of the conservation/urban edge interface the DCP will be required to incorporate the following additional specific controls:
 - a. Local flora and fauna assessment to ensure that the design and siting of development takes into account the specific locating of house sites, the size and orientation of lots, the design of roads and the conserving of any additional vegetation of habitat identified.
 - b. The identifying of edge or interface treatment between urban development and the conservation corridor.
 - c. An integrated approach to bushfire management along the conservation/urban edge interface, including the provision of edge roads and APZs within the residential zoned land.
 - d. A neighbourhood character that reflects the urban and bushland edge setting in the overall form of any residential development including size and placement of lots, replanting of local native tree species once cleared due to grazing, and the scale of houses.
- (4) Subclause (2) does not apply to any of the following development:
- a) Any lot identified in a certificate as a residue lot, or
 - b) Any lot identified as a super lot and intended to be further subdivided for urban purposes, or
 - c) Any lot created by a subdivision previously consent to in accordance with this clause, or
 - d) Any lot that is proposed in the development application to be reserved or dedicated for designated State or Territory public infrastructure, or
 - e) A subdivision for the purpose only of rectifying an encroachment on any existing lot, or
 - f) Proposed 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, or

A subdivision for the purpose of a realignment of boundaries that does not create additional lots.

5.3 The development approvals process

From the initial rezoning through to the release of residential lots, there are a number of statutory steps and approvals required to ensure that satisfactory arrangements have been made for the provision of services and infrastructure. In summary, they are as illustrated in Figure 5 which follows.

Figure 5 statutory steps for ensuring satisfactory arrangements

<p>The Rezoning Process</p> <p>State Government endorses the rezoning proceeding subject to <u>broad</u> servicing arrangements to support the rezoning being addressed. State Government requirement that a cross border services report outlining services arrangements be prepared and endorsed before exhibition occurs.</p>
<p>Exhibition of the Proposed Rezoning</p> <p>Can only occur after State Government is satisfied that broad servicing arrangement can be addressed.</p>
<p>Rezoning adopted</p> <p>Rezoning adopted with clauses in the zoning legal instrument (LEP) addressing specific servicing arrangements.</p>
<p>Development and Subdivision for residential subdivision</p> <p>Can only be approved subject to satisfactory arrangements for services being in place.</p>
<p>Separate Title for Individual Lots</p> <p>Will only be issued once infrastructure is built and arrangements for services being in place.</p>

5.3.1 Urban release area provisions for the delivery of services and infrastructure

The Parkwood LEP is to include the following proposed provision requiring that any development application for a residential subdivision takes into account the provision of infrastructure. The proposed provision will state that *development consent must not be granted for development on land in an urban release area 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.*

This is a similar clause that has been included in a number of Local Environmental Plans including Blacktown LEP 2015 and Queanbeyan LEP 2012.

5.3.2 Satisfactory arrangements for the provision of State and Territory services and infrastructure

In a similar way to the proposed provision set out in section 5.3.1, the Parkwood LEP is to include a provision that requires the State Government by way of the approval of the Secretary of the Department of Planning and Environment to formally certify that satisfactory arrangements have been made for the provision of both State and Territory services and infrastructure. The proposed provision in the Planning Proposal is as follows: *The objective of this clause is to require satisfactory arrangements to be made for the provision of designated State and Territory public infrastructure before the subdivision of land in an urban release area to satisfy needs that arise from development on the land, but only if the land is developed intensively for urban purposes.*

Development consent must not be granted for the subdivision of land in an urban release area unless the Secretary has certified in writing to the consent authority that satisfactory arrangements have

been made to contribute to the provision of designated State or Territory public infrastructure in relation to that land

It is expected that before any satisfactory arrangements certification is issued, , the State Government would consult with the Territory Government. By expressly including reference to the Territory, the provision will ensure that satisfactory cross border servicing issues are taken into account before development consent for a residential subdivision is issued. The provision ensures that the interests of both the State and Territory are properly accounted for.

Again, this is a similar clause to that has been included in a number of Local Environmental Plans including Blacktown LEP 2015 and Queanbeyan LEP 2012.

5.3.3 Planning agreements - Local and State

The *Environmental Planning and Assessment Act* (EP&A Act) provides for the entering into binding agreements between a proponent and either the State or local council. These agreements are referred to as Planning Agreements. Planning Agreements will specify certain obligations to be met by the proponent at agreed specified steps or milestones. Planning Agreements will typically relate to matters in addition to those ordinarily required to be provided by a proponent in the course of developing say a residential subdivision such as the construction of roads and footpaths. A Planning Agreement can also be in lieu of the payment of levies under s94 of the *Environmental Planning and Assessment Act*.

In accordance with the provisions of the EP & A Act, a Planning Agreement could include a monetary contribution, dedication of land free of cost or provide any other material benefit towards a public purpose. A public purpose is defined as:

- » The provision of, or recoupment of the cost of providing, public amenities or public services, affordable housing, or transport or other infrastructure,
- » The funding of recurrent expenditure in relation to such things,
- » The monitoring of the planning impacts of development and;
- » The conservation or enhancement of the natural environment.

(Reference Lindsay Taylor Lawyers July 2015)

It is also possible for a Planning Agreement to be entered into between the State and the proponent for the providing of State services and infrastructure. In the context of Parkwood, this is expected to be dedicating land for a school.

The Ginninderry Joint Venture has proposed to enter into a local Heads of Agreement with Yass Valley Council to set out the manner in which services and infrastructure can be delivered and funded.

The Ginninderry Joint Venture has proposed to enter into a State Heads of Agreement with the Department of Planning and Environment to set out how land for a school site will be dedicated and transferred.

5.3.4 Development levies

It is common practice in new release areas for a local council to establish a development levy towards the costs of offsite services and infrastructure. These development levies are:

- » Section 94 contribution under the EP&A Act. A s94 contributions plan enables Council to levy a contribution towards a community service or facility provided by Council where there is a demonstrated demand from the new development. This is referred to as a 'nexus'. In this instance, a Parkwood specific contributions plan could be prepared.

- » A s94 A. A contribution where there does not need to be a demonstrated link between the development and the infrastructure funded from the contribution. The contribution rate is charged as a percentage of the estimated cost of development.
- » Most relevant in the Parkwood circumstances is likely to be s94CA of the EP & A Act. Under s94CA, a contribution subject to the written approval of the Minister, may be imposed (under s94 or 94A) for the provision of a public amenity or public service in another State or Territory if the area in which the development is to be carried out adjoins the other State or Territory as is the case with Parkwood.
- » A water and sewer levy prepared as a Development Services Plan under the *Water Management Act*. A Development Services Plan prepared in accordance with the *Water Management Act 2000*, can provide for the levying of contributions towards water and sewer facilities.

PART THREE-SERVICES AND INFRASTRUCTURE OVERVIEW

6 Infrastructure and service delivery in NSW

6.1 Introduction and overview

This section of the report contains:

- » principles guiding the planning of infrastructure and service delivery
- » a summary of the proposed approach for the delivery of infrastructure, including funding and timing
- » a summary of the base case and options for the delivery of services, including funding and timing
- » a summary of long term preferred options for consideration in the future, in addition to the base case
- » local governance and community engagement mechanisms to support the Parkwood community in NSW
- » engagement and dispute resolution principles and procedures.

Throughout this section of the report, the focus is on servicing the Parkwood development in NSW. This section does not describe the servicing arrangements for the component of the development in the ACT, although they are referred to from time to time and inform the long term preferred options.

Overview

- » There is at least one existing legal, practicable and financially feasible option for the immediate delivery of all infrastructure and services - the base case, which requires no legislative changes.
- » With proposed construction not commencing until 2032, and after extensive consultation with NSW and ACT agencies and Yass Valley Council, Ginninderry Joint Venture has identified additional infrastructure and service delivery options.
- » The long lead time for planning Parkwood in NSW provides flexibility in responding to emerging policy and legislative directions, as well as changes in government and Council preferences, over time.
- » A small number of long term preferred service delivery options for local regulatory services and water services would require legislative change or regulatory amendments to achieve a more seamless 'borderless' community. These can be pursued if the ACT and NSW governments are interested to do so.
- » Ginninderry Joint Venture will fund the capital costs of all local and utilities infrastructure required by the Parkwood development in NSW and will provide land for a school that may be required.
- » Yass Valley Council will recurrently fund local services through rates income raised from the development, fines, user charges and government grants. A sub category of the residential rate would be struck for Parkwood as a 'centre of population' under Section 529 (2) (b) of the *Local Government Act*, reflecting the existing usage by Yass Valley Council of rating sub categories. In this instance, the rates are expected to reflect rates levels in the adjoining ACT suburbs.

- » State and Territory services will be recurrently funded in the usual way including Commonwealth and State funding, private sector contributions and user charges, with funding for a community development position throughout the development phase provided by Ginninderry Joint Venture.
- » Specific intergovernmental arrangements may be required in the future for schools and policing should the decision be taken for ACT rather than NSW service provision.
- » Ongoing engagement, dispute resolution and governance processes are proposed and will be refined over time to ensure alignment with the terms of overarching MOU between the ACT and NSW Governments, as well as meeting the requirements of all other relevant cross agency MOUs and all planning approvals.
- » Local governance arrangements, including a place manager and a community committee are proposed and will be refined over time in response to opportunities provided by local government reform.

6.2 Principles

Principles guiding decisions about the ownership and operation of local infrastructure and services at Parkwood were initially discussed with Yass Valley Council in 2011. These principles were refined and updated in 2014 and early 2016 based on subsequent consultation with Council and with State and Territory agencies and committees.

They were further updated in March 2016 following the cross border cross agency forum.

The updated principles proposed to guide infrastructure and service delivery at Parkwood aspire to establish a 'borderless' community wherever possible. In including the caveats 'wherever possible', the principles acknowledge that there will be varying opportunities and constraints to achieve this.

Look and feel

- » Achieve the look and feel of a borderless community wherever possible.
- » Provide a consumer centric service and complaints model of service delivery.
- » Encourage both government and non- government service providers to be guided by these principles.

Local service provision

- » Establish the same or similar service levels for local services in the ACT and NSW parts of the development wherever possible.
- » Implement the same or similar infrastructure standards in the ACT and NSW parts of the development wherever possible.
- » Set local government rates and charges at an adequate level to cover the costs of local services and infrastructure maintenance and renewal in the long term.
- » Recognise that if provided by ACT service providers, user charges for water, sewer, gas and electricity service provision in Parkwood will seek to recoup costs at levels comparable to ACT charges.
- » Ensure service provision into Parkwood from the ACT has no detrimental impact on service delivery in the ACT.
- » Use existing legislative opportunities to maximise options for delivery of local services into Parkwood by ACT Government and other providers.

State and Territory service provision

- » Utilise needs based planning to inform service provision.
- » Establish the same or similar service levels for state services in the ACT and NSW parts of the development wherever possible.
- » Implement the same or similar infrastructure standards in the ACT and NSW parts of the development wherever possible.
- » Recognise existing Commonwealth, State and Territory service provision and financing agreements.
- » Build on existing cross agency MOUs and operational arrangements which already deliver coordinated NSW and ACT government services across the border for policing, emergency services and human services.
- » Build on and where needed further formalise engagement and dispute resolution procedures between governments related to operational MOUs, guided by the governance approach in the overarching MOU.
- » Use the framework of the overarching MOU between the ACT and NSW Governments to engage further, finalise arrangements and resolve potential and actual disputes to support service access and delivery.

Timing and process

- » Review service delivery proposals and government policy directions that impact cross border service delivery decisions in 2020 then every two to five years before construction commences in NSW, providing both continuing certainty that the development can be serviced and flexibility about the preferred service delivery option.
- » Use existing legislation and MOUs as a foundation for service delivery.
- » Continue to explore opportunities created by legislative reform directions and change, should authorities agree this is desirable and in keeping with continuous improvements to cross border service delivery more generally.

6.3 Infrastructure delivery in NSW

The principles set out in Section 6.2 have informed the development of options and preferences for infrastructure delivery, as well as the associated funding and timing.

Local infrastructure: in NSW will be owned by Yass Valley Council. Funding for the long term maintenance and renewal of local infrastructure will be factored into rate setting and maintenance responsibilities are expected to be included in servicing agreements between Yass Valley Council and the relevant service provider – likely to be the ACT Government in most cases. It is expected that these funding and servicing agreements will be prepared two years prior to construction commencing in NSW.

Service options and preference for the maintenance of local infrastructure are discussed in Section 6.4.

Utilities infrastructure: gas and electricity infrastructure will be owned by the utilities provider. With regard to water infrastructure, the owner will be Yass Valley Council or Icon Water. As shown in Table 1, all local and utilities infrastructure required by the Parkwood development in NSW will be funded by Ginninderry Joint Venture.

The maintenance and renewal of utilities infrastructure will be funded by user charges set by the provider. In order to enable appropriate forward planning of major infrastructure, in principle agreement on the preferred provider for water and sewerage services is expected by early 2016.

State infrastructure: it is not anticipated that additional state infrastructure will be required to service the NSW residents of Parkwood, with the exception of schools and community hub/s.

With regard to the community hub servicing Parkwood, it is expected that this facility will be located in the ACT and that Ginninderry Joint Venture will provide the land and fund construction costs, with the facility to be owned by the ACT Government or a community organisation.

With regard to the schools, project planning demonstrated a potential need for a school in NSW in addition to public and private schools in the ACT. The base case includes a school in NSW, which NSW Education has indicated it would build and operate. Negotiated access to ACT schools is another option to be considered. Land for a school in NSW will be provided by Ginninderry Joint Venture. Ginninderry Joint Venture may also fund enhancements to a new school, such as a larger school hall, if requested by the relevant agency.

If a decision is reached between the NSW and ACT governments that education services are provided in the ACT for students resident in NSW, a financing arrangement may be required between the ACT and NSW Governments. It is expected that the approach to resolving this financing arrangement would be guided by the overarching MOU between the ACT and NSW governments.

Table 1 Infrastructure capital funding and ownership in NSW

Infrastructure type	Funded by	Owned by
Local Infrastructure		
Parks and open space	Ginninderry Joint Venture	Yass Valley Council
Roads, footpaths, storm water infrastructure, kerb and guttering, bus stops	Ginninderry Joint Venture	Yass Valley Council
State and Territory infrastructure		
Gas and electricity infrastructure	Ginninderry Joint Venture	ACTEWAGL
Water and sewage infrastructure	Ginninderry Joint Venture	Icon Water or Yass Valley Council
School (if required in NSW)	Land – Ginninderry Joint Venture Construction – Ginninderry Joint Venture	NSW Government
Community hub (located in ACT servicing in ACT and NSW)	Land – Ginninderry Joint Venture Construction – Ginninderry Joint Venture	ACT government or non-government organisation

6.4 Service delivery in NSW

Residents of the 5,000 dwellings planned in NSW will wish to access the same range and level of services as their neighbours in the ACT. This includes local services, such as roads, parks, footpaths,

waste collection and regulatory services. It also includes the full range of State and Territory services, including schools, policing, health and emergency services.

6.4.1 Options for service delivery

There are a range of options that have been considered for the delivery of services in NSW:

- » ACT Government, including its directorates, agencies, business entities and contractors
- » NSW Government, including its agencies and contractors
- » Yass Valley Council, including staff and contractors
- » Community organisations and other not for profit organisations
- » Private organisations and businesses
- » Utility providers, including those wholly or partly owned by government

Figure 6 provides a summary of the service delivery options.

Benefits and challenges of the options for service delivery

Key benefits of the options include:

- » The options have been developed following extensive consultation and provide an opportunity in the future to test new approaches to streamlined cross border service delivery.
- » Legal advice and extensive consultation demonstrates there is at least one legal, practicable and financially feasible option for the delivery of all State, Territory and local services to Parkwood which does not require legislative change or regulatory amendments to be operational. This is the base case that provides certainty of service delivery.
- » In many cases, there is more than one option, providing both appropriate certainty that the land can be serviced as per the base case, and flexibility for future decisions to be made at the right time related to appropriate development milestones. Given the long development timeframes, this flexibility is valued by agencies in the context of evolving government policy and directions and the opportunities to consider options that are better than the base case.

Challenges of the options include:

- » A small number of the options which form part of the long term preferred approach require legislative change or minor changes to statutory instruments to enable local/municipal services to be provided by the ACT Government.
- » While this presents benefits, it also presents a challenge in agreeing and developing the amended legislation. It is worth noting that the *Local Government Act 1993* is being reviewed and that some of the changes contemplated in Table 2 are generally aligned with the directions of the current review.
- » If more services are delivered from the ACT, while the community is represented by Councillors and Members of Parliament from NSW, there will be a challenge to ensure local governance works effectively. This is dealt with in Section 8 of this report.
- » Several service areas e.g. policing, schools require further discussion to determine a preferred approach.
- » Those inter- governmental discussions may be challenging as they test 'business as usual' against new approaches which potentially require high level agreement to new models of service delivery. Change is both challenging and an opportunity and the new MOU provides an updated governance framework for those discussions.

Figure 6 Options for service delivery in NSW within existing legislations

LOCAL SERVICES	ACT Government or Yass Valley Council	Yass Valley Council
	Abandoned vehicles regulation Development certification Food shop regulation Parks and open space maintenance Roads and footpath maintenance Waste collection and recycling Water and sewage services	Community strategic planning DA assessment DA determinations Rate setting and collection Regulatory services <ul style="list-style-type: none"> > Companion animal management > Hairdressing shop regulation > Illegal dumping regulation > Private pools inspections > Public health inspections

STATE + TERRITORY SERVICES	ACT Government or NSW Government	ACT Government or private organisations	ACT Government, Community or private organisations
	Ambulance Child protection Community health Primary health Natural resource and environment management Policing Rural fire services Fire and Rescue Schools State emergency services	Public bus transport Gas and electricity	Community transport Community services, such as disability services and child care Natural resource and environment management

6.4.2 Base case service delivery option

The base case includes:

- » Local service delivery by Yass Valley Council, or via Council contracting with ACT government agencies to deliver services wherever enabled within existing legislation.
- » Icon Water providing bulk water, with Council being the local water supplier.
- » ACTEWAGL providing gas and electricity.
- » A p-12 school and related education services provided by the NSW government.

- » Emergency services provided by the ACT government, building on the approach and arrangements in existing MOUs and tested via desk top exercises prior to construction commencing.
- » Police, child protection and other state and territory services provided by a combination of NSW and ACT government agencies, building on existing arrangements including joint taskforces and special constable arrangements.
- » Land management services in the conservation corridor provided primarily by the Conservation Trust, supported by some government service provision as negotiated.

6.4.3 Long term preferences for service delivery

The Ginninderry Joint Venture has identified a range of additional options for the delivery of services in NSW, based on the principles set out in Section 6.2 and extensive consultation with Yass Valley Council and relevant NSW and ACT agencies.

Section 6.5 identifies all the options and provides details about the proposed funding and next steps.

Figure 7 provides a summary of long term preferred options, where they exist, and highlights where there is yet to be agreement about the preferred long term approach.

In the vast majority of cases, the long term preferred option presented here was considered by the Council and the relevant agencies to be the most practicable.

In accordance with the principles, the base case service delivery option uses existing legislative opportunities to maximise options for delivery of local services into Parkwood by the ACT Government.

Given the long lead time in planning for Parkwood in NSW, it is possible that the service provider currently preferred by Council or government agencies may change over time. The potential for flexibility in service provider is in most cases enabled in the timing for decision making, discussed later in this report.

In many cases, the detailed table in 6.5 shows a single long term preferred option for each service. In the case of schools, community health services and police, consultation with ACT and NSW Government agencies has indicated that it is too early in the planning process to identify a preferred long term provider. The preferred provider of these services is expected to be resolved in 2020.

The detailed consultation identified a small number of preferred options for seamless service delivery in the cross border community which, in order to be feasible, would require legislative change or minor changes to statutory instruments. Minor changes typically involve an amendment to a regulation prescribing an ACT authority as a 'local authority' for the purposes of delivering a regulatory service in the Yass Valley Council local government area. Section 6.7 summarises the changes that would be required.

6.5 Options summary – detailed overview

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined) ^	Recurrent funding source	Key steps*	Timing on key step*
Local Services				
Abandoned vehicles regulation	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income and fines	Confirm option and resolve details	2 years in advance

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined) ^	Recurrent funding source	Key steps*	Timing on key step*
Community strategic planning	Yass Valley Council	Rates income	Resolve details	2 years in advance
Companion animals management	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income and user charges	Confirm option and resolve details, including amendment to regulation if required	2 years in advance
DA assessment	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income and user charges	Confirm option and resolve details	2-5 years in advance
DA determinations	Yass Valley Council	Rates income and user charges	Confirm option and resolve details	2-5 years in advance
Development certification	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government or ACT service provider	Rates income and user charges	Confirm option and resolve details	2-5 years in advance
Community Home Support Service Program services	1. Yass Valley Council 2. Community organisations 3. Contracted by Yass Valley Council to ACT Government or ACT service provider	Commonwealth funding-consumer based	Confirm option and resolve details	2-5 years in advance
Food shop regulation	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	User charges	Confirm option and resolve details	2 years in advance
Illegal dumping regulation	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income and fines	Confirm option and resolve details, including amendment to regulation if required	2-5 years in advance

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined) ^	Recurrent funding source	Key steps*	Timing on key step*
Library services	1. Yass Valley Council -mobile service 2. Contracted by Yass Valley Council to ACT Government- Kippax library possibly supported by a shop front drop off.	Rates income and fines	Confirm option and resolve details	2-5 years in advance
Parking regulation	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Fines and user charges	Confirm option and resolve details, including legislative position	2-5 years in advance
Parks and open space maintenance	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income	Confirm option and resolve details	2 years in advance
Private pool inspections	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government or 'authorised authority'	Rates income and user charges	Confirm option and resolve details regarding necessary administrative action	2 years in advance
Public health inspections, including hairdressers	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income and user charges	Confirm option and resolve details, including legislative position	2-5 years in advance
Rate setting and collection	Yass Valley Council	Rates income	Confirm rating related to servicing costs	2-5 years in advance
Roads, stormwater and footpaths maintenance	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	Rates income	Confirm option and resolve details	2 years in advance
Waste collection and recycling	1. Yass Valley Council 2. Contracted by Yass Valley Council to ACT Government	User charges	Confirm option and resolve detail	2 years in advance

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined)	Recurrent funding source	Key steps*	Timing on key steps*
State and Territory Services				
Ambulance	Options 1. ACT Government from Aranda or Charnwood 2. NSW Government	User charges and possible subsidies	Confirm preferred option and associated subsidies	2-5 years in advance
Child protection	Options 1. Similar to current approach » NSW Government from Yass or Queanbeyan » Joint Investigation Response Team from ACT and NSW 2. ACT government	NSW Government NSW and ACT governments as per existing arrangements for joint investigations	Review approach with agencies based on government policy directions	2020 then 2-5 years in advance
Community bus services	Non-government organisation	Commonwealth funding and user charges	Monitor outcomes of community transport reforms Confirm approach	2020 2-5 years in advance
Community health	Options 1. ACT Government from: » existing sites, or » a new service site within community hub 2. NSW government from sites as outlined above	Funding framework as per Commonwealth/State Government agreement	Confirm preferred approach early for planning purposes	2017-18
Community services	Private sector and non-government sector provision	Community development position funded by Ginninderry Joint Venture. Ongoing community services funded by State and Commonwealth Government	Review situation to understand likely provision-reform directions suggest funding will be linked to consumers	2-5 years in advance

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined)	Recurrent funding source	Key steps*	Timing on key steps*
Fire and rescue services	ACT Government, consistent with the current or an enhanced MOU	From 1 July 2017 the NSW government will introduce an emergency services property levy to be collected by councils, along with rates, on behalf of the NSW government. This will replace current funding arrangements.	Monitor outcomes of NSW funding changes	2018
			Desk top exercise	2-5 years in advance
Gas and electricity services	Owned and supplied by ACTEWAGL	User charges	Resolve details	2 years in advance
Hospitals	Canberra Hospital and Calvary Bruce Hospital (ACT) as per likely consumer choice	Funding as per Commonwealth/State/Territory Government agreement	Monitor ongoing health agreements and associated financial arrangements	2-5 years in advance
Natural resources and environment management	Management framework provided by the establishment of the Conservation Trust. 1. Service delivery entirely by Conservation Trust 2. Service delivery by Trust and others	Funding will be a combination of: - levy on land sold - commercial activities operated by the Trust	Work has been scoped between Riverview Projects (ACT) and OEH to develop next level of detail about Conservation Trust, including the regulatory framework	2016/17
Policing	Options 1. ACT and NSW police via existing Special Member model, with administrative enhancements 2. Option 1, plus joint patrols 3. Cross border justice scheme model, currently in place in border areas of South Australia, Northern Territory and Western Australia 4. Buffer zone option – a	A detailed feasibility assessment and new financial arrangements between ACT and NSW governments would be required for buffer zone option. No special financing arrangements anticipated for other options.	ACT and NSW governments to discuss options, including buffer zone, and reach agreement on preferred direction	By 2020

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined)	Recurrent funding source	Key steps*	Timing on key steps*
	new model with ACT laws operating in Parkwood			
Public bus transport	Options 1. private operator in the region (eg, Qcity Transit) 2. ACT Government (ACTION)	User charges	Review and outstanding issues related to public transport provision e.g. industrial	2-5 years in advance
Rural fire services	Options 1. Provision of service from Wallaroo Road with the unit crossing Ginninderra Creek. 2. Service provided by the ACT. MoU similar to Jervis Bay Territory would be an effective mechanism	From 1 July 2017 the NSW government will introduce an emergency services property levy to be collected by councils, along with rates, on behalf of the NSW government.	Monitor outcomes of NSW funding changes. Risk planning	2018 From 2016, updated every 5 years
			Resolve option and confirm detail	2-5 years in advance
Schools and education services	Options 1. Access for NSW residents to ACT schools 2. NSW Government to operate a school, potentially from K-Yr 12.	New access arrangements and possibly financing arrangement would be required between ACT and NSW Governments. This could be in the form of recurrent funding (potentially via the Grants Commission). MOU to set framework for negotiations	Resolve preferred option. If Option 1, financial arrangements may be required.	2020
State emergency services	Options 1. Provision of services from NSW (Yass, Goulburn or Queanbeyan) 2. Provision of services from the ACT, consistent with the current or an enhanced MOU	From 1 July 2017 the NSW government will introduce an emergency services property levy to be collected by councils, along with rates, on behalf of the NSW government.	Monitor outcomes of NSW funding changes.	2018
			Test option in desk top exercises	2-5 years in advance or earlier if Ginninderra Falls open early
Water and sewerage services	Options 1. Bulk water supply by Icon Water, Yass Valley Council is retail supplier 2. Service owned and	User charges	Options examined in detail and early in principle decision	Early- mid 2016

Key infrastructure and services	Summary of service delivery options (preferred option in bold, if determined)	Recurrent funding source	Key steps*	Timing on key steps*
	supplied by Icon Water		Review regulatory and pricing framework to maximise streamlining	2020

^ long term preferences which are bolded are generally agreed between agencies to be the preferred approach.

Figure 7 Preferences for service delivery in NSW identified by Yass Valley Council and agency discussions

LOCAL SERVICES	ACT Government	Yass Valley Council
	Abandoned vehicles regulation* Companion animal management* Development certification Food shop regulation* Hairdressing shop regulation* Illegal dumping regulation* Parking regulation* Parks/open space maintenance Private pools inspections Public health inspections Road and footpath maintenance Waste collection and recycling Note: * requires legislative or regulatory change for ACT to deliver	Community strategic planning DA Assessment DA Determinations Rate setting and collection

STATE + TERRITORY SERVICES	ACT Government	ACT and/or NSW Government	Community and private organisations	NSW Government
		School^ Child protection^ Community health^ Policing^ Natural resource and environment^management^	Natural resource and environment management (Conservation Trust)^ Public bus transport Community services, such as disability services and child care	

6.6 Service funding and timing

6.6.1 Service funding

Section 6.5 summarised in table form the expected sources of recurrent funding for local services and State and Territory Services, including utilities.

Recurrent funding for **local services** in Parkwood will be provided by Yass Valley Council, regardless of how those services are delivered. Local services will be funded in one or more of the following ways:

- » rates income
- » user charges
- » fines.

Council may also receive grant funding for projects or initiatives related to some of these services. As grant funding is not a reliable, long term source of funding, it has not yet been included.

Under the *Local Government Act*, the setting of rates and charges cannot be delegated. In accordance with the principles, the rate set by Council for Parkwood is expected to be comparable to the rate levied in the ACT for local services.

Most **State and Territory services** in Parkwood in NSW will be funded by the NSW Government from recurrent funding which in some cases includes Commonwealth funding. This includes child protection and policing.

Health services, including hospitals and community health services, will be funded as per the existing agreement between all Commonwealth, State and Territory Governments.

Community services, such as disability services and child care, will be funded by the NSW and Commonwealth Governments as per usual funding arrangements.

Depending on the preferred option, new arrangements may need to be determined for recoupment of funding for schools and/or policing between the NSW and ACT Governments.

With regard to natural resource and environment management services, the proposed Conservation Trust is intended to fund the management of the Murrumbidgee River and Ginninderra Creek corridors through a combination of levies on sale of land and commercial activities of the Trust.

Recurrent funding for utilities will be provided from user charges. This includes gas and electricity, as well as water, sewerage and stormwater services. In accordance with the project principles, user charges for utilities in Parkwood will seek to recoup costs at levels comparable to ACT charges if provided by ACT service providers.

6.6.2 Service timing

The development in NSW will be staged over about 35 to 40 years commencing in 2032 as per Figure 4.

The base case option is proposed now. This provides certainty for service provision.

A general review of the approach is proposed for 2020, with some service areas explored earlier than this general review.

As shown in 6.5, the preferred provider for **local services** is generally proposed to be confirmed two-five years prior to construction commencing in NSW. Detailed service and funding agreements between Council and the providers of local services would be prepared at that time.

The timing for the confirmation of the preferred provider of **State, Territory and Utility services** varies from service to service. For example, agreement on the preferred provider for water and sewerage services is confirmed in the base case as are emergency services arrangements, which will be tested in desk top exercises no later than two to five years before construction commences in NSW. Education services options other than the base case will be explored by 2020, with land management service options explored earlier in 2016/17.

6.7 Considering regulatory and legislative changes

The table below provides a summary of regulatory or legislative changes or administrative arrangements requiring NSW Government action that Yass Valley Council may request to provide them with the flexibility to choose to implement its long term preferred service and infrastructure delivery options for local government services in Parkwood. Water services are also included in the table.

Table 2 Local and water services requiring changes to legislation or statutory instruments to enable ACT Government provision

Local service	Action type	Detailed action
Private pool inspections	Administrative action	Approval by Director General of the Department of Premier and Cabinet required to appoint persons other than a council employee as an 'authorised officer' under the <i>Swimming Pools Act 1992</i>
Public health inspections	Legislative change	Amendment to <i>Public Health Act 2010</i> to enable ACT Government employees to be appointed as 'authorised officers' under the Act
Hairdressing shop regulation	Legislative change	Amendment to <i>Local Government Act 1993</i> to enable ACT Government employees to undertake regulatory functions
Parking regulation	Legislative change	Amendment to <i>Local Government Act 1993</i> to enable ACT Government employees to be 'authorised persons' able to issue penalty notices
Illegal dumping regulation	Amendments to regulations	Amendments to the <i>Protection of the Environment Operations (General) Regulation 2009</i> to name ACT Government as a 'local authority'
Companion animals management	Amendments to regulations	Amendment to regulations to the <i>Companion Animals Act 1998</i> to name ACT Government as a 'local authority'
Water	Administrative action	Tri – jurisdictional agreement under the Canberra Water Supply (<i>Googong Dam</i>) Act 1974 (Cth). Possible further regulatory changes if Icon Water is to be the retail provider.

7 Ongoing governance and engagement – State and Territory

7.1 Engagement

The process of planning for infrastructure and service delivery at Parkwood has thus far involved extensive engagement with the ACT Government, NSW Government and Yass Valley Council. There is a commitment for this proactive engagement approach to infrastructure and service delivery to continue as planning progresses beyond rezoning and through the various planning and development approval processes.

It is anticipated that ongoing engagement will occur within the following context:

Memorandum of Understanding: In 2016, the ACT Chief Minister and the NSW Premier re-committed to the ACT-NSW Memorandum of Understanding (MoU) on Regional Collaboration (first signed in 2011). The MoU strengthens the collaboration between the ACT and NSW Governments and serves to optimise regional outcomes and service delivery to the people of the ACT and South East NSW Region. The MoU will provide overarching guidance for engagement and governance.

Principles guiding Parkwood development: a reference to the overarching MOU is captured in the principles which have been developed and are set out in Section 6.2 of this report, providing a clear statement that cross government engagement and dispute resolution relating to service delivery at Parkwood will sit within the Framework created by the MOU agreement.

Regional Governance Framework: specifically, the ACT and NSW Governments, Yass Valley Council and Ginninderry Joint Venture will continue to engage productively on the development of Parkwood using the structures and processes created by the Regional Governance Framework within the updated MOU.

The operation of the Framework will be led by the NSW Department of Premier and Cabinet with senior involvement on a regular basis from the ACT Government and local government.

It is expected that the Regional Governance Framework will involve:

- » the preparation of an agreed annual work plan for the cross border region within the priorities set by the each Government's First Ministers' agencies. The work plan will be prepared with input from all relevant agencies and cross border committees of the ACT and NSW Governments. The preparation of the annual work plan, and associated reporting on progress with priorities, will provide a structured process with associated engagement to resolve matters related to the staged development of Parkwood and associated planning for services.
- » the maintenance, updating and reporting on specific cross agency MOUs and other agreements which will provide more detailed guidance regarding the approach to detailed engagement at the cross agency level.
- » a mechanism for ongoing advice to the Regional Leadership Group.

The Ginninderry Joint Venture is committed to continue to engage actively, utilising the mechanisms within the Regional Governance Framework as it evolves including committees and individual agencies.

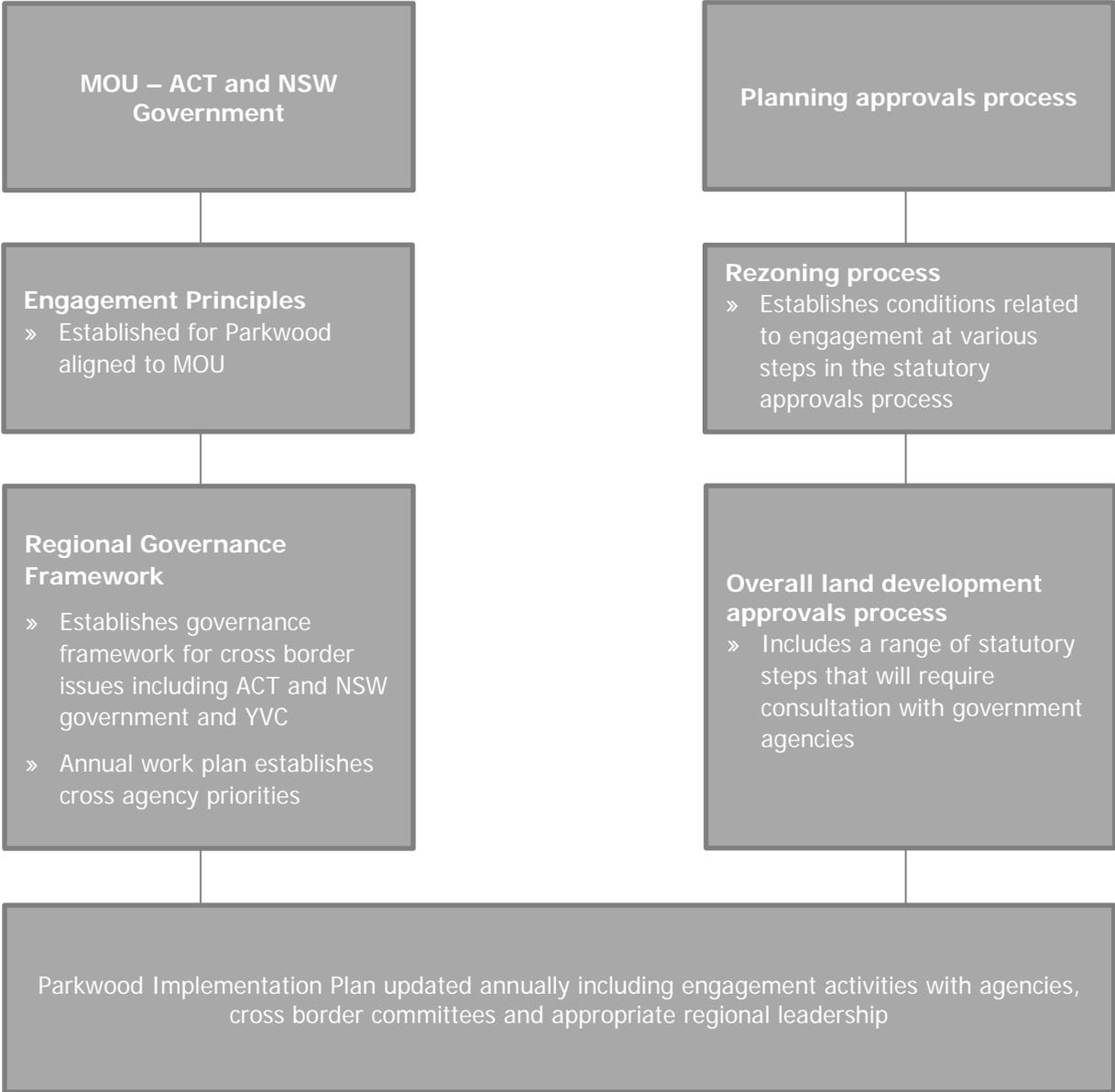
Conditions of planning consent

In addition to the MOU Framework and the principles, the various stages of the planning process – the gateway, rezoning, subdivision and individual lot titling - will involve statutory requirements to engage.

It is anticipated that individual agency consultation as well as consultation under the Regional Governance Framework would be reflected in these requirements.

In summary, the diagram below outlines the engagement approach described. The engagement process post rezoning through to construction and occupation of homes is also reflected in key milestones in the Implementation Plan.

Figure 8 Ongoing engagement framework



7.2 Dispute resolution

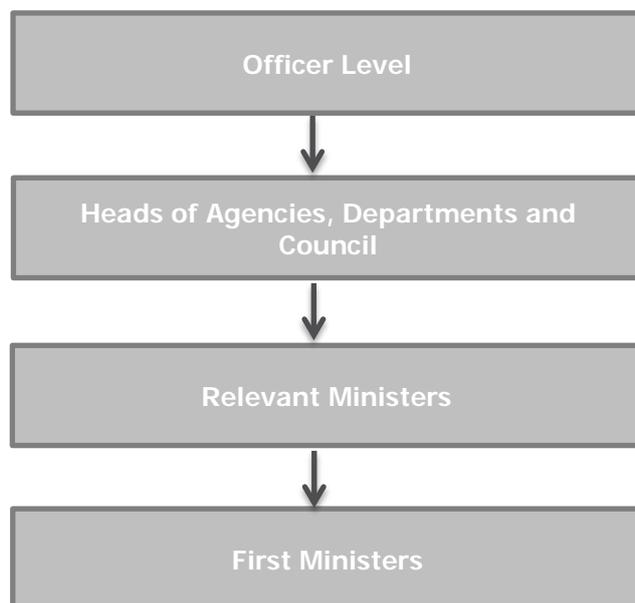
The intention is to minimise the requirement for dispute resolution by pursuing active engagement. Where a dispute does arise, it is proposed that Yass Valley Council and/or the ACT and NSW Governments will take all necessary steps to resolve the dispute expeditiously by mutual agreement, using the following procedures:

- » Discussions will first take place at an officer level, with every attempt made to resolve the dispute at this level.
- » If the issue cannot be resolved at an officer level, then discussions will be held between the heads of relevant agencies and/or departments or otherwise as provided in the ACT-NSW Memorandum of Understanding for Regional Collaboration.
- » If the issue cannot be resolved by the heads of relevant agencies, then discussions will be held between relevant Ministers.
- » If not resolved, the discussions will be held between the First Ministers.

Should a matter require escalation as outlined above, it is proposed that within the spirit and framework of the MOU between the NSW and ACT governments, all relevant information is processed quickly and a timeframe mutually agreed to settle the matters. The Regional Governance Framework as it develops would provide further guidance on dispute resolution procedures.

The dispute escalation procedure is shown below.

Figure 9 Dispute escalation procedure



8 Ongoing governance and engagement - local

The Parkwood community in NSW will vote in local government elections and be represented by local councillors. Yass Valley Council currently has nine councillors elected 'at large', rather than in wards. It is not expected that the number of councillors in Yass Valley Council or the basis of representation will change due to the development of Parkwood.

NSW residents of Parkwood will benefit from local governance arrangements that enable them to be engaged in and advocate for particular local needs and interests. Potential options have been discussed with the Executive of Yass Valley Council. The preferred option is for community governance and engagement mechanisms for Parkwood in NSW to evolve with the development of the community itself, taking a phased approach.

This evolutionary approach linked to the Parkwood development program would enable the community's needs to be appropriately represented, without over committing Council resources or providing structured opportunities for community governance much beyond those available to other Yass Valley residents. It will also allow the community governance structures to incorporate lessons learned from the implementation of previous phases, respond to emerging resident needs, and adapt to any legislative changes.

The two phases are as follows.

Phase 1: Appoint a Parkwood place manager, supported by community engagement events

An option to support local governance and engagement in Parkwood is the use of a place management model. A designated place manager could be given responsibility for undertaking consultation with Parkwood residents and resolving and coordinating any service delivery issues. A place manager could also act as a single point of contact for councillors and community members with issues related to Parkwood, as well as liaison at an operational level with ACT agencies. It would also be possible for the place manager to assist in, or take responsibility for, administering the servicing agreement between the ACT Government and Yass Valley Council.

Place management models are used by several councils in metropolitan NSW. They have also been used in urban and regional Victoria, particularly as part of the process of implementing metropolitan-wide strategic planning.

In general, the place management model works best when it involves the creation of a senior position with authority to ensure coordination of a range of service delivery functions and/or capital works projects. In newer developments, place managers typically focus on creating and maintaining connections within a community. Effective place management can also involve the use of a range of methods to increase the engagement of residents.

Depending on its focus, the position of Parkwood place manager could potentially be located within the Engineering, Planning and Environment or Corporate and Community Services Directorates of Yass Valley Council. To enable the position to coordinate activities across Council and to provide a high level resource for councillors and the community, it is suggested the place manager be appointed at no less than third tier level, report directly to a Director, and be invited to participate in a number of senior management meetings.

The position description of the responsible Director could also include specific responsibilities for the overall negotiation and management of the servicing agreement between Yass Valley Council and the ACT Government.

Responsibilities of a Parkwood place manager could include:

- » acting as a single point of contact for resident questions and complaints, as well as for Councillor requests
- » coordinating communication with Parkwood residents, potentially through existing and future electronic media
- » facilitating consultation with Parkwood residents, both on a regular, structured basis and in regards to specific projects
- » coordinating events and activities for residents, such as street BBQs and 'meet your neighbour' events, particularly in the early stages of the development
- » monitoring the operation of service agreements and following up on any issues
- » monitoring the condition and appearance of infrastructure and following up on requests for maintenance and repairs
- » assisting in the coordination of capital works
- » advocating for Parkwood residents in discussions with service and infrastructure providers
- » liaising at operational level with relevant ACT Government agencies
- » day-to-day administration of the servicing agreement between Yass Valley Council and the ACT Government.

Consideration could also be given to the place manager position being appointed with the involvement of the ACT Government to support greater coordination of service delivery in Parkwood on both sides of the border.

It is suggested the place manager could commence three to six months before the first houses in NSW are occupied.

Phase 2: Consider establishing a community committee

Section 355(b) of the existing NSW *Local Government Act* allows for council functions to be delegated to a committee of the council, with restrictions on the functions which cannot be delegated contained in s377.

Many councils in NSW operate committees with delegations under s355. These committees cover a range of functions, typically including management of council facilities, community events or capital works. Membership of such committees can include councillors, community representatives, or a combination of the two. Community representatives are generally appointed directly or selected by the council via written expressions of interest.

A committee with responsibilities and powers delegated under s355 of the *Local Government Act* provides an option to support local representation and engagement for the Parkwood community in NSW. Yass Valley Council currently operates several committees with s355 delegations.

The existing approach could be refined and strengthened for a Parkwood Committee. Responsibilities could include:

- » leading local community building, including community events and activities
- » leading local communications, including online and face-to-face communications activities
- » advising Council on local priorities

» providing an input to Council's integrated planning, reporting and budgeting processes.

It could also include the committee developing strong links with the Belconnen Community Council.

It is suggested that a Parkwood Committee with appropriate s355 delegations, be chaired by a councillor -possibly the Mayor to start with. It should also have community and potentially additional councillor representation. The committee could be established once the population of the Parkwood community in NSW reaches an agreed threshold figure, such as one thousand residents.

The Committee could be supported by the place manager in its earlier period, with the place manager responsible for developing the capacity of the Committee. The place manager may also be expected to put into place systems and processes for which the Committee members could progressively assume responsibility. For example, this could include moderation of a closed Facebook page to communicate with Parkwood residents.

PART 4 – IMPLEMENTATION PLAN

9 Implementation Plan

West Belconnen/Parkwood is a large community that will grow slowly over a period of 30- 40 years. Whilst the community crosses two jurisdictions one of the goals of the projects is to develop a cohesive community that has a borderless look and feel. The framework outlined in this report will help to achieve this goal.

The framework is underpinned by an implementation plan aligned to the project stages. The implementation plan recognises that while development at Parkwood will not occur until stage 3 (2032-2041) there is significant ongoing work required to support the continued review of service options and infrastructure and respond to changes in Government policy and programs and demographics whilst maintaining certainty around the serviceability of the development.

The implementation plan is not a static document. It will be reviewed regularly. Delivery will be linked with the annual work action plan under the Cross Border Memorandum of Understanding on Regional Collaboration as appropriate. Each milestone will also be underpinned by an action plan.

The implementation plan is built upon ongoing collaboration with all stakeholders.

Table 3 Implementation Plan

Principals guiding implementation				
Borderless community look and feel	Similar service and infrastructure levels in ACT and NSW	Ongoing proactive engagement	Certainty and flexibility	
Stage 1 – 2016-2021				
Key milestones	Action	Lead	Key Stakeholders	Timing
Rezoning of Parkwood	Parkwood LEP approved and gazetted	DPE/YVC	NSW Government agencies	2016/17
Detailed design of ACT public school and access routes	Resolve preferred option for schools in Parkwood	Ginninderry Joint Venture NSW Cross Border Commissioner	NSW and ACT Education departments, and other agencies as appropriate	2019 or prior to planning of new ACT school whichever is earlier
Detailed design of multipurpose community hub	Examination of community health funding and service categories to assist determine preferred approach and inform design of multipurpose community hub	Ginninderry Joint Venture	NSW and ACT Health departments Australian Department of health if appropriate	2019 or prior to the design of the multi-purpose community hub whichever is earlier
First review of draft framework for service and	Progress discussions about the potential for a buffer zone policing	Ginninderry Joint Venture NSW Cross	NSW and ACT Police departments and Ministers, and	2020 or earlier if appropriate

infrastructure delivery	model if the Governments have an appetite for this model	Border Commissioner	other agencies as appropriate	
	Map regulatory services – ACT regulation and NSW regulation (local and state)	Ginninderry Joint Venture	YVC NSW and ACT Government agencies	2020 or prior to the commencement of stage 2 of the development, whichever is the earlier.
	Review of draft framework for service and infrastructure delivery	Ginninderry Joint Venture	YVC, NSW and ACT Government agencies	2020 or prior to the commencement of stage 2 of the development, whichever is the earlier.
Stage 2 -2022-2031				
Key milestones	Action	Lead	Key Stakeholders	Timing
Satisfactory arrangements negotiated for services and infrastructure	Map the pathway for final resolution of options	Ginninderry Joint Venture	DPE YVC	Five years prior to crossing the border
	Review of draft framework for service and infrastructure delivery	Ginninderry Joint Venture	YVC NSW and ACT Government agencies	Five years prior to crossing the border and ongoing to submission of DA
	Resolve option for service delivery and negotiate arrangements	Ginninderry Joint Venture	YVC NSW and ACT Government agencies	Prior to submission of DA for subdivision
Development and subdivision		DPE and YVC	NSW Government agencies as appropriate	2030
Stage 3 -2032–2041				
Key milestones	Action	Lead	Key Stakeholders	Timing
Separate title for individual lots	Review requirements if any for satisfactory arrangements and prepare updated implementation plan.	Riverview Projects DPE and YVC	NSW Government agencies as appropriate	2030-31

APPENDICES

A Cross border cross agency Forum-summary of issues

The Cross Border Cross Agency Forum was designed to elicit if the servicing framework in the Cross Border Servicing report is practicable. All relevant government service providers were invited and participated in intensive workshops to review the principles guiding planning of servicing and infrastructure, test the suggested timing of decision making and implementation, and test the option and approaches put forward for service and infrastructure provision.

Participants were generally satisfied with the proposed principles guiding planning of services and infrastructure. It was considered that these principles allowed sufficient flexibility to respond to changes in government policy and practice over time. A number of additional principles were suggested and have subsequently been included. These related to the promotion of a consumer centric services and complaints model, needs based planning, infrastructure standards for state and territory services/infrastructure and a principle for non-government service providers (human services and utilities).

The proposed approach to timing was also generally supported. The approach is to ensure adequate certainty in 2016 that the community at Parkwood can be provided with appropriate services and infrastructure whilst maintaining flexibility to respond to changes in government policy over time. Participants felt that the progress of the development should be monitored closely with the first review of the framework to occur in 2020 or prior to the commencement of stage 2 of the development, whichever is earlier.

With the exception of a number of areas that may require earlier confirmation of options (e.g. water supply), or legislative/regulatory changes to pursue a better than base case option two to five years prior to the construction commencing in Parkwood was regarded as an appropriate time for options to be confirmed and details resolved. Mapping of the pathway for resolution should commence five years before crossing the border.

Water supply was a key area of discussion in the municipal/local government services, resource and environmental management and utilities workshop. There were few or no perceived issues for Icon Water being a bulk water supplier, however early resolution of which sustainable diversion limit (SDP or cap) under the Murray Darling Basin Plan water would be sourced from was required. The ability of Icon Water to supply water across the border from the Googong Dam, outside of the current Queanbeyan water supply agreement was also raised as an issue requiring early resolution. It was agreed that the regulatory and pricing issues related to the retail supply of water can be resolved closer to the development crossing the border. Refer to Appendix C for further details on cross border water supply.

Overall, the proposal that the ACT Government be contracted to provide most local government services was considered practicable and the proposed financial arrangements feasible in principle, based on rating income aligned with ACT rather than Yass Valley rates. Reconsideration of the proposed option related to development assessment was requested. Participants also requested an examination of the regulatory approach for the management of the Conservation Corridor be undertaken.

The proposed approach for emergency services was considered practicable and logical. Existing formal and informal agreements in place (MoUs) related to cross border emergency management. These will need to be reviewed and strengthened over time and broadened to address the issue of payment for

services. Options for cross border policing were discussed in detail. Participants, both the police present and other emergency service representatives, agreed that any of the four proposed policing options outlined would work. The buffer zone was the preferred way forward as, in the view of participants it provides the most certainty with clear operating principles. This 'better than base case' option could be pursued post rezoning if there is an appetite to do so by the NSW and ACT Governments

The extensive amount of reform that is underway across most parts of the human services and health sector was highlighted as a complexity in locking down preferred service delivery options at the present time. Many areas of the sector (e.g. disability, aged care, community bus services, social housing (in NSW)) are currently moving towards a more consumer centric approach with service providers mostly from the non-government sector. At this stage there is no clear preferred option in relation to child protection. Any options considered in the future need to take account of the implications for other agencies such as education.

Participants identified the need to broaden the focus of schools to education. This would capture not only school education but also vocational education, regulation of non-government schools and childcare facilities, and home education.

In relation to schools, ongoing discussions are required to resolve the preferred service delivery mechanism. The timing for decision making is important. Negotiations regarding the option of all Parkwood students having guaranteed access into ACT schools should be finalised by 2020 to allow for appropriate design of the new ACT Government school planned for Parkwood Road (ACT), and design of roads, paths etc. to support the schools.

In relation to hospital services, participants agreed that Parkwood residents would attend one of the hospitals in the ACT and that funding would be via the Commonwealth/NSW/ACT Government agreements. The provision of community health services was more complex due to the different service standards and types of services in both jurisdictions and the funding model. Additional work to inform the decision of preferred community health provider is required post rezoning and ideally prior to the design of the proposed community hub on the ACT side of the border.

B Agencies consulted in 2015 and 2016

The following tables shows the NSW and ACT Government agencies Riverview Projects (ACT) consulted in 2015 and 2016 in the preparation of this report. In addition, Riverview Projects also extensively consulted the Executive at Yass Valley Council and held a workshop in 2016 with the Mayor and Councillors, following earlier Councillor consultation.

NSW Government agencies	ACT Government directorates/agencies	Cross border committees
Department of Premier and Cabinet » Illawarra-South East Region » Government, corporate and regional coordination group Department of Education Department of Family and Community Services Department of Planning and Environment NSW Ambulance Service NSW Department of Transport NSW Fire and Rescue NSW Justice » Office of Emergency Management NSW Police NSW Rural Fire Services NSW Treasury Office of the Environment and Heritage South East Local Land Services Southern NSW Local Health District Ministry of Health Department Of Primary Industry » DPI Water Department of Industry » Cross Border Commissioner	Chief Ministry, Treasury and Economic Development Directorate » Policy and Cabinet Division » ACT Treasury Australian Federal Police (ACT Policing) Community Services Directorate Education and Training Directorate Environment and Planning Directorate Territory and Municipal Services (TAMS) ACTEWAGL Icon water	West Belconnen/Parkwood Delivery Project Control Group Cross Border Education Forum Cross Border Emergency Services and Disaster Recovery Committee

C Cross Border Water Supply

Water Supply to the Parkwood Development in Yass Valley Briefing Note

Background

A Planning Proposal related to the proposed residential development of “Parkwood” in the Yass Valley was submitted to the Council in June 2014 and subsequently referred to the NSW Government for a Gateway Determination. This was issued on 16 April 2015 with a condition that a Cross Border Government Servicing Report is prepared which sets out the proposed arrangements for Government service delivery and that the report is informed by a forum with relevant service providers from the ACT and NSW to confirm that the proposed arrangements are practicable.

The Cross Border Agency Forum was held on 16 March 2016 with participants agreeing that the proposed approach and framework for infrastructure and service delivery in Parkwood was practicable. Given the timeframes associated with the development the framework was also designed to provide for flexibility given likely changes in government policies prior to the development commencing in 2032. This flexibility was also supported by Forum participants.

Water supply in the ACT and immediate surrounds is complex and potentially a constraint on development in the region. Discussions at the Forum confirmed the need for resolution around water supply (bulk water) prior to rezoning. Resolution of the retail provider of water could occur post rezoning.

Legislative framework

Under the *Seat of Governance Acceptance Act 1909* (Cth) an agreement between the Commonwealth and NSW governing the area which became the Australian Capital Territory was ratified. The agreement also provided the Commonwealth with paramount rights to the use and control of waters of the Queanbeyan and Molonglo Rivers and their tributaries which lie to the east of the Cooma-Goulburn railway, for all the purposes of the Territory. The rights of NSW and its residents to the waters of this catchment are subject to and secondary to this paramount right.

With the granting of self-government to the ACT in 1988, the responsibility to make strategic decisions about ACT water resources – to dispose of and use water in ACT dams- passed to the ACT, subject to any valid provisions of the National Capital Plan. The ACT Government gained responsibility for water resources, public utilities and Territory land under S37 and Schedule 4 of the *ACT (Self Government) Act 1988* (Cth), and for the management of Territory land (including water in or on Territory land) under the *ACT (Planning and Land Management) Act 1988* (Cth). The Corin, Bendora and Cotter Dams are all on Territory land.

Under the self-government legislation (*ACT (Self Government) Act 1988*) there is no overriding executive power of direction reserved to the Commonwealth. The Commonwealth therefore has no statutory power to direct the ACT on the supply and use of any water resources.

Under the *Canberra Water Supply (Googong Dam) Act 1974* the Googong Dam was built on the Queanbeyan River on land acquired by the Commonwealth. The Act regulates the use and disposal of water from the Googong Dam Area. The Act provides that waters from the Googong Dam Area are primarily and principally for use in the Australian Capital Territory, (s12(1)) although water can be supplied to places in NSW subject to an agreement between the Commonwealth Minister and NSW (s12(2)). The Commonwealth Minister may authorise the ACT Executive to exercise the rights of Australia under such as agreement.

There is no power under the Act which would allow the Commonwealth to direct the ACT to actually provide water from the Googong Dam Area to any place in NSW in accordance with any s12(2) agreement under the Googong Dam Act. The fact that Icon Water manages the Dam and the Googong Dam Area means that for practical purposes the ACT's agreement is needed for any cross border water supply.

The ACT Government manages the use of Territory water through the *Water Resources Act 2007* and its subordinate legislative instruments including the ACT's Water Resource Management Plan. The ACT Water Strategy 2014-44: Striking the Balance is the current ACT Water Resource Management Plan. The ACT Water Strategy recognises that "population growth and urban development in NSW communities adjacent to the ACT region are expected to result in growing NSW demand for reticulated water sourced from the ACT's municipal water infrastructure" (p11) and indicates that "the ACT and NSW will continue to work collaboratively, under the auspice of the ACT-NSW Regional Collaboration Memorandum of Understanding (2011) to identify a way forward with respect to water supply to NSW communities" (p11).

The Murray Darling Basin Plan and Sustainable Diversion Limits

Both the ACT and Yass Valley are within the Murrumbidgee Catchment and consequently subject to the provisions of the *Water Act 2007* (Cth) and the Murray Darling Basin Agreement. Under the Murray Darling Basin Agreement, each Basin State (including the ACT) has accepted a limit (a Cap) on the maximum volume of surface water that can be diverted from each of the river systems of the Murray Darling Basin system annually. This limit is fixed regardless of the amount of water available in the river system or the capacity to store water.

For the ACT the Cap includes supplying water within the jurisdictional boundaries of the ACT and to Queanbeyan reflective of historic water supply arrangements and agreements since the early days of Canberra and culminating in the Queanbeyan Water Supply Agreement of September 2008. This 'catchment' or supply boundary was agreed at the May 2008 Murray-Darling Basin Ministerial Council meeting.

The Basin Plan was developed as a requirement of the *Water Act 2007* and came into effect in November 2012. Under the Basin Plan, from 2019 all Basin States are required to operate under a Sustainable Diversion Limit (SDL), which will replace the cap for both surface water and groundwater. The ACT's SDL for surface water is 52.5 GL per year and applies to the same geographical areas as the Cap. It comes into force in 2019. The Basin Plan is to be reviewed in 2026.

Under the Basin Plan the ACT is submitting its water resource plan for surface water and groundwater in 2016. Among a number of matters the water resource plan sets out how the ACT manages its water use under the SDLs that have been set for the ACT.

Water Trading

Water Trading has occurred for many years in the Murray-Darling Basin and is supported by the Murray-Darling Basin Agreement (refer to Schedule D). In 2009 the Murray-Darling Basin Ministerial Council meeting established in-principle agreement for the ACT to be part of the Southern Basin connected trading zone in particular to trade with New South Wales.

The Basin Plan water trading rules came into effect on 1 July 2014. The rules introduced a common framework for water trade, which aims to allow the water market to operate more efficiently and effectively. They deal with various aspects of the trade of surface water and groundwater rights in the Basin, including supporting opportunities to trade within and between Basin states through the removal of trade barriers and enabling the development of compatible entitlement, regulatory and other arrangements across Basin states.

The commencement of interstate trading is dependent on the agreement of trading protocols with other jurisdictions of the Murray-Darling Basin. Interstate water trading arrangements between the ACT and NSW are still being negotiated and are an ACT Government priority under the ACT Water

Strategy. The ACT Water Strategy indicates that “In the future as the region develops and the population grows, it is likely that there may be further developments and requirements for interstate trade” (p35).

Queanbeyan Water Supply Agreement

The Queanbeyan Water Supply Agreement provides a model for water supply to Parkwood. In 2008 the Commonwealth, NSW and Territory Governments enacted the Queanbeyan Water Supply Agreement under section 12(2) of the *Canberra Water Supply (Googong Dam) Act*. Under the Agreement the Territory agreed to supply water under a service level agreement for the Existing Urban Areas (identified on a map in the schedules attached to the Agreement) for the needs of the current and future population of the Existing Urban Area from water sources in the ACT, Googong Dam or other water sources, as determined by the Territory from time to time.

The Territory also agreed to supply water for Future Developments (meaning any residential, commercial or industrial development in the Queanbeyan City Local Government area that is outside the Existing Urban Area, whether it be a new development or the extension of an existing development) subject to the Territory and ACTEW not being responsible for increased capital or operating costs to supply water, including the cost of augmentation of existing facilities or networks. These costs will be borne by Queanbeyan City Council or the developer. Supply of water was also conditional upon the Future Development being approved by the NSW Minister for Planning or Queanbeyan City Council, as appropriate, and that the relevant consent authority determines that each Future Development is consistent with the Sydney-Canberra Corridor Regional Strategy and the Memorandum of Understanding on ACT and NSW Cross Border Region Settlement.

Under this agreement, “the parties acknowledged that Significant Developments may trigger requirements under the Murray- Darling Basin Agreement or the *Water Act 2007* (Cth) (“cap requirements”). Accordingly, the Territory may decide that ACTEW will purchase water from outside the Australian Capital Territory to supply a Significant Development. In that case, the price charged to Queanbeyan Council will include the price paid for that water” (p 6). Under the agreement the price for water supply will be agreed between ACTEW and Queanbeyan City Council as part of the negotiation of a Service Level Agreement (p9).

It should be noted that a council merger with a significant increase in local government area is outside the scope of the intention of the Queanbeyan Water Supply Agreement.

Icon Water

Icon Water Limited (previously ACTEW Corporation Limited) is an unlisted public company with assets and investments in water, sewerage and energy services and operations. Icon Water is owned by the ACT Government. The company's voting shareholders are the Chief Minister and Deputy Chief Minister of the ACT.

Icon Water owns and manages the water and sewerage business and assets in the ACT and is a 50 per cent owner of ActewAGL, a joint venture with AGL Energy Limited and Jemena Limited. Icon Water has two wholly owned subsidiary companies: Icon Water Retail Investments Limited and Icon Water Distribution Investments Limited, which are Icon Water Water's partnership companies in ActewAGL.

Current situation

Heads of Agreement

On 15 May 2013 the Australian Capital Territory and Corkhill Bros Pty Ltd and Reid and Stevens Pty Ltd signed a Heads of Agreement (HoA) in respect of the developments of Blocks 1605 and 1606 Division of Belconnen and Lots 1-3 and & DP 771051, Parish of Weetangera, Shire of Yass Valley. This HoA was binding on all parties to the agreement and related to the development of the Land in the ACT (west Belconnen) and the NSW Land (Parkwood). The HoA includes the following clause:

“G: The Territory will provide as part of the development of the Land, infrastructure and services to permit the development of the NSW Land.”

Further clause 3.2 states that “The Territory acknowledges Reid and Steven’s intention to develop the NSW Land in conjunction with the Land and the Territory must allow and facilitate the construction of service infrastructure and provide access to relevant services to enable Reid and Steven’s to develop the NSW Land in a similar manner to the Land. “

Technically Feasible

The Ginninderry Joint Venture and the ACT Land Development Agency (part of the Chief Minister’s, Treasury and Economic Development Directorate) have had ongoing engagement with Icon Water (formerly ACTEW Water) over a number of years to confirm water availability to the Parkwood development. In March 2014 ACTEW Water confirmed the technical feasibility of supplying potable water to the entire planned developable area (Attachment A).

Bulk and Retail Water Supply

Over the past 12 months regular meetings have been held with senior representatives of Icon Water regarding cross border water supply. These meetings have focussed on resolving the preferred options for cross border water supply. Two options have been under consideration:

Option	Key Features and Considerations
Icon Water provides water and sewerage services to residents at Parkwood	<ul style="list-style-type: none"> • Icon Water owns all the infrastructure • Residents are Icon Water customers • Equivalent to business-as-usual in the ACT
Icon Water provides bulk water and sewerage services to Parkwood (Yass Valley Council)	<ul style="list-style-type: none"> • Icon Water owns all bulk infrastructure to identified boundaries • Icon Water provides bulk services to Yass Valley Council (for Parkwood) • Residents are Yass Valley Council Customers • Would require some minor modification to proposed network design

For Icon Water to provide retail water and sewerage services, under the first option above, they would need to obtain a license under the *Water Industry Competition Act 2006* (WIC Act) (NSW). Two types of licence are available under the WIC Act, being a ‘network operator’s licence’ and ‘retail supplier’s licence’. A network operator’s license authorises the licensee to construct, maintain and operate specified water industry infrastructure. A retail supplier’s licence authorises the licensee to supply water or provide sewerage services by means of water industry infrastructure (WIC Act, s6). An application for a licence may only be made by or on behalf of a corporation (WIC Act, s8) and is made to IPART. There is no reason why Icon Water could not apply for a licence, given that an application may be made by or on behalf of a ‘corporation.

To date Icon Water has resolved to be the bulk water supplier (as is the case in Queanbeyan) and to provide bulk sewerage services. Issues related to the retail supply are still to be resolved, in particular who will set water prices. In NSW, IPART determines the maximum prices to be charged for services by declared water utilities. The ICRC set prices for water and waste water services in the ACT.

If Icon Water is to provide retail services, it would prefer if the ICRC could set the price for Parkwood so they are not burdened with the cost associated with dealing with two regulators. The issue of who is to be the retail provider can be resolved in the longer term (closer to the development crossing the border). The default position is that Yass Valley Council will be the retail provider as is the case with Queanbeyan.

Parkwood Water Supply Agreement

On 6 April 2016 a meeting with Icon Water, ACT Chief Minister, Treasury and Economic Development Directorate and the Environment and Planning Directorate (Water Policy) identified that there is no need for legislative changes to any Act (in particular the Commonwealth's Googong Dam Act) for Icon Water to be the bulk water supplier. With the agreement of the Commonwealth, a tri-partite agreement under section 12(2) of the *Googong Dam Act* would allow the ACT to provide bulk water to Parkwood. The ACT Government has indicated that they will 'take the lead' on obtaining this agreement.

It is likely that this agreement will to a large extent be similar to the existing Queanbeyan Water Supply Agreement 2008. Work on obtaining this tri-partite agreement is underway with the submission for the ACT Cabinet's consideration in preparation. This submission will recommend that the ACT Government write to the relevant Commonwealth Minister outlining the ACT Government's support of the proposal.

The NSW Government will need to determine the process they follow to obtain agreement i.e. whether this will require Cabinet consideration or just the endorsement of the relevant Minister(s). The Queanbeyan Agreement was managed by the Department of Premier and Cabinet with the Premier signing the agreement along with the ACT Chief Minister and the relevant Commonwealth Minister.

Conclusions

Murray Darling Basin Sustainable Diversion Limit

Water for Parkwood will be from the NSW (Murrumbidgee) and not the ACT SDL, thereby affecting NSW's SDL for the Murrumbidgee River. Interstate water trading arrangements may be the mechanism by which the water supplied to Parkwood is deducted from the NSW SDL. The ACT Government (EPD) is currently working with the NSW Government (DPI Water) and the Murray Darling Basin Authority to progress arrangements. This is an action under the work plan for the new (2016) Cross Border Memorandum of Understanding on Regional Collaboration for 2016-17.

Legislative mechanisms and/or agreements

For water to be supplied to Parkwood a tri-partite agreement under section 12(2) of the Googong Dam Act is required. Obtaining this agreement is to be led by the ACT Government. There are no legislative changes required.

Water Pricing

Under the Queanbeyan Water Supply Agreement the price for bulk water supply is agreed between ACTEW and Queanbeyan City Council as part of the negotiation of a Service Level Agreement. It is anticipated that a similar clause will be included in the Parkwood Water Supply Agreement. The regulatory authority responsible for pricing retail water (IPART or the ICRC) is to be resolved closer to the development crossing the border. The default position is that Yass Valley Council will be the retail provider. Consequently IPART will set the retail price.