IPART proposes lower charges for the development of Vineyard

The Independent Pricing and Regulatory Tribunal (IPART) is seeking comment on its Second Draft Report that again recommends reductions to the amount Hawkesbury City Council can charge developers in Stage 1 of the Vineyard Precinct.

The council first proposed that developers pay a contribution of $70,789 for a low density residential block to cover the costs of providing local infrastructure for new residential development in the precinct. In May, IPART proposed this amount be lowered to $55,436.

The council’s submission to IPART proposed further material increases to the cost of land and works in the plan, raising the contribution developers would pay for a low density residential block to $81,865.

After considering the new information, IPART is proposing the amount be lowered again to $63,528. The recommended adjustment is primarily due to IPART’s finding that the council’s estimates of land costs in the plan are too high.

IPART’s draft recommendations would result in a net reduction estimated at $16.54 million, or 10.0% of total costs in the plan, and are detailed in its Second Draft Report on the assessment of Hawkesbury City Council’s Vineyard Precinct Section 7.11 Draft Contributions Plan.

Chair of IPART’s Local Government Committee, Deborah Cope, said new information provided by the council has extended the assessment period and that public submissions are now invited on the new Draft Report.

“It is important for councils to adequately prepare contributions plans before they are publicly exhibited and submitted to IPART for assessment,” Ms Cope said. "We are now publishing a Second Draft Report to give all stakeholders an opportunity to comment on IPART’s assessment of the council’s revised costs for the plan."

Submissions on the draft report can be made until 18 October 2019. All submissions will be considered before a final report is provided to the Minister.

Once the council makes any changes requested by the Minister, the Vineyard Contributions Plan will become an ‘IPART-reviewed plan’ and the council can levy contributions in accordance with the adopted plan and start to approve development applications for the Vineyard Precinct.

Until July 2020, NSW Government policy imposes contributions caps which limit the amount that some neighbouring councils can levy on residential development in certain precincts. These limits do not apply to development in the Vineyard precinct and so local infrastructure would be entirely funded by developers. The application of caps on developer contributions is NSW Government policy and outside the scope of this review.

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