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## IPART proposes lower contribution rates for the Vineyard Precinct

The Independent Pricing and Regulatory Tribunal (IPART) has finalised its assessment of Hawkesbury City Council's *Vineyard Precinct Section 7.11 Draft Contributions Plan*. To calculate developer contributions for the Vineyard Precinct, IPART recommends that Hawkesbury City Council reduce the estimated cost of acquiring land for essential infrastructure but increase the cost of some works.

If adopted in full, IPART's final recommendations would result in a net reduction in total costs of \$11.32 million (6.8%) to be recovered from developer contributions. IPART estimates that the resulting amount to be collected from developers, \$153.95 million, remains sufficient to cover the council's reasonable costs of providing essential infrastructure for the new development.

IPART's recommendations would reduce contributions for all residential development. For a typical low density residential lot, the contribution would decrease from \$70,598 to \$65,748.

To help ensure that over time the costs in the plan are neither too high nor too low, IPART also recommends the council regularly review the plan as development progresses and more detailed design and cost estimates are available. The council agreed to a review of the plan within three years in its response to a draft of IPART's assessment.

Chair of IPART's Local Government Committee, Deborah Cope, said new information provided by the council in response to IPART's First Draft Report necessitated a Second Draft Report, which extended the assessment period.

"In its submission to IPART's First Draft Report, the council proposed a further \$25.16 million, or 15.2% more, in local infrastructure costs than in the plan it originally submitted to us for assessment," Ms Cope said.

"IPART found most of the proposed increases in works costs are reasonable, but the proposed increase in land costs are not reasonable.

"Although the council maintained that costs should be higher than what we recommended in our September 2019 report, we have maintained largely the same findings in our Final Report."

The Final Report also includes an additional recommendation to remove some of the cost of stormwater channel stabilisation works so that developers only pay for the proportion of the works required to address the impact of new development in the precinct.

It is important that developer contributions reflect the reasonable costs of infrastructure required for the new development, so that development occurs where it should (ie, where the benefits of the development are greater than its costs), and that other parties such as the council's ratepayers do not have to fund any shortfall between the council's costs of providing local infrastructure and the revenue it receives from developer contributions.

IPART has provided its Final Report to the Minister for Planning and Public Spaces. The Minister will consider IPART's recommendations and publish his advice to the council on the Department of Planning, Industry and Environment's website.

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.