
IPART's draft assessment of contribution rates for North Kellyville

The Independent Pricing and Regulatory Tribunal (IPART) is seeking comments on draft recommendations to reduce the amounts developers of the North Kellyville Precinct would pay to The Hills Shire Council for local infrastructure.

The draft recommendations would reduce costs in the plan by \$10.29 million, or 3.8%, and reduce developer contributions from \$53,450 to about \$31,964 for a typical residential dwelling. The impact of IPART's draft recommendations on contributions rates is large, because they only apply to development that is yet to occur. The council has already collected developer contributions and State Government funding for a substantial portion of the development, based on higher cost estimates and lower dwelling forecasts in earlier versions of the plan.

To date, contributions above a cap (currently set at \$45,000 per residential dwelling) have been funded by the State Government through the Local Infrastructure Growth Scheme and not by developers. However, the cap will be removed from 1 July 2020, and the council will be able to levy developers the full contribution amount, following IPART review.

The Chair of IPART's Local Government Committee, Deborah Cope, said IPART's Draft Report on the assessment of The Hills Shire Council's draft revised Contributions Plan No. 13 – North Kellyville Precinct (CP13) provides the first opportunity for public consultation on new infrastructure costs.

"This has been an extended review and many things have changed since the council exhibited this plan in 2018," Ms Cope said.

"Following our initial work in 2018-19, the assessment was put on hold in June 2019 while the council responded to our draft assessment.

"We have now been able to complete the draft report after the council provided extensive new information and site-specific estimates for transport and open space infrastructure."

"Our draft recommendations would reduce the cost of transport works in the plan by \$20.41 million," Ms Cope said.

"We have also recommended an additional \$16.45 million be included in the plan to embellish the two major sporting fields in the precinct – Samantha Riley Drive Reserve and the Stringer Road Sports Complex. The additional costs were proposed by the council and reflect its experience in delivering similar infrastructure to the standard required to service the North Kellyville Precinct."

"As most land in the plan has already been acquired by the council, we expect the council to focus on the delivery of infrastructure to meet the needs of the residents of North Kellyville."

Submissions can be made until 12 June 2020. All submissions will be considered by IPART before it provides a Final Report to the Minister for Planning and Public Spaces who may require the council to make changes to CP13 in line with IPART's recommendations before it is able to levy contributions on developers in accordance with the adopted plan.

Background: Local infrastructure contributions are made by developers to help deliver the infrastructure needed by new development. Councils prepare contributions plans which specify the infrastructure that will be provided, the cost of the infrastructure, when it will be provided and which type of development should pay. This is used to calculate a contribution rate, usually charged per dwelling for residential development or per hectare for non-residential development. Councils that want to charge a contribution rate above the thresholds set by the Minister must submit their plans to IPART for independent assessment.