
IPART finalises assessment of contribution rates for West Dapto

The Independent Pricing and Regulatory Tribunal (IPART) has finalised its assessment of Wollongong City Council's contributions plan for the West Dapto Urban Release Area.

The plan submitted by the council proposed costs for local infrastructure that would amount to a charge of \$52,951 for a typical detached dwelling.

IPART is recommending the amount be lowered as a result of reducing the estimated cost of some of the works and land in the plan. The recommendations would result in a net reduction of \$27.73 million, or 2.9%, of total costs in the plan.

The Chair of IPART's Local Government Committee, Deborah Cope, said IPART's recommendations include changes to the council's approach to apportioning costs in the plan, including between residential and non-residential development and across the 5 stages of development in the release area.

"Changing the approach to apportioning costs will ensure developers pay the appropriate amount for the local infrastructure required for development in West Dapto," she said.

Ms Cope said most of the works in the plan involve transport infrastructure and are still yet to be completed, so the plan should be regularly reviewed to ensure that the contributions collected under the plan match as closely as possible the reasonable cost of providing essential local infrastructure for new development.

"Development in West Dapto is in its early stages and is expected to occur over approximately 50 years to 2060," Ms Cope said.

"As development progresses, we are recommending that the council regularly review the plan in consultation with the region's stakeholders, including a review within three years."

IPART's Final Report is now with the Minister who may require the council to make changes to the West Dapto CP 2020 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.