

IPART Submission

My name is Martin Hirst.

I have lived at [REDACTED], St Leonards for more than 25 years with my wife, Deb (who is the owner of the property).

[REDACTED], St Leonards is one of the properties to be resumed by Lane Cove Council (LCC) for the purposes of a new local park (**Park**).

IPART has provided a Draft Report Overview and Technical Paper dealing with its preliminary assessment of LCC's St Leonards South Precinct – Section 7.11 Development Contributions Plan of March 2021.

In the Draft Report Overview and Technical Paper, IPART has identified, as desirable, the early delivery of the Park in the St Leonards South Development (**Development**).

One of the reasons IPART has identified for the early delivery of the Park is that:

“The open space provisions are designed to benefit mostly the incoming residents within the precinct”. (Technical Paper: Page 12, paragraph 3.6).

Throughout the Draft Report there are many references to the approved St Leonards South Plan having a **low quantum of open space**. With such a late land acquisition the incoming residents will be waiting for their Park well after they move in.

Relevantly, recommendation 4 on page 19 of the Draft Report Technical Paper provides:

“The council should investigate how the local park could be delivered earlier in the plan, to provide benefits to the community as residents move into the precinct. It could consider whether to borrow funds for land costs and include an allowance to recover the interest costs”.

There are several other reasons the early delivery of the Park is desirable.

- 1 It provides greater certainty for LCC.
- 2 There is a greater likelihood that Council will be able to raise the funds from the developers to pay for the Park.
- 3 It provides greater certainty for the existing owners of the properties constituting the Park.
- 4 It will allow for greater amenity for the existing owners of the properties constituting the Park.

Greater certainty for LCC

The way LCC has structured the acquisition of the Park almost guarantees that LCC will never raise sufficient funds to purchase the Park.

Currently, LCC is seeking to levy funds based on a valuation by Hill PDA made as at March 2021.

Apart from CPI increases, LCC is relying on property prices in Sydney remaining static.

Reports in the Sydney Morning Herald of 28 October 2021 indicate that Sydney property prices have been increasing at the rate of \$720/day.

Currently, developer contributions are not payable until the issue of an occupation certificate.

LCC have estimated that 76% of the Development will need to be completed to occupation stage before it has sufficient funds to commence the acquisition of the Park (at the March 2021 valuation).

Once the occupancy certificates are provided to developers, there is no avenue for LCC to levy further funds from those developers.

If LCC acquired the Park now, it could borrow funds to acquire the Park and know exactly what amount it needed to recoup from the borrowers.

Council will be able to raise the funds from the developers to pay for the Park

LCC will (theoretically) be granted permission by IPART to levy the developers based on its St Leonards South Precinct – Section 7.11 Development Contributions Plan of March 2021.

When 76% of the occupation certificates are issued for the Development, LCC will then embark on the process of acquisition of the Park.

It is likely that this will be in the next 5 – 10 years.

LCC will, undoubtedly, find that it has levied insufficient funds from the developers, leaving LCC with a substantial shortfall, an inability to recover additional funds from developers and, possibly, an inability to deliver the Park for the Development.

The approach of LCC is a false economy.

LCC are trading the cost of borrowing money now – which can be recouped from developers – against borrowing money at the end to cover the shortfall – which will be a liability borne by the ratepayers of LCC.

Greater certainty for the existing owners of the properties constituting the Park

The properties constituting the Park have been zoned accordingly (ie as a park).

The existing owners of those properties have, effectively, on purchaser of their properties: LCC.

LCC will not collect funds from the developers until 76% of the occupation certificates have been issued.

This is likely to be 5 – 10 years away.

If, at that stage, LCC is unable to deliver the Park (due to lack of funds), the properties will still be zoned as a park and, it would seem, unsaleable.

Greater amenity for the existing owners of the properties constituting the Park

The ten properties zoned as a Park back onto Berry Lane.

Of those ten properties, five have garages and three have rear lane access via Berry Lane.

This is the vehicular access for those eight properties.

Berry Lane is also the garbage collection point for the properties backing onto Berry Lane.

It is clear that, at an early stage, it will be necessary to close off Berry Lane to enable construction to progress.

This will, effectively, cut off the place of major access for eight (of ten) properties.

So, not only will the properties be surrounded by construction for many years, but their access and enjoyment of their properties will also be severely impacted.

Conclusion

I am confident that IPART will ensure that LCC is financially able to deliver the Park to the Development.

Martin Hirst

[REDACTED]

St Leonards NSW 2065

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