

29 November 2019

## WHAT

IPART has finalised its assessment of Hawkesbury City Council’s *Vineyard Precinct Section 7.11 Draft Contributions Plan* (Vineyard CP).

Our recommendations would reduce total costs in the plan by 6.8%, from \$165.27 million (\$Mar2018) to \$153.95 million (\$Jun2019).

Cost reductions primarily result from:

- ▼ Using lower values for constrained land and land with protected vegetation (\$12.25 million)
- ▼ Using separate values to estimate the cost of R2 and R3 land (\$6.48 million)
- ▼ Reducing interest costs to reflect revised land and works costs and the interest subsidy (\$2.39 million)
- ▼ Revising Boundary Road costs (\$1.90 million).

These reductions are partially offset by recommended increases in the cost of some works items, including to address the impact of price inflation since March 2018.

If adopted in full, our recommendations would reduce contributions in the Vineyard CP by 6.9% (from \$70,598 to \$65,748) for a typical low density lot and by 6.6% (from \$54,431 to \$50,837) for a typical medium density lot.

## WHY

IPART assesses councils’ contributions plans which propose local infrastructure contributions above \$20,000 per lot or

dwelling, or above \$30,000 per lot or dwelling in identified greenfield areas. The maximum contributions in the plan exceed the \$30,000 threshold that applies to development in the Vineyard Precinct.

## HOW

We assessed the Vineyard CP against the criteria in the *Local Infrastructure Contributions Practice Note*.

This criteria requires that local infrastructure contributions reflect the reasonable costs of infrastructure required for a new development area – which is important for equity and efficiency.

We based our assessment on information in the plan, submissions to our First and Second Draft Reports and information provided by the council.

We released a Second Draft Report for our assessment, because the council’s submission to our First Draft Report included significant changes to its cost estimates relative to those in the contributions plan it originally submitted.

## WHAT NEXT

The Final Report is available at <https://www.ipart.nsw.gov.au/>. We have provided this report to the council and the Minister for Planning and Public Spaces (the Minister).

Once the council has made any changes requested by the Minister, it can levy contributions in accordance with the plan.

The council agreed to a review of the plan within three years in its response to a draft of IPART’s assessment.