
IPART proposes reduced costs for Castle Hill North (CP17)

The Independent Pricing and Regulatory Tribunal (IPART) is seeking comment on recommendations to reduce the amount The Hills Shire Council can charge developers in the Castle Hill North Precinct.

The plan submitted by the council proposed costs for local infrastructure that would amount to a charge of \$26,078 for a typical 2-bedroom dwelling.

IPART is recommending the amount be lowered to \$21,973, as a result of reducing the estimated cost of some of the works and land in the plan, and changes to assumptions in the council's financial model.

The draft recommendations would result in a net reduction of \$8.44 million, or 10.7% of total costs in the plan, and are detailed in IPART's Draft Report on the assessment of The Hills Shire Council's draft *Contributions Plan No. 17 – Castle Hill North*.

Chair of IPART's Local Government Committee, Deborah Cope, said CP17 will not be subject to a cap on developer contributions when finalised, so all costs would be passed on to developers.

"Until July 2020, the NSW Government imposes contributions caps, which limit the amount some councils can levy on residential development in certain precincts," Ms Cope said.

"These limits do not apply to development in the Castle Hill North Precinct and so local infrastructure would be entirely funded by developers; similar to the way other councils would be funding plans after caps are phased out entirely in July 2020."

Ms Cope said most of the works in the plan involve upgrades to existing infrastructure, and recognised the council's "pragmatic and cost-effective approach", given the challenges of limited space within the precinct.

"However, because the council has not yet acquired any land nor commenced any works for the new development, it appears the scope of works required, and their costs, are based on quite high-level assumptions," she said.

"As a result of these uncertainties, we recommend the council review the plan within three years, to allow it to refine its forecasts so the contributions collected under the plan can match as closely as possible the reasonable cost of providing essential local infrastructure for new development in the Castle Hill North Precinct."

Submissions in response to IPART's Draft Report can be made until 18 October 2019. All submissions will be considered by IPART before it provides a Final Report to the Minister. Once the council has made any changes requested by the Minister, CP17 will become an 'IPART-reviewed plan' and the council can levy contributions in accordance with the adopted plan.

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More information is available at ipart.nsw.gov.au