

IPART recommends lower infrastructure charges for Balmoral Road

The Independent Pricing and Regulatory Tribunal (IPART) is recommending that The Hills Shire Council (the council) reduce its proposed local infrastructure contributions for the Balmoral Road Release Area in Sydney's North West Growth Area.

The recommendations, contained in a report to the NSW Minister for Planning and Public Spaces (the Minister), aim to ensure that development contributions reflect the reasonable cost to the council of acquiring land and delivering essential infrastructure. They would reduce the total cost of land, works and administration in the plan from \$209.6 million to \$201.0 million (\$2016-17). This is a reduction of \$8.6 million (4.1%).

This is the second time IPART has reviewed Contributions Plan 12 for the Balmoral Road Release Area, with the first review finalised in 2011. Now, more than 50% of the originally anticipated development has occurred and the council has acquired more than 90% of land in the plan. The council intends to provide the remaining infrastructure in the plan over the next 6 years.

Chair of IPART's Local Government Committee, Ms Deborah Cope, said that while all of the land and works in the plan are essential to meet the local infrastructure needs generated by new development in the release area, we have identified some savings.

"We also recommend that the council update the base year of the contributions plan from 2016-17 to 2017-18, and, in doing so, include an additional year of actual costs and revenue. This would more accurately reflect the council's revenue and expenditure to date," Ms Cope said.

The Minister will consider IPART's recommendations and publish his advice to the council on the Department of Planning, Industry and Environment's website.

If adopted in full, IPART's recommendations would reduce contributions for a standard residential lot from \$51,853 to \$44,759 (\$2017-18).

If the council adopts this revised plan for Balmoral Road Release Area, addressing any changes requested by the Minister, it will be able to

charge developers up to \$45,000 per dwelling until 30 June 2020 and apply for funding under the Local Infrastructure Growth Scheme (LIGS) for any additional amounts. From 1 July 2020, the council will be able to charge the full contribution amount in accordance with the plan.

A full copy of IPART's assessment is available on IPART's website: <http://www.ipart.nsw.gov.au>.