

IPART recommends lower infrastructure charges for Riverstone East and Area 20 Precincts

The Independent Pricing and Regulatory Tribunal (IPART) is recommending Blacktown City Council reduce its proposed local infrastructure contribution charges for the Riverstone East and Area 20 Precincts in Sydney's North West Growth Area.

The recommendations, contained in a report to the NSW Minister for Planning, would reduce the total cost of land, works and administration in the plan from \$987.6 million to \$832.7 million. This means a reduction of \$155.0 million (15.7%).

Chair of IPART, Peter Boxall, said that while most of the land and works in the plan are essential to meet the local infrastructure needs generated by new development in the precincts, we have proposed amendments to the council's estimated costs of works.

"After reviewing the information provided by the council, we have identified ways to improve the estimated costs of providing transport, stormwater management and open space works for the new development areas.

"We also found that the expected population in the precincts is higher than what the council had assumed in developing the plan. As a result, we recommend the council re-apportion the cost of providing infrastructure across the larger population. This means the cost for each residential lot or dwelling would be lower than otherwise.

"Additionally, the council needs to include more information about the cost and location of infrastructure in Stage 3 of the Riverstone East Precinct."

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

The indicative contributions for low density development in the plan are between \$101,289 and \$123,729 per lot. Our recommendations would reduce the contributions for equivalent lots to between \$86,073 and \$95,808.

However, for the Area 20 Precinct and Stages 1 and 2 of the Riverstone East Precinct, the maximum charge per lot is be capped at \$40,000 until

30 June 2019, then \$45,000 until 30 June 2020. The council is eligible for funding through the State Government's Local Infrastructure Growth Scheme (LIGS) for the difference between the contribution amounts required to fund local infrastructure and the capped charge. After 1 July 2020, the cap will be removed entirely.

A cap of \$30,000 per lot applies to Stage 3 of the Riverstone East Precinct until the council makes any changes required by the Minister for Planning. After that point, the council can charge the uncapped contribution amount.

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