

CLARIFICATION OF IPART'S RECOMMENDATIONS REGARDING OPEN SPACE

15 November 2011

The Independent Pricing and Regulatory Tribunal (IPART) would like to clarify its findings relating to the cost of land for open space in the contributions plans that we reviewed.

IPART agrees that new housing developments should have parks for recreation and open space. IPART Acting Chairman, Jim Cox, said, "our report merely highlighted the high cost of councils purchasing land for open space for a range of purposes and posed the question of who should pay."

"The amount of land that is available for new housing is affected by regulatory requirements of Commonwealth, State and local governments. Decisions by one part of government requiring a council or a developer to set aside land sometimes occurs in isolation from decisions made by other parts of government."

Mr Cox said, "the amount of land set aside for these purposes varies significantly from area to area – so it is reasonable to ask why that is the case."

"The Land and Housing Supply Coordination Task Force found similar issues when it looked at a number of development areas in Sydney last year. They found that the amount of land set aside for environmental purposes varies significantly from area to area and the use of this land for other purposes including stormwater detention, public recreation and private open space also varies."

"The costs of these requirements add up and can affect the supply of new housing and exacerbate housing affordability pressures. Housing supply and affordability are important issues for the future economic growth of the state and affect the capacity of young families to buy a home in Sydney."

IPART recommended that Government should review the requirements for open space and other uses that prevent land from being developed. Mr Cox said, "It is possible that some land that is set aside from development can be used for more than one purpose. For example, part of the land adjacent to stormwater corridors may also be able to be used for recreation purposes. By combining the uses of this land, the costs to the community could be reduced."

Our reports recommended that a consistent approach to stormwater management could lead to lower development contributions, which ultimately affect housing prices.

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