

RISING LAND COSTS IMPACT NORTH WEST GROWTH CENTRE

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Increasing land values in the North West Growth Centre are continuing to affect the cost of providing local infrastructure for new residential areas in the Riverstone and Alex Avenue precincts.

The Independent Pricing and Regulatory Tribunal (IPART) has today released its assessment of Blacktown City Council's latest cost estimates for the infrastructure triggered by the development of the nearly 1,300 hectare site. IPART acknowledged that rising land values have added a further \$157.8 million to council's estimated acquisition costs, but made recommendations for further net savings in the plan.

IPART found that that some land may be cheaper than estimated by Council and required review.

It also found that Council's proposed costs for providing stormwater facilities are disproportionately high compared with other contributions plans. IPART has also recommended that soil disposal costs be removed from the plan pending more reasonable cost estimates. It has also recommended a broader review of stormwater management by the Department of Planning and Environment.

This is the third time IPART has assessed Blacktown City Council's Section 94 Contributions Plan for the Riverstone and Alex Avenue precincts. The 2015 plan was updated and exhibited by Council in late 2015.

Chairperson of IPART's Local Government Committee, Catherine Jones, said the assessment reinforces IPART's findings from previous reviews that the cost of providing infrastructure in North West Sydney is substantial, and is well above the development contributions cap set by the Government for greenfield developments.

"The total cost of local infrastructure to accommodate approximately 44,000 residents expected to live at Riverstone and Alex Avenue is \$1.06 billion according to the plan submitted by council," Ms Jones said.

"Nearly 55% of this cost is for local stormwater management infrastructure servicing the two precincts.

It is important that local councils plan infrastructure in a cost efficient manner to reduce the contributions and make development more affordable in the precincts."

The adjustments that IPART has recommended would reduce the costs by \$155.8 million or 14.7% compared with Council's proposal. But the final costs in CP20 will depend on the outcome of a number of reviews also recommended.

