

Submission in Relation to the
IPART Assessment of West Dapto Contributions Plan 2020

Introduction

This submission to IPART in relation to their Assessment of West Dapto Contributions Plan 2020 (the Plan) is made by Fountaindale Group. Fountaindale is a private development firm that specialises in greenfield subdivisions often in joint venture with existing landholders. Fountaindale has interests in Precinct 5 of the West Dapto Urban Release Area (WDURA) through joint ventures with numerous landholders.

Costs

Broadly we find IPART's assessment of the Plan fair and reasonable. IPART has, in our view, correctly identified a number of areas where costs can be reduced and we are supportive of the recommended methods by which cost & rates should be determined.

Apportionment

We agree with IPART's finding that apportionment of the costs, as proposed by Wollongong City Council, between the five stages of the WDURA is not reasonable and that a separate calculation for Stage 5 in relation to transport, stormwater and plan administration is necessary. Council has argued that there should be one contribution charge across the WDURA based upon the following underlined points (our comments on each point are provided):-

- A claim that nexus exists - We have long believed (and the IPART review has now confirmed) that there is no nexus that would fairly require Stage 5 to contribute to transport and stormwater infrastructure in Stages 1-4, as Stage 5 is in a separate stormwater catchment and has separate, short & direct road connections to the Princes Highway.

- Whole release area planning benefits – this is implying that each stage benefits from infrastructure in other stages, however this is not the case for Stage 5 in relation to Transport & Stormwater Infrastructure, as Stage 5 can be developed in isolation of the other stages. The current development in of Stages 1, 2 & 3 without Stage 5 being developed is also evidence that those Stages can be readily developed & serviced with infrastructure without reliance on Stage5. Clearly no nexus exists.
- Consistency throughout Contributions Plan reviews – This argument implies that if an error has been made, that error should be continued for consistencies sake. This is clearly an ill founded position.
- The limitations of the indicative rates provided by IPART in October 2016 – these limitations will be resolved with further analysis and is not a valid reason to continue to levy a single contribution rate across the 5 Stages.
- The views raised in the more recent IPART 2019 discussion paper "*Inclusion of roads in contributions plans*" that it was generally agreed that the benefits of apportioning road costs across a broad catchment – This position is certainly valid where Nexus exists, however as Nexus does not exist in this case the principle cannot be applied. Further, Stage 5 is a significant release area in its own right and large enough to warrant a separate Contributions Plan. By way of comparison, in the adjacent Shellharbour City Council area there are numerous catchments, some of which are smaller than Stage 5, which have separately levied Contributions for transport and stormwater infrastructure and this arrangement is seen as fair by both the industry and Council & appears to function well.

Essential Works.

We note that IPART has found that the land and infrastructure in the Plan are on the essential works list outlined in the Practice Notes. However, we believe that there are opportunities for necessary infrastructure in the Plan (roads, bridges and intersections in particular) to be provided in a more efficient manner, resulting in significantly reduced costs to the Plan. Some examples of areas where costs could be reduced include unnecessary duplication of roads and excessively high number of signalised intersections. We therefore request that IPART

include in its recommendations, that Council, prior to the next review of the Plan, have an independent external engineering firm review the proposed transport infrastructure in the Plan and to make recommendations as to alternative and more cost efficient ways to provide the infrastructure required to adequately service the urban release area. This would ideally occur within 2 years in order to provide an opportunity for the Plan to be revised before some of the infrastructure items currently in the Plan are constructed.

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