

## POTENTIAL SAVINGS IN DRAFT WEST DAPTO CONTRIBUTIONS PLAN

**11 October 2016**

The Independent Pricing and Regulatory Tribunal (IPART) has today released its assessment of Wollongong City Council's Draft West Dapto Contributions Plan which applies to the West Dapto Urban Release Area (WDURA).

The assessment recommends significant savings in the order of 24% to the plan's proposed \$1.23 billion investment in infrastructure to meet the demand from new residents and workers in West Dapto. The plan is a draft, and the council is still refining infrastructure needs and cost estimates.

IPART Chair Dr Peter Boxall said "most of the infrastructure proposed in the plan is reasonable in terms of need and cost, but we have recommended removing some items from the plan as they are not considered to be essential works, or the council has yet to demonstrate how the need for those items is related to the new development."

"We have also recommended the council revise costs for construction, design and contingencies, and update estimates for a range of infrastructure items."

Dr Boxall said that reducing the costs of roads, bridges, stormwater drainage, open space and recreation facilities would make development more affordable in the WDURA.

The Draft Contributions Plan indicates that West Dapto is expected to be home to more than 56,500 residents and provide for more than 8,500 jobs by 2070. The council has already approved 995 out of an expected total of 19,500 dwellings across the five stages of the development area.

Section 94 contributions are levied by councils on new development, and are used to fund additional local infrastructure needed to meet the additional demand. The NSW Government has capped the amount of local infrastructure contributions councils can collect from new residential development (\$30,000 per lot in greenfield areas). For eligible plans councils can apply for funding from the NSW Government to meet the shortfall between the reasonable costs of infrastructure and the capped amount.

IPART has reviewed this plan because the cost estimates in the plan resulted in maximum contribution rates for residential development above the Government's cap of \$30,000, and the council indicated that it intends to apply for funding through the Local Infrastructure Growth Scheme (LIGS). As a result of IPART's review contribution rates for residential development should fall.

A full copy of IPART's assessment is available at [ipart.nsw.gov.au](http://ipart.nsw.gov.au). The Minister for Planning will consider IPART's recommendations and may ask council to amend the plan.

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