



## **MEDIA RELEASE**

**THURSDAY, OCTOBER 27, 2011**

**For immediate release**

### **DEVELOPERS SUPPORT IPART RECOMMENDATIONS**

Excessive demands for public open space that are compromising the feasibility of new housing estates must be reviewed, developers say.

The State Government must also commit to creating a permanent fund that can adequately resource the rising cost of local infrastructure for new housing, says the Urban Development Institute of Australia NSW (UDIA NSW).

UDIA NSW has welcomed today's recommendations by the Independent Pricing and Regulatory Tribunal (IPART) for a whole-of-government review of public open space requirements for future developments.

IPART assessed three applications by Blacktown City Council and The Hills Shire Council to exceed the current \$30,000 cap for developer charges to fund local council infrastructure for greenfield developments.

The councils submitted to IPART contributions plans for three greenfield development areas: Riverstone and Alex Avenue precincts within Blacktown City Council area, and the North Kellyville precinct and Balmoral Road release area within The Hills Shire Council area.

The councils asked to exceed the \$30,000 cap by double in the case of Blacktown, which proposed to impose a levy of up to \$60,000 for each new lot. The Hills Shire Council proposed a levy of up to \$53,780 per lot for the Balmoral Road Release Area and up to \$45,068 for North Kellyville.

IPART recommended alterations to the contribution plans that could reduce the total cost of levies in Riverstone and Alex Avenue to \$700.1 million, Balmoral Road to \$155.7 million, and North Kellyville to \$151.5 million.

In its reports, IPART found the cost of councils buying land for open space and recreational use was a major factor in the charges. It recommended: "A whole-of-government review of the requirements for open space and other land uses that sterilise land for development should be undertaken".

UDIA NSW Chief Executive Stephen Albin said that there were cases of some new developments in NSW having up to 60 per cent public open space requirements.

"Councils are in a tough situation. They've got inadequate resources to cope with Sydney's growing population, and they are also having to meet unrealistic requirements, placed upon them by other agencies, of delivering vast tracts of public open space," said Mr Albin.

"It is one of the key drivers of the rising costs of developers' levies, which are then passed on to the homebuyer."

“It also has the effect of reducing the total number of dwellings that can be produced - and that directly impacts on housing affordability.”

Mr Albin said it was clear that the Government needed to create a permanent infrastructure fund that was resourced enough to deal with a potential raft of future applications by councils to exceed the \$30,000 cap.

“Given the amount of land that has been approved for new dwellings in Northwest and Southwest Sydney growth centres, we anticipate these three applications by Blacktown and the Hills councils will not be the only ones,” Mr Albin said.

Last year the government set up a \$50 million Priority Infrastructure Fund as a transitional measure for 2010/11 and 2011/12 to help councils fund local infrastructure to support new development.

“However these applications by councils to IPART demonstrate that the issue of how to fund local infrastructure will only become more critical,” Mr Albin said.

“IPART has recognised today that the funding sources need to be addressed, and the costs shared between State Government, developers, councils, local residents or the wider community.”

“We believe that all those that benefit from the infrastructure should pay for it, not just the developer,” he said.

For further information or for an interview with UDIA NSW CEO Stephen Albin, please contact UDIA NSW Media Manager Kara Lawrence on (02) 9262 1253 or 0403 871 123.

- UDIA NSW represents more than 500 members of the development industry in NSW including developers, financiers, consultants, planners, manufacturers, property managers, and state and local authorities.