

18th October 2024

Sheridan Raptund
Director, Local Government
Independent Pricing and Regulatory Tribunal NSW
PO Box K35, Haymarket Post Shop, NSW 1240

Via email: sheridan.raptund@ipart.nsw.gov.au

RE: UDIA Submission to IPART Assessment of West Dapto Development Contributions Plan 2024

Dear Sheridan

Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development across NSW through our over 450 member organisations. UDIA invests in evidence-based research that informs our advocacy to local, state, and federal government, so that development policies and critical investment is directed to where it's most needed to shape the places and cities where people will live for generations to come.

We thank the Independent Pricing and Regulatory Tribunal (IPART) for the opportunity to comment on the assessment of the Draft West Dapto Contributions Plan 2024 (WDCP). As you would be aware, UDIA offered a substantive submission to Wollongong City Council (WCC) during the exhibition of the WDCP in late 2023. We were pleased that our feedback was mostly reflected in the final WCC submission to IPART.

However, we note that funding for the full cost of the Western Ring Road (items TR16, TR18, TR19, and TR25) remains in the draft WDCP. This outcome is particularly disappointing, given the clear evidence from IPART that the WDCP's cost of transport works per person far exceeds all other Contribution Plans recently assessed by IPART.

We maintain the view that this road should be state-funded and a local contributions scheme should not be used to fund a regional road upgrade as this inappropriately places the burden for 100% of the cost on future residents of West Dapto. This preferred approach is consistent with the practice in other growth areas throughout both Metro and Regional areas. Some examples include Hambleton Road & Schofields Road in North West Sydney, and Rickard Road in Leppington, all of which were funded and identified by the (at the time) Special Infrastructure Contributions (SIC) and hence not identified in any local contribution plans.

This position is strongly aligned with the views of WCC, which has confirmed in various meetings with UDIA that it is their preference to not include the Road in the Local Contributions Plan, however they are reluctant to remove it in the absence of any clear state-funding strategy being committed to by Transport for NSW. We are also advised

that the Department of Planning, Housing and Infrastructure has warned against removing the item from the WDCP in the absence of any state funding strategy.

UDIA is concerned that there could be perverse outcomes for some home purchasers in this area if state funding is secured after the WDCP has been finalised (either through grants or through the Housing and Productivity Contributions scheme). In this case, there will be a subsection of homes where developers will have paid \$23,000 in contributions towards the Ring Road upgrade, which will have been added to the final purchase price of their house and land. It seems entirely unreasonable that those who are first to purchase new homes could potentially be unfairly impacted in this way, based on no other factor than the timing of their purchase.

We ask IPART to consider exploring options to avoid this inequitable outcome described above. This could include excluding the Ring Road from the WDCP, or including it and deferring the charge associated with its upgrade (i.e., \$23,000 per lot) for 2-3 years to allow time for it to be considered for funding under the H&PC or through central agency budgets.

We also urge IPART to avoid creating a process where the WDCP is required to be re-exhibited by WDCP should a state-funding source be identified for the Ring Road. This would be a time-consuming process that would only serve to create further uncertainty for development and we would urge IPART to confirm the CP will not need to be re-exhibited if this occurs.

We again thank IPART for the opportunity to provide a submission to this exhibition. Should you or your team have further questions about our submission please contact Nathan Boulous, Southern Regional and Research Manager at nboulous@udiansw.com.au.

Kind regards,



Stuart Ayres
Chief Executive Officer
UDIA NSW