

15 August 2008

Mr Angus Dawson  
Chief Executive  
Growth Centres Commission  
PO Box 1457  
PARRAMATTA NSW 2124

Dear Mr Dawson

**Re: Public Exhibition of North Kellyville Precinct Planning Package**

The Urban Taskforce appreciates the opportunity to make comment on the above matter and the following is provided for your consideration.

As you would appreciate, there is a chronic shortage of land for urban development. This is making existing land available for residential development more expensive, which in the end is making housing in NSW less affordable.

The precinct planning completed for North Kellyville is an important step, but is only the start of solving this urgent housing crisis. The precinct plan is not the solution to the problem. Lot production is the answer to the housing crisis and the strongest possible effort by government must be directed towards increasing greenfield lot production.

Regardless of how good we may think a plan is, if the charges on the developer included in the plan increase the selling price of each lot to a level that it is above the market value of land, no new lots are produced. The developer is unable to recover the cost of producing land and putting lots on the market, which in reality means no new housing in the areas where demand is at its highest.

We have made numerous submissions to the State Government on the importance of ensuring that development fees and charges are reasonable. In this regard, we strongly argue that there must be an element of market reality when determining development charges, particularly when preparing a section 94 contributions plan.

In the North Kellyville area it is noted that the proposed section 94 contribution per dwelling is up to \$50,702.04. The Urban Taskforce must express grave concern with the imposition of such a tax on development. This exorbitant charge, when added to the high acquisition cost of undeveloped land and the numerous other charges will result in the cost of producing lots once again being higher than the market value.

Furthermore, the North Kellyville precinct comprises of numerous relatively small landholders who, if recent media reports can be relied upon, already have an unrealistic expectation of land value. Unless a realistic contributions plan is prepared, there will be no residential development in the North Kellyville Precinct.

The Growth Centres Commission must reflect on previous experience in the South West Growth Centre. Surely the Growth Centres Commission does not need to be reminded of Camden Council's original draft section 94 contributions plan which included a contribution rate of \$47,000.00 per lot. This rate was reduced to \$30,000 through the intervention of the NSW Government. If \$47,000.00 per lot was too high in 2007, \$50,702.04 is excessive in 2008, even for the Baulkham Hills local government area.

The Urban Taskforce encourages good design and does not object to the preparation of sound development control plans. Development control plans that will effectively direct development for a sustainable use of land is important. But good development plans are only useful if development fees and charges are reasonable. I urge you to reconsider the section 94 contribution plan.

Once again, thank you for providing us with the opportunity to offer our comments and should you require any further clarification of the content of this correspondence, please feel free to contact me.

Yours sincerely

**Urban Taskforce Australia**

A handwritten signature in black ink that reads "Aaron Gadiel". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Aaron Gadiel  
Chief Executive Officer