

ASSESSMENT OF BOX HILL NORTH PRECINCT CONTRIBUTIONS PLAN CP16

10am Monday 21 September 2015

The Independent Pricing and Regulatory Tribunal (IPART) is recommending changes which reduce the costs associated with development of The Hills Shire Council's Box Hill North Precinct.

IPART's assessment of this Section 94 Contributions Plan, known as CP16, found that most of the infrastructure and unit costs in the plan were reasonable. Apart from various technical studies that the council provided, IPART also drew on costings as set out in a voluntary planning agreement (VPA) between the council and the principal developer, E J Cooper and Sons Pty Ltd.

IPART has recommended that some costs be removed because they are not in the VPA (eg, a \$0.7 million roundabout, \$2.1 million in administration costs) or reduced because they exceed the cost in the VPA (eg, park embellishment, cost of land for the community centre).

IPART also excluded \$17.5 million which reflects extensive planting planned for riparian corridors. IPART concluded that the plan did not demonstrate a reasonable nexus between the extent of the planting and the plan's stormwater management objectives. As a result, IPART recommends the full amount of riparian planting be removed from the plan, pending a more accurate estimate by the council of the required extent of the planting.

In total, the cost reductions recommended are up to \$21.6 million or 8.5% of the base cost of \$241 million.

Using the council's assumptions, the 2014-15 contributions rate per residential lot in CP16 ranges from \$64,794 for low density dwellings to \$35,255 for flats/apartments.

Chairperson of IPART's Local Government Committee, Catherine Jones, said the Box Hill North Precinct covers around 380 hectares and will provide 4,600 dwellings that will house 13,500 residents.

"The plan was assessed against the criteria provided to us by the NSW Department of Planning and Environment and on the basis of the technical studies and agreement between the council and E J Cooper & Sons. Once the council more accurately measures the extent to which riparian planting is needed, the cost reductions that we are recommending will be modest."

Section 94 contributions are payments by developers to councils that are used to fund community facilities and other infrastructure for new development areas. IPART reviews the content of certain contributions plans if the planned development contributions exceed the cap of \$30,000 per dwelling or lot in greenfield areas, or \$20,000 in all other areas.

Where costs exceed the cap, councils can seek additional funding through the NSW Government Local Infrastructure Growth Scheme or via a special variation application for a rate increase to IPART.

A full copy of IPART's assessment is available at on IPART's website <<http://www.ipart.nsw.gov.au>>.

The Minister for Planning will consider IPART's recommendations and may request the council to amend the contributions plan, which has already been adopted.

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