



17 June 2025

Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

Our Ref: FP216

Dear Sir / Madam,

**SUBMISSION ON IPART'S DRAFT ASSESSMENT REPORT
DRAFT CONTRIBUTIONS PLAN NO.15 – BOX HILL PRECINCT (FP216)**

Thank you for the opportunity to provide comments on IPART's draft Assessment Report for Contributions Plan No.15 – Box Hill Precinct, which is being publicly exhibited until 18 June 2025. Due to the exhibition timeframe these comments are from a Council officer perspective and have not been considered or endorsed by the elected Council.

Council officers appreciate the short turnaround of IPART's review as well as the conclusions within the draft report which determine that Council's draft plan is reasonable and meets all assessment criteria.

The following comments are provided for IPART's consideration in preparing its final assessment report for the Minister.

a) Updates to Work Schedule – Land Values

IPART identified some anomalies in its assessment, which resulted in Council identifying a number of instances where actual values have been associated with incorrect land item codes within the work schedule. In some cases, this has resulted in duplication of the value across multiple codes. Rectifying these issues has resulted in the deletion of one item code and reallocation across 6 other item codes as set out in the following table.

Land Item Code	Draft Plan	Revised Value	Comment
CP15BH03A1001	\$8,483,177.42	\$5,428,265.36	Updated to actual costs
CP15BH03A1002	\$3,365,205.55	\$78,508.64	Actual costs moved to CP15BH03A001
CP15BH03C1002	\$3,500.73	\$629.06	Actual costs moved to CP15BH03A001
CP15BH03C1003	\$1,693,956.63	\$549.08	Actual costs moved to CP15BH03A001
CP15BHNR02A1002	\$451,171.58	-	Item not required as costs included in CP15BHNR02A001
CP15BHPF02001	\$255,454.44	\$219,355.30	Updated to actual costs
CP15BHPF02003	\$119,395.08	\$122.02	Actual costs moved to CP15BHPF02001

Table 1
Land Cost Reallocation & Comments

An updated work schedule and NPV models addressing the above is attached to this submission. It is assumed that IPART would intend to reflect these changes in its final recommendations.

b) Allowance for Just Terms Compensation

Following the comments on Page 35 of IPART's report, it is requested that an allowance for just terms compensation be included within CP15.

In addition to Council's usual responsibility to pay landowners' costs as part of the acquisition process (valuations, legal fees etc.), it is also liable for costs associated with just terms compensation. Such costs include special values, severance costs, disturbance costs, appointment of an independent valuer, Valuer General's review costs, an internal case manager and administrative support.

Council's approach to date has been to include actual costs for just terms compensation as part of a subsequent review of the plan. Primarily because these costs cannot be accurately determined in their entirety until the conclusion of the matter. However, there is a high likelihood of just terms compensation costs being incurred for remaining land acquisitions, particularly due to ongoing issues and difficulties negotiating with particular landowners.

It is noted that IPART has previously supported the inclusion of a just terms compensation allowance within other local contributions plans including Wollondilly's Appin Growth Area Contributions Plan (2024). IPART's report noted that the inclusion of such an allowance would help to ensure more accurate estimates for land acquisition costs over time. An allowance of 5% of the total cost of land was supported on the basis that the majority of the land is in major landholdings with only a small amount in fragmented ownership.

IPART's recommendation for the Appin Contributions Plan was made in the context of the Plan being in its early stages. Whilst CP15 has been in force for around 10 years, landownership is fragmented within this precinct and the inclusion of an allowance is considered critical given the ongoing funding issues, status of development within the precinct and continued difficulties Council is experiencing with acquiring land. Also, it is noted that a large share of the remaining land acquisitions are from a major landholding, where Council has been unable to successfully negotiate for purchase of the land to date.

It is therefore requested that the existing land acquisition allowance of 1.5% for fees and charges be increased to 5%, to account for fees, charges and just terms compensation costs, consistent with IPART's previously supported recommendation for the Appin Contributions Plan. An updated work schedule and NPV models including this revised allowance is attached to this submission. It is requested that IPART include this in its final recommendations as a contingency to appropriately account for risks associated with future just terms compensation costs.

c) Changes to the Contributions Framework

Despite IPART's updated guidance on funding shortfalls, it remains Council's view that the cost burden for providing infrastructure required to support a precinct should be borne by the development within that precinct. This is the most reasonable and justifiable approach and most consistent with the principles of nexus and apportionment that underpin the contributions legislation.

Shifting funding shortfalls to the general rates base or relying on uncertain funding grants is not considered prudent planning and will ultimately disadvantage communities who buy into a precinct under the expectation that the works outlined within a contributions plan will be delivered and by a certain timeframe.

Whilst it is acknowledged that this matter is outside of the scope of this review, IPART along with councils should continue to advocate for amendments to the system to ensure that funding shortfalls can be recouped from development within the relevant precinct.

Should you wish to discuss any of the matters raised within this letter, or if you would like to arrange a meeting with relevant Council officers, please contact Brent Woodhams, Principal Coordinator Forward Planning on [REDACTED] .

Yours faithfully

[REDACTED]

Nicholas Carlton
MANAGER – FORWARD PLANNING

Attachments: Updated Work Schedule & NPV Models