

Review of The Hills Shire Council's Contributions Plan 12 – Balmoral Road

11 July 2019

WHAT

IPART has reviewed The Hills Shire Council's revised draft *Contributions Plan No.12 Balmoral Road Release Area* (CP12), which applies to new development in the Balmoral Road Release Area.

The Balmoral Road Release Area is in north-west Sydney. Based on current planning controls, it is expected to be home to a population of around 17,000 people in around 6,600 dwellings.

This is the second time IPART has assessed CP12, with our first review completed in 2011.

Our recommendations

Our recommendations would reduce total costs in the plan by \$8.6 million (4.1%), from \$209.6 million to \$201.0 million (\$2016-17).

The reduction in costs is the result of our recommendations to reduce:

- ▼ the estimated cost of cycleways (-\$7.7m).
- ▼ the cost of acquiring stratum space for expansion of a library (-\$0.7m).
- ▼ the estimated cost of a stormwater basin (-\$0.1m).
- ▼ administration costs to be 1.5% of the revised total works costs (-\$0.1m)

It is important that costs in contributions plans reflect the reasonable cost to the council of providing local infrastructure for the new development. Otherwise, developers or the NSW Government may pay too much for local infrastructure (if costs are too high) and other parties, such

as a council's ratepayers, may subsidise the new development (if costs are too low). Cost-reflective developer contributions are also important to ensure that development only occurs where the benefits of development exceed its costs.

WHY

IPART assesses councils' contributions plans which propose local infrastructure contributions above a threshold amount. The maximum contributions in CP12 exceed the \$30,000 per lot or dwelling threshold that applies to the plan.

HOW

We have assessed CP12 against the criteria in the Department of Planning, Infrastructure and Environment's *Practice Note: Local Infrastructure Contributions* (January 2019). We have based our assessment on information in the plan, and further information provided by the council.

WHAT NEXT

IPART has provided its report on the plan to the council and the Minister for Planning and Public Spaces (the Minister). It is available on IPART's website: <https://www.ipart.nsw.gov.au/>.

In response to our recommendations, the Minister will advise the council of any required changes. If adopted in full, IPART's recommendations would decrease contributions for a standard residential lot from \$51,853 to \$44,759 (\$2017-18).