

# Contributions Plan 15 - Box Hill Precincts



4 April 2016



## WHAT

IPART has reviewed Draft Contributions Plan 15 for the Box Hill and Box Hill Industrial Precincts (CP15), submitted by The Hills Shire Council (THSC) in June 2015.

A contributions plan is a public document which sets out a council's policy for the assessment, collection, expenditure and administration of development contributions in a specified development area.

We recommended that the cost of essential works in CP15 should be reduced from \$411.2 million to \$304.0 million. This is a reduction of \$107.2 million (26%), compared to what the council proposed.

The \$107.2 million adjustment comprises:

- ▼ the removal of \$18.18 million from the cost of works for an indoor recreation facility and \$11.46 million from the cost of works for raingardens, which we consider are not Essential Works
- ▼ the removal of \$56.46 million of land for open space and associated embellishment because the land dedicated to open space in the precincts exceeds the amount recommended in a consultant's technical study
- ▼ reducing transport contingencies to more accurately reflect the stage of the projects, reducing costs by \$3.97 million, and
- ▼ the removal of \$17.15 million from transport cost by using site specific cost estimates rather than estimates from IPART's Benchmark Report.



## WHY

In 2010, the NSW Government capped the amount of local infrastructure contributions councils can collect from developers of new housing. At the same time, it set up a fund to meet the gap between the cap amount and the contribution towards essential infrastructure otherwise payable by developers (ie, in the absence of any cap).

We have reviewed CP15 because the maximum residential contribution is above the Government's contributions cap of \$30,000 per lot for greenfield areas, and the council has indicated that it intends to apply for gap funding through the Government's Local Infrastructure Growth Scheme.

This is the second time that we have reviewed a version of CP15. We completed our previous review in December 2014.



## HOW

IPART assesses plans in accordance with the criteria set out in the Department of Planning and Infrastructure's 2014 *Revised Local Development Contributions Practice Note – For the assessment of Local Contributions Plans* by IPART.



## WHERE

The Box Hill and Box Hill Industrial Precincts are located within Sydney's North West Growth Centre, in The Hills Shire local government area.



## WHAT NEXT

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We have provided our report to the Minister for Planning. The Minister will consider our recommendations and may request the council to amend the contributions plan.

If adopted, our recommendations would reduce the \$48,400 per lot maximum residential contribution in the plan by around \$13,300 per lot. However, developers will still only pay a maximum of \$30,000 per lot. The reduction in the maximum contribution amount would reduce the amount of Local Infrastructure Growth Scheme funds for these precincts.

While our recommendations relate to the cost of essential works, non-essential but worthwhile infrastructure may still be provided by the council and funded through alternative measures (ie, other than through development contributions or the Local Infrastructure Growth Scheme).

A copy of our report is also available on IPART's website:

<http://www.ipart.nsw.gov.au>