

## ASSESSMENT OF BOX HILL DEVELOPMENT CONTRIBUTIONS PLAN

**10am, 9 December 2014**

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

IPART's assessment of the Section 94 Contributions Plan for the Box Hill Precinct found that while most of the infrastructure and costs in the plan are reasonable, the development of the indoor recreation centre should be excluded from the costs to be levied on the new development, and instead be funded from other sources. IPART also recommended changes to infrastructure cost estimates that would further reduce the contributions which are levied in the plan.

IPART found \$100 million in additional costs added to the plan since it was exhibited in 2012, and recommends Council re-exhibit the plan once it has considered IPART's recommended amendments.

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.

Using the council's assumptions, the maximum contributions rate per residential lot in CP15 equates to \$60,675 for low density homes, which will make up most of the residential development, and up to \$91,013 for large lots. Under IPART's recommendations, these costs would be reduced by 22.5% and 34.4% respectively.

Chairperson of IPART's Local Government Committee, Catherine Jones, said the Box Hill Precinct covers around 975 hectares and will eventually accommodate almost 28,000 residents and provide jobs for over 17,000 people.

"The total cost for developing the precinct is around \$411 million according to the plan submitted by council," Ms Jones said.

"Of this cost, 26% is for land, 73% is for construction costs, and 1% is for plan preparation and administration costs.

"While we have found that the majority of infrastructure and costs are reasonable, we have identified changes that would reduce the overall cost by 11.7% to around \$362.8 million, through savings including \$18.9 million for the cost of works for the indoor recreation centre, \$16.3 million for road infrastructure, and another \$8.5 million for contingency allowances."

IPART's recommendations also include shortening the plan's timeframe from 40 to 25 years.

A full copy of IPART's assessment is available at [ipart.nsw.gov.au](http://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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