

ASSESSMENT OF CONTRIBUTIONS PLAN 15 FOR BOX HILL PRECINCTS

10am 4 April 2016

The Independent Pricing and Regulatory Tribunal (IPART) today released its assessment of The Hills Shire Council's revised costs for local infrastructure in the Box Hill and Box Hill Industrial Precincts.

IPART recommended that the cost of essential works in the draft contributions plan 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.

IPART Tribunal member and Local Government Committee Chairperson, Catherine Jones, said potential savings were found in three key areas:

- ▼ Reclassifying the council's proposed indoor recreation facility and raingardens for the treatment of stormwater runoff as non-essential works. Removing these items would save \$29.6 million.
- ▼ Ensuring that the land dedicated to open space in the precincts equals rather than exceeds the amount recommended in a consultant's technical study, largely through recognition of opportunities for dual use of land. Reducing the amount of open space land and embellishment in line with the technical study would save \$56.5 million, without reducing the community's recreational amenity.
- ▼ Reducing cost contingency allowances and changing the method used for estimating some transport construction costs.

Ms Jones said IPART reviewed CP15 because the maximum residential contribution proposed by the council is above the NSW Government's development 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 state government's Local Infrastructure Growth Scheme.

The maximum residential contribution proposed by the council is around \$48,400 per lot. If IPART's recommendations are adopted the maximum residential contribution in the plan would be reduced by around \$13,300 per lot. Developers will still pay a maximum of \$30,000 per lot, irrespective of the recommendations. "Our recommendations would reduce the amount of Local Infrastructure Growth Scheme funds for these precincts, which is a saving for all NSW tax payers," she said.

While IPART's 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.

This is the second time IPART has assessed a version of The Hills Shire Council's Contributions Plan 15. Since our previous review, the council proposed material changes to the contributions plan.

A full copy of IPART's assessment is available 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.