

Fact Sheet #2 ICP implementation

Background ■■■■■■■■■■

What is an infrastructure contributions plan (ICP)?

An infrastructure contributions plan (ICP) contributes to the basic transport and community infrastructure needs of new communities, up to a specified cap. ICPs are developed alongside a precinct structure plan (PSP). An ICP can include major roads, parks and community centres.

An ICP sets out the monetary amount that developers must pay for construction of transport and community infrastructure as well as the land that must be provided for infrastructure, at the time of development. The legislation sets out allowable items and establishes caps for expenditure, limiting the discretion planning authorities have in funding infrastructure items.

What does 'land equalisation' and 'land credit' mean?

A land equalisation amount is a levy paid by the applicant at the time of development. It is only paid when a particular parcel of land has less than the average public purposes land contribution on it. The ICP calculates this amount for each parcel.

A land credit amount is paid to the landowner, generally at the time of development, when the parcel contribution percentage is greater than the ICP land contribution percentage.

Acquisition ■■■■■■■■■■

Under the Act, what happens when there is a change from what is identified in the Infrastructure Contributions Plan (ICP)?

If there is a minor change to the location or amount of land (ie can be considered 'generally in accordance' with the PSP), then there is no need to change the ICP.

If there is a significant change in the location and amount of land (i.e. outside the scope of 'generally in accordance with') both the Precinct Structure Plan (PSP) and ICP will need to be amended. If the PSP and ICP are not amended then any additional cost will need to be borne by the collecting agency or development agency.

In regards to acquisition under the Act, does 'generally in accordance' allow for minor deviations from the PSP?

Under the Act, 'generally in accordance' allows for minor deviations from the PSP so long as the amount of land acquired is the same and the cost of the land is a similar amount. The parties who pay the land equalisation amount must also remain the same, and any additional cost will need to be borne by the collecting agency or development agency.

What happens if the land to be acquired is otherwise encumbered (e.g. drainage)?

Encumbered land within the ICP plan area can be acquired, however there will be no compensation payable. The PSP/ICP will need to identify the encumbered land.

Can land outside the UGB be acquired through the ICP provided it meets all of the need and nexus requirements?

Yes, provided the land meets all other requirements under Part 3AB of the Act then it can be land located outside the UGB. It must be specified in the ICP as part of the land component.

Payments ■■■■■■■■■■

Is land in the ICP re-valued every year?

The land will be re-valued every three years and indexed annually using the methodology established in the Ministerial Direction of ICPs.

Are existing Development Contributions Plans (DCPs) continuing or will they be converted?

It is expected that DCPs will continue to operate as they are. Converting DCPs to ICPs would be problematic considering the number of permits that have been issued under a DCP.

Would councils still do five yearly DCP reviews as they are currently?

Yes, it is intended that Councils have the option to review ICPs and DCPs every five years.

Can land credit amounts be put towards transport and community infrastructure liabilities?

No, it cannot. The land payments and credits are completely separate from the transport and community infrastructure payments.

If early permits are issued on land which has ICP land credits, are councils obliged to pay the credit straight away?

That is something to be negotiated with the landowner. There is no specified timing in the Act.

Will the VPA be providing costings for infrastructure items?

The VPA will provide costings for supplementary levies but not for standard levies.

Are the land credit and payment amounts based on the numbers in the ICP or the final 'on the ground' numbers?

It is expected these will be based on the numbers in the ICP.

Glossary ■■■■■■■■■■

ICP – Infrastructure Contributions Plan

PSP – Precinct Structure Plan

UGB – Urban Growth Boundary

DCP – Development Contributions Plan