

## **Acknowledgment of Country**

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

#### **Tribunal Members**

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair Dr Darryl Biggar Jonathan Coppel Sharon Henrick

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#### Invitation for submissions

IPART invites comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

## Submissions are due by Friday, 7 February 2025

We prefer to receive them electronically via our online submission form.

You can also send comments by mail to:

Review of our approach to assessing contributions plans Independent Pricing and Regulatory Tribunal PO Box K35

Haymarket Post Shop, Sydney NSW 1240

If you require assistance to make a submission (for example, if you would like to make a verbal submission) please contact one of the staff members listed above.

Late submissions may not be accepted at the discretion of the Tribunal. Our normal practice is to make submissions publicly available on our website as soon as possible after the closing date for submissions. If you wish to view copies of submissions but do not have access to the website, you can make alternative arrangements by telephoning one of the staff members listed above.

We may decide not to publish a submission, for example, if we consider it contains offensive or potentially defamatory information. We generally do not publish sensitive information. If your submission contains information that you do not wish to be publicly disclosed, please let us know when you make the submission. However, it could be disclosed under the *Government Information (Public Access) Act 2009* (NSW) or the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW), or where otherwise required by law.

If you would like further information on making a submission, IPART's submission policy is available on our website.

#### The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from IPART's website.

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# 1 Executive summary

This review has been initiated by IPART to improve our processes for assessing contributions plans (CPs) and to update our benchmark costs for local infrastructure.

IPART recognises that new development is important for providing enough housing for NSW's growing population and communities need infrastructure to support new development. When development occurs, local councils need to provide additional infrastructure to support both the development and the new community – for example, new roads, stormwater management and parks. In NSW, through CPs, councils can require developers to contribute to the cost of providing infrastructure to meet the demand from new development.

CPs set out the contribution a council can levy on developers to fund the necessary land and works required by the development. Currently, a council cannot levy contributions above a threshold of \$30,000 per lot or dwelling in identified greenfield areas and \$20,000 per dwelling in other areas unless IPART has reviewed the CP and provided its report to the Minister for Planning and Public Spaces, and the council has made any amendments to the CP required by the Minister.

Our Terms of Reference require IPART to review each CP in accordance with the assessment criteria set out in the 2019 Practice Note, including whether the public amenities and services are on the essential works list and whether the cost estimates are reasonable. Within this framework, IPART has flexibility in determining how to assess CPs.

IPART assessment can help ensure reasonable costs of infrastructure works and contribution rates. If contribution rates are too low, the council will need to find another source of funding, such as grants or increased council rates. If contribution rates are set too high, there may be unintended consequences for development.

In preparing this Discussion Paper, we have looked internally at our processes and guidance, and held informal discussions with selected stakeholders, to ensure we are continually improving the way we work and providing better outcomes for the people of NSW.

We consider it appropriate that councils update their CPs regularly, to make sure costs are keeping up with changes in reasonable costs. CPs often fund infrastructure for developments over 30 years or more and forecasting the costs of development is complex and difficult to get exactly right. While contingency factors aim to alleviate the margin of error, it is important that CPs are reviewed regularly, so they reflect the most up to date costs and forecasts. We want the IPART CP assessment process to support regular updates of CPs by councils.

We understand that delays to our assessment of CPs can have a financial impact on both councils and developers. We aim to assess CPs as efficiently as possible, and we are seeking feedback on our proposed improvements to support more timely and effective reviews including:

- updating existing guidance, developing new guidance and tools, and reviewing the information on our website to support councils' preparation of CPs for IPART review
- providing more opportunities to engage with our stakeholders and additional options to make submissions to IPART

• tailoring our assessment of CPs to focus on the key matters for each plan.

We have engaged Genus Advisory to provide advice on updating our local infrastructure benchmarks for individual infrastructure items. Updated benchmarks will help councils prepare cost estimates for infrastructure items and will inform our assessment of reasonable costs.

We have also asked Genus Advisory to provide advice on developing benchmark cost ranges for stormwater, transport and open space embellishment. We are considering whether these aggregate benchmark cost ranges could be used to assess reasonable costs of infrastructure categories rather than assessing the costs of each individual infrastructure item and we welcome feedback on whether this would be useful.

We are seeking your feedback on what IPART could do to improve the CP assessment experience and process, as well as your input on the updated individual benchmarks and the concept of aggregate benchmarks.

Figure 1.1 Timeline for our review



# 1.1 We want to hear from you

We are keen to hear what you think about our revised assessment approach and the questions we have raised throughout this document.

You can have your say by:

- providing a written submission or feedback on this Discussion Paper by Friday 7 February 2025
- participating in our online workshop on 9 December 2024
- providing your feedback by contacting our team at localgovernment@ipart.nsw.gov.au to organise a Microsoft Teams meeting or phone call.



Your input is critical to our review process.

You can get involved by making a submission, providing feedback or attending our online workshop.

Submit feedback »

Register for the workshop »

# 1.2 List of issues for stakeholder comment

We have developed a list of questions we are seeking your feedback on. However, submissions are not limited to responding to these questions and stakeholders are not required to respond to any or all of these questions.

## **Seek Comments**

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11.	Do you have any feedback about the list of local infrastructure benchmarks? Are there any other infrastructure items that you think should be included?	24
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15.	Do you have any feedback about the draft aggregate benchmarks?	31
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# 2 Background

There are 128 councils across NSW delivering essential goods, services, and facilities to their local communities. They provide local roads, bridges and footpaths; libraries, parks and playgrounds; sporting fields and swimming pools; and public health, childcare, aged care and emergency management services. Councils raise around a third of their total income through the rates they levy on property owners. The remaining income comes from government grants, user fees and charges and infrastructure development contributions.

## 2.1 Infrastructure development contributions

Infrastructure development contributions are payments made by developers that help deliver infrastructure needed to support their developments. They are a key source of funding for councils and the NSW Government to deliver local, regional and state infrastructure to support our communities.

There are 2 types of infrastructure funded by developers:

- local infrastructure (including local roads, stormwater management, community facilities and open space, for example)
- state and regional infrastructure (including schools, hospitals, state and regional roads, public transport infrastructure, emergency services, for example).

## 2.2 Local infrastructure contributions

The focus of this report is local infrastructure. In NSW, local councils are primarily responsible for providing the local or community infrastructure required to meet the additional demand for services and facilities generated by new development. Councils can require developers to fund the costs of providing this infrastructure and include the payment of infrastructure contributions as a condition for development consent.

Local infrastructure contributions are generally collected by councils using one of the options available to them under the *Environmental Planning and Assessment Act 1979* (EP&A Act):

- section 7.11 local infrastructure contributions
- section 7.12 local infrastructure contributions.
- Councils can also negotiate with developers to deliver infrastructure through planning agreements.

Section 7.11 contributions are the focus of this review. A section 7.11 contribution is a contribution (either monetary, land or in some cases works in kind) for the provision or extension of infrastructure where development creates the need for that infrastructure. Section 7.11 contributions are levied under CPs prepared by the council.

## 2.3 IPART's assessment of contributions plans

Currently, for a council to levy contributions under a contributions plan (CP) above a threshold of \$30,000 per lot or dwelling in identified greenfield areas and \$20,000 per dwelling in other areas, the CP must be submitted to IPART for review. IPART reviews these plans in accordance with its Terms of Reference<sup>3</sup>, Ministerial Directions, and the 2019 Practice Note, which is to be read in conjunction with the 2005 Practice Note.

IPART's reviews of CPs are important because they signal the reasonable costs of the essential infrastructure needed to support a new development. If councils do not recover these costs at the time of the development, it can lead to significant funding shortfalls, meaning either the council will need to find another source of funding, such as rates, or that the new community may not have all the amenities it needs.

Within this framework, IPART has flexibility in determining how to approach the assessment of CPs. Because each CP and council is unique, we do need to tailor our assessments to individual requirements and use our judgement to make assessments of each of the criteria. We have historically taken a thorough and detailed approach to assessing CPs, which has included a review of the costs of individual components of infrastructure items and seeking advice from expert consultants on specific items in CPs. While we aim to complete assessments of CPs as quickly as possible, most assessments have taken a year or more to complete.

Consistent with IPART's strategy and goals, we want our assessment approach to be efficient, effective and relevant. We are refining our approach to CP assessments to complete assessments as quickly as possible, to enable councils to collect contributions when they are needed.

# 2.4 Preliminary consultation

Between August and October 2024, we engaged councils and developers in a series of informal meetings to get some initial feedback on the key issues for our review. We talked to a range of councils, including councils that have recent experience with IPART reviewing their CPs, both greenfield and infill. Additionally, we consulted with councils who had never submitted a CP for IPART review. We also engaged with developers with recent experience with our assessment process and other stakeholders that have made submissions on our CP Assessment draft reports. In total we engaged with 16 organisations, including 12 councils and 4 other stakeholders including:

- Blacktown City Council
- Wollongong City Council
- Lane Cove Council
- Camden Council
- The Hills Shire Council
- Lake Macquarie City Council
- Liverpool City Council
- Bayside Council

- Tweed Shire Council
- Northern Beaches Council
- Maitland Council
- Orange City Council
- GLN Planning
- Mirvac
- Walker Corporation
- Urban Development Institute of Australia (UDIA)

## 2.4.1 Feedback on benchmark updates

Most stakeholders welcomed our proposed update to the benchmarks, some describing it as essential. Councils indicated that this is likely to result in more accurate cost estimates and fewer shortfalls for CPs. Many noted that the current benchmarks are now over a decade old and, even with indexation, do not capture price increases since 2014. Some councils also noted that as time has gone on and the benchmarks have become more out of date that they have increasingly developed their own costs and avoided using IPART's benchmarks. Developers were also supportive of the move to have more up to date benchmarks, with one recommending that IPART implement a policy to regularly review the benchmarks.

One stakeholder noted that the City of Sydney uses a development contributions calculator system which is publicly accessible. They suggested adoption of a reasonable cost calculator based on underlying benchmark rates with assumption toggles. Ideally such a calculator would be available for use by external parties on IPART's website.

## 2.4.2 Feedback on aggregate benchmarks

Our proposal to consider aggregate benchmarks to assess reasonable costs had a mostly positive reception by stakeholders. Some councils liked the concept of it, especially the potential to deliver a faster review. However, many expressed that the specifics of the aggregate benchmarks will matter. Some councils were concerned that if the aggregate benchmarks are set too low that they would not be useful. Others agreed with the idea that our assessment of reasonable costs in CPs could be flexible, for example aggregate benchmarks could be used for categories that are consistent with the aggregate benchmarks, while a more detailed analysis could be conducted on categories that did not meet the aggregate benchmarks.

## 2.4.3 Feedback on assessing open space nexus

Councils were broadly supportive of updating how we assess nexus of open space. Many described the current 2.83ha per 1000 people benchmark as rigid and creating an incentive for putting poor quality open space into a plan as a box-ticking exercise. One council also noted that when developing in infill areas, good quality streetscape and nighttime amenities are more critical than meeting an open space benchmark. Most councils supported qualitative measurements for assessing the provision of open space, although some expressed that this would be difficult for IPART to turn into an objective measurement. One stakeholder suggested benchmarks based on open space type, per scale, i.e. local parks of a certain character type inform a benchmark cost range per square metre, with different benchmarks for district level parks, regional parks, etc.

#### 2.4.4 Feedback on review timeframes

Mostly stakeholders indicated that IPART's review process takes too long. They note that significant amounts of development contributions can be lost during the review process, while the council waits to be able to adopt the plan. Some stakeholders expressed frustration that often reviews can take a year with minimal changes or recommendations in our final reports. Councils were broadly in favour of updating their contribution plans every 3 to 5 years. Some councils noted their own resource constraints were barriers to amending CPs more frequently.

## 2.4.5 Feedback on guidelines

Several stakeholders noted that having clearer guidelines about the material IPART expects when plans are submitted for assessment could help councils ensure all the required information is provided when they apply for an IPART review of their CP.

#### 2.4.6 Feedback on our engagement

One stakeholder noted that it would be beneficial for councils to have regular discussions with IPART when preparing a CP for review. Another noted that seeking submissions at the start of the review may help streamline the consultation process. One stakeholder also proposed forums for councils and developers to share ideas and ways to improve the process on their end. Some stakeholders requested more transparent feedback on submissions to our draft reports.

### 2.4.7 Feedback on reasonable costs

One stakeholder noted that developers are generally concerned that 'gold-plating' is occurring with construction as part of CPs. Some developers noted they can deliver most items at significantly lower construction costs than estimated by the government. However, many councils indicated to us that even with indexing costs, most CPs result in a net shortfall over the course of their lifetimes.

## 2.4.8 Feedback on land acquisition costs

Many councils noted that shortfalls with acquiring land for CPs are inevitable, but that use of Land Value Indices (LVIs) significantly provides better outcomes comparing to use of CPI. Councils supported an update to our guidance on land acquisition.

## 2.4.9 Feedback on population forecasts and the Urban Development Program

Councils generally found their growth rates vary significantly from the ones forecasted by DPHI. Some found their growth rates to be higher than the Urban Development Program (UDP) estimates while others were well below them.

#### 2.4.10 Feedback from councils that have not submitted a CP for IPART Review

We sought feedback from councils who have never submitted CPs to IPART, to understand the barriers to seeking an IPART review. Generally, the lengthy timeframe for IPART reviews and council resources were cited as deterrents to developing CPs for IPART Review.

#### 2.4.11 Feedback on the CP framework

Although not within our scope, several councils noted the limitations of the essential works list, particularly the exclusion of works for community facilities. Multiple councils expressed frustration that the contributions caps have not been indexed.

# 3 Refining our assessment approach

## 3.1 Our current assessment approach

As required by our Terms of Reference, we review CPs in accordance with these criteria set out in the 2019 Practice Note summarised below:

- The public amenities and public services in the plan are on the essential works list.
- The proposed public amenities and public services are reasonable in terms of nexus. This means establishing a connection between the land and facilities in a CP, and the demand for them arising from the new development.
- The proposed development contributions are based on a reasonable estimate of the cost of the proposed public amenities and public services.
- The proposed public amenities and public services can be provided within a reasonable timeframe.
- The proposed development contributions are based on a reasonable apportionment of costs, meaning that costs are divided equitably between all those who create the need for the infrastructure.
- The council is required to exhibit its CP and respond to submissions. We assess whether the council has conducted appropriate community liaison and publicity in preparing the CP.
- The plan complies with other matters we consider relevant.

We use a range of information to inform our analysis of contribution plans including:

- Supporting information provided by councils for example, strategies and needs assessments, quantity surveyor's reports and other consultants' reports.
- Benchmarks IPART's 2014 benchmarks, IPART's 2021 Draft benchmarks and other relevant industry benchmarks.
- Rawlinson's construction guide we use this guide to inform our assessment of reasonable costs.
- Information from previous contribution plans we draw on previous contribution plan assessments to make consistent decisions and to inform our analysis of reasonable costs.
- Submissions from stakeholders including the council and the DPHI we test our analysis and recommendations by releasing a public draft report. Any submissions received are considered in our final assessment.
- Expert advice where appropriate, we may engage an expert to provide specialised advice on infrastructure items included in the contribution plan.
- Additional information during our assessment, we may request additional information from
  the council, for example, to explain how it has determined the infrastructure included in the
  plan and its estimated costs. We may also liaise with DPHI on relevant planning and land
  zoning matters and the underlying assumptions about proposed development in the precinct.

Figure 2 Steps in an IPART reviewed CP



## Seek Comment



1. What do you think could be improved about how IPART assesses contributions plans?

## 3.2 Completing our assessments as efficiently as possible

We aim to complete our assessments as efficiently as possible. Because each council and each CP is unique, some CPs will take longer than others to assess. We understand that stakeholders need more confidence about timeframes. Following our preliminary assessment, we will discuss the expected assessment timeframe with the council.

If the CP is supported by all the relevant documents and costs are within the benchmarks, we will be able to complete our assessment more quickly. Our assessment is likely to take longer to finalise if the CP is more complex, if relevant documentation has not been provided, if costs are significantly outside the benchmarks, or if stakeholders raise significant issues.

We are proposing several improvements to our guidance, engagement and processes that we think will allow us to streamline all CP assessments and complete our reviews of all CPs as efficiently as possible. We are committed to continuous improvement and, subject to the feedback we receive and following implementation of these measures, we will consider whether there is anything else we can do to make our processes more efficient. We will continue to consult with all stakeholders on further enhancements we can make, including whether there might be other opportunities to make our CP assessments faster.

## 3.2.1 Councils provide supporting evidence

We are required to review CPs in accordance with the 2019 Practice Note criteria including that amenities and services are on the essential works list and demonstrate nexus to the development, reasonable costs, reasonable timeframe, reasonable apportionment of costs, community liaison and publicity as well as other matters we consider relevant.

A significant amount of time can be lost in back-and-forth communications if we are not initially provided with sufficient evidence to demonstrate how the proposed infrastructure meets the Practice Note criteria. This can delay the assessment process and frustrate stakeholders.

Where a council provides a well evidenced contribution plan, the assessment of the plan can be undertaken effectively. Examples of supporting evidence to demonstrate apportionment, nexus and reasonable costs and reasonable timeframe may include land valuation reports, quantity surveyor's reports and other costing sources, supporting studies and strategies such as a needs assessment, open space strategy, transport and stormwater management strategies.

Councils are required to ensure that CPs only seek to levy contributions from developers for public services and amenities that are consistent with the essential works list. Councils and developers may make agreements to fund additional infrastructure for the new community, for example, through voluntary planning agreements, however CPs reviewed by IPART can only include infrastructure consistent with the essential works list.

The council should also provide details about the community consultation that has been undertaken prior to submission.

If there are exceptional factors that IPART should consider in our assessment, the council should provide this information at the time of lodging their CP for assessment. Providing all this information will support a faster assessment of the CP and will limit the number of times we need to seek further information from councils.

Where we need more information from councils to complete our assessment, and information requests remain outstanding, we may publish a draft report which identifies the matters we require further information on to complete our assessment. This allows the review to progress by concurrently seeking information and consulting on the report, reducing the overall timeframe for completing the review. We recently took this approach when assessing Penrith City Council's Orchard Hills North and Glenmore Park Stage 3 CPs.

#### 3.2.2 Are the infrastructure costs reasonable?

We are required to assess whether the proposed development contribution is based on a reasonable estimate of the cost of the proposed infrastructure. As discussed in section 4, we are updating our benchmarks and developing aggregate benchmarks, and we are seeking feedback on these. Where a council uses our updated benchmarks, we expect our assessment of reasonable costs will be more straightforward and time efficient.

There may be valid reasons why councils' costs are not within our ranges for determining reasonable cost. In this instance, councils need to provide supporting evidence to explain the contributing factors, such as geographical constraints or flood mitigation, and justify the costs. Where this information is not provided or inadequate, we will need to undertake further analysis and possibly engage expert technical studies. This may cause us to take longer to assess reasonable costs.

If there is no benchmark for a particular item, or the cost is significantly higher or lower than our benchmarked cost, we will compare these items with similar items in other CPs we have assessed. This will inform our assessment of whether costs in the plan are reasonable.

We know that in the early stages of a CP, there is greater uncertainty about costs. Our assessment approach will consider the level of uncertainty about costs and focus on whether the overall costs for an infrastructure category (i.e. transport, open space, and stormwater) are reasonable by assessing against high-level benchmark ranges for that infrastructure category.

## 3.2.3 Are there any other issues or complexities to consider?

The 2019 Practice Note states that IPART will assess whether the plan complies with other matters IPART considers relevant. We acknowledge that each council has its own challenges and opportunities, and we will consider these site-specific requirements and potential impacts on reasonable costs in our assessment. If there are specific considerations or complexities that councils would like to draw to IPART's attention, councils should include information and supporting evidence when lodging their plan for assessment. Where there are issues or other complexities to consider our assessment may take longer.

## 3.2.4 Has the CP previously been reviewed by IPART?

In conducting its review, IPART assesses CPs against all criteria in the Practice Note for all CPs, However, in the context of a previously reviewed plan, while considering all criteria, we may concentrate our assessment on elements of the plan which have changed, drawing on our previous analysis to inform our recommendations.

# 3.3 How can we refine our assessment approach?

To address the issues outlined above, we have identified some areas where we could refine our assessment process to make it more efficient and effective and improve the experience of our stakeholders. These include:

- providing better guidance for councils to ensure councils provide all the information we need to make our assessment
- enhancing our engagement with councils and other stakeholders
- focussing our assessments on matters a council can control and implement through its CP.

# 3.4 Providing better guidance

We will develop better guidance materials, including an updated application form and other tools, to ensure that councils know what information needs to be provided when they submit their CPs for review. We will also make sure the information on our website is current and accessible. Where councils provide the supporting evidence, this should minimise the additional information requests made to councils throughout the review process.

We will consider developing tools that would allow councils and other stakeholders to check reasonable costs against the benchmark rates and other assumptions as part of preparing a CP for IPART review.

## 3.4.1 Assessing reasonable cost for land acquisitions

As part of our assessment of reasonable costs, we need to assess whether land costs included in a contribution plan are reasonable. Land is a major source of costs within CPs across NSW, but particularly for councils in the Greater Sydney Area. In our 2020 Information Paper: Contribution plan assessment: land costs, we found that land made up 42% of the assessed reasonable costs in CPs IPART assessed between October 2011 and July 2020. A review of the last 7 CPs we have recently assessed indicates that land costs represented on average 43% of the total proposed costs within the plans.<sup>4</sup>

As set out in our information paper Contribution Plan Assessment: Land costs our current approach to assessing land costs differs between land that is already acquired, and land that has yet to be acquired.<sup>5</sup> For land already acquired, we consider that reasonable costs are the acquisition cost for land indexed by the Consumer Price Index (CPI) (All Groups) for Sydney as required under the EP&A Regulations.<sup>6</sup>

For land that is yet to be acquired, we consider several factors including:

- council's proposed method of determining land costs<sup>a</sup>
- the proposed values for each underlying zoning<sup>b</sup> or the market valuation for each acquisition<sup>c</sup>
- the application of proposed values (if used) including zoning assumptions
- the value of any proposed just terms compensation, and
- the value of any other proposed costs, including conveyancing costs.

In recent years, there has been a significant increase in land values, with the value of residential land growing faster than CPI. The discrepancy between CPI and land values can mean a council does not receive enough revenue from contributions to fund the land required for a development.

One way contribution rates can better reflect the changes in land costs is by adopting a land value index. For example, in our Assessment of Blacktown City Council Contributions Plan No 24 - Schofields Precinct (2022) we recommended that the council could adopt a bespoke land value index provided that the index reflected change in the value of the types of land that the council needed to acquire and only applied to land it was yet to acquire. We broadly support councils adopting a LVI for land not yet purchased so that land costs in the plan keep up to date with changes in land values. We plan to update our guidance on land costs to reflect this after we consider all the feedback we received on this matter.

While it would be preferable for councils to be able to include actual costs in the CP when they become available, we note that the Ministerial Direction requires councils to seek another IPART review if the amendment of a CP results in an increase in the contribution rate.<sup>8</sup>

<sup>&</sup>lt;sup>a</sup> For example, based on average values or on valuations of individual properties.

b Where average values are used.

<sup>&</sup>lt;sup>c</sup> Where individual valuations are provided.

#### Seek Comment



2. Do you support using a suitable land value index to update land costs in your CP? Is there any other guidance about our assessment of land acquisition costs that would support your preparation of CPs?

## 3.4.2 Population Growth

Population growth forecasts are critical for determining the delivery of development, land supply, and infrastructure. If growth in an area is underestimated, an unforeseen population increase can occur, or population growth can be higher than anticipated over the life of a CP. A higher population may mean that more or different infrastructure is needed to meet the higher demand, resulting in higher costs for the council. Population estimates that are not updated are often compounded given the considerable time it takes a council to review and submit a revised CP to IPART for assessment.

When assessing contribution plans, we consider the growth assumptions underpinning the plan. The NSW Government's Urban Development Program (UDP) aims to provide a single point to support the delivery of development, land supply and housing. We expect that the UDP growth forecasts will become the agreed measure for population growth that will be used in contribution plans.

Where the council's growth forecast differs from the UDP forecast, we will consider both forecasts to understand the differences. We will need to understand how the council developed its forecasts, including the information it has used to develop the forecasts and how up to date that information is. If the council's growth forecast differs from the UDP, the council should provide enough supporting information, to explain how the forecast was determined and the evidence used to develop its forecasts. Subject to feedback we receive, we will develop guidance for councils on estimating population growth in CPs.

#### Seek Comment



3. Do you support IPART using Urban Development Program growth forecasts as the agreed measure for population forecasts when assessing contribution plans?

## 3.4.3 Timing and delivery of infrastructure

The 2019 Practice Note requires us to consider whether the proposed infrastructure can be delivered within a reasonable timeframe. The 2005 Practice Note outlines the risk factors of CPs being the timing of contributions and the timing of expenditure on works and land acquisition. As part of our assessment of a CP, we consider whether the infrastructure in a plan will be supplied within a reasonable period.

The timing of the delivery of infrastructure should keep pace with expected population growth in the development area. Significant issues have arisen when the delivery of infrastructure has not kept pace with the development in the relevant area. If the infrastructure is not in place, new communities may move into areas with inadequate public services and amenities. In some cases, developers have had to provide temporary works so they could progress residential development.

Regular reviews of CPs during their lifetime allow councils to refine designs and cost estimates for infrastructure, staging and use up to date population estimates. Up to date CPs are more likely to reflect the current infrastructure needs and costs. Councils should consider the benefits of providing more infrastructure early to ensure efficient and orderly precinct development.

We often need to seek more detail from councils on the timing of infrastructure delivery. We will provide guidance to councils on our considerations of timing in CPs.

#### Seek Comment



4. Do you have any feedback on our proposal to provide guidance to councils on our assessment of reasonable timeframes in CPs?

## 3.4.4 Other relevant matters

One of the criteria used by IPART to evaluate CPs is that the plan complies with any other matters IPART considers relevant. These matters vary from plan to plan.

We consider that efficiently planned infrastructure should be designed with long lifetimes (20–100 years depending on the type of infrastructure). This may mean that infrastructure specifications may be larger than currently needed to mitigate and adapt to changing conditions. Examples may include larger sized stormwater infrastructure to accommodate greater stormwater flows to reduce flooding impacts, or infrastructure to alleviate temperature risks in urban environments (such as greater tree cover or reflective road surfaces).

Councils may determine the level of infrastructure performance required by referring to legislative requirements and/or applicable industry standards relevant to the infrastructure, and to the community's specific characteristics and needs.

Where there are unique circumstances or issues identified in a local area, councils should provide information about the impact of these matters on the plan, for example reasonable costs or timing. We will develop new guidance for councils on how we identify and assess other relevant matters.

#### Seek Comments



5. Do you have any feedback on our proposal to develop guidance on how we identify and assess the Practice Note criterion 'other relevant matters'?



6. Are there any other areas of IPART's assessment of contributions plans that you would like guidance on?

## 3.5 Enhancing our engagement

IPART is required to consult with DPHI, the relevant council, and 'any other person IPART considers appropriate' under the Terms of Reference.

## 3.5.1 Engagement with DPHI

We meet regularly with the local infrastructure team in DPHI to discuss our assessments and future CPs as well as broader matters of policy and process. We are committed to working with DPHI to facilitate a smooth application and assessment process for councils and other stakeholders.

## 3.5.2 Engagement with councils

Prior to receiving a CP for review, we encourage councils to contact us so that we can ensure councils are aware of the information we need to complete our assessments, and the application can be prepared accordingly. We also aim to proactively reach out to councils when we understand the council is considering or developing a CP for IPART's review. We consider this early engagement is critical in ensuring an efficient and effective review process.

Once we receive a CP for review, we establish regular meetings with the council throughout the review process. This provides an opportunity for councils and IPART to raise and address any issues early.

## 3.5.3 Engagement with other stakeholders

We usually consult with other stakeholders through submissions on our draft reports, however we recognise that sometimes other parties have a key role in the development of a CP. We propose to be proactive in consulting with developers and other key stakeholders to ensure that we understand relevant stakeholder views as early as possible.

#### 3.5.4 Stakeholder forums

We heard in our preliminary consultation that stakeholders would appreciate more regular opportunities to engage with IPART. We are proposing to establish regular forums for councils and developers, to provide more opportunities for stakeholders to engage with IPART. Forums will provide opportunities for IPART to provide guidance to councils on the CP application and review process and allow councils and other stakeholders to ask questions or raise other matters.

We are also considering holding stakeholder workshops on individual CPs. We think this would allow the key stakeholders to raise any specific issues at the start of our review process. This would allow us to consider these issues before issuing a draft report.

#### Seek Comment



7. Do you support our proposal for IPART to convene regular forums about our CP assessment process? Should these be separate forums for councils and developers?



8. Would you support IPART holding a stakeholder workshop on the CP when we receive the council's plan for assessment?

#### 3.5.5 Submissions

Submissions on our draft reports are important to our assessment process. They often raise important questions or issues that have an impact on our final report and recommendations. In our final reports we will address concerns raised in all non-confidential submissions to our draft reports.

We will continue to seek submissions on our draft reports however we are also are proposing to seek submissions on the CP as soon as we receive the council's application. Sometimes stakeholders raise significant issues in response to our draft reports that take time for us to consider, research and address. Often these issues require further requests for information from council. This process can delay our final reports and sometimes require us to issue an additional draft report. Inviting submissions on the CP when the council provides it to us for assessment would allow stakeholders to raise issues with us sooner and would allow us to consider these issues in our preliminary assessment and include them in the draft report.

### Seek Comment



9. Would you support IPART inviting submissions on the CP as soon as we receive the council's plan for assessment in addition to submissions on our draft reports?

# 3.6 Focussing on key matters in the CP

We are required to consider whether the proposed infrastructure is reasonable in terms of the connection between the development and the demand created, i.e. nexus. We usually focus our assessment of nexus on whether councils have the supporting technical studies for the infrastructure in the plan, such as traffic modelling and stormwater studies.

Sometimes stakeholders ask us to consider whether the council's infrastructure design or planning decisions are appropriate or the zoning of land within the CP is suitable. Councils are responsible for planning, designing, and delivering infrastructure. and that comprehensive planning has usually taken place by the time a CP comes to IPART for review. In our assessment of CPs, our role is to determine whether nexus is established, and we consider that the council and DPHI are responsible for planning matters.

## 3.6.1 Quantity of open space

Our assessment of nexus for the provision of open space usually considers the provision of land and accessibility of open space in a CP for the development area. Our approach has been to assess whether the provision of open space meets the Growth Centres Development Code standard (2.83 hectares per 1,000 residents) and whether the open space land will be available and easy for the incoming population to get to and use.

With increasing densities of population and declining land supply the typical approach of setting aside a quantum of land as part of every development is not always viable. In the case of urban infill development and higher density development, additional land for open space is limited and meeting the 2.83 hectares per 1,000 residents may not be achievable.

Recognising the constraints on available land, the NSW Government Architects released a Draft Greener Places Design Guide that suggests a move towards a performance-based approach, which encourages planners to look beyond spatial standards or percentages of land area. The draft design guide sets out qualitative measures to allow more innovation in planning and more efficient use of land for recreation. The focus is on the quality of the outcome, rather than just the quantity.<sup>9</sup>

We also understand that open space is determined through planning proposals and zoning, so by the time the CP is submitted to IPART for review, the amount of open space is already established.

We propose to focus our assessment of open space nexus on a performance-based approach, consistent with the Draft Greener Places Design Guide, and the evidence provided by the council to establish the open space requirements, rather than the quantity of land provided. For example, we will consider factors such as the level of embellishment and use of the space and councils' open space strategies where available as part of our assessment.

#### Seek Comment



10. Do you support a performance-based approach to assess nexus for open space, consistent with the Draft Greener Places Design Guide?

# 4 Benchmarks and costing guidelines

The 2019 Practice Note requires us to assess whether the proposed development contribution is based on a reasonable estimate of the cost of the proposed infrastructure. This is designed to make sure local development contributions are based on reasonable costs and only fund development contingent costs.

Our approach to date has been to thoroughly assess each item of infrastructure in a CP to determine whether costs for those items are reasonable. Generally, where costs have exceeded our 2014 local infrastructure benchmarks and/or similar items in other plans we have assessed, we have recommended cost reductions to individual infrastructure items. We have usually applied this approach regardless of the stage of the plan, including whether the plan has been subject to a previous IPART review.

We acknowledge that a focus on precise costs is not always possible or viable, particularly in the early stages of a CP, when councils are relying on concept designs and cost estimates. While some of the uncertainty in costs can be accounted for through contingency allowances, recent experience indicates that costs are most likely to continue to increase over the lifetime of a CP.

Ultimately, the aim of setting benchmark costs is to simplify the process of CP preparation, enabling plans to be prepared earlier and exhibited alongside planning proposals. The use of benchmarks aims to lower administrative costs for councils to improve efficiency, provide a consistent level of infrastructure appropriate for inclusion in plans (defined as 'base level'), and to provide cost signals to developers about high- and low-cost development areas.

# 4.1 We have updated our individual benchmarks

We engaged Genus Advisory to provide advice on updating our benchmark costs for individual local infrastructure items. We are updating our local infrastructure benchmarks to ensure the individual items are still relevant, to update the cost and scope of individual items and to develop costing methodologies for adjustment factors.

#### Box 4.1 Stakeholder feedback on our 2021 draft benchmarks

Stakeholders generally supported a cost estimating approach that uses benchmarking, acknowledging that benchmarks can be a useful tool, provide simplicity and potential administrative efficiencies.

However, most stakeholders also emphasised a need for flexibility in using benchmarks (or deviating from them). Some stakeholders were strongly opposed to setting benchmarks. For example, some expressed concerns that benchmarks reduce innovation or standardise the quality of infrastructure to be delivered, limiting a council's ability to deliver the needs and preferences of its community.

We consider that the option in our framework for councils to use the standardised benchmarks or an appropriate alternative costing methodology, or a combination of these methods, provides an adequate level of flexibility. Given this flexibility, we do not agree that setting benchmark costs will hinder councils in implementing unique and innovative solutions in local infrastructure where appropriate.

Source: Submissions to IPART, Review of the essential works list, nexus, efficient design and benchmark costs for local infrastructure, Draft Report, October 2021.

#### 4.1.1 Local infrastructure items benchmarked

Based on the categories of essential works<sup>10</sup>, prior benchmarking review<sup>11</sup>, and recent CPs that we have assessed, we prepared a list of relevant local infrastructure items for benchmarking. With advice from Genus Advisory on the relevancy of items, potential site constraints, and development applicability, the list was finalised to include 32 vehicle and pedestrian transport items, 17 urban stormwater management items, and 33 open space embellishment items.

Table 4.1 Local infrastructure items benchmarked

Reference	Item
Transport	
T-1.01	New local road
T-1.02	New local road (half-width)
T-1.03	New collector road
T-1.04	New collector road (half-width)
T-1.05	New sub-arterial road
T-1.06	New industrial road
T-1.07	New rural road
T-1.08	Upgrade to local road
T-1.10	Upgrade to collector road
T-1.12	Upgrade to sub-arterial road
T-1.13	Signalised intersection (single lane)

Reference	Item		
T-1.14	Signalised intersection (2 lane)		
T-1.15	Signalised intersection and 1 turning lane		
T-1.16	Signalised intersection and 2 turning lanes		
T-1.17	Priority controlled/unsignalised intersection		
T-1.18	Roundabout (single lane)		
T-1.19	Roundabout (two lane)		
T-1.20	Concrete pathway/footpath/share way/cycleway		
T-1.22	Road bridge (including over railways, waterways, grade separation)		
T-1.23	Rail bridge		
T-1.24	Cycleway bridge		
T-1.25	Pedestrian bridge		
T-1.26	Bus stop (signage only)		
T-1.27	Bus shelter		
T-1.28	Bus shelter and kiosk		
T-1.29	Pedestrian crossing		
T-1.31	Street lighting		
T-1.32	Waste disposal		
Stormwater			
ST/T-1.01	Box culvert and headwall		
ST-1.01	Combined basin and raingarden facility		
ST-1.02	Stormwater headwalls		
ST-1.03	Single raingarden facility		
ST-1.04	Bio-retention basis		
ST-1.05	Bio-retention filter		
ST-1.09	Constructed wetland		
ST-1.10	Detention basin		
ST-1.11	Gross pollutant trap		
ST-1.12	Enhanced storage area		
ST-1.13	Stormwater pipe		
ST-1.14	Stormwater pit		
ST-1.15	Stormwater channel/open channel		
ST-1.16	Stormwater channel stabilisation		
Open space			
OSE-1.01	Amenities building		
OSE-1.02	BBQ area		
OSE-1.03	Boundary fencing		
OSE-1.05	Car park		
OSE-1.06	Cricket wicket		
OSE-1.07	Cricket wicket only		
OSE-1.08	Demolition		
OSE-1.09	Double playing fields		
OSE-1.10	Combined field		

Reference	Item
OSE-1.11	Soccer field
OSE-1.12	Rugby league/union field
OSE-1.13	Cricket pitch and field
OSE-1.14	Tennis court (outdoor)
OSE-1.15	Netball court (outdoor)
OSE-1.16	Netball court 6 no.
OSE-1.17	Basketball court (outdoor)
OSE-1.18	Playing lighting
OSE-1.19	Double/combined playing lighting
OSE-1.20	Basic landscaping
OSE-1.21	Park (security) lighting
OSE-1.22	Paved area (hard surfaces)
OSE-1.23	Picnic area
OSE-1.24	Playground/exercise equipment
OSE-1.25	Seating area
OSE-1.26	Shade sail
OSE-1.27	Spectator seat
OSE-1.28	Turfing
OSE-1.29	Retaining wall
OSE-1.30	Site clearance
OSE-1.31	Synthetic playing surfaces/artificial grass

Note: certain items were removed from the initial list provided by IPART however, for consistency, the item numbering was maintained. This accounts for the apparent missing item numbering in the table.

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, pp 25-26.

## Seek Comment



11. Do you have any feedback about the list of local infrastructure benchmarks? Are there any other infrastructure items that you think should be included?

## 4.1.2 Benchmark scopes

To help ensure that our benchmarks are easily understood by councils and developers, it is important that the scopes for the infrastructure. Table 4.2 items clearly set out what is included.

Item datasheets will define the typical scope for each item, describing the components and activities that comprise the benchmark cost and identifying key exclusions and relevant standards. The typical scope also includes sub-items or item variations, key identified risks, and a minimum quantity relative to the unit rate costing.

Table 4.2 below displays the item data sheet template that has been used to define the typical scopes by Genus Advisory.

## Table 4.2 Item data sheet template

Component	Description
Technical information	
Item name	Name of the infrastructure item included under one of the categories on Table 4.1.
Item reference	The unique reference number assigned to each infrastructure item.
Functional description	A description of the most fundamental requirements for the infrastructure item.
Inclusions	Describes the significant components of the final delivered asset, included in the base cost.
Key scope of work inclusions	The key activities assumed to be undertaken to construct or install the infrastructure item.
Exclusions (may be reasonable required)	Required but covered elsewhere – cross referenced to an appropriate item or sub-item.
Exclusions (exceed minimum requirements)	Assets which may sometimes be included but often considered to be over-engineered or gold plated.
Key identified risks	Examples of the most significant risks contemplated in delivering the infrastructure item.
Sub-item details	The scope of the infrastructure item specific to a particular sub-item.
Specific sub-item information	Includes descriptions or components that specifically relate to the particular sub-items listed in the row above.
Applicable standards	Refers to industry accepted design standards or guidance relevant to an infrastructure item/sub-item.
Cost information	
Methodology	The type of costing methodology used to derive the benchmark base unit rate.
Benchmark base unit rate FY24/25	The benchmark base unit rate (i.e. per unit, square metre, linear metre, or other metric) in financial year 2024/2025 dollars.
Benchmark base unit rate FY25/26	The benchmark base unit rate (i.e. per unit, square metre, linear metre, or other metric) in financial year 2025/2026 dollars.
Minimum quantity	Provides the minimum quantity or amount that is applicable to the prescribed benchmark base unit rate.

## 4.1.3 Costing methodology

Genus Advisory has developed benchmark costs using either a 'bottom-up' approach, which is based on detailed analysis of all work requirements, or a 'top-down' approach, which relies on existing costing references and data from completed projects. For example, the cost methodology for a single lane roundabout was bottom-up (or 'first principles estimating') while a bay of 3 practice cricket nets was top-down (or 'reference pricing').

We acknowledge there may be infrastructure works that are outside of the scope of our updated benchmark scope and costs. As an alternative costing approach, non-standard items can have costs estimated by an appropriately qualified quantity surveyor via a bottom-up or top-down approach.

## 4.1.4 Adjustment factors

Each development may have a unique set of constraints that can impact the complexity and cost of delivering the same piece of infrastructure to the same standard. To address this complexity and enhance the usefulness of the proposed benchmarks, we have asked Genus Advisory to provide advice on how to account for variations between different sites and circumstances, including greenfield and infill developments or in regional or metropolitan locations.

We consider that this approach should help enable the benchmarks to be applicable to a broader range of projects, which will minimise the need for councils to develop comprehensive, sitespecific cost estimates, and reduce the administrative burden.

Through updating common factors and introducing more that are relevant, we expect our updated construction cost adjustment factors to assist in recognising the complexity of construction costs:

- Site constraints across infill and greenfield development sites, there are a range of
  constraints which can have a varying level of impact on the construction costs for
  infrastructure items.
- Location we recommend that Rawlinson's Australian Construction Handbook (regional indices) can be used as a guide to establish the additional costs incurred when delivering infrastructure works in regional areas compared to metropolitan areas. Although, this factor must be balanced and considered against the application of a proximity to raw materials factor.
- Proximity from raw materials separate to location factor, local infrastructure for stormwater and transport is significantly affected by the haulage costs of raw materials required for construction, which is directly proportional to the distance from material supply sources.
- Waste disposal Genus Advisory has included a benchmark cost (T-1.32 in the attached Draft Benchmark Costs for Local Infrastructure) that provides a dollar per tonne rate for each type of waste disposal, factoring for the NSW Environment Protection Authority (EPA) waste levy, tip fees, and haulage.
- Council on-costs professional fees, authority fees/levies/other statutory charges, internal staff costs, and project specific insurance can represent a significant portion of the total project cost for construction.
- Overall contingency given the nature of forecasting costs in CPs for typically decades into
  the future, overall contingency aims to cover the risks and uncertainty that may occur during
  the implementation of a project. We have updated our recommended contingency factors to
  be more prescriptive and relevant since our last review.

While we acknowledge the impact that ground conditions can have on the construction cost of infrastructure items, our updated benchmark data sheets include assumptions around ground conditions and there is no additional cost adjustment factor for this risk.

The tables below summarise the cost factor ranges for site constraints, proximity to raw materials, council on-costs, and contingency.

## Table 4.3 Site constraints

Likely impact of constraint	Cost factor range (%)
Infill	
High	26 to 40
Medium	15 to 25
Low	0
Greenfield	
High	11 to 15
Medium	5 to 10
Low	0

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, p 11.

# Table 4.4 Proximity to raw materials

Description	< 25km from raw material source (%)	25 – 75km from raw material source (%)	> 75km from raw material source (%)
Transport	0	5	10
Stormwater	0	2.5	5

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, p 12.

## Table 4.5 Council on-costs

Description	On-costs	Cultural heritage
Small project - \$250,000 to \$1m construction cost	25	10
Small/medium project - \$1m to \$2m construction cost	17.5	5
Medium project - \$2m to \$5m construction cost	15	3
Large project - >\$5m construction cost	12.5	2.5

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, p 13.

## Table 4.6 Contingency

Infrastructure type	Planning phase (%)	Design development (%)	Construction phase (%)
Transport	15	15	10
Stormwater	15	10	10
Open space embellishment	10	10	10

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, p 14.

## 4.1.5 Seeking feedback on proposed use of our updated benchmarks

Our updated draft benchmark costs reflect financial years 2024-25 and 2025-26. Beyond this point, we propose to update the benchmark costs using Australian Bureau of Statistics' Producer Price Indexes<sup>d</sup> on a yearly basis and review the infrastructure items every 2 years. Our reviews may include adding or omitting items based on industry relevance, the incorporation of feedback from councils, or refining item scopes or costings to reflect actual evidence from CPs.

We have published the Draft Benchmark Costs for Local Infrastructure, and we are seeking feedback on the list of items, scope and costs of infrastructure items.

#### Seek Comment



12. Do you have any feedback about the updated draft individual infrastructure benchmarks?



13. Do you have any feedback on our proposal to adopt the updated draft benchmarks for individual local infrastructure items?



14. Would our updated individual infrastructure benchmarks be useful to you in preparing your contributions plan, particularly at an early stage?

# 4.2 We are seeking feedback on aggregate benchmarks

We have heard that stakeholders might find aggregate benchmarks helpful, and we have been considering whether we could use aggregate benchmarks to help us assess reasonable costs more efficiently.

We engaged Genus Advisory to provide advice on developing benchmark cost ranges for stormwater, transport and open space embellishment. Genus Advisory used the total base construction costs for transport, stormwater, and open space works in CPs from 2018 to 2024 to establish an indicative aggregate range for each category of infrastructure. The aggregate cost ranges are on a cost per metres squared of net developable area and cost per person basis and exclude factors such as council on-costs and contingency. Genus Advisory has used a 'top-down' methodology based on a greenfield development scenario only. The draft aggregate benchmark costs are shown in Table 4.7 and Table 4.8 below.

d For transport and stormwater items, we use ABS PPI Road and Bridge Construction for NSW (no. 3101) and for open space embellishment items, we use ABS PPI Non-Residential Building Construction Index for NSW (no. 3020). These indexes are also what we recommend for councils to use in our guidance on the indexation of works costs.

PART provided Genus Advisory with infrastructure construction costs from 2018-2024 contribution plans, indexed to 2024 dollars. We note that, in some instances, the total base construction costs provided were approximate or IPART may not have determined the costs as reasonable in our assessment of the plan. Actual costs from developers or councils have not been included in Genus Advisory's development of the aggregate cost ranges.

Table 4.7 Draft aggregate construction cost ranges, based on NDA (\$/square metre)

	\$1	FY 2024/2025	\$F	Y 2025/2026
Туре	Lower	Upper	Lower	Upper
Transport	14.50	41.50	15.50	43.50
Stormwater	8.50	16.00	9.00	17.00
Open space	10.50	20.00	11.00	21.00

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, p 18.

Table 4.8 Draft aggregate construction cost ranges, based on population (\$/person)

	\$FY 2024/2025		\$FY 2025/2026	
Туре	Lower	Upper	Lower	Upper
Transport	3,350	6,685	3,520	7,020
Stormwater	2,020	4,180	2,120	4,390
Open space	2,255	3,745	2,370	3,930

Source: Genus Advisory, IPART Benchmark Costs for Local Infrastructure, 12 November 2024, p 19.

We note that because this methodology has been developed using costs itemised in the work schedules of CPs we have reviewed, it may not reflect the total infrastructure costs for the development, for example works-in-kind or voluntary planning agreements.

We are considering whether we could use these benchmark cost ranges to assess reasonable costs of infrastructure categories rather than assessing the costs of each individual infrastructure item, where appropriate. If costs are substantially above or below our aggregate ranges or if there is minimal supporting evidence for costs, we would also conduct a line-by-line assessment of costs. We would also consider the stage of the plan, the level of uncertainty about costs, and whether we have previously reviewed a CP.

We already use this approach as a general sense check of infrastructure costs in the assessment of reasonable costs in recent plans in addition to our assessment of individual infrastructure items. Figure 4.1 and Figure 4.2 below are examples of the comparisons we do as part of our assessment of reasonable costs. We note that the ranges in these comparisons are much larger than the benchmark ranges. We also note that we may assess costs as reasonable even where costs are significantly higher or lower than other CPs we have assessed, based on our analysis of the council's supporting evidence for these costs.

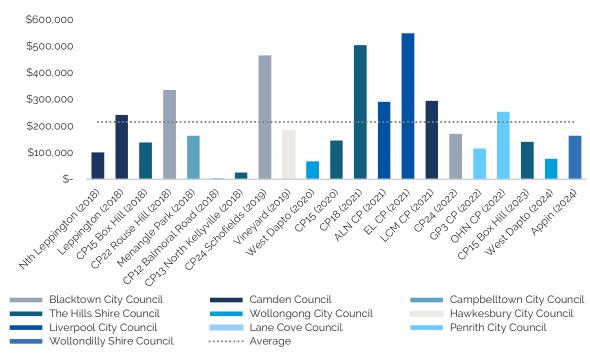


Figure 4.1 Stormwater works costs per hectare of net developable catchment area

Notes: This is an example of using average costs for stormwater in our analysis of the Appin Growth Area Contributions Plan 2024, as stormwater costs per hectare of net developable catchment area.

We note that we have recently reviewed the efficient costs and cost allocation of providing stormwater drainage services within the Mamre Road Precinct. Our aggregate benchmark range for stormwater costs only considers \$7.11 contributions that councils can levy from developers in a contributions plan and no additional water charges that may arise, such as where a catchment has more stringent waterway flow and quality targets.

Source: IPART analysis.

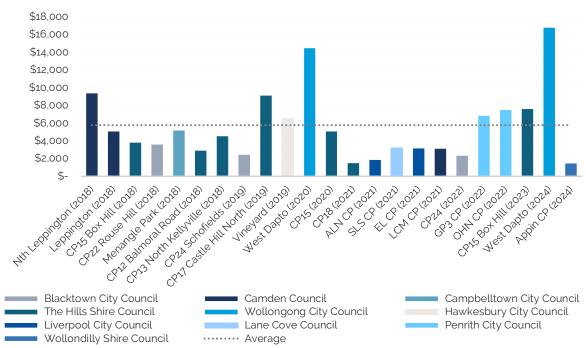


Figure 4.2 Transport works costs per person of total forecasted population (\$Dec-23)

Note: This is an example of using average costs for transport in our analysis of the Appin Growth Area Contributions Plan 2024, as transport costs per person of total forecasted population.

Source: IPART analysis.

We are seeking your feedback on the draft aggregate benchmarks, including the benchmark costs for each infrastructure category, the methodology used to develop these benchmarks and the use of aggregate benchmarks to assess reasonable costs. In considering other methodologies to determine aggregate benchmarks, we are asking councils whether they would be willing to provide work schedules or other relevant information to support the further development of aggregate benchmarks.

## Seek Comments

15. Do you have any feedback about the draft aggregate benchmarks?
 16. Do you have any feedback on using the draft aggregate benchmarks to assess reasonable costs in a CP?
 17. Do you have feedback on the methodology used to develop the draft aggregate benchmarks?
 18. Would you be willing to provide work schedules or other relevant information to us to support the development of our aggregate benchmarks?

- <sup>5</sup> IPART, Contributions plan assessment: land costs, Information Paper, July 2020.
- <sup>6</sup> Environmental Planning and Assessment Regulation 2021, cl 207.
- PART, Assessment of Contributions Plan No. 24 Schofields Precinct (2022), Blacktown City Council, Final Report, October 2023.
- Local Planning and Assessment (Local Infrastructure Contributions) Direction 2012, cl 4(c), p 3.
- Government Architect NSW, Draft Greener Places Design Guide, Issue No 4 2020.
- Department of Planning, Housing and Infrastructure, Practice Note Local Infrastructure Contributions, January 2019, pp 14-16.
- <sup>11</sup> IPART, *Review of the essential works list, nexus, efficient design and benchmark costs for local infrastructure*, Draft Report, October 2021, pp 46-58.

<sup>&</sup>lt;sup>1</sup> Department of Planning, Housing and Infrastructure, NSW infrastructure contributions guide 2021.

<sup>&</sup>lt;sup>2</sup> Department of Planning, Housing and Infrastructure, NSW infrastructure contributions guide 2021.

<sup>&</sup>lt;sup>3</sup> Terms of Reference - Reviewable Contributions Plans - Premier of NSW - 14 November 2018.

<sup>&</sup>lt;sup>4</sup> This includes West Dapto (2024), Orchard Hills North (2023), Glenmore Park – Stage 3 (2023), Revised CP15 – Box Hill (2023), CP24 – Schofields Precincts (2022), East Leppington (2021), and Austral and Leppington North Precincts (2021).

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