



Assessment of East Leppington Contributions Plan

Liverpool City Council

Final Report

January 2024

Local Government >>

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.

Local Government Committee Members

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Contents

1	Executive Summary	1
2	Introduction	3
3	The East Leppington Contributions Plan	4
3.1	Items included in EL contributions plan	5
4	Assessment of EL	7
4.1	Overview	7
4.2	Essential Works List	7
4.3	Nexus	10
4.4	Reasonable cost	12
4.5	Apportionment	19
4.6	Timing of infrastructure delivery	20
4.7	Consultation	21
4.8	Any other Matters	21

1 Executive Summary

New development is essential to provide housing for NSW's growing population and more commercial, retail, and industrial space for employment. 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 open spaces. In NSW, councils can require developers to contribute to the cost of providing that infrastructure.

Contributions plans set out the local infrastructure required to meet the demand from new development, and the contributions a council can levy on developers to fund the necessary land and works.^a Currently, a contributions plan that proposes a level of contributions above a threshold of \$30,000 per lot or dwelling in identified greenfield areas and \$20,000 per dwelling in other areas must be submitted to IPART for review to ensure it complies with the essential works list (EWL) and other criteria set out in the Infrastructure Contributions Practice Note (2019 Practice Note) published by the Department of Planning, Housing and Infrastructure (DPHI), formerly Department of Planning and Environment (DPE). This change has taken place as of January 1st 2024, as such this report will refer to data provided by DPE/DPHI interchangeably.

Liverpool City Council (the council) is seeking to levy development contributions above the \$30,000 cap per lot/dwelling for greenfield development for the East Leppington contributions plan (EL CP). This is the first time that IPART is reviewing the EL CP.

The council submitted the EL CP to IPART for assessment in September 2021. We identified gaps in the information provided by the council and requested further information to complete our assessment. The assessment was put on hold for almost 2 years until the council provided the additional information. In September 2023, the council provided the necessary information and we were able to complete our assessment.

We assessed the EL CP against the DPHI's Practice Note criteria. We found that the plan meets most of the Practice Note criteria (see Figure 1.1).

Figure 1.1 Review summary for EL CP

Essential Works List	Nexus	Reasonable Cost	Reasonable apportionment	Reasonable timeframe	Community liaison and publicity	Other matters
						
Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated

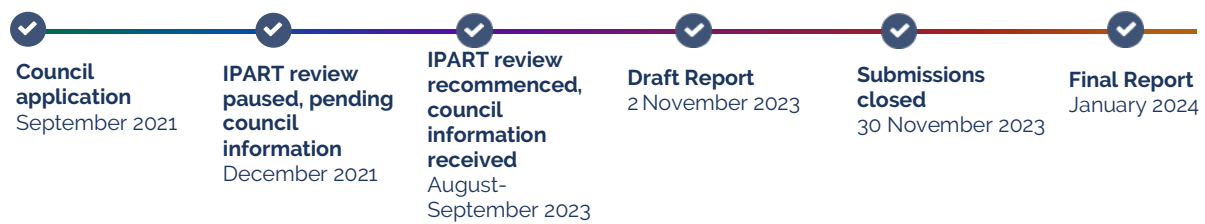
^a Section 7.11 of the *Environment Planning and Assessment Act 1979* allows councils to levy contributions towards the cost of providing local infrastructure.

We have concluded that costs in the plan are essential and reasonable. However, costs for transport and open space appear to be low, which may mean that the council does not collect enough money to deliver this infrastructure. For this reason, we have made a finding that encourages the council to review the works costs in the EL CP to ensure that costs in the plan are sufficient to provide the necessary infrastructure in the EL Precinct.

Finding:

1. We encourage Liverpool City Council to review all works costs in the East Leppington contributions plan. The review should include:
 - a. any changes to assumptions or strategies within the plan,
 - b. actual costs of delivering land and works within or near the precinct (where available),
 - c. site specific estimates, recent benchmarks or other relevant sources.

Figure 1.2 Review timeline for EL CP



2 Introduction

Liverpool City Council (the council) submitted the EL CP to IPART for assessment in September 2021.^b The council is seeking to levy development contributions above the cap of \$30,000 per lot/dwelling.

IPART must first review the EL CP and provide its assessment to the Minister for Planning and Public Spaces (Minister). The Minister (or the Minister's nominee) may request the council to make changes to the plan. After the council makes any changes and adopts the plan, the council can levy the uncapped contributions amount.

We assessed the EL contributions plan against the DPHI's [Practice Note](#) criteria:

1. Public amenities and services in the plan are on the **essential works list** as identified within the Practice Note.
2. Public amenities and services are reasonable in terms of **nexus** (i.e. there is a connection between the development and demand created).
3. Development contribution is based on a **reasonable estimate of the cost** of the public amenities and services.
4. Public amenities and services can be provided within a **reasonable timeframe**.
5. Development contribution is based on a **reasonable apportionment** between:
 - a. existing and new demand for the public amenities and services, and
 - b. different types of development that generate new demand for the public amenities and services (e.g. different types of residential development such as detached dwellings and multi-unit dwellings, and different land uses such as residential, commercial, and industrial).
6. Council has conducted appropriate **community liaison** and publicity in preparing the contributions plan.
7. **Other matters** IPART considers relevant.¹

Our assessment involved reviewing the contributions plan and supporting documentation, including the works schedule, strategic studies, consultant reports, and correspondence with the council. For more details on our assessment approach, please see our [Information Paper](#).

The remaining sections of this Report provide background information on the EL contributions plan, our assessment of the plan, recommendations, and recommended contributions rates. This is IPART's Final Report on East Leppington following release of our Draft Report on 2 November 2023.

^b IPART's assessment was put on hold for 21 months as the council considered our request for more information.

3 The East Leppington Contributions Plan

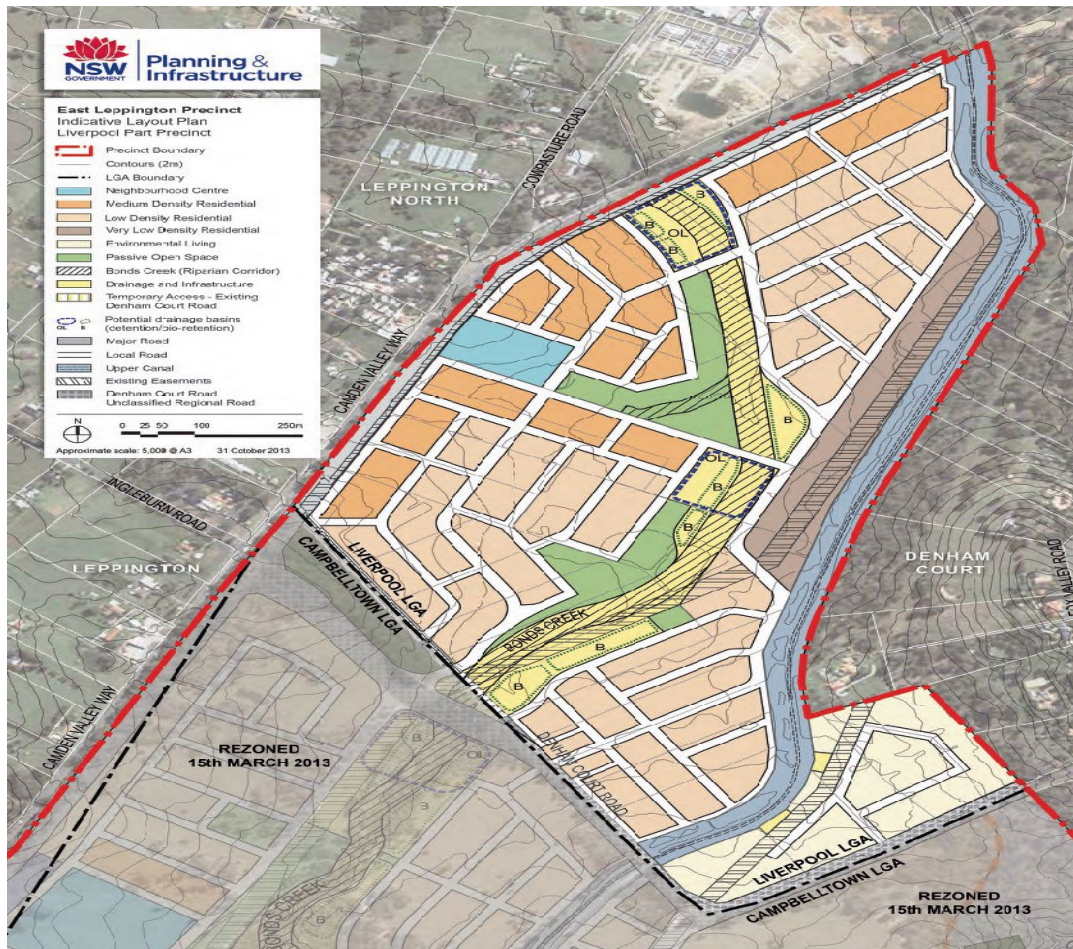
In March 2013, the NSW Government rezoned the precinct making up East Leppington for urban development (See Figure 3.1). The EL Precinct covered by the EL CP covers a Net Developable Area (NDA) of 75.6 hectares. It is one of 17 precincts in the Southwest Growth Area. The precinct lies across the Liverpool, Camden, and Campbelltown Council local government areas (LGAs), with more than half of the precinct within the Campbelltown LGA.

The EL CP applies to the area within the Liverpool LGA only. The East Leppington Precinct is presently rural and will be converted into an urban area with the implementation of the CP. The precinct will comprise mostly residential development (98% of net developable area) composed largely of low-density housing. An additional 1,129 dwellings are expected to accommodate a projected population increase of 3,485 people. Non-residential development consists of a 1.6 hectare neighbourhood centre composed entirely of retail space.

The EL CP seeks to meet the needs of the future and current residents and workers of these precincts for transport, stormwater, open space infrastructure and land for community facilities. The EL CP will deliver:

- 5.9 hectares of open space including 2 local parks and 4.2 hectares of passive open space
- 4 new or upgraded roads and associated infrastructure for pedestrian movement
- stormwater infrastructure that will ensure that major rain and flood events are managed effectively.

Figure 3.1 Map of Contributions Plan Precinct



Source: Liverpool City Council, Liverpool CP 2021 – East Leppington – Draft IPART Submission, Figure 2.1

3.1 Items included in EL contributions plan

EL CP includes total development contributions of almost \$80 million, which cover the council's proposed land, works and plan administration costs associated with the development in the precinct.

Stormwater works

The plan proposes to deliver around \$35 million worth of stormwater works items. This includes bioretention basins, upgrades to riparian corridors and drainage infrastructure.

Transport works

EL CP proposes to deliver around \$9 million worth of transport works items. This includes signalised intersections, roundabouts, new roads, and crossings.

Open space embellishment

EL CP proposes around \$6 million in open space embellishment costs. The open space embellishment items include playgrounds, picnic facilities, pathways, and park furniture.

Land

EL CP includes \$29 million of land costs to acquire 24.3 hectares of land. The council has already acquired at least \$2 million of land and is yet to acquire the remaining \$27 million of land. Land acquisitions are planned to allow for stormwater infrastructure, traffic and transport management and open space.

Plan administration

The EL CP includes a plan preparation and administration cost of \$0.75 million. This is based on 1.5% of the total works cost, consistent with the approach adopted in most plans.

Contribution rates

Each development within the East Leppington Precinct will need to apply the formulae and rates within the contributions plan to determine the contributions applicable to the specific development. Rates are calculated based on the assumed occupancy of the development type as well as the Net Developable Area of the land on which the development occurs. For example, open space contributions rates of dwelling are calculated by dividing the cost of open space costs by the projected future population and then multiplying this cost by the estimated occupancy rate of the dwelling being built. In Table 3.1 we have presented a summary of the CP with the average indicative rate as calculated in 2021. A standard low density residential dwelling with an expected occupancy of 3.4 people and a 450m² lot size will generate a \$66,365 contributions rate.²

Table 3.1 Summary of EL CP with average indicative contributions rate (\$, Dec 2020)

Plan	Total costs (\$)	NDA (ha)	Expected population growth	Expected new dwellings	Indicative rate (\$)
EL CP (2021)	79,855,805	75.6	3,485	1,128	66,365

Source: Liverpool City Council, Liverpool CP 2021 – East Leppington – Draft IPART Submission

4 Assessment of EL CP

This section provides our assessment of the EL contributions plan.

4.1 Overview

Table 4.1 Summary of our assessment of East Leppington Contributions Plan (2023)

Criteria	Stormwater	Transport	Open space	Land	Plan administration
Essential works list	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated
Nexus	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated
Reasonable cost	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated
Apportionment	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated
Timing	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated
Consultation	Demonstrated	Demonstrated	Demonstrated	Demonstrated	Demonstrated
Other matters	Not relevant	Not relevant	Demonstrated	Not relevant	Not relevant

4.2 Essential Works List

4.2.1 Stormwater

Stormwater works in the EL CP are based on a Water Cycle Management Report prepared by Cardno in June 2012, with some modification in May 2013 to account for recommendations by DPE. This report is a high-level strategic and concept plan to serve as a starting point for the implementation of the CP over 20 years. Since submitting the plan to IPART, the council has subsequently obtained more detailed design and cost estimates.

The EL CP includes \$51.7 million of stormwater land and works comprising:

- 7 bioretention basins
- 4 on-line basins and 1 off-line basin
- 4 upgrades to riparian corridors and channels
- drainage infrastructure including gross pollutant traps and rainwater tanks.

Table 4.2 Stormwater management land and works in EL contributions plan (\$millions, \$Dec 2020)

Item	Total cost
Bio-retention basins	8.6
Bio-retention basins (co-located)	9.6
Drainage systems	9.1
Online detention basins	4.1
Construction contingency (7%)	2.2
Fill disposal allowance	1.7
Land acquisition	16.0
Total	51.3

Source: Liverpool City Council, *IPART Submission Works Tables*

The stormwater infrastructure in the EL CP is consistent with the Essential Work List. Table 4.2 outlines the council's proposed stormwater infrastructure items. Detention and bio-retention basins, drainage systems and land for these items all fall under essential works for stormwater.

4.2.2 Transport

The East Leppington Precinct is presently rural and mainly consists of rural roads that serve low density rural land uses in the area. The precinct is currently served by several regional and sub-arterial roads and a limited number of collector and local roads. The EL CP proposes the following new transport infrastructure:

- signalised intersections
- 5 roundabouts
- 4 new roads
- 2 creek crossings
- 3 bus shelters
- 1 pedestrian crossing

We have determined that the transport infrastructure proposed in the EL contributions plan meets the description in the 2019 Practice Note of "land and facilities for transport". These items are consistent with the Essential Works List outlined in part 3.2 of the Practice Note and the examples (i.e. road works, traffic management and pedestrian and cyclist facilities). Therefore, the transport infrastructure satisfies the essential works list criteria. A list of these items and their cost can be found below in Table 4.3.

Table 4.3 Transport management land and works in EL contributions plan (\$millions, \$Dec 2020)

Item	Total cost
Local and Collector Roads	2.1
Creek Crossings	3.3
Roundabouts and Traffic Signals	2.4
Pedestrian Crossings	0.4
Bus Shelters	0.1
Cycleway	0.5
Construction Contingency 7%	0.6
Land Acquisition	2.7
Total	12.1

Source: Liverpool City Council, IPART Submission Work Tables

4.2.3 Open space

Elton Consulting determined the social infrastructure needs for the EL CP in June 2013. The EL CP includes \$5.5 million of open space in works consisting of:

- 2 local parks (0.5-1.2 hectares)
- passive open space along riparian corridors (0.4-1.5 hectares)
- amenities for this open space such as picnic tables, barbeque facilities, playgrounds, seating and fitness equipment.

The items included in the EL contributions plan include park, passive space and dual use riparian corridor embellishment. Included in the embellishment are playgrounds, picnic facilities, pathways and park furniture. These items all fall under the category of essential works for open space embellishment and are necessary to improve quality and quantity of open space for future residents. We therefore conclude open space works in the EL CP are consistent with the EWL. A summary of the items to be provided and their costs can be seen below in Table 4.4.

Table 4.4 Open space management land and works in EL contributions plan (\$millions, \$Dec2020)

Item	Total cost
Local parks embellishment	1.7
Passive open space embellishment	3.5
Construction contingency 7%	0.4
Land Acquisition	10.3
Total	15.9

Source: Liverpool City Council, IPART Submission Work Tables

4.2.4 Plan administration

Plan preparation and administration costs are on the essential works list. The Practice Note states:

"Plan administration costs are those costs directly associated with the preparation and administration of the contributions plan. These costs represent the costs to a Council of project managing the plan in much the same way as the project management costs are incorporated into the cost estimates for individual infrastructure items within a plan."

Plan administration costs may include:

- background studies, concept plans and cost estimates that are required to prepare the plan.
- project management costs for preparing and implementing the plan (e.g. plan coordinators).³

The EL CP proposes administration costs for commissioning studies related to the plan, hiring legal professionals for matters relating to the CP, design and cost of works and costs associated with the ongoing management and administration of the plan. These all meet the criteria for essential works in delivery of the CP.

In its submission to the Draft Report, the council acknowledged and supported IPART's analysis that land and works in the EL CP meet the essential works criteria.⁴

4.3 Nexus

4.3.1 Stormwater

The EL Precinct's stormwater infrastructure needs were determined by Cardno in its Water Cycle Management Report (see Table 4.5). We sought expert advice from a consultant J Wyndham Prince (JWP) to analyse nexus for the stormwater infrastructure proposed in the plan. JWP concluded that although a detailed breakdown of each stormwater item in the plan was not provided, there is "clear nexus" established for the stormwater works in the EL CP.⁵ JWP also noted that there is no benefit to the current residents of the CP and that the significant projected population increase in the CP necessitates additional stormwater infrastructure.

Table 4.5 Technical studies for stormwater works in the EL contributions plan

Author	Title	Date
Cardno	Water Cycle Management Report East Leppington	May 2013

4.3.2 Transport

Our preliminary analysis initially showed that there is a need for additional transport infrastructure in the EL CP, but the council provided limited information regarding the specific road lengths and locations selected. Subsequently the council provided additional sources detailing the specific requirements and locations identified for transport infrastructure (see Table 4.6). These sources establish nexus for the proposed transport items in the EL CP.

Table 4.6 Technical studies for transport works in the EL contributions plan

Author	Title	Date
Cardno	<i>East Leppington Precinct Transport Assessment</i>	May 2013
Liverpool City Council	<i>Liverpool Growth Centre Precincts DCP Schedule 3 East Leppington</i>	March 2022

4.3.3 Open space

Elton Consulting's Social Infrastructure and Open Space Assessment of the EL Precinct examined open space needs based on the projected demographics of the EL Precinct (see Table 4.7). The infrastructure requirements are based on council standards and consultation with the DPHI. The study identified the need for new local parks and passive open space to support the future population. The provision of open space is lower than the amount recommended by Elton's assessment. Elton recommends 9.6 hectares of open space, while the EL CP includes 5.9 hectares of open space. This is discussed further in section 4.8.1. We have concluded there is nexus for open space land and works in the EL CP.

Table 4.7 EL contributions plan open space nexus studies

Author	Title	Date
Elton Consulting	<i>Social Infrastructure and Open Space Assessment-- East Leppington Precinct</i>	June 2013

4.3.4 Land

Cardno's water management report identified sites and land needed for the implementation of the stormwater strategy. Land has been identified in the CP corresponding to these requirements, representing alignment with the source.

The location of roads and land to be acquired to construct them under the EL CP correspond to the needs identified for the area in AECOM's traffic study. Council GIS data shows all items are wholly within the contribution plan area.

AECOM's indicative layout plan (ILP) highlights that existing open space in the Precinct will not be sufficient to meet the needs of the projected new population. As such the EL CP seeks to acquire land as described in the ILP and Elton's social infrastructure assessment in order to deliver the required open space. These sources establish nexus for planned open space land acquisition.

4.3.5 Plan administration

Plan preparation and administration activities are necessary for the facilitation of the contributions plan. We therefore conclude that there is nexus between the development and these costs.

In its submission to the Draft Report, the council commented that it supports IPART's conclusions regarding nexus in the plan.⁶

4.4 Reasonable cost

The Practice Note requires contributions plans to demonstrate:

"the proposed development contribution is based on a reasonable estimate of the cost of the proposed public amenities and public services,"

The total value of land, works, and plan administration included within the EL contributions plan is approximately \$79.9 million (\$Dec2020). This comprises:

- \$29 million (36.2%) for land acquisition
- \$50.1 million (62.7%) for works
- \$7.6 million (0.9%) for plan administration.

Table 4.8 summarises the costs in the plan by infrastructure category.

We have concluded that proposed costs in the EL CP are reasonable. While some costs for specific items (primarily stormwater works) may be higher than typical, others (including for open space and transport works) are below what we would typically expect. Our analysis suggests that the total costs included in the plan are reasonable. We do however suggest that the council reviews the plan and resubmits it to IPART. This will help to ensure that the council monitors its costs and updates the plan as infrastructure is delivered, and development progresses. The sections below outline our analysis of costs for each infrastructure category in more detail.

Table 4.8 Costs in the EL contributions plan (\$ millions, \$Dec,2020)

Infrastructure category	Land	Works	Administration	Total
Transport	2.7	9.4	0.1	12.2
Stormwater	16.0	35.2	0.5	51.7
Open space	10.3	5.5	0.1	15.9
Total	28.9	50.1	0.8	79.8

Note: Tables may not add due to rounding

Source: Liverpool City Council, IPART Submission Work Tables

4.4.1 Stormwater

The cost of stormwater works and land in the EL CP is \$35.2 million, this equates to 44% of the total costs of the CP. The council proposed roughly a 200% increase to stormwater costs in the EL CP's current 2021 revision relative to its inception in 2014.^c

We sought JWP's advice on reasonable costs for the stormwater infrastructure in the EL CP. In its analysis, JWP noted the following:

- Drainage infrastructure has been budgeted for, however the number of each item needed was not given, with JWP stating there is insufficient information for a detailed review of costs. This is likely a result of the stormwater strategy being general and "very high level".
- Stormwater works costs appear to be relatively high. The council attributed its proposed cost increases to a combination of indexation and a need for more sophisticated drainage designs as the East Leppington precinct evolves.
- Industry and council best practice modelling standards for bio-filters have changed since 2013. Biofilters meeting these standards would need to be around 2.3x larger than the original strategy called for, significantly increasing works costs.

JWP concluded that taking all these factors into account the cost of stormwater works may be up to 33% (\$11.8million) higher than would typically be expected for a similar precinct.

We sought more information from the council to justify its proposed stormwater costs. In September 2023 the council provided a more detailed cost breakdown of stormwater items, which was not available at the time the plan was initially submitted to IPART. These revised estimates were produced by Craig and Rhodes and are based on more recent data (Q1 2021). A summary of these costs are shown below in Table 4.9. These cost estimates from Craig and Rhodes amount to around \$33 million, which is similar to the \$35.2 million proposed by the council.

Table 4.9 EL contributions plan revised stormwater works cost estimates (\$millions, \$Dec 2020)

Item	Updated Cost Estimate
Site Establishment and Erosion/Sediment Control	0.3
Earthworks and Topsoil	2.2
BIORETENTION BR2\BR3 & LINE B	1.5
BIORETENTION BR13 & LINE C	1.0
BIORETENTION CLB3 & LINE D	5.3
BIORETENTION BR1 & LINE E	2.5

^c The council has adopted *Liverpool Contributions Plan 2014 – East Leppington* but as this plan was below the \$30k contributions cap at the time it was not submitted to IPART for review.

BIORETENTION CLB2 & LINE F Subtotal	0.5
BIORETENTION CLB1 & LINE G	1.4
Detention Basin B4	0.8
Detention Basin B5	0.5
Pavement/Surfacing	4.0
Rock channel, retaining wall and signage	0.6
Landscaping	5.0
Utilities and Services	2.5
Contamination Treatment	0.5
Future Road Works	1.6
10% Contingency	3.0
Total	33.2

Source: Craig and Rhodes, East Leppington Stormwater Detailed Costs

Since this source estimates costs per category rather than per line item it is difficult to directly compare these costs to the originals.

We suggest that the council review its works costs. This review should place particular emphasis on stormwater works as they are by far the most material to the overall cost of the CP. Data from the implementation of the CP should be used to inform any review.

In its submission to the Draft Report, the council indicated support for a future review of works costs in the plan. The council also noted that CPI will be applied to index costs once the plan has been adopted.⁷

Finding:

1. We encourage Liverpool City Council to review all works costs in the East Leppington contributions plan. The review should include:
 - a. any changes to assumptions or strategies within the plan,
 - b. actual costs of delivering land and works within or near the precinct (where available),
 - c. site specific estimates, recent benchmarks or other relevant sources.

4.4.2 Transport

We have concluded that transport costs proposed by the council are reasonable but likely low. The EL CP uses base rates provided by AECOM to estimate costs for roads and other transport items on a per square metre basis. We consider this a reasonable approach; however, we have compared these estimates to IPART's benchmark costs for similar items and have found that the estimates in EL CP are relatively low. Table 4.10 shows some of the most significant transport works items in the CP and compares them with IPART benchmarks.

We found that a large part of the cost differential comes from the contingency allowance adopted by the council. IPART's benchmarks suggest a 20%-30% construction contingency for transport works depending on the stage of the plan. However, the council has applied a 7% rate. If the same contingency rate is used, then the difference between IPART's benchmarks and the council's estimates is much smaller.

Table 4.10 EL contributions plan transport works cost estimates compared with IPART Benchmarks (\$millions, \$Dec 2020)

Item	EL Cost Estimate	IPART Estimate	Percentage Difference
CR1 New Road from CVW (full road)	0.50	0.63	26%
CR2 New Road (full road)	0.25	0.31	24%
CR3 Collector Road (half road)	0.68	0.78	15%
LR1 New Road (full road)	0.26	0.40	54%
CC1 Collector Road – Creek Crossing	1.34	1.34	0%
LC1 Local Road – Creek Crossing	1.34	1.34	0%
Construction Contingency	0.42	2.00	376%
Total	4.79	6.80	42%

Source: Liverpool City Council, Liverpool CP 2021 – East Leppington – Draft IPART Submission p 3; IPART calculations

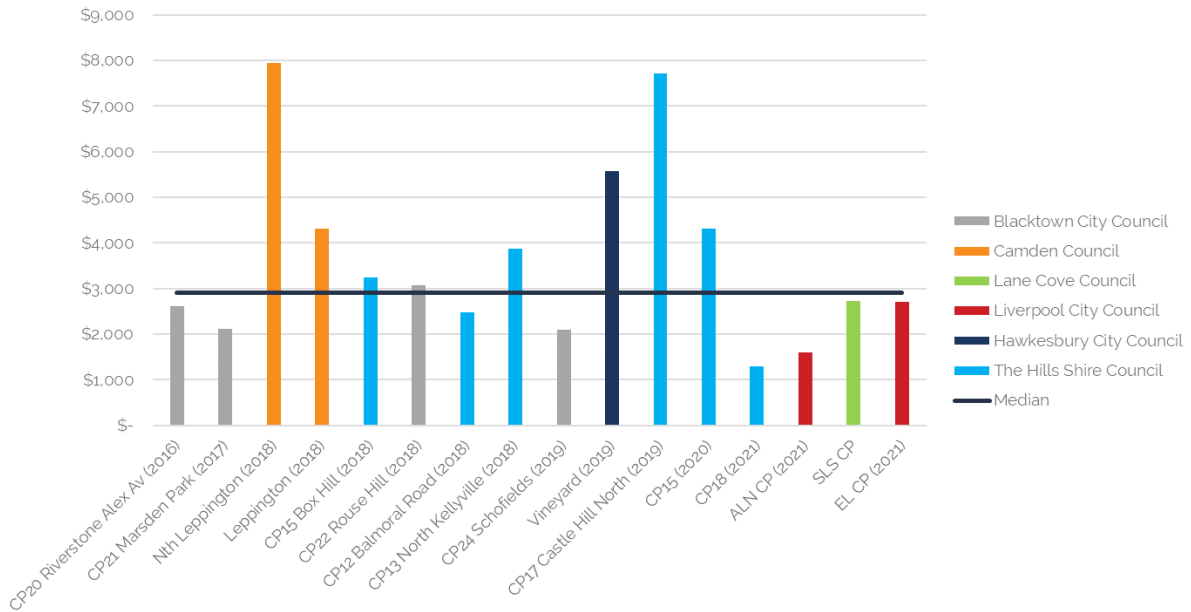
Transport costs in the EL CP are \$2,706 per person. This is around 7% lower than the median for other relevant CPs (see Figure 4.1).

We consider that the relatively low estimate for transport works costs could create a risk that contribution rates are not sufficient to deliver all the transport items in the EL CP. This could result in either a decrease in the quality and quantity of transport infrastructure or a potentially higher burden on ratepayers in the future to meet the cost if there is a shortfall in contributions.

Transport works in the EL CP are relatively small compared to other infrastructure costs such as stormwater, lessening the potential impact of transport costs being relatively low.

In its submission, the council acknowledged the difference in the contingency applied by the council when compared to IPART's contingency benchmark estimates.⁸ The council stated that a future review of transport costs will be carried out.⁹ This is in-line with our finding that the council should review all works costs and update them when appropriate.

Figure 4.1 Transport works costs per person in relevant CPs (\$Dec 2020)



Source: IPART analysis

4.4.3 Open space

We have concluded that the council's proposed open space costs are reasonable.

The council's estimates for open space works have been calculated based on AECOM's estimates for open space items on a per square metre basis. However, the council has not provided a detailed breakdown of the local parks and passive open space in the EL CP.

To assess whether open space costs are reasonable, we have compared the council's open space cost estimates to:

- DPHI's passive open space embellishment cost benchmarks (see Table 4.11) – we found that open space costs in the EL CP are substantially lower than DPHI's benchmarks.
- Open space costs from other CPs we have previously assessed - when comparing the EL CP to other CPs, open space works costs are \$1,584 per person which is around 40% lower than the median for other CPs (see Figure 4.2).^d

^d Notably these CPs include Austral Leppington North, where we also found open space costs to likely be underestimated. However, they also likely reflect that the EL CP provides only local open space and does not include any district level infrastructure. Presently open space works costs account for only 7% of total costs in the CP.

Table 4.11 EL contributions plan local park works cost estimates compared with DPE Benchmarks (\$millions, Mar 2022)

Item	EL Cost Estimate	DPE Benchmark Estimate
OSc1	1.2	1.8
OSc2	0.7	0.9
Total	1.9	2.7

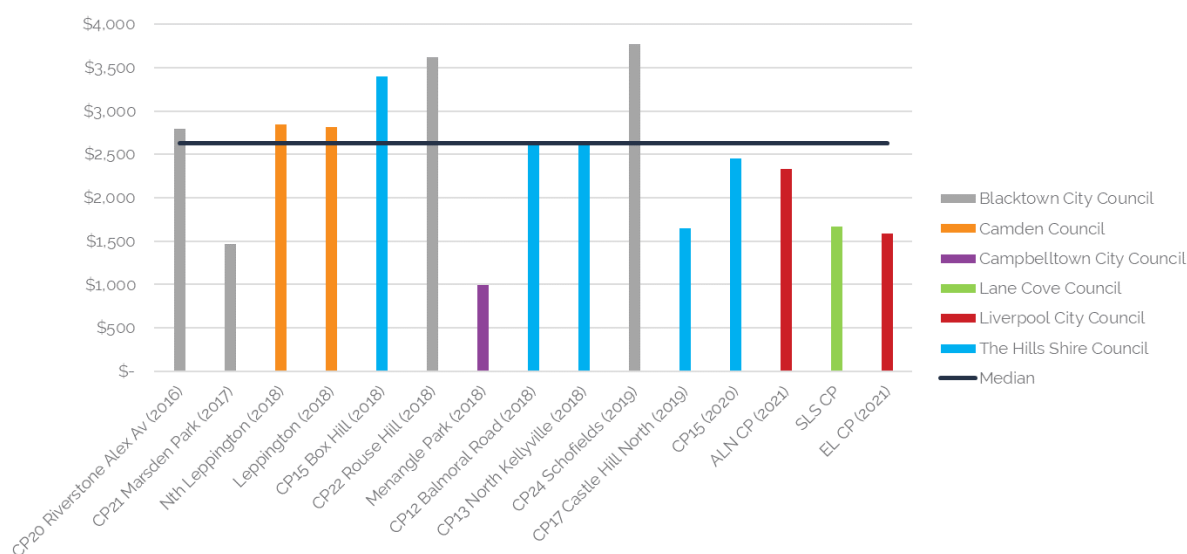
Source: Liverpool City Council, Liverpool CP 2021 – East Leppington – Draft IPART Submission p.3 & IPART calculations

Table 4.12 EL contributions plan passive open space works cost estimates compared with DPE Benchmarks (\$millions, Mar 2022)

Item	EL Cost Estimate	DPE Benchmark Estimate
OSa1	0.5	0.7
OSa2	1.4	2.2
OSa3	0.4	0.7
OSa4	1.4	2.3
OSa5	0.2	0.3
Total	3.9	6.2

Source: Liverpool City Council, Liverpool CP 2021 – East Leppington – Draft IPART Submission p 3; IPART calculations

Figure 4.2 Open space works costs per person in relevant CPs (\$Dec 2020)



Source: IPART analysis.

We consider it is possible the costs for open space works in the EL CP are lower than what is needed. This may result in either reduced liveability for residents if open space is not adequately delivered, or future increases for ratepayers to help fund a cost shortfall.

We suggest that the council review its open space works costs and implement actual costs of delivery of the infrastructure as the CP progresses.

In its submission to the Draft Report, the council acknowledged that costs are reasonable and noted its support for a future review of open space works costs in the plan.¹⁰ The council noted that *“funding for open space embellishments in the Plan is dependent on the population to meet certain benchmarks and any response for the provision of open space will be subject to further review by IPART.”*¹¹

4.4.4 Plan administration

The EL contributions plan includes costs of \$0.75 million for plan administration, which is 1.5% of the total cost of works in the plan. This allowance is consistent with IPART’s benchmark rate recommended for plan administration. We therefore consider the plan administration costs in the EL contributions plan reasonable.

4.4.5 Land

Land cost valuations and methodology are reasonable

The market values in Table 4.13 were determined by AEC based on examining recent property purchases in surrounding suburbs and an analysis of local conditions. The costs have been indexed to the council’s Land Value Index (LVI), an index which measures the underlying changes in land values over time. Liverpool City Council publishes a quarterly update to this LVI. This approach is consistent with other areas of the Liverpool LGA in the past.

Table 4.13 Land values used by Liverpool City Council in the EL CP (\$ per square metre, \$Mar 2022)

Underlying zoning	Average value (\$)
B1 Neighbourhood Centre	550
R2 Low Density Residential	390
R3 Medium Density Residential	490-700
RE1 Public Recreation (constrained land)	110-130
SP2 Infrastructure (constrained land)	120
E4 Environmental Living	190
Constrained Land (situated below the 1:100-year ARI event)	100-130

Source: *Land Assessments for the New East Leppington Contributions Plan*

The study notes an allowance for heads of compensation (types of compensation required for each property) under the *Land Acquisition (Just Terms Compensation) Act 1991*. Value assessments for property acquisition involving two evaluating professional parties will be conducted. The median costs per square metre are broad estimates for the budgeting of the contribution plan. Professional valuations that are pegged to an appropriate LVI have been used and land values estimates are more recent than those used for most of the contribution plan’s work costs, we therefore consider that the estimates are likely to reflect accurate values.

The council has applied a 12% land acquisition allowance for heads of compensation under the *Land Acquisition (Just Terms Compensation) Act 1991*. This is the same allowance included in the July 2016 Valuation Report for the Camden Growth Areas contributions plan and the 2021 Austral Leppington North contributions plan (ALN CP). This allowance is in place as the council does not yet know which properties it will need to compulsorily acquire and which additional costs it will incur as part of the compensation. The 12% allowance budgets for every possible compensation scenario arising when acquiring property.

In our Final Report on the ALN CP we noted a preference for fixed costs for estimates rather than a percentage. This is because reasons for compensation usually comprise fixed costs while market values can fluctuate significantly over time. In the context of ALN, we considered the 12% allowance was reasonable as it was informed by the opinion of an external professional land evaluator and recent experience in the Camden LGA. We also noted that having an LVI in place helps to account for any significant market fluctuations. Practical data obtained from land acquisitions as the CP is implemented should inform any future review of costs. However, we consider the council's land costs reasonable at this stage of the CP.

The Valuer General submitted to the Draft Report that they agree with IPART that compensation usually comprises fixed costs and further stated that "market value bears no relationship to other heads of compensation".¹² The Valuer General also noted agreement with IPART's conclusion that data obtained as the CP is implemented should inform any future review of land costs.¹³

4.5 Apportionment

4.5.1 Stormwater

Stormwater works costs in the EL CP have been apportioned entirely to the Precinct on a per hectare of NDA basis. The costs are apportioned 98% to residential development and 2% to non-residential development to reflect the proportion of equivalent NDA utilised by each. This assumes that stormwater infrastructure demand is based on impervious surface area of development. This approach reflects an apportionment based on NDA which is the appropriate way to share the costs of stormwater infrastructure. Furthermore, there is virtually no benefit of the works to existing residents in other areas. We therefore consider the apportionment for stormwater costs is reasonable.

4.5.2 Transport

Upgrades and expansion of the current transport network will be necessary to accommodate the new residents of the EL area. The EL CP apportions its transport works costs 100% to the East Leppington Precinct on the basis that transport is to support the increased demand within the area. These costs are split between residential and non-residential development on a relative area basis, an estimate of the aggregate NDA taken up by each. Costs are then further apportioned to residential development on a per person basis and to non-residential development based on hectares of NDA under use. This model is intended to accurately reflect the proportional use of transport infrastructure.

The plan includes collector roads, local roads and other infrastructure to improve connectivity within the precinct, which primarily serves the new population and has limited use for those outside the precinct. As such, we conclude that apportionment of transport costs in the EL CP is reasonable.

4.5.3 Open space

Elton's study concluded that demand for the open space infrastructure in the CP arises from the new development. Open space costs in EL have therefore been apportioned 100% to the precinct. Costs have been apportioned on a per person basis entirely to residential development. This is due to demand arising from non-residential development being incidental. This represents a reasonable apportionment that preserves the impactor pays principle.

4.5.4 Plan administration

Contributions payments for plan administration are apportioned entirely to new developments. In general, the size of a development will be proportional to administration costs. This approach reflects the work involved in delivering the level of infrastructure created based on residential and non-residential development size. Administration costs are proportional and have been entirely apportioned to the new development which necessitates them. We consider this a reasonable apportionment of costs.

The council's submission to the Draft Report acknowledged IPART's assessment that apportionment of costs in the plan is reasonable and noted that costs would be subject to review based on potential development.¹⁴

4.6 Timing of infrastructure delivery

The council has provided varying priority levels for the delivery of infrastructure. Stormwater infrastructure is to be delivered as land is developed. Open space and transport items have been given varying priority levels, ranging from when the local area is developed to some items to be delivered coinciding with other relevant items.

4.6.1 Stormwater

Stormwater works are to be delivered in at the same time as development; priority will be based on the pace of development in a given area. We consider this a reasonable approach to stormwater infrastructure delivery timeframe.

4.6.2 Transport

Transport works concerning road and pedestrian infrastructure are to be delivered in line with development. Buses are to be implemented prior to this where possible but otherwise in line with road development. This is a reasonable delivery timeframe.

4.6.3 Open space

Open space infrastructure is to be delivered in line with development, with priority depending on the proximity of development to established open space sites. Delivery timeframe of infrastructure is reasonable.

4.6.4 Land

The council intends to acquire land for the EL contributions plan in line with development and local infrastructure needs over the next 20 years. We consider this approach reasonable.

4.6.5 Plan administration

The timely delivery of works and land has been established in previous sections of this report. An allowance for plan administration is required over the approximately 20-year life of the plan to enable timely delivery of land and works.

The council's submission to the Draft Report acknowledged IPART's conclusion that the timing of infrastructure delivery and land acquisition is reasonable.¹⁵

4.7 Consultation

IPART must assess if the council has conducted appropriate community liaison and publicity in preparing the EL contributions plan.

Liverpool City Council placed the EL CP on public exhibition from 5 July 2021 to 2 August 2021. The council received no submissions. We consider the council conducted appropriate community liaison. The lack of submissions may reflect the small size of the EL CP relative to other plans, as well the neighbouring far larger Austral Leppington North contributions plan likely drawing more interest from local stakeholders.

4.8 Any other matters

This chapter discusses our analysis of issues that apply across infrastructure categories, including our assessment of the EL contributions plan against EPA regulations and requirements.

4.8.1 Provision of open space is low

The total provision of open space in EL CP is 5.9 hectares, which is a rate of provision of 1.69 hectares per 1,000 people. This is below Liverpool City Council's own benchmark, and industry standard, of 2.83 hectares per 1,000 people. Elton Consulting's *Social Infrastructure and Open Space Assessment* for the precinct recommended 9.86 hectares of open space. A lack of open space could result in a decrease in the quality of life and services for future residents of the EL Precinct.

However the Indicative Layout Plan for the East Leppington Precinct noted the following:

"To provide for the active recreational needs of the population within the Liverpool Council area, a recommendation has been put forward that the proposed open space be embellished in ways that encourage as much as possible informal physical activity and an active lifestyle, to help make up for the notional shortfall in the quantum of open space."¹⁶

Suggested embellishments include:

- off-road cycling paths and "learn to cycle" circuits for young children
- a network of paths and trails for walking and jogging
- fitness equipment located along the trails
- a large "kick about" area for informal ball games and practice
- a half court with basketball hoop for practice
- playgrounds that encourage active play and more challenging activities.

We acknowledge that new developments often have difficulty achieving the 2.83 hectare per 1000 people benchmark for open space. We consider that the council has taken steps to increase the utility of the open space planned to be delivered. As such, our assessment is that the provision of open space is reasonable.

Nonetheless, the council should continue to review the open space planned for the precinct and ensure that it provides accessible and appropriate open space for residents and workers in East Leppington.

In its submission to the Draft Report, the council acknowledged that the provision for open space in East Leppington is below the recommended provisions in Elton Consulting's Report. The council stated it will conduct further analysis in the future to ensure that open space provision meets the needs of future residents.¹⁷

4.8.2 Assessment against the EPA regulations and requirements

We have determined that EL contributions plan contains the information required by Clause 212 of the *Environmental Planning and Assessment Regulation 2021 (NSW)* (EPA Regulation). This clause requires the inclusion of certain information in a contributions plan for the purpose of establishing scope and location.

A summary of our assessment of EL contributions plan against the EPA Regulation requirements is provided in Table 4.14.

Table 4.14 Assessment against EPA Regulation requirements

Subclause	Requirement	Location in contribution plan
1(a)	Purpose of the plan.	Section 2.3
1(b)	Land to which the plan applies.	Section 2.2
1(c)	The relationship between the expected types of development in the area to which the plan applies and the demand for additional public amenities and services to meet that development.	Sections 3.1, 3.2 & 3.3
1(d)	The formulas to be used for determining the section 7.11 contributions required for different categories of public amenities and services.	Sections 4.2.2, 4.3.3, 4.4.5
1(e)	The section 7.11 contribution rates for different types of development, as specified in a schedule in the plan.	Section 1.2.
1(f)	A map showing the specific public amenities and services proposed to be provided by the council,	Section 4
1(g)	a works schedule that contains an estimate of their cost and staging (whether by reference to dates or thresholds).	Section 4.2.3, 4.2.4 & 4.4.6
1(h)	If the plan authorises monetary section 7.11 contributions or section 7.12 levies paid for different purposes to be pooled and applied progressively for those purposes, the priorities for the expenditure of the contributions or levies, particularised by reference to the works schedule.	Sections 2.13 & 4
2(b)	If a contributions plan authorises the imposition of a development levy condition, the plan must contain the method, if any, of adjusting the proposed cost of carrying out the development, after being determined by the consent authority, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan between the day of the determination and the day by which the levy must be paid.	Section 2.9
3	A contributions plan must contain information about the council's policy about the following— (a) the timing of the payment of monetary development contributions, (b) development levies, (c) the imposition of development contribution conditions or development levy conditions that allow deferred or periodic payment.	Section 2.9.1, 2.7 and 2.9.3
4	A contributions plan that provides for the imposition of development contribution conditions or development levy conditions in relation to the issue of a complying development certificate must provide that monetary payments in accordance with the conditions must be made before the commencement of the building work or subdivision work authorised by the certificate	Section 2.13
5	In determining the section 7.11 contribution rates or section 7.12 levy percentages for different types of development, the council must take into consideration the conditions that may be imposed under section 4.17 (6)(b) of the Act or section 97 (1)(b) of the Local Government Act 1993.	Section 2.14
6	A contributions plan may authorise monetary development contributions or development levies paid for different purposes to be pooled and applied progressively for the different purposes only if the council is satisfied that the pooling and progressive application will not unreasonably prejudice the carrying into effect, within a reasonable time, of the purposes for which the money was originally paid.	Section 2.13

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 - ² Liverpool City Council, Liverpool CP 2021 – East Leppington – Draft IPART Submission, 2021 p.3
 - ³ Department of Planning and Environment, [Practice Note – Local Infrastructure Contributions](#), January 2019, p 15.
 - ⁴ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.1
 - ⁵ JWP, East Leppington Draft Contributions Plan Review of Stormwater Works – Nexus and Costs–Final Report, July 2023, p 10.
 - ⁶ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.1
 - ⁷ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.1
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 - ⁹ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.2
 - ¹⁰ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.2
 - ¹¹ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.2
 - ¹² The Valuer General NSW, Submission to East Leppington Contributions Plan Draft Report, p 1.
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 - ¹⁴ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.2
 - ¹⁵ Liverpool City Council, Submission – Draft Report for Section 7.11 East Leppington Contributions Plan 2021, p.2
 - ¹⁶ Liverpool City Council, East Leppington Precinct Infrastructure Delivery Plan, June 2013, p 27
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