



7 February 2025

Mr Andrew Nicholls  
Chief Executive Officer  
IPART NSW  
PO Box K35  
HAYMARKET POST SHOP NSW 1240

Dear Mr Nicholls,

**Canterbury-Bankstown Council Submission –  
Review of IPART’s approach to assessing contributions plans**

Thank you for the opportunity to comment on IPART’s review of its approach to assessing contributions plans.

As background to our submission, we are the second largest local government area by population in NSW, with 393,000 residents. By 2036, the strategic centres of Bankstown and Campsie will house a further 45,000 residents, and our City’s forecast overall population will reach approximately 500,000 people and an additional 44,000 workers.

To accommodate the increased residential and employment growth expected in our City, the *Canterbury-Bankstown Local Infrastructure Contributions Plan 2022* will collect over \$650 million to help fund delivery of \$935 million in essential growth-related local infrastructure by 2036.

Neither the current *Canterbury-Bankstown Local Infrastructure Contributions Plan 2022*, nor preceding plans apply residential contribution rates exceeding \$20,000 per additional dwelling or lot, which means to date, Council has not referred its plans to IPART for review to exceed the contributions cap.

While Council has no history with, or current intentions of seeking IPART review of its plans, we are committed to commenting on the exhibited material as:

- the local infrastructure benchmarks will provide useful guidance in scoping and preparing our future contributions plans,
- future iterations of our plan may seek to exceed the \$20k cap and if so, an appropriate IPART review process will be relevant to Council at that time,
- we seek to play a cooperative, innovative and leadership role in local government, including contributions planning.

An IPART contributions plan review process which is fast, certain, consistent and simple will help ensure essential infrastructure is delivered more efficiently, responds



to community needs, encourages investment in the City and help achieve the NSW Government's growth objectives.

Attachment A to this submission outlines Council's responses to the questions raised in the Discussion Paper – Review of our approach to assessing contributions plans (November 2024).

This submission has been prepared by Council staff and does not reflect the views of Councillors.

If you have any enquiries, you can contact [REDACTED].

Yours sincerely

[REDACTED]



## **ATTACHMENT A – COMMENTS ON THE DISCUSSION PAPER – REVIEW OF OUR APPROACH TO ASSESSING CONTRIBUTIONS PLANS (NOVEMBER 2024)**

Our detailed response to the 18 questions raised in the Discussion Paper are outlined below.

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

Canterbury-Bankstown Council has not previously requested IPART to review its contributions plans. Accordingly, our response to this question is based on our analysis of the current and proposed processes and the issues that arise from it, along with anecdotal industry feedback from other councils.

Our suggested improvements to IPART's assessment process are:

- Faster IPART review of plans under assessment – We understand that up to 18 months may be required to review the merits of a plan's compliance with baseline criteria and determine whether the contributions cap may be exceeded. This timeline is so long that it is likely to deter applications for variation from the cap, particularly given the loss of potential contributions plan income that would occur during that period.
- IPART plan review period of 6 months– A Plan review by IPART within 6 months is considered achievable once all required data has been provided by the council and will offer certainty for both councils and the development industry for capital work and financial viability programming. In this respect it may help expedite both new housing and new local infrastructure delivery in NSW.
- Introduce a “stop the clock” process for IPART's data expectations from councils - This approach would mean IPART would not commence its review of contributions plans until all required information is provided, but once commenced, nothing further should be requested and a fixed timeframe for IPART's review commences. This process would be like that applied by councils to development applications.
- Earlier certainty regarding the likelihood of reviewed plans being recommended for variation from the cap – The current process is an iterative, lengthy exercise between councils and IPART with uncertainty whether a reviewed Plan will be recommended for variation from the cap.
- Automated baseline infrastructure needs estimator –



- An automated spreadsheet identifying the type, quantum and value of infrastructure required by new residential development, or,
- a spreadsheet which identifies the extent to which a plan exceeds the baseline infrastructure criteria and benchmark costs.

This would provide councils with a quick, easy to use “ready reckoner,” similar to a contributions calculator, and could be used to commence negotiations on the suitability of a contributions plan to exceed the contributions cap.

Canterbury-Bankstown Council has prepared an infrastructure needs estimator to help automate understanding of the type, quantity and value of capital works required by residential and non-residential growth for use with Planning Agreements. We have circulated this estimator to all councils and more recently to IPART arising from this review. An even more sophisticated, more user-friendly adaptation of this by IPART would be useful for councils.

- Alignment between IPART’s recommendations and Ministerial endorsement –  
The lengthy contributions plan review process involves IPART assessment, followed by IPART’s recommendation to the Minister for final determination. There is no guarantee that the Minister will permit the variation after this exercise. If the process changed so that the Minister was required to approve the Plan if it is favourably assessed by IPART, councils would have greater certainty at the outset of the review process and could resource it with greater confidence that these outlays may not be wasted.

#### **Recommended action**

- IPART’s assessment of contributions plans to include:
- faster IPART review of plans under assessment – suggested 6-month limit,
  - a “stop the clock” process for IPART’s data expectations from councils,
  - earlier certainty for councils regarding the likelihood of reviewed plans being endorsed,
  - an automated baseline infrastructure needs and costing estimator.

## **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?**

Yes, subject to the index being optional, locally responsive, simple to apply and State-agency developed and maintained.

We support councils having access to an optional land value index to update land costs in contributions plans. However, we believe such an index should be developed,



managed and circulated by a state agency (such as IPART) similar to the ABS CPI rate. This would be efficient (not necessitating each council develop its own land value index), transparent, and provide industry confidence. Acquisition of land for open space in areas like Canterbury-Bankstown typically involves purchase of embellished sites, affecting and inflating acquisition costs, which should be considered when deriving a suitable cost index.

To enable the index to be used by smaller, less well-resourced councils, especially in regional rural areas, the index should be responsive to local variation (both within Sydney and across NSW), and simple to understand and apply.

#### **Recommended action**

- IPART, the Department of Planning, Housing and Infrastructure or another relevant state agency develop and maintain land value indices which are optional, locally targeted (LGA or region-related) and simple to apply.

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

No. While we support the NSW Government's Urban Development Program being used as one measure for population forecasting, we do not support its use as the agreed or only measure.

The UDP program does not accurately reflect residential growth occurring in Canterbury-Bankstown, as it relies on Sydney Water connections data. This data excludes connections for secondary dwellings, which may comprise more than 20% of our annual additional dwellings. Canterbury-Bankstown has historically had among the highest number of secondary dwellings built in Sydney and NSW.

Further, it is our understanding that previous UDP growth forecasts have not been accurate, and hence may not provide a sound evidence base for decision-making if used in isolation. To some degree the UDP methodology simply extrapolates the past, rather than examining influences of new council or State plans, such as the recent TOD strategy and Council's town centre masterplans for areas like Bankstown, Campsie, Lakemba, Canterbury and Wiley Park.

Given these limitations, we believe alternative measures for population forecasting, such as those prepared by "profile i.d" or modelling by specialist consultants (such as SGS), which are tailored to the specifics of the Canterbury-Bankstown community, are equally and perhaps more relevant.



The UDP program requires local validation through alternative, locally responsive growth forecasting measures. At this stage, the UDP methodology appears to apply a “cookie-cutter” approach, rather than the more bespoke response applied by councils such as Canterbury-Bankstown.

**Recommended action**

- The Urban Development Program be only one measure of forecasting population, and that alternative modelling measures – such as “profile i.d.” or those prepared by specialist consultants – be equally accepted.

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

We support IPART providing guidance to Councils on the reasonable timeframe for delivery of works funded in CPs.

Delivering infrastructure in a reasonable timeframe has proved problematic for many councils, including Canterbury-Bankstown. This has been due in part to industry staff shortages and attrition rates and staff costs, rapid rise in material costs over the last 5 years and difficulties attracting and retaining expertise at the local government level and building an institutional “knowledge bank” that transcends staff movement. Moreover, the availability of major grants (such as West Invest), and urgent pressure to maintain and replace existing infrastructure, has created competition for the resources required to deliver new contributions-funded works.

If IPART’s guidance to councils can recognise these complexities and help identify more practical timeframes and methodologies for delivering local infrastructure, we believe this would be a valuable tool for local government. We also suggest IPART recommend any structural changes that may be required at the State level (e.g. tendering processes), to expedite delivery of works.

**Recommended action**

- Council supports IPART providing guidance to councils on the reasonable timeframe for delivery of works funded in CPs.
- If possible, the guidance should recognise the delivery complexities associated with industry staff, resource and expertise shortages and help identify more practical timeframes and methodologies for delivering local infrastructure.

**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’?***



This submission makes no comments on this matter.

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

If it is not already available through IPART, we believe there would be value in providing councils with summaries of:

- the types of plans already reviewed (e.g. greenfield, established areas),
- the outcomes of those reviews,
- the average time taken to conduct the reviews, by type (e.g. greenfield, established),
- any additional costs, studies required to be borne by councils as part of the review.

This information may assist councils in determining whether to pursue an IPART plan review and help prepare for that review.

**Recommended action**

- IPART to make available to councils through their website summaries of:
  - the types of plans already reviewed (e.g. greenfield, established areas),
  - the outcomes of those reviews,
  - the average time taken to conduct the reviews,
  - any additional costs, studies required to be borne by councils when their plans have been reviewed by IPART.

**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?***

Yes, we believe there is value in regular forums on contributions plan assessments processes, including scope to invite other councils, such as Canterbury-Bankstown, which may not currently be seeking plan reviews, but which may benefit from better understanding of the process, particularly infrastructure benchmark costing.

We believe that separate forums for councils and developers should be available. Government entities such as councils have different operational responsibilities than private developers. Given these responsibilities, separate forums are likely to permit councils more frank and confidential exploration of issues, with less likelihood of confrontation or risk that matters discussed may find their way into other forums, including legal challenges.



### **Recommended action**

- IPART to hold regular forums on contributions plan assessment processes and invite any interested councils, not only those with active plan reviews.
- Forums should be separate 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?**

We do not support stakeholder workshops being held when the plan is received for review in established/brownfield councils such as Canterbury-Bankstown.

The purpose of IPART's review of the Plan is not to achieve community feedback, but to assess the CP against specific criteria outlined in the Practice Note, in accordance with the Minister's Direction.

This is a specialist area of understanding – even for those within the broad development and infrastructure industry. For this reason, stakeholder workshops are more challenging than most community consultation exercises in our communities.

Stakeholder workshops are also likely to further extend the already lengthy time taken by IPART to review contributions plans.

Stakeholder workshops are likely to be more relevant for greenfield councils, where stakeholders might include landowners, whose properties may be both locations for major development and potential infrastructure sites for works in kind in lieu of contributions. In this context, a stakeholder workshop may have practical value.

In established/brownfield areas such as Canterbury-Bankstown, however, developers and landowners rarely control sites like those in greenfield areas. Key stakeholders in our City are more likely to be:

- beneficiaries of new infrastructure (who don't yet occupy the area), or
- residents, already consulted by Council in the preparation of strategies (e.g. Community Facility or Open Space strategies) which inform the draft contributions plan.

In circumstances like ours, stakeholder forums may simply add to “consultation fatigue” or community confusion and have little benefit, other than risking community confusion or frustration, especially given the lengthy period before IPART's draft review for further consultation is conducted. For these reasons, we do not support further stakeholder workshops in established councils when the plan is received for review.





#### **Recommended action**

- Stakeholder workshops should not be held at the time IPART receives councils' plans for assessment.

#### **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?***

Although Canterbury-Bankstown is not experienced with IPART review of its contribution plan, we believe inviting submissions on a council's plan at the time it is lodged for review would be premature, unproductive, and potentially confusing to the public, particularly if the draft plan has already been publicly exhibited by Council, as typically occurs.

As outlined in our response to Q.8 above, the purpose of IPART's review of the Plan is not to achieve community feedback, but to assess the CP against specific criteria outlined in the Practice Note, in accordance with the Minister's Direction.

This is a specialist area of understanding – even for those within the broad development and infrastructure industry. For this reason, inviting submissions, particularly at the commencement of assessment, would be more challenging than most community consultation exercises in our communities. We believe inviting submissions at this early stage may be counterproductive for IPART, our community and councils.

#### **Recommended action**

- IPART should not invite submissions on the referred contributions plan as soon as it receives council's plan for assessment.

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

We do not believe a performance-based approach to assessing nexus for open space (as proposed in the Draft Greener Places Design Guide) can be usefully, consistently, and equitably applied to determine compliance with baseline open space infrastructure standards.

By way of background, the draft Guide commenced being prepared in 2017 and has remained a draft since its exhibition in June 2020 (i.e. almost 5 years). A link to background on the draft Guide is [here](#).



More recent (Feb 2024) research on open space contributions in Victoria by SGS has suggested a standards/benchmark-based approach (3ha/1,000 persons) is more appropriate. A link to the 2024 SGS report is [here](#).

Quantitative standards for open space and recreation facility provision are also supported by the Office of Sport (OoS) NSW. We suggest IPART contact OoS staff to explore the limitations of the draft Guide further.

As a demonstration of the Draft Greener Places Design Guide's limitations in planning new open space for growing communities, the Guide suggests walkable distance to open space as an indication of suitability. The Guide does not, however, describe the appropriate number/density of users who might use that space. For example, if 3,000 people are within 200m of a 1,000sq.m parklet, it would be deemed to have the same merit as if 10,000 have access). This is an imprecise and inadequate measure of open space suitability.

If IPART was to apply the draft Guide performance-based approach it would effectively need to prepare its own open space needs analysis for each CP reviewed and to be consistent/equitable across plans for different councils, adopt that approach to all plans in all comparable locations. In doing so, it would have the effect of establishing its own, de-facto provision benchmarks for those scenarios. Given IPART's absence of expertise in this field, this seems inappropriate.

The performance-based approach to identifying essential infrastructure is also inconsistent with the NSW Productivity Commission principles for contributions planning, as outlined in the Commission's 2020 report. These principles are simplicity, efficiency, and certainty. The complexity, resourcing required, and lack of predictability of a performance-based approach means it does not satisfy these principles.

#### **Recommended action**

- Open space benchmarks, rather than the Draft Greener Places Design Guide performance-based approach, should be used to assess nexus for open space.

#### **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?**

We support IPART's proposed updating of local infrastructure benchmarks.

The benchmarks will be a useful tool for Canterbury-Bankstown's planning, costing, and tendering for delivery of local infrastructure in general, and provide a sound cost framework for those LGAs seeking variation from the caps on residential contributions.



We believe, however, that:

- The scope of items included in the benchmarks should extend beyond the Essential Works list, to include local infrastructure typically included in contributions plans.

A broader list of works benchmarked might help inform councils, at an early stage, of the likely overall cost – and contributions rates per dwelling – implications of their preliminary works intentions and result in more affordable, achievable infrastructure delivery. Understanding of these implications may negate the need to seek variation from the cap for some councils.

Typical additional items might include some of the bigger ticket works that often significantly impact on overall costs, including libraries (both new facilities and alterations and additions to existing), multipurpose community centres, aquatic facilities.

- The benchmarks should be incorporated into an interactive spreadsheet calculator which enables user to input the elements of their plan – or individual infrastructure projects – and arrive at a total cost.
- Numerous additional items require benchmarking to ensure the approach responds to diverse cultural, gender, safety and urban heat issues and environments, not somewhat anachronistic, narrow examples and settings which do not reflect the diversity of our communities, their needs, and the environments where they live.

Additional Essential Works list-related items for which benchmark costing should be prepared include:

- The unit rate (per sqm) for building or acquiring strata space for cultural facilities including libraries, community centres, performing arts centres and cultural hubs – for many established areas, building or acquiring strata floorspace is the equivalent of land in greenfield areas for those community purposes and strata floorspace is a far more affordable means than acquiring land.
- Benchmark public domain and town centre land open space acquisitions and/or upgrades – in established areas, acquisition and embellishment of land in and around town centres is the most practical and affordable way to increase open space availability for the growing population.
- Street-based open space embellishments should be benchmarked – [Complete Streets](#) is an initiative by Canterbury-Bankstown that seeks to integrate recreation, streetscape and transportation upgrades in response



to population growth over the next 15 years. It is a works item in our contributions plan. It represents a more affordable means of achieving embellished passive open space integrated with active transport solutions in established areas.

Comparable projects are being pursued by other councils including City of Sydney, Parramatta and Waverley, and should be recognised in IPART's essential works benchmark costings. The *Canterbury-Bankstown Local Infrastructure Contributions Plan 2022* includes costings for these works in Campsie and Bankstown town centre precincts and more detailed breakdowns are available if requested.

- Responses to heat island issues should be included as base level open space embellishment items (e.g. misting stations, aquatic play facilities, extensive canopy/shade/fan structures), particularly for those parts of Sydney and NSW most affected by urban heat in open space areas. A report in the SMH on 17 Dec 2024 explored this issue: <https://www.smh.com.au/national/nsw/western-sydney-s-urban-heat-is-getting-worse-in-fact-it-s-unsustainable-20241216-p5kyqa.html>
- Benchmark open space embellishment facilities associated with the most popular recreation pursuits of NSW residents – these activities and facilities include leisure and aquatic centres, aqua play parks, BMX/cycling/walking tracks, and fishing-related facilities (such as fish cleaning tables and shelters).
- Benchmark more culturally diverse open space recreation embellishment items should be included – for example, ping pong tables, bocce/pétanque courts, large heat reflective canopy structures that permit outdoor tai chi, dancing and social gatherings in heat island affected LGAs such as Canterbury-Bankstown.
- Benchmark security embellishments that create safer open space for women, children, the elderly, and people with disabilities – The draft benchmarks exclude features such as security lighting, CCTV, emergency help points that help create spaces that are perceived as safer by many in our community.

#### **Recommended action**

- Complement the benchmarks with additional local infrastructure facilities including:
  - Local infrastructure works beyond the Essential Works list, to include facilities such as libraries, community centres included in most contributions plans.



- An interactive spreadsheet calculator which enables users to input the elements of their draft plan and determine compliance with benchmark costs.
- A unit rate (per sqm) for building or acquiring strata space (i.e. not just land) for cultural facilities including libraries, community centres, performing arts centres and cultural hubs.
- Public domain and town centre land open space acquisitions and upgrades costs.
- Street based open space embellishment benchmarks.
- Recreation facility benchmarks for the most popular recreation pursuits of NSW residents (e.g. fishing).

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

The application of adjustment factors is appropriate and permits context-based responses for a broader range of projects. The new adjustment factors, including site constraints, council on-costs and contingencies are welcomed. Adjustment factors should also be considered for demolition and for contamination/remediation - where the latter is not precluded by contributions legislation on maintenance replacement or not addressed through contamination remediation legislation. These issues may apply to both greenfield and infill projects.

The currently applied Essential Works List (EWL) is greenfield specific and does not fully account for additional costs of upgrades in an infill scenario (like Canterbury-Bankstown). For example – upgrading of roundabouts to signalised traffic signals that had to account for existing constraints such as underground services and the like.

For established areas, an adjustment factor should apply to the benchmarks if the costs provided do not reflect comparable examples that Council has recently undertaken.

**Recommended action**

- Apply an adjustment factor to benchmarks in established areas.
- Consider additional adjustment factors for demolition and contamination/remediation – where the latter is not precluded by contributions legislation (relating to maintenance replacement costs) or addressed through other legislation on contaminated land.

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



The draft benchmarks were derived using either a bottom-up or top-down approach. We recommend that all benchmarks and adjustment factors are validated against a representative sample of recently completed reference projects prior to implementation

**Recommended action**

- Validate all benchmarks and adjustment factors against a representative sample of recently completed projects prior to implementation.

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

Yes, the benchmarks will be useful to Council when preparing new or amended contributions plans, especially at preliminary stages, when they can provide a reliable, current indication of those capital works that fall within the Essential Works List and before more detailed, locally specific quantity surveyor costings are prepared.

The benchmarks would be even more useful if IPART broadened them to include a wider range of facilities than those described in the Essential Works List, as outlined in our response to Question 11.

**Recommended action**

- Provide infrastructure benchmarks to Council in the early and intermediate stages of preparing new or amended contributions plans.
- Enhance their utility by incorporating a wider range of local facilities.

**15. *Do you have any feedback about the draft aggregate benchmarks?***

We support the concept of aggregate benchmarks, however, those provided in the draft report are limited to greenfield areas, whereas most growth in dwelling numbers in NSW is likely to occur in established (brownfield) areas of Sydney. Considering this, the aggregate approach will have limited application in most growth circumstances, including Canterbury-Bankstown.

Additionally, the aggregate benchmarks were derived with a top-down approach using itemised costs in the works schedules of reviewed contributions plans, rather than recently completed total project costs, which may have been supplemented by additional funding sources e.g. grants, VPAs, other co-contributions.



With the introduction of the TOD controls by the State (accelerated precincts, and TOD tier 2), it may be possible to aggregate the minimum types of infrastructure required to meet the needs of the growth by establishing a per person or per dwelling-type recommended delivery rate for facilities including:

- open space,
- community facility land (including strata floor space),
- active and public transport facilities such as footpaths, cycleways, bus shelters, and incorporate these in a spreadsheet. An interactive spreadsheet could then calculate the quantity and cost of baseline facilities. Canterbury-Bankstown has prepared a *local infrastructure needs estimator* that performs this function and circulated it to IPART in December 2024 and to all NSW councils' contributions planners earlier in the year.

#### **Recommended action**

- Develop aggregate benchmarks for established (brownfields) precincts to address facilities such as open space, community facilities and active & public transport.
- Incorporate the aggregate benchmarks into an automated spreadsheet to permit calculations.

#### **16. Do you have any feedback on using the draft aggregate benchmarks to assess reasonable costs in a CP?**

This submission makes no comments as the current draft aggregates are limited to greenfield areas, whereas Canterbury-Bankstown is an established urban area.

#### **17. Do you have feedback on the methodology used to develop the draft aggregate benchmarks?**

This submission makes no comments as the current draft aggregates are limited to greenfield areas, whereas Canterbury-Bankstown is an established urban area.

#### **18. Would you be willing to provide work schedules or other relevant information to us to support the development of our aggregate benchmarks?**

Yes, the draft benchmarks are currently limited to greenfield areas; however, Council would be happy to assist development of aggregate benchmarks applying to established areas.

In December 2024, we supplied IPART with our local infrastructure needs estimator – which draws costings in part from our existing contributions plan works schedule and



associated strategies, and a link to our Canterbury-Bankstown Local Infrastructure Contributions Plan 2022 (amended 2024) is here: [publish](#) When reviewing our 2022 contributions plan, however, Council noted significant cost escalations on some contribution plan projects (for example aquatic centres, water play facilities and community/cultural centres) due to market conditions and other factors.

#### **Recommended action**

- Apply Council's work schedules and other relevant information when developing aggregate benchmarks.
- Council's Contributions Plan work schedule details are [here](#) as supplied to IPART staff with our local infrastructure needs estimator by email in December 2024.