

Our ref: IRF25/140

Ms Carmel Donnelly PSM
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

4 February 2025

Subject: Submission to IPART on their review of the section 7.11 contributions plan assessment approach

Dear Ms Donnelly

Thank you for the opportunity to provide feedback on the review of the Independent Pricing and Regulatory Tribunal (IPART) approach to assessing contributions plans. IPART provides an independent and transparent assessment of infrastructure and costs in contributions plans that gives confidence to the development industry and makes councils accountable when seeking higher rates.

However, I note that the length of time taken and lack of certainty in the assessment process has created challenges, particularly in relation to the financial positions of councils and developers.

I appreciate the engagement that IPART has undertaken since this review commenced in 2023 and the proposed actions in your most recent discussion paper. The Department is very supportive of IPART's efforts to ensure councils provide upfront all the information needed for an assessment and agree that clearer guidance will minimise unnecessary delays.

It is important that change ensures that IPART can quickly establish whether a plan represents the reasonable cost of the essential infrastructure and that progress on improvements to your assessments is made quickly. Specifically, I note your proposal to concentrate as far as possible on assessing the changes in an updated plan (and not revisiting the plan itself). A simpler, faster process for the subsequent review of updated plans is essential and we are open to considering changes to our guidance to ensure this can be explored as a matter of priority.

As you are aware IPART is required to assess contributions plans against the legislative and policy framework established by the Department. Policy development falls outside the scope of IPART's role and the Department is cautious about adding uncertainty to a complex policy area. As you would be aware we have recently finalised a comprehensive review of our practice notes to improve our guidance of existing policy and are now exploring policy gaps that remain. I note your suggested areas for policy improvement and welcome further discussion on how the matters raised can be addressed through our work.

Finally, I note that the discussion paper proposes additional stakeholder engagement. I am concerned that this poses the risk of planning matters, previously considered by council and settled through the adoption of planning controls, being re-prosecuted at a later stage. I consider this likely

to increase the time taken for each assessment with limited benefit. Further detailed information, provided by the council on the consultation already undertaken, may instead be more useful.

I look forward to continuing to discuss these and other matters at the regular meetings we have with your staff. In the meantime, should you have any questions, please contact [REDACTED]

[REDACTED]

Yours sincerely,

[REDACTED]