



21 February 2025

Mr Andrew Nicholls
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
On-line submission at: <https://www.ipart.nsw.gov.au/>

Dear Mr Nicholls

Review of IPART's approach to assessing contributions plans

Southern Sydney Regional Organisation of Councils Inc (SSROC) welcomes the opportunity to comment on IPART's review of its approach to assessing contributions plans.

SSROC is an association of twelve local councils in the area south of Sydney harbour. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. The SSROC area covers central, inner west, eastern and southern Sydney, an area with a population of almost 1.9 million, that contributes much of Sydney's gross domestic product.

The Review is timely, with councils facing increasing local infrastructure and services responsibilities. At the same time, their finances are increasingly heavily stressed; local government revenue sources are rising at a slower rate than costs are increasing, costs are being shifted from state to local government¹, and community expectations are ever-increasing.

While many SSROC councils choose to use the s7.12 contributions approach and some other local councils do not apply residential contribution rates exceeding \$20,000 per additional dwelling or lot, (and therefore do not refer their plans to IPART for review to exceed the contributions cap), other councils do.

We are committed to commenting on the exhibited material since:

- they will affect some of our member councils using s7.11 directly;
- the local infrastructure benchmarks will provide useful guidance for scoping and preparing future contributions plans,
- in the future, some council plans may seek to exceed the \$20,000 cap and if so, an appropriate IPART review process will be relevant to a council at that time.

While this submission is presented to align with the Terms of Reference of the Review, the threshold on development contributions triggering an IPART review and the narrowly defined Essential Works List remain fundamental concerns.

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 Local Government Areas in our region and helps achieve the NSW Government's growth objectives.

¹ See LGNSW Cost Shifting Survey: <https://lgnsw.org.au/Public/Public/Advocacy/Cost-shifting.aspx>

1 Understanding

Local infrastructure contributions

The focus of this Review discussion paper 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 contributions²
- 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 Contribution Plans prepared by the council.

Assessment approach

IPART's discussion paper identified the 4 key areas to improve the assessment approach: completing IPART assessments as efficiently as possible; providing better guidance; enhancing IPART engagement; and focussing on key matters for each contribution plan.

Infrastructure benchmarks

IPART's discussion paper provided an overview of the draft local infrastructure benchmarks. It discussed the adjustment factors and provided some examples of how the benchmarks could be used. It also discussed the development of aggregate benchmarks as a possible tool that could be used to streamline IPART's assessment approach.

2 General Comments

Local government administers the local infrastructure contributions system – they are best placed to understand the needs of their communities. SSROC welcomes efforts to engage councils in IPART's assessment of council contribution plans and the setting of infrastructure benchmarks with the goal of improving the overall assessment process for better, faster and more efficient outcomes.

Changing Complexity and Scope of Local Services and Infrastructure

Local governments in Australia are increasingly required to provide more and more services, and those services are increasingly sophisticated and complex. Selected examples of council functions and services today include³:

- Engineering (public works, construction and maintenance of roads, bridges, footpaths, drainage, cleaning)

² s7.12 contributions, an alternative to s7.11 contributions, are charged as a percentage of the estimated cost of the development. The maximum percentage that can be charged in most areas is 1%. A small number of areas charge a higher percentage. Predominantly SSROC councils use this form of contributions.

³ Department of Transport and Regional Services submission to the Productivity Commission – Assessing Local Government Revenue Raising Capacity.

- Resource recovery services (recycling, garden organics, bulky and residual waste collection, processing and disposal; community recycling centres, drop-off events, and chemical clean-up events)
- recreation (swimming pools, sports courts, recreation centres, playgrounds, halls, kiosks)
- health (water and food sampling, noise control, meat inspection and animal control)
- community services (childcare, elderly care and accommodation, refuge facilities, meals on wheels, counselling and welfare)
- building (inspection, licensing, certification and enforcement)
- planning and development approval, place-making
- administration and compliance (quarries, cemeteries, parking, animals)
- cultural/educational (libraries, art galleries and museums)
- environmental services (trees, storm water, water sensitive urban infrastructure, weed control)
- other (abattoirs, sale yards, markets, lifeguard services).

Councils are under increasing pressure fund these local services and infrastructure needs.

Developer Contributions

Apart from rates and grants, other key sources of income do not have reliable timing and affect long-term cash flow planning for councils. Developer contributions for example, a source of local infrastructure funding, are highly variable and unpredictable⁴.

Faced with increasing expectations of local amenity and infrastructure services, population growth and funding constraints such as rate pegs, local governments find it difficult to keep pace with public infrastructure and the service needs of community.

Developer contributions are to fund embellishment and new infrastructure for growing populations associated with development. The contributions do not cover the increase in maintenance or depreciation associated with the works, and this can only be covered by a special rate variation, which seems neither appropriate nor logical.

Many SSROC member councils face significant redevelopment pressures and rely heavily on development contributions to help fund new infrastructure to support population growth and new development. These include delivering and maintaining local road networks, pedestrian and cycle ways, stormwater and water management, town centre public realm upgrades, parks, recreation and community facilities and a range of other infrastructure vital to supporting and creating liveable communities, business growth, job creation, connectivity and quality of life. The development contributions system, contribution plans and planning agreements are integral to ensuring that necessary infrastructure can be provided to support growing communities in our local areas.

Restrictions on the use of the funds and maximum caps on development contributions have effectively limited councils' ability to fund to community infrastructure attributed to growth of development and populations.

Given the rising cost of land, labour and materials required to deliver local infrastructure and replacing/upgrading aging assets, councils are relying more and more on general revenue as a source of capital funding. Developer contributions are far from sufficient for councils to match rising costs.

Councils are not all the same

Communities typically have far greater demands for infrastructure and services than councils will ever be able to afford to meet. Councils are required to consider the needs of their diverse

⁴ National Housing Finance and Investment Corporation. [Developer Contributions: How should we pay for new local infrastructure?](#) Media Release, 31 August 2021

communities, and do so with extensive consultation under Integrated Planning & Reporting (IP&R) requirements. Each Council also serves a different community, depending upon factors such as rural or metropolitan, coastal or inland, predominant industry and mix of ethnicities.

Benchmarking of infrastructure costs need to reflect and be responsive to this diversity.

Infrastructure Delivery and Assets

Assets support the provision of services to the community and must be balanced with the other priorities that councils must manage. Each council's approach to the management of assets will vary slightly, as will the portfolio of assets that they manage. For example, not all councils have water or sewage assets, and some have extensive rural road networks or are impacted by coastal issues.

In the metropolitan area of Sydney, the issue is further exacerbated by the uncertainties relating to the current planning reforms aiming to dramatically increase the availability of housing. The reforms are progressing quickly without any clear plan for the necessary supporting physical and social infrastructure, and in the absence of any reliable overarching city-wide strategic plan: updated Six Cities Plan and City Plans. These plans are critical inputs to councils planning their future infrastructure needs.

Given this substantial uplift resulting from the recent NSW Government's housing reforms, which aim to meet the federal government's Housing Accord target of 377,000 new homes by 2029, it is concerning that this announcement has not included comprehensive details on infrastructure planning and funding and how communities will be supported as demand for services, facilities and assets increases. Existing s7.11 and s7.12 contributions will not be adequate to support expected growth. An appropriate alternative and/or supplementary funding mechanism is needed.

The NSW Government's reforms on housing are likely to create something like 180,000 new dwellings over the next 17 years within the SSROC area. It is generally expected that substantial infrastructure upgrades and services will be required to address increased community needs. This is particularly the case for the light rail, bus services, open space, community facilities and other infrastructure. Transport studies commissioned by Randwick City Council for example have indicated that peak hour services are already at capacity and augmentation will be required to meet the demand.

Constraints to the Consultation

SSROC notes that some of the key issues are outside the terms of reference and scope of the consultations.

Firstly, the \$20,000/\$30,000 thresholds for contributions are required before an IPART review is required. These caps have not been increased or been indexed since they were first announced in 2008. As any change to the caps is a decision for the Minister, SSROC requests that IPART make representations to the Minister to consider the benefits of raising these thresholds to free up scarce resources in IPART and local councils. This simple step will help to lighten the workload of some local councils and IPART and therefore allow the remaining assessments to be carried out more expeditiously.

Secondly, SSROC councils note the issue of the funding of community facilities is highly problematic, as they are not on the essential works list. Items on the essential works list are a decision of the Minister. SSROC therefore requests that IPART make representations to the Minister to consider the benefits of raising these thresholds to free up scarce resources in IPART and local councils and streamline the assessment process.

Responses 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?

SSROC's suggested improvements to IPART's assessment process are:

- Faster IPART review of plans under assessment. The length of time it takes for IPART to review contribution plans is problematic and recently the 6-month target timeframe has not been met. 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 works and financial viability programming. It should 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. They 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.

Recommendation 1

- 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.

SSROC supports 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.

Recommendation 2

- 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 SSROC supports 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 our councils 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. For example, 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, the NSW Government's Low- and Mid-Rise Housing reforms and council town centre masterplans.

Given these limitations, we believe alternative measures for population forecasting, such as those prepared by profile i.d or modelling by specialist planning consultants, which are tailored to the specifics of the particular LGA and their communities, 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 many councils.

Recommendation 3

- 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 planning 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?

SSROC supports 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. This has been due various factors, such as: industry staff shortages, attrition rates and staff costs; rapid rise in the cost of materials over the last 5 years; and difficulties attracting and retaining expertise at the local government level to build corporate knowledge that transcends staff movement. Moreover, the availability of major grants (such as West Invest), and urgent pressure to maintain and replace existing infrastructure, have 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, then this would be a valuable tool for local government.

Recommendation 4

- SSROC supports IPART providing guidance to councils on the reasonable timeframe for delivery of works funded in CPs.
- This guidance should adequately 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'?

No comment.

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, SSROC proposes that 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 areas),
- any additional costs, studies 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.

Recommendation 6

- IPART to make available to councils through their website summaries of:
 - the types of plans already reviewed (e.g. greenfield, established infill 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, SSROC considers that there is value in regular forums on contributions plan assessments processes, including scope to invite other councils, which may not currently be seeking plan

reviews, but which may benefit from better understanding of the process, particularly infrastructure benchmark costing.

SSROC considers that separate forums for councils and developers should be available. Councils have very different operational responsibilities to private developers. Given these responsibilities, separate forums are likely to permit councils more frank and confidential exploration of the issues, with less likelihood of confrontation or risk that matters discussed may find their way into other forums, including legal challenges.

Recommendation 7

- 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?

SSROC does not support stakeholder workshops being held when the plan is received for review in established/brownfield councils.

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 may 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 the SSROC region, however, developers and landowners rarely control sites like those in greenfield areas. Key stakeholders are more likely to be:

- beneficiaries of new infrastructure (who do not 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 such circumstances, 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.

Recommendation 8

- Stakeholder workshops should not be held at the time IPART receives a council's 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?

SSROC considers that 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 the 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.

Recommendation 9

- 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?

SSROC does not consider that 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](#)⁵.

More recent research (Feb 2024) on open space contributions in Victoria by SGS Economics & Planning has suggested a standards/benchmark-based approach (3ha/1,000 persons) is more appropriate. A link to the 2024 SGS report is [here](#)⁶.

Quantitative standards for open space and recreation facility provision are also supported by the Office of Sport NSW.

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 were within 200m of a 1,000 square metre 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 were to apply the performance-based approach in the draft Guide, it would effectively need to prepare its own open space needs analysis for each CP reviewed. To be consistent and equitable across plans for different councils, it would need to 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 adequately satisfy these principles.

Recommendation 10

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

⁵ <https://www.planning.nsw.gov.au/sites/default/files/2023-10/greener-places-design-guide.pdf>

⁶ <https://sgsep.com.au/publications/insights/public-open-space-contributions-in-victoria-a-preferred-approach>

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?

SSROC supports IPART's proposed updating of local infrastructure benchmarks.

The benchmarks will be a useful tool for councils 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.

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

Typical additional items might include some of the more expensive works that significantly impact on overall costs, including libraries (both new facilities and alterations and additions to existing), multipurpose community centres, and 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, which reflect the diversity of our communities, their needs, and the environments where they live.
- IPART assessments consider the quality of open space planning requirements. These need to be nuanced to better reflect the Government's densification agenda for town centres and transport hubs, which councils often have no control over. The Transport Oriented Development (TOD) precincts are an example in point. Such planning decisions mean the CP and infrastructure can quickly become misaligned and councils need to play catch up. Alternative benchmarks are needed along with review mechanisms, when there is significant legislative change that applies to the land covered by the CP.

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

- The unit rate (per square metre) 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 Council that seeks to integrate recreation, streetscape and transport upgrades in response to population growth over the next 15 years. 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 City of Sydney, Parramatta and Waverley Councils, and should be recognised in IPART's essential works benchmark costings.

- 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, and fan structures), particularly for those parts of Sydney and NSW most affected by urban heat in open space areas. A [report](#) in the Sydney Morning Herald on 17 Dec 2024 explored this issue.
- 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 and parts of Western Sydney.
- 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.

Recommendation 11.1

IPART make representations to the Planning Minister proposing that community facilities be added to the Essential Works list.

Recommendation 11.2

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.

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 is greenfield specific and does not fully account for additional costs of upgrades in an infill scenario (as occurs routinely in the LGAs in SSROC). For example, the upgrading of roundabouts to signalised traffic signals that had to account for existing constraints such as underground services or street lighting.

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.

Recommendation 12

- Apply an adjustment factor to benchmarks applicable 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. SSROC recommends that all benchmarks and adjustment factors are validated against a representative sample of recently completed reference projects prior to implementation.

Recommendation 13

- 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 would be useful to councils 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 could broaden them to include a wider range of facilities than those described in the Essential Works List, as outlined in our response to Question 11.

Recommendation 14

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

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

SSROC supports 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 set to occur in established (brownfield) areas of Sydney. Considering this, the aggregate approach will have limited application in most growth circumstances in the SSROC region.

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 such as grants, VPAs, other co-contributions.

With the introduction of the TOD controls by the State (TOD accelerated tier 1 precincts, and TOD tier 2 transport hubs), it might be possible to aggregate the minimum types of infrastructure required to meet the needs of the growth by establishing recommended delivery rates (e.g. per person or per dwelling-type) 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 an interactive spreadsheet.

An interactive spreadsheet could then be used to 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.

Recommendation 15

- 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?

No comment, since the current draft aggregates are limited to greenfield areas, whereas SSROC member councils occupy established urban areas.

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

No comment, since the current draft aggregates are limited to greenfield areas, whereas SSROC member councils occupy established urban areas.

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

Although the draft benchmarks are currently limited to greenfield areas; however, it is understood some SSROC councils would be willing to assist in the development of aggregate benchmarks applying to established areas.

In December 2024, Canterbury Bankstown Council supplied IPART with their local infrastructure needs estimator, which draws costings partly from their existing contributions plan works schedule and associated strategies, and a link to their Canterbury-Bankstown Local Infrastructure Contributions Plan 2022 (amended 2024).

Recommendation 18

- IPART approach councils for their work schedules and other relevant information when developing aggregate benchmarks.

3 Conclusion

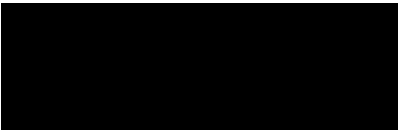
Thank you for the opportunity to provide this submission to the review of IPART's contribution plan assessment approach and infrastructure benchmarks. The Review is important and has the potential to help councils, communities and IPART to improve financial resilience, efficiency and sustainability. We seek to play a cooperative, innovative and leadership role in local government, including contributions planning.

SSROC and its member councils will welcome opportunities for collaboration and integration in the development and implementation of better planning system outcomes for councils, community and the environment.

In order for this submission to be made within the timeframe for receiving comments, it has not been possible for it to be formally endorsed at a meeting of the SSROC Delegates. I will contact you further if any issues arise as a result.

If you have any queries, please do not hesitate to contact me or Mark Nutting, SSROC Strategic Planning Manager on [REDACTED].

Yours sincerely



Helen Sloan
Chief Executive Officer
Southern Sydney Regional Organisation of Councils