



Planning & Infrastructure Directorate  
Submitted to IPART on 21 February 2025

**Independent Pricing and Regulatory Tribunal (IPART)**

16/2–24 Rawson Place, Sydney, NSW, 2000

**Key contact:** Bronwen Sandland, [Bronwen.sandland@ipart.nsw.gov.au](mailto:Bronwen.sandland@ipart.nsw.gov.au)

**RE: SUBMISSION ON REVIEW OF IPART'S APPROACH TO ASSESSING CONTRIBUTIONS PLANS AND BENCHMARK COSTS FOR LOCAL INFRASTRUCTURE**

To whom it may concern,

*Willoughby City Council ('WCC')* appreciates the opportunity to provide feedback on the papers released in November 2024: *Discussion Paper - Review of Our Approach to Assessing Contributions Plans & Draft Report - Benchmark Costs for Local Infrastructure*.

WCC commends on *Independent Pricing and Regulatory Tribunal's ('IPART')* efforts to undertake meaningful consultation for streamlining its approach/process and reducing the assessment time for reviewing over-the-cap Contribution Plans ('CP'). IPART's initiative to increase the consistency of outcomes is supported in principle by WCC.

Under the delegations of Planning & Infrastructure Directorate at WCC, a council officer's endorsed submission in the format that responds to IPART's prompting questions is provided in Annexure A.

As an executive summary, we provide the following **summarised feedback and recommendations**:

- **Issue 1 comments** - WCC agrees that the limitations of the essential works list ('EWL') are significant issue, including but not limited to the exclusion of works for community facilities. It is disappointing that the consideration of this matter has not been included in the scope of this review and WCC recommends an expansion of the EWL to better reflect contemporary needs as a matter of urgency. WCC also recommends that the \$20,000 cap for 7.11 plans and 3% cap for 7.12 plans be reviewed with consideration given to setting the cap higher for higher density locations, to reflect the higher cost of land and the challenges of retrofitting infrastructure for growth are important.
- **Issue 2 comments** - WCC recommends that 'contamination contingency' should be added for land acquisition cost.
- **Issue 3 comments** - WCC's preference would be for growth rates to be confirmed with councils directly. Councils regularly review their local growth trends and are better able to ensure important local conditions are reflected. Fluctuations in certain housing types not well tracked at a state level, such as boarding houses, and Council is also better placed to ensure growth rates account for localised growth in centres arising from facilitating investment or recent/imminent rezoning. Local understanding of growth rates and patterns is critical to ensure overall contributions rates and the apportionments are appropriate and it is important that the same growth rates used by councils in their infrastructure planning, is also used for our CPs.
- **Issue 5 comments** - WCC seeks more examples in the guideline for criteria relating to 'other relevant matters'
- **Issue 9 comments** - WCC suggests that an IPART led stakeholder workshop be offered as an option noting that where councils have strong existing relationships and have undertaken the required consultation, an additional workshop may result in unnecessary duplication and delay. WCC recommends that IPART considers a streamlined and consolidated approach to consultation with a single, exhaustive consultation period rather than multiple, duplicated consultation points across Council and IPART. This consultation should occur before IPART drafts its report.

- **Issue 10 comments** - WCC supports the performance-based approach, but recommends that where a Council has an adopted Open Space Strategy with specified performance standards, these should prevail over the Greener Places Design Guide if there are inconsistencies.
- **Issue 11 comments** - WCC suggests additional items to the list of local infrastructure benchmarks under “Open Space” and “Transport” categories. Read further in the detailed submission at Annexure A.
- **Issues 12 & 13 comments** - WCC
  - (a) seeks IPART’s consideration on whether an index (or more than one) to align more with Open Space asset cost increases can be adopted;
  - (b) recommends that a breakdown of costs could be provided behind each “Inclusions” item in *Appendix B – Infrastructure Item Data Sheets* of the Genus Advisory (‘GA’) draft report;
  - (c) suggests expanding on and providing illustrations for a few specific items under the *Data Sheets* mentioned in (b) above. Read further in the detailed submission at Annexure A;
  - (d) expresses councils’ burden on traffic control measures for road works can be a significant proportion of the cost of works. This should be factored into the benchmarking costs;
  - (e) supports the adoption of the updated benchmarking costs subject to reviewing our feedback and suggestions in this submission.
- **Issues 15, 16 & 17 comments** – WCC seeks clarity on the titles of the relevant sections and the associated tables for aggregate benchmark costs which should reference with “for greenfield areas only”. WCC is also disappointed that the aggregate costs are not applicable to infill councils.  
Due to infill councils site constraints, a few suggested “council on-costs” items are sought to be considered under “5.2.3 Methodology(s) to account for site location specific factors”
- **General Feedback** – WCC calls for the maximum 1% threshold/cap for 7.12 plans to be increased up to 4% as this would:
  - (a) keep up with the inflation rate in the current era
  - (b) reduce the review burden on IPART;
  - (c) bring the base rate more in line with the current costs; and
  - (d) make 7.12 plans a more efficient and effective option for more developments, a more desirable scheme as it is less complex for developers to factor into feasibilities and easier for councils to administer.

Where further information / clarification is needed on our submission, please contact [REDACTED] or email [REDACTED]

Yours sincerely,

## Annexure A

### WCC's response to the list of specific questions that IPART seeks feedback on:

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

While the Discussion Paper responds to the Terms of Reference and where IPART, in section 2.4.11, acknowledges the limitations of the Essential Works List ('EWL') and recognises the \$20,000 cap, not indexed for years frustrates many councils, these long standing issues require some substantial reviews.

#### ***Inclusion of community facilities upgrade works / buildings in the EWL needs to be considered***

In 2021, WCC expressed serious concerns to the *Department of Planning, Housing & Infrastructure's* ('DPHI') contribution reform regarding the exclusion of certain items from the EWL, which remains as a long term impact to established areas like WCC as an in-fill council.

Council re-iterates its recommendation that the EWL be reviewed as a matter of urgency; the review should consider the inclusion of "buildings / upgrade works to existing facilities" for community services, not just "land" because often, infill councils may not necessarily acquire land to provide new community services to meet increased demand, but would (not limited to):

- extend or upgrade existing facilities; or
- purchase existing buildings to refurbish and upgrade their uses; or
- utilise an existing building to provide multi-use spaces such as libraries, community centres, aquatic/leisure centres

Unlike greenfield councils, infill councils, often deliver these facilities in various ways by making existing facilities work harder. The constraints of the EWL significantly undermine the efficacy and efficiency of the current contributions framework.

WCC seeks the consideration of re-defining the definition of "community facility services" to include "buildings or related works or upgrade to existing community facilities"

#### ***\$20,000 cap for s7.11 remains an impractical threshold for supporting local infrastructure***

WCC re-iterates the \$20,000 cap for s7.11 contribution remains an impractical threshold for supporting local infrastructure provision. This cap should be raised significantly to keep up with inflation costs.

#### 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?

It is recommended that 'contamination contingency' should be added in land acquisition cost.

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

No. While WCC would welcome development of guidance for councils on estimating population growth in CPs, the current Urban Development Program Data is not always an accurate reflection of the local growth driving local infrastructure needs. In particular, the figures often do not account for important local development factors such as a high proportion of boarding houses or secondary dwellings, which as development typologies, are not captured in the program's delivery data. Further, the growth projections do not always appropriately account for fluctuations in the growth levels in certain centres where local investment or local led rezoning has increased the development capacity. While the Urban Development Program forecasts are helpful, Councils should be afforded the opportunity to make refinements where required. This will ensure the local knowledge that informs infrastructure planning

and prioritisation at a local level, is also informing contribution planning, ensuring more appropriate rates and apportionment.

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

WCC supports this proposal.

**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’?**

WCC supports this and welcomes IPART to provide more examples in the guideline.

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

To address the issues raised under question 1

**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?**

Depending on the circumstances, a mix of industry-wide forums as well as separate forums for different sectors (developers and local government) should be considered to encourage open and honest discussion, noting that forums involving parties that may be involved in court matters or other negotiations or disputes may fetter productive discussion.

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

WCC supports this.

**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?**

If the CP is required to be publicly exhibited at council level before the IPART submission, consideration should be given to removing duplication of consultation requirements to streamline the process. Council recommends that the process require a single, fulsome consultation with the public and key stakeholders. It should be acknowledged that not all councils have the same capacity to engage with key stakeholders, and an optional IPART facilitated stakeholder consultation would be a positive initiative, but it should not be a requirement where councils are able to undertake this consultation earlier in the process.

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

Yes. WCC supports this performance-based approach, however recommends the use of councils’ Open Space strategies for assessment purposes where those strategies have relevant performance standards. This could be achieved by using the performance criteria in the Greener Places Guide as the default standards, but deferring to an adopted Council strategy where it contains a relevant standard to the extent that there is any inconsistency.

**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?**

- I. Other items WCC suggests for inclusion under “Open Space” category are:
  - a. Sportsground drainage system
  - b. Sportsground irrigation system – lines, sprinklers, water tank & pump

- c. Sports fencing high (e.g. baseball back-net)
  - d. Synthetic Ovals – include shock pad between surface & base & recycling of existing synthetic surface costs
  - e. Bollard
  - f. Bubbler
  - g. Fountain
  - h. Monument
  - i. Public Artwork
  - j. Skate Park
- II. Other items WCC suggests for inclusion under “**Transport**” category are:
- a. Street furniture such as bins, benches, bollards, fencing, guard rails etc.
  - b. Retaining walls associated with roads

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

Section 4.1.5 of the IPART’s *Discussion Paper* discusses indexation and when compared with various ABS indices, WCC suggests whether an index (or more than one) to align more with Open Space asset cost increases can be adopted (e.g. playground renewal project costs soared which was reflected in a manufacturing index).

The following comments are feedback for *Appendix B – Infrastructure Item Data Sheets* of the Genus Advisory (‘GA’) draft report:

- a) A breakdown of costs should be provided behind each “Inclusions” item, such that users can see what costs have been allowed for that make up the benchmark unit rate and if applicable, it can be applied to the intended works / projects where it appears appropriate.
- b) A sketch may be helpful for some or all items under the Data Sheets (e.g. in item reference *T-1.13 Signalised intersection (single lane)*, for a 4-way intersection, how many median islands have been allowed for?)
- c) For item reference *T-1.25*, building a pedestrian bridge over an operating road in a brownfields area is likely to require elevators to be installed if it is a currently operating road. This has not been allowed for.
- d) For item reference *T-1.20 Concrete pathway / footpath / shareway / cycleway*, what width of path has been included? It would be better if a square metre rate was used to quantify this.

It is recommended that an additional higher quality footpath item reference such as granite pavers with a concrete base should be listed, particularly around growth centres. This is also a regular requirement for most councils in built up centres (or main streets) where growth is predicted.

- e) For item reference *OSE-1.05 Car park*, it would be better if a square metre rate was used so it can be applied for a range of car park sizes.

WCC’s view is that in brownfield/infill areas for lower value works, the cost of just traffic control measures can be a significant proportion of the cost of works. This should be factored into the benchmarking costs.

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

WCC supports the adoption of the updated benchmarking costs subject to reviewing our feedback and suggestions in this submission.

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

Yes. It will be useful as it will provide support for and provide confirmation of WCC historic project costs.

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

Where WCC notes the implicit texts "*The sample size for the infill works is limited therefore a range could not be established*" and "*...costs are based on a greenfield scenario only*", it is understood that the draft aggregate benchmarks are only provided for greenfield sites so it has limited use for infill councils (i.e. not suitable to WCC).

To improve clarity, WCC suggests a clear indication of the texts "only applicable to greenfield areas" to be added the titles of the relevant sections and the associated tables (i.e. section 4.2 of the *Discussion Paper* and section 7 of *GA's Benchmarking Report*), and not be relied upon sub-notes or embedded texts within the body of the sections.

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

Unfortunately, these are only applicable to greenfield sites, and are not considered suitable for application to WCC.

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

Infill councils may encounter complex site constraints for each infrastructure item, particularly where upgrades are provided by adding capacity to existing facilities, rather than delivery of new facilities.

Therefore, WCC seeks considerations of the following "Council on-costs" to be included under "5.2.3 Methodology(s) to account for site location specific factors" for infill sites, given these costs are only inclusive under the greenfield site's aggregate costs proposed by the GA report, WCC is of the view that they should also be considered for infill sites:

- community consultation - given there is already infrastructure in place, the greater consultation is required to ensure the community understands the implications for existing services and facilities affected.
- Design and investigation costs of existing utility infrastructure or traffic signals etc.
- Authority approvals e.g. traffic committee, TfNSW or other entity approval costs.

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

This would depend on timing, noting WCC is in the early stages of reviewing its plans and is not yet in a position to provide updated information.