



Summary of discussion at contributions plan public workshop

9 December 2024

1 Overview

IPART held an online workshop into its review of our contributions plan (CP) assessment approach and infrastructure benchmarks on 9 December 2024. We had 99 people attend the workshop from councils, developers and other organisations and community members. The workshop was structured into 2 sessions:

1. **Assessment approach:** IPART presented on our review of our assessment approach. We explained the 4 key areas we have identified to improve our assessment approach. This includes completing our assessment as efficiently as possible, providing better guidance, enhancing our engagement and focussing on key matters for each CP. This was followed by a questions and comments session.
2. **Infrastructure benchmarks:** IPART provided an overview of the draft local infrastructure benchmarks. We discussed the adjustment factors and provided some examples of how the benchmarks could be used. We also discussed the development of aggregate benchmarks as a possible tool that could be used to streamline our assessment approach.

We have published the presentation slides and agenda for the workshop on our website.

2 Key themes

Table 2.1 High-level summary of views expressed by participants

Key theme	Summary of issues raised
IPART assessment process	
Length of time it takes for IPART to review CPs	<ul style="list-style-type: none"> • There was discussion around the time it takes for IPART to complete its review of CPs and that the 6-month timeframe hasn't been met recently.

Key theme	Summary of issues raised
	<ul style="list-style-type: none"> We encourage councils to engage with IPART before lodging their CP to ensure it aligns with relevant guidelines. This may assist to streamline the review process and reduce the risk of delays or rework. Some stakeholders indicated that receiving submissions on the CP at the start of the review might increase the timeframe and may not add value, and a workshop may be more beneficial.
Quantity of open space	<ul style="list-style-type: none"> Stakeholders indicated that planning decisions prior to the CP being assessed determine the quantity of open space, thereby limiting discretion in its allocation in the CP.
Consistency of decisions	<ul style="list-style-type: none"> Some issues were raised about potential inconsistency between IPART reviews of the same CP. A balance is needed where plans are in place over several decades, between maintaining consistency of decisions and considering relevant factors and changes in circumstances over time.
Assessment Criteria	
Timely delivery of infrastructure	<ul style="list-style-type: none"> Stakeholders emphasised that public services and amenities need to be delivered in a timely way so IPART reviews should pay attention to how the council plans to implement the CP.
'Other relevant matters'	<ul style="list-style-type: none"> 'Other relevant matters' is a very broad assessment criterion.
Contamination	
Contamination of land and remediation costs	<ul style="list-style-type: none"> Several councils raised costs of land contamination and how to reflect remediation costs in CPs. Owners of contaminated land may not give councils access for testing prior to acquisition, so it's difficult for councils to provide evidence of the contamination and potential remediation costs when preparing a CP.
Local infrastructure benchmarks	
Benchmarks for infill infrastructure	<ul style="list-style-type: none"> Some councils indicated a preference for more granular benchmarks.
Support for developing a calculator for benchmarks	<ul style="list-style-type: none"> Creating an interactive calculator or tool would help councils use the benchmarks.
Benchmarks should be kept up to date	<ul style="list-style-type: none"> There was support for IPART to regularly update benchmarks.
Benchmark for remediation of contaminated land	<ul style="list-style-type: none"> There was some support for remediation of contaminated land to be included in the benchmark, e.g. by including a contamination or remediation factor.
Matters relating to CP framework	
\$20,000/\$30,000 threshold for contributions before an IPART review is required	<ul style="list-style-type: none"> The caps have not been increased or indexed since they were introduced. It was noted that any change to the caps is a decision for the Minister.
Community facilities	<ul style="list-style-type: none"> Some councils raised the issue of funding community facilities noting that they are not on the essential works list. It was noted that any change to the essential works list is a decision for the Minister.
Asset degradation and maintenance of roads	<ul style="list-style-type: none"> Costs of asset degradation and maintenance of roads are not captured through the essential works list. Some councils noted that it can be difficult to recoup these costs where they are directly related to the development.
Use of indices – Producer Price Index (PPI) versus Consumer Price Index (CPI)	<ul style="list-style-type: none"> Some councils indicated that PPI is preferable and more relevant than CPI as an index for the infrastructure works costs in contributions plans. It was noted that the Environmental Planning and Assessment Regulation 2021 only refers to CPI not PPI.

3 Summary of Q&As

Table 3.1 Summary of the Q&As from the discussion and chat

Question/comment	Response
IPART assessment process	
<p>A stakeholder noted that IPART is open to early engagement when the CP is being put together, and this speeds up the review process and allows councils to deal with any issues before the CP is submitted to IPART.</p>	<ul style="list-style-type: none"> We agree and encourage councils to engage with IPART early.
<p>Will IPART assessment move away from considering the quantity of open space to qualitative measures for open space? In the past, IPART has made recommendations to reduce the quantity of open space, but the Department of Planning, Housing and Infrastructure (DPHI) lead the planning proposal which determined the amount of open space.</p>	<ul style="list-style-type: none"> Quantities of open space are determined in the planning phase and through planning proposals. Our assessments consider the quality of open space, planning requirements, information the council provides, and the Draft Greener Space Design Guide.
<p>A stakeholder raised concerns about the consistency of IPART's assessments, between the first and subsequent reviews of a CP.</p>	<ul style="list-style-type: none"> We acknowledge the concerns raised. We have aimed to maintain consistency with recently reviewed plans. A balance is needed where plans are in place over several decades, between maintaining consistency of decisions and considering relevant factors and changes in circumstances over time.
<p>The length of an IPART assessment is very important for councils. IPART previously said it aimed to complete assessments within 6 months but lately, they have taken longer.</p>	<ul style="list-style-type: none"> We acknowledge the concerns around the time it takes for IPART to complete reviews and the potential financial impacts on councils. We have initiated this review to find ways that we can improve our processes to make our assessments as quick as possible while still doing a good job. We're proposing better guidance to make it easier for councils to make sure their applications include sufficient supporting material There may be other things we can do to streamline the process to make sure we focus our attention where it will have the most value. We are keen to hear ideas about this.
<p>A stakeholder suggested that receiving submissions from stakeholders as soon as a CP is submitted for review may not add value. Councils should include the submissions received on the exhibited CP with their application. A workshop may be more beneficial.</p>	<ul style="list-style-type: none"> We recognise that our submission period can add to the assessment timeframe. We will take this feedback on board.
<p>A stakeholder noted that the essential works list criterion 'other matters IPART considers relevant' is very broad.</p>	<ul style="list-style-type: none"> While it is broad, the matters must be relevant to be considered. Some CPs are particularly complex, which requires us to consider areas outside our usual guidance or specific to an individual CP. This criterion also allows us to make comment on areas where the system could be improved.
<p>One stakeholder noted that legislative changes or changes to zoning or other planning decisions can have impacts on CPs that are already in place and the council has no control over these changes. This occurs in greenfield areas and now Transport Oriented Development (TOD) precincts. This means the CP and infrastructure can become misaligned and councils need to play catch up. Alternate review mechanisms might be helpful, when there is significant legislative change that applies to the land covered by a CP. For example, part of a plan could be reviewed as an interim measure.</p>	<ul style="list-style-type: none"> We will take this feedback on board, and we are interested in other stakeholders' views on this. We are interested in an approach where we could review, for example, only the part of a CP that has changed, rather than reviewing the whole plan. This may be legislative or substantial planning changes that impact a CP but also significant, global economic changes and supply chain issues that impact costs.

Question/comment	Response
<p>One council noted its approach to creating a mechanism for infrastructure delivery in conjunction with developers through Voluntary Planning Agreements (VPA) to encourage development and make sure the infrastructure needs of the community are met. The council noted that it is unsure if this approach will appropriately value capture for the council, as the developers receive a feasibility benefit and incentive for delivery.</p>	<ul style="list-style-type: none"> • We thank the council for raising this issue and will consider it further.
<p>One stakeholder noted the need for public amenities and services to be provided within a reasonable timeframe. They noted that councils may wait for contributions to be received before commencing implementation of the CP, which poses risks that the infrastructure won't be ready when people start moving in, particularly in greenfield developments. It was suggested IPART should investigate the council's plans to implement the CP in its assessment of reasonable timeframes.</p>	<ul style="list-style-type: none"> • We consider reasonable timeframes in our assessment of CPs, and we understand that if implementation doesn't occur in a timely way, costs can escalate, and contributions may not be adequate. • We also want to know how councils can be supported to make sure plans are reviewed regularly.
<p>One stakeholder noted the amount of contamination in land being acquired by councils, which requires significant remediation. In the past IPART has told the council it can't collect for contamination unless it has done field testing, but landowners will not permit councils to test before the CP is prepared. This has led to a funding gap that the council can't fill through general revenue. Other stakeholders supported this comment, noting that this is an issue across NSW and that contamination can occur from other waste, e.g. car bodies and tyres. It was also noted that while valuations consider land contamination, they do not reflect the costs of remediating the land and the remediation costs are not removed from the land value or land acquisition costs.</p>	<ul style="list-style-type: none"> • We will take this issue on board and will consider it further. • We are considering ways that our assessment approach can support a more rapid adjustment, so councils don't have to review the whole CP. • We are also considering additional guidance about contamination and remediation.
<p>One stakeholder noted the difficulty in estimating costs at the concept stage of the development and unexpected costs arising when they start delivering the CP.</p>	<ul style="list-style-type: none"> • We will take that feedback on board and consider it along with the related points that people have made.
<p>Local infrastructure benchmarks</p>	
<p>Regarding contamination, is it possible to have a factor or percentage, similar to land acquisition allowances, that could cover contamination?</p>	<ul style="list-style-type: none"> • We will take that feedback on board and consider it.
<p>One stakeholder noted that costs for upgrading a collector road is usually higher than a new collector road, but this isn't reflected in the benchmarks. They also noted that it was not clear whether demolition or other allowances were included.</p>	<ul style="list-style-type: none"> • We welcome feedback on the draft benchmarks, including any missing items, actual costs, or examples of delivered projects.
<p>One stakeholder noted that benchmark item inclusions listed on the data sheets are not listed as separate, standalone items and asked whether there is a reason why. It was noted that for infill councils, some items might already be in place or be delivered through works in kind agreements, but the additional items need to be delivered by councils. E.g. for new roads, the road is delivered through works in kind agreements, but trees, street lighting etc are delivered by councils.</p>	<ul style="list-style-type: none"> • We can separate out these items in the data sheets. • We welcome feedback on these issues, including examples.
<p>One stakeholder noted that it would be helpful to have benchmark reports in electronic form that is more functional for councils could use.</p>	<ul style="list-style-type: none"> • We agree that an interactive tool for councils to use the benchmarks would be useful and will consider this further.
<p>One stakeholder suggested that there needs to be a commitment to keep benchmarks up to date.</p>	<ul style="list-style-type: none"> • We intend to update the benchmarks regularly.
<p>Does the road upgrade mean just widening? Does it include resheeting, improvement, or narrowing to increase the pedestrian footpath? It was noted that this will become an issue in Transport Oriented Development areas.</p>	<ul style="list-style-type: none"> • Road upgrades only consider road widening, no road narrowing. • We will consider these issues further and would welcome feedback on the draft benchmarks.

Question/comment	Response
Will IPART consider higher contingencies as reasonable for specific works?	<ul style="list-style-type: none"> • If there is a greater risk or unique circumstance, we will consider the level of contingencies. • Councils would need to support how and why a particular contingency percentage has been determined. • We would welcome examples from stakeholders, where higher contingencies were needed, so we can consider these when finalising our benchmarks.
Have you reviewed existing projects delivered by councils against the benchmarks? Councils have examples of projects they have delivered where the actual costs were different to the CP and the proposed benchmarks. Will you accept examples?	<ul style="list-style-type: none"> • We welcome examples of works costs provided by councils, particularly where there are variations between actual costs and the proposed benchmarks. We can use information provided by councils to compare to the benchmarks.
Aggregate benchmarks	
One stakeholder noted that a few years ago the Productivity Commissioner's proposed reforms to have CPs referred to IPART by exception. There was an idea that if the CP costs were outside IPART's benchmarks the CPs would go to IPART for review. Will IPART use aggregate benchmarks to consider plans submitted to IPART by exception or fast-track plans with costs in the aggregate benchmark ranges?	<ul style="list-style-type: none"> • We are looking for feedback on the draft aggregate benchmarks and whether they will be useful to assist councils with costings and developing CPs. • We note that the benchmarks must be based on reliable data, and we are inviting stakeholder feedback. • At this point, the aggregate benchmarks are a concept, and we have not decided whether they would assist in fast-tracking some CPs. We welcome feedback on this idea.
How will IPART use the aggregate benchmarks? Will it form part of IPART's review or as a guide for councils to consider when they're putting their plan together? It may limit councils if it's an aggregate of older costs and not reflective of current costs.	<ul style="list-style-type: none"> • At this point, the aggregate benchmarks are a concept, and we are not committed to using it in a certain way. • We are inviting feedback on whether they would be useful. • We have considered that aggregate benchmarks could be a transparent and robust way to assess the reasonable costs in a CP. • We would still focus on the areas that are unique or complex or where stakeholder feedback indicates issues we need to consider. • The aggregate benchmarks do not seek to limit councils. There may be a good reason that a council's costs are higher, and those reasons will be considered.
CP assessment framework	
The developer contributions cap has not been indexed since introduced. Is there a plan to increase the caps?	<ul style="list-style-type: none"> • The caps are set by the Direction from the Minister, and any changes are a matter for the Minister. We will provide this feedback to DPHI.
A stakeholder commented on the concept of assessing strata space as land for community facilities for the purposes of the essential works list. Has there been any movement on this? Has there been any hint of a shift in the rather rigid position on community facilities works being excluded as essential works?	<ul style="list-style-type: none"> • The issue of what is on the essential works list, and particularly community facilities, has been raised in consultation on previous reviews and is something we are aware of. • We will provide this feedback to DPHI noting that any changes to the essential works list is a decision for the Minister.
One stakeholder asked about the costs of asset degradation, specifically roads, during the life of a CP, due to the significant movement of trucks on the roads during the development, resulting in the roads being degraded quite quickly. Once the roads are constructed, council is responsible for repairing and replacing the roads despite the CP being ongoing and the roads being linked to the development. It would be useful to have a form of haulage levy or fee as part of a CP.	<ul style="list-style-type: none"> • We are not being asked to review the essential works list. • We will consider this further and pass on the feedback to DPHI.
One stakeholder asked about whether costs of maintenance and rebuilding, particular for roads, could be incorporated into a CP.	<ul style="list-style-type: none"> • Maintenance of infrastructure is not currently included in the essential works list and therefore is not a cost that can be included in a CP. We will pass this feedback on to DPHI.

Question/comment	Response
One stakeholder noted that the Environmental Planning and Assessment Regulation 2021 only refers to Consumer Price Index (CPI). They would prefer that the Regulations allow councils to use Producer Price Index (PPI).	<ul style="list-style-type: none"> • We note that the Regulation requires councils to index contribution rates using CPI. • We will pass this feedback on to DPHI. • In our guidance, we recommend that councils apply the relevant ABS PPIs when indexing works costs.
One council asked whether insurance can be included in a CP and noted that the council needs to manage risk and liability associated with CPs.	<ul style="list-style-type: none"> • Currently, insurance is not included on the essential works list and therefore is not a cost that can be included in a CP. We will pass this feedback onto DPHI.
Other	
One stakeholder noted the recommendation of the Parliamentary Inquiry related to developer contributions.	<ul style="list-style-type: none"> • We note the Standing Committee on State Development has released its report on the Ability for local governments to fund infrastructure and services. • We understand that the Government will review the report and provide a response.