



Independent Pricing and Regulatory Tribunal
New South Wales

Report on IPART's functions in relation to local government in 2018-19

Report to Ministers

Annual Report
Local Government

October 2019

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The Independent Pricing and Regulatory Tribunal (IPART)

IPART provides independent regulatory decisions and advice to protect and promote the ongoing interests of the consumers, taxpayers and citizens of NSW. IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from IPART's website: <https://www.ipart.nsw.gov.au/Home>.



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1 Overview

The NSW Government has delegated various local government rate-setting and planning functions to the Independent Pricing and Regulatory Tribunal of NSW (IPART).

The NSW Government requires IPART to report on these functions to the Minister for Local Government and the Minister for Planning and Public Spaces by 31 October each year. This report on the 2018-19 financial year covers:

- ▼ Functions delegated under the *Local Government Act 1993* (the LG Act), regarding:
 - Any variation of councils' general income, including development of the Local Government Cost Index (LGCI) and the productivity factor
 - Special rate variation applications from councils, and
 - Domestic waste charges levied by councils.
- ▼ Assistance to the Minister for Planning and Public Spaces in relation to the *Environmental Planning and Assessment Act 1979* (EP&A Act), including reviews of local infrastructure contributions plans.

IPART's functions are based on three separate terms of reference issued by the Premier in 2010 under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act), and the delegation of various powers under the LG Act by the Minister for Local Government. The terms of reference and delegation are in Appendix A. In November 2018 the Premier issued revised terms of reference for reviewing contributions plans. They were amended to reflect the amended *Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012* issued in July 2017. The revised terms of reference are in Appendix B.

A list of reports and papers related to the local government functions we have published during 2018-19 is in Appendix C.

2 Variation of councils' general income (the rate peg)

The Minister for Local Government delegated to IPART the power under section 506 of the LG Act to specify the percentage by which councils' general income¹ for a specified year may be varied. The percentage change is known as the rate peg.

IPART announced a rate peg of 2.7% for 2019-20 on 11 September 2018.² In previous years, we announced the rate peg in December. We brought forward the announcement to September to provide councils with more time to prepare annual budgets and engage with their communities on potential special variation (SV) applications for the following year.

The calculation of the 2019-20 rate peg was based on:

- ▼ An increase in the LGCI of 2.7%, and
- ▼ A productivity factor of 0.0% (see Section 2.2).

We published a Fact Sheet on this decision on our website.³

2.1 The Local Government Cost Index

The Local Government Cost Index (LGCI) measures the changes in prices over the past year⁴ for a basket of goods and services, materials and labour used by an average council.⁵ The basket is made up of 26 components covering councils' operating and capital costs. The cost components represent the purchases made by an average council to undertake its typical activities.

We constructed the LGCI in 2010 based on a survey we undertook of NSW councils' expenditure. Our 2015 cost survey updated the expenditure weightings to ensure the relativities of the cost items within the LGCI remain accurate. We used this updated LGCI to calculate the rate peg for 2019-20.

To measure the change in prices of almost all components, we use price data from the most relevant Australian Bureau of Statistics (ABS) consumer, producer or wage price index. To calculate the change in the cost of the emergency services levy (ESL) component of the LGCI we used data from Revenue NSW.

As a result of bringing forward the date for announcing the rate peg for 2019-20 from December to September, we used the percentage change in prices over three quarters from Sept 2017 to June 2018 rather than four as our underlying methodology requires. Our

¹ General income mainly comprises income from council rates, but also includes certain other annual council charges.

² IPART, *Media Release – 2019-20 rate peg for NSW local councils*, 11 September 2018. An order to this effect, signed by the Chair of IPART and dated 11 September 2018, was published in the NSW Government Gazette: *Government Gazette of the State of New South Wales*, 14 September 2018, number 91, p 5999.

³ IPART, *Fact Sheet – Rate peg for NSW councils for 2019-20*, 11 September 2018.

⁴ The 2019-20 rate peg was calculated on the previous three quarters due to a change in the timing of the release.

⁵ More detail on the LGCI is in IPART, *Information Paper - Local Government Cost Index*, December 2010.



calculations confirmed the reliability of our approach for this year. We will continue to use the methodology set out in the 2010 Information Paper to set the rate peg for future years.

Appendix D sets out the LGCI components, their weights and the percentage change in prices, and their overall contribution to the LGCI.

2.2 The productivity factor

The productivity factor allows ratepayers to share in the efficiency gains made by councils. We have set the productivity factor at zero by default, because, in large part, improvements in productivity are reflected in the components of the LGCI. We retain discretion to deduct a productivity factor in future years, if there is evidence of productivity improvements in the local government sector that have not been fully incorporated in the LGCI.

3 Determining councils' applications for special rate variations

The Minister for Local Government delegated to IPART functions to approve increases to general income that exceed the rate peg (a special variation). The LG Act provides for two types of special variation:

- ▼ A single year increase under section 508(2) (either permanent or for a fixed number of years), and
- ▼ Successive, annual increases (for between two and a maximum of seven years) under section 508A.

Increases to council general income due to a Crown land adjustment are also approved under section 508(2).⁶

3.1 Determination of the applications

In February 2019, IPART received applications from 13 councils for a special variation to apply from 1 July 2019.

We assessed the special variation applications against criteria in guidelines set by the Office of Local Government (OLG), which were published in October 2018.⁷ Box 3.1 sets out the criteria in the guidelines.

IPART approved in full four single-year permanent special variation applications under section 508(2). One single-year application was partially approved for a smaller increase due to shortcomings in the council's consultation with ratepayers. One single-year application was not approved due to the council's failure to properly consult with the business ratepayers that would be directly impacted by the proposal, as well as failure to demonstrate financial need for the additional revenue and failure to update its Integrated Planning and Reporting (IP&R) documentation.

We also approved four multi-year SV applications under section 508A in full. Two multi-year applications were only partially approved, one due to failure to demonstrate financial need to justify the length of the SV, and one due to the uncertainty of financial forecasts beyond five years. One multi-year SV was not approved due to the council's failure to demonstrate financial need for the additional revenue, or ratepayer willingness to pay given the magnitude of the proposed increase to rates.

The outcomes of IPART's assessments are shown in Table E.1 and Table E.3 in Appendix E.

⁶ Crown land adjustments allow councils to increase their general income to reflect additional rate revenue from land that was previously Crown land becoming rateable through sale to private individuals or transfer to particular State Owned Corporations. OLG assesses councils' requests for Crown land adjustments and makes recommendations to IPART about the appropriate percentage increase to general income.

⁷ Office of Local Government, *Guidelines for the preparation of an application for a special variation to general income*, October 2018.

Box 3.1 Assessment criteria for special variation applications for 2019-20

1. The need for, and purpose of, a different revenue path for the council's General Fund (as requested through the special variation) is clearly articulated and identified in the council's IP&R documents, in particular its Delivery Program, Long Term Financial Plan and Asset Management Plan where appropriate. In establishing need for the special variation, the relevant IP&R documents should canvas alternatives to the rate rise. In demonstrating this need councils must indicate the financial impact in their Long Term Financial Plan applying the following two scenarios:
 - Baseline scenario – General Fund revenue and expenditure forecasts which reflect the business as usual model, and exclude the special variation, and
 - Special variation scenario – the result of implementing the special variation in full is shown and reflected in the General Fund revenue forecast with the additional expenditure levels intended to be funded by the special variation.

The IP&R documents and the council's application should provide evidence to establish this criterion. This could include evidence of community need/desire for service levels/project and limited council resourcing alternatives. Evidence could also include analysis of the council's financial sustainability conducted by Government agencies.

2. Evidence that the community is aware of the need for and extent of a rate rise. The Delivery Program and Long Term Financial Plan should clearly set out the extent of the General Fund rate rise under the special variation. In particular, councils need to communicate the full cumulative increase of the proposed SV in percentage terms, and the total increase in dollar terms for the average ratepayer, by rating category.

The council's community engagement strategy for the special variation must demonstrate an appropriate variety of engagement methods to ensure community awareness and input occur. The IPART fact sheet includes guidance to councils on the community awareness and engagement criterion for special variations.

3. The impact on affected ratepayers must be reasonable, having regard to both the current rate levels, existing ratepayer base and the proposed purpose of the variation. The Delivery Program and Long Term Financial Plan should:
 - clearly show the impact of any rate rises upon the community,
 - include the council's consideration of the community's capacity and willingness to pay rates, and
 - establish that the proposed rate increases are affordable having regard to the community's capacity to pay.
4. The relevant IP&R documents must be exhibited (where required), approved and adopted by the council before the council applies to IPART for a special variation to its general income.^a
5. The IP&R documents or the council's application must explain the productivity improvements and cost containment strategies the council has realised in past years, and plans to realise over the proposed special variation period.

^a The relevant documents are the Community Strategic Plan, Delivery Program, and Long Term Financial Plan and where applicable, Asset Management Plan. Of these, the Community Strategic Plan and Delivery Program require (if amended), public exhibition for 28 days. It would also be expected that the Long Term Financial Plan (General Fund) be posted on the council's web site.

Source: Office of Local Government, *Guidelines for the preparation of an application for a special variation to general income*, October 2018.

4 Minimum amounts of council rates

Section 548 of the LG Act provides for a council to set a minimum amount of a rate. Where a council sets a minimum rate, ratepayers in that rating category pay at least the minimum amount, regardless of the value of their land. There is a statutory limit on the minimum amount of a rate a council may impose. This statutory limit is different for ordinary rates and special rates.⁸

The Minister for Local Government delegated to IPART powers to specify the statutory limit on the minimum amount of an ordinary rate. The statutory limit on the minimum amount of an ordinary rate is changed by amending clause 126 of the *Local Government (General) Regulation 2005*.

IPART recommended for 2019-20 the statutory limit for the minimum amount of an ordinary rate should increase from \$526 to \$540 in line with the 2.7% rate peg increase. This approach is consistent with previous years. Clause 126 of the *Local Government (General) Regulation 2005* was amended, effective 1 July 2019.⁹

Councils seeking to increase the minimum amount of a rate above the statutory limit must apply to IPART for approval. For 2019-20, we received two applications from councils to set the minimum amount of a rate above the statutory limit. One of these applications was approved in full. The other application was partially approved for the same number of years as the council's shortened partially approved SV. The outcomes of IPART's minimum rate assessments are shown in Table E.3 in Appendix E.

⁸ *Local Government Act 1993*, ss 548(3) and 548(8).

⁹ *Local Government (General) Regulation 2005*, cl 126, notified on the NSW legislation website on 30 November 2018.

5 Domestic waste charges

The Minister for Local Government delegated to IPART powers to specify how councils can vary annual charges for domestic waste management services (similar to specifying the percentage change in general income).¹⁰

Councils must set domestic waste management charges that do not exceed the reasonable cost of providing the services.¹¹ OLG continues to be responsible for ensuring these charges have been calculated on a 'reasonable cost' basis.¹²

IPART did not impose any limitation on the amount by which councils could vary annual charges for domestic waste management in 2019-20, consistent with our decisions in previous years.¹³

¹⁰ Under sections 507 and 508(7) of the *Local Government Act 1993*.

¹¹ *Local Government Act 1993*, section 504(3).

¹² OLG, Circular No 18-17, 8 June 2018.

¹³ An order to this effect, signed by the Chair of IPART and dated 11 September 2018, was published in the NSW Government Gazette: *Government Gazette of the State of New South Wales*, 14 September 2018, number 91, p 5999. Note, prior to the delegation of this function to IPART, Ministers did not customarily exercise their powers under the LG Act in relation to charges for domestic waste management services.

6 Local infrastructure contributions plans

During 2018-19 we assisted the Minister for Planning and Public Spaces by reviewing several local infrastructure contributions plans (contributions plans), engaged with the Department of Planning, Industry and Environment (DPIE)¹⁴ on the policy framework for contributions plans and made some amendments to our processes for assessing contributions plans.

6.1 Reviews of contributions plans

IPART is required to assess councils' section 7.11 contributions plans in accordance with a Direction by the Minister for Planning issued under section 7.17 of the EP&A Act.¹⁵ The criteria for assessment is set out in a Practice Note issued by DPIE, most recently in January 2019.¹⁶

Following changes to the local contributions policy framework made by the Government in mid-2017,¹⁷ the Premier issued revised terms of reference updating the requirement to provide services to the Minister for Planning and Public Spaces with respect to reviewing Reviewable Contributions Plans.¹⁸

Under the revised terms of reference, IPART is to review each 'Reviewable Contributions Plan' submitted to it and provide the Minister and the relevant council with a report on its review, specifically by:

- ▼ Reviewing the relevant Reviewable Contributions Plan in accordance with the assessment criteria set out in the Practice Note, including whether the public amenities and services in the plan are on any essential works list in the Practice Note
- ▼ Considering whether the estimate of the costs of providing those public amenities and services are reasonable
- ▼ Publishing a report of its review on our website, and
- ▼ Providing a copy of the report to the Minister and the relevant council.

A Reviewable Contributions Plan is one that proposes contributions above \$30,000 per lot or dwelling in identified areas and \$20,000 per dwelling in other areas.

¹⁴ Before 1 July, the Department of Planning and Environment (DPE).

¹⁵ Minister for Planning, *Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012*, 21 August 2012, as amended. The Direction was amended most recently in February 2019.

¹⁶ Department of Planning and Environment (DPE), *Local Infrastructure Contributions Practice Note*, January 2019 (Practice Note).

¹⁷ NSW Government, *Media Release – The NSW Government has developed a new package of measures designed to improve housing affordability across NSW*, at <https://www.nsw.gov.au/improving-nsw/projects-and-initiatives/first-home-buyers/>, 1 June 2017, accessed 25 October 2019, and DPE, *Environmental Planning and Assessment (Local Infrastructure Contributions) Amendment Direction 2017*, July 2017.

¹⁸ The terms of reference dated 14 November 2018 are in Appendix B.

An 'IPART-reviewed contributions plan':

- ▼ For specified transition areas, entitles the council to levy up to a capped amount (until 30 June 2019 the amount was \$40,000 per lot or dwelling in greenfield areas and \$30,000 per lot or dwelling elsewhere) and apply for Local Infrastructure Growth Scheme (LIGS) funding for the amount of any contribution which is above the cap.
- ▼ For other areas, entitles the council to levy the full contribution amount under the plan.

The cap on local infrastructure contributions is to be phased out from 1 July 2020, however IPART is to continue to assess contributions plans that propose residential contribution amounts above a threshold amount.

6.2 Contributions plans reviewed in 2018-19

During 2018-19 IPART reviewed nine contributions plans. We finalised our assessment of three plans and commenced assessing six plans, although one of these plans was withdrawn by the council from the assessment process. Details of the plans and the timetables for reviewing them are in Appendix F.

Our assessments have most commonly recommended removing or reducing the cost of land and/or works in a contributions plan where the essential works, nexus or reasonable cost criteria are not met. We may also recommend adjusting the apportionment of costs in the plan, either across different sub-catchments within the contributions plan, or between the plan and development in areas outside the catchment of the plan.

For the three completed reviews, a summary of IPART-recommended adjustments to costs in the councils' contributions plans is in Appendix G.

The recommendations made in our assessment of two contributions plans this year would result in a net increase to the total cost of land and infrastructure in each plan:

- ▼ Our recommended increase of \$3.5 million (0.7%) for The Hills Shire Council's *Contributions Plan 15 for Box Hill CP15* (2017) was the net outcome of recommendations to increase land acquisition costs and reduce works costs.
- ▼ Our recommendations would increase total costs in Campbelltown City Council's *Menangle Park Contributions Plan 2018* from \$132.88 million (in September 2016 dollars) to \$171.32 million (in June 2018 dollars) (28.9% including inflation or 25.7% excluding inflation). The increase is primarily the result of including the cost of additional land which we consider the council should have included in the plan initially, adopting June 2018 land value estimates to reflect significant increases since the plan was prepared in 2016, and updating the base period for works costs to June 2018.

We consider it is important that costs in contributions plans reflect the reasonable cost to the council of providing local infrastructure for the new development. Otherwise, ratepayers would effectively subsidise the new development, or councils may not be able to provide the infrastructure needed to support the new development. Cost-reflective developer contributions are also important in ensuring that development only occurs where the benefits of development exceeds its costs.

In several assessments we have noted the importance of regularly reviewing plans (eg, at least every five years). This would help ensure the plan includes the essential local infrastructure required for the new development, and that the contributions collected under the plan match as closely as possible the reasonable cost to the council of providing the infrastructure.

6.3 IPART's assessment process

In response to the changes to the policy framework we introduced some changes to our assessment processes. The major changes have been intended to increase transparency about how we conduct reviews and improve opportunities for engagement of those with an interest in our assessments, including the development industry.

Our terms of reference require us to consult with DPE (now DPIE), the relevant council and any other person IPART considers appropriate, but do not specify how we should consult.

We continued the trial of a formal public consultation period adopted in March 2018, accepting submissions from the public on a council's contribution plan for a period of up to four weeks after a completed application was submitted to IPART and uploaded to our website. This procedure applied to our review of the five contributions plans we received between July and November 2018.

During 2018-19 we refined our assessment processes in several ways.

6.3.1 Seeking submissions on a Draft Report

We revised our approach to consultation on our reviews of contributions plans. For plans received after 1 December 2018, we will issue a Draft Report and accept public submissions for a period of four weeks following publication of the Draft Report. During 2018-19 we issued two Draft Reports, for Vineyard CP in May 2019 and for CP24(2018) for Schofields Precinct in June 2019.

This approach is consistent with IPART's stakeholder engagement process for most other reviews we undertake. It provides stakeholders with an opportunity to respond to new information provided by the council and any consultant reports we have commissioned during the review process, and comment on our draft recommendations. We will continue to notify stakeholders when we publish the council's application and commence our assessment of each plan.

6.3.2 Introducing a 'stop the clock' option

In order to better manage the timeframe for completing our assessments, we have implemented a process of formally placing the assessment of a contributions plan on hold should councils delay providing responses to requests for information during the course of our assessment.

6.3.3 Consulting stakeholders on cross-plan issues

We also consulted stakeholders on cross-plan issues during 2018-19:

- ▼ In September 2018 we published a discussion paper on issues relating to assessing nexus for roads and apportioning transport costs, and in April 2019 held a workshop with councils and development industry representatives to further explore these issues. Our consultation provided useful information and guidance for assessing these aspects of contributions plans.
- ▼ In April 2019 we published a discussion paper on approaches councils could use to index contribution rates between the adoption of, and revisions, to a contributions plan. We received submissions on the paper and undertook direct consultation with some stakeholders on this issue.

We also published an information Paper on IPART's position on the application of IPART's *Local Infrastructure Benchmark Costs* report (April 2014) for the preparation or revision of contributions plans.

6.3.4 Updating guidance for modelling contributions using an NPV approach

We issued updated guidance for modelling contribution rates using discounted cash flow analysis. In August 2018 we published a revised technical paper for using a Net Present Value (NPV) approach to modelling local infrastructure contributions.¹⁹ The updated method of calculating the discount rate makes three changes to the approach recommended in the previous technical paper published in February 2016. We also updated our biannual fact sheet on the recommended discount rate for councils to use in (NPV) models in August 2018 and February 2019,²⁰ publishing the updates on our website.

¹⁹ IPART, *Modelling local development contributions in a present value framework*, Technical Paper, August 2018.

²⁰ IPART, *Fact Sheet – Latest discount rate for use in local development contributions plans*, August 2018. IPART, *Fact Sheet – Latest discount rate for use in local development contributions plans*, February 2019.

7 IPART's structure for undertaking local government functions

Tribunal

During 2018-19 members of the Tribunal, appointed by the Premier, performed IPART's delegated rate-setting functions under the LG Act. Membership of the Tribunal during 2018-19 was:

- ▼ Dr Peter J. Boxall AO, Chair (until 8 February 2019)
- ▼ Dr Paul Paterson, Chair (from 11 February 2019)
- ▼ Mr Ed Willett, Tribunal Member
- ▼ Ms Deborah Cope, Tribunal Member.

Committee of the Tribunal

As in previous years, a Committee of the Tribunal exercised IPART's functions of reviewing local government contributions plans under delegation from the Tribunal.²¹ During 2018-19 the membership comprised:

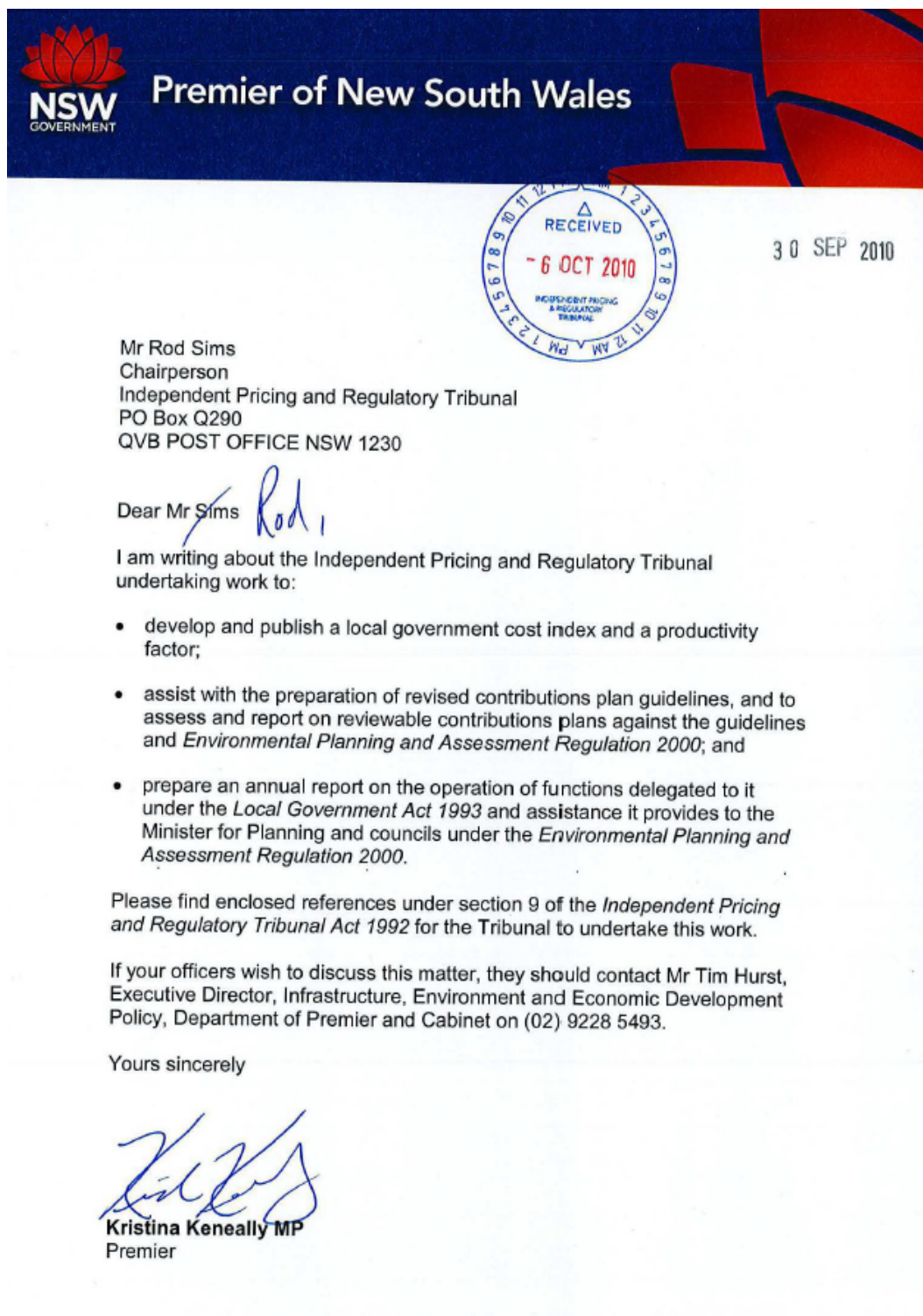
- ▼ Ms Deborah Cope, Presiding Tribunal Member
- ▼ Ms Fiona Towers, Executive Director, Energy and Transport, IPART (from 1 July 2018 to 31 May 2019), and Mr Brett Everett A/Executive Director, Energy and Transport, (from 3 June 2019 to 30 June 2019)
- ▼ Ms Nicola Gibson, independent adviser on planning matters (from 10 August 2018).

²¹ Section 10 of the IPART Act allows the Tribunal to delegate its functions to a Committee comprising a Tribunal Member and other persons.



Appendices

A Terms of reference delegating functions to IPART



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TERMS OF REFERENCE

I, Kristina Keneally, Premier of New South Wales approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act)* to the Minister for Local Government (Minister) for the development of a local government cost index in accordance with the following terms of reference.

Background

Since 4 June 2010, the NSW Government has announced changes to local council charges on new housing development. The changes will lower the cost of new housing construction and provide certainty, transparency and fairness to councils, landowners, developers and the community.

At the same time the Government announced that in future the amount by which councils could increase their rating income will be determined by IPART having regard to the movements of the Local Government Cost Index and Productivity Factor. These functions are to be delegated to IPART by the Minister for Local Government.

Terms

In providing the services, IPART must:

- (a) develop a local government cost index (**Local Government Cost Index**);
- (b) develop a productivity factor (**Productivity Factor**); and
- (c) publish the Local Government Cost Index and the Productivity Factor on IPART's website.

In developing the Local Government Cost Index and the Productivity Factor, IPART is to have (where relevant) regard to the following matters (in addition to any other matters IPART considers relevant):

- (a) the change in prices of goods and services composing the typical expenditure of Councils to reflect the annual change in underlying costs of ordinary council operations;
- (b) the findings and recommendations of IPART's final report on the local government review titled "Revenue Framework for Local Government";
- (c) the identification of appropriate price indices that would reflect the movement in component costs over time;
- (d) the estimation of the relevant weights to apply to the components of the index; and

- (e) the scope for productivity improvements across the community and in comparable sectors of the economy and the achievable productivity improvements by Councils.

Definitions

Council has the meaning given to that term under the EP&A Act.

EP&A Act means the *Environmental Planning and Assessment Act 1979*.

Interpretation

- (a) A reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacement of them.
- (b) A reference to an officer includes a reference to the officer who replaces him or her, or who substantially succeeds to his or her powers or functions.
- (c) A reference to a body, whether statutory or not:
 - a. which ceases to exist; or
 - b. whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.
- (d) Words importing the singular include the plural and vice versa.

TERMS OF REFERENCE

I, Kristina Keneally, Premier of New South Wales approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act) to the Minister for Planning and the Councils for the review of Reviewable Contributions Plans in accordance with the following terms of reference.

Background

Since 4 June 2010, the NSW Government has announced changes to local council charges on new housing development including:

- (1) imposing a cap of \$20,000 per lot for council imposed charges on new development on land in established areas and a cap of \$30,000 per lot for council imposed charges on new development on land determined by the Minister for Planning as being within Greenfield areas; and
- (2) requiring IPART to review certain council Contributions Plans.

The changes will lower the cost of new housing construction and provide certainty, transparency and fairness to councils, landowners, developers and the community.

The Department of Planning, in conjunction with the Division of Local Government and IPART (overseen by the Land and Housing Supply Coordination Taskforce) are to develop guidelines for preparing Contributions Plans. Councils with contributions within their Contributions Plans that exceed the relevant cap will be required to submit them to IPART for review unless otherwise exempt by the Minister for Planning. Further, when Councils conduct a review of their Contributions Plans, they will be required to submit them to IPART for review prior to finalising those plans if the contributions within those plans exceed the relevant cap. The Minister may also refer to IPART for review any Contributions Plan that is below the relevant cap, where changes are proposed to that plan that the Minister considers merit having an independent assessment. Once IPART receives those plans, IPART is to assess them against the Guidelines and the Regulation and report to the Minister for Planning and Councils on the compliance of those plans.

Terms

In providing the services, IPART must:

- (a) assist with the preparation of revised contributions plan guidelines;
- (b) conduct an assessment of the Reviewable Contributions Plan against the Guidelines and the Regulation. As part of that assessment, IPART should consider whether:
 - (i) the infrastructure listed in the plan is essential infrastructure
 - (ii) the costs in the plan are reasonable
 - (iii) the Contributions Plan complies with the Guidelines and the Regulation;

(c) provide a report to the Minister for Planning and the relevant Council on IPART's assessment of the Contributions Plan under paragraph (a); and

(d) publish a copy of the report in paragraph (b) on IPART's website.

In conducting the assessment under paragraph (a), IPART is to:

- (a) consult with the Department of Planning (NSW);
- (b) consult with the relevant Council and any other person IPART considers necessary; and
- (c) consider any criteria set out in the Guidelines (in addition to any other matters IPART considers relevant).

Definitions

Cap means:

- (a) the \$20,000 cap per residential dwelling or per residential lot on land in established areas; or
- (b) the \$30,000 cap per residential dwelling or per residential lot on land determined by the Minister for Planning as being within Greenfield areas.

Contributions Plan means a contributions plan prepared and approved by the relevant Council under Part 4, Division 6 of the EP&A Act.

Council has the meaning given to that term under the EP&A Act.

EP&A Act means the *Environmental Planning and Assessment Act 1979*.

Guidelines means the current guidelines or practice notes (as the case may be) issued by the Department of Planning on Contributions Plans under Part 4, Division 6 of the EP&A Act.

Regulation means the *Environmental Planning and Assessment Regulation 2000* relating to the Contributions Plan.

Reviewable Contributions Plan means either:

- (a) a Contributions Plan which has a contribution that exceeds the relevant Cap, other than a Contributions Plan for which a Council, as at 31 August 2010, has received (in aggregate) development applications for at least 25 per cent of potential development within that existing Contributions Plan; or
- (b) a Contributions Plan which the Minister for Planning determines from time to time should be subject to review by IPART.

Interpretation

- (a) A reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacement of them.
- (b) A reference to an officer includes a reference to the officer who replaces him or her, or who substantially succeeds to his or her powers or functions.
- (c) A reference to a body, whether statutory or not:
 - a. which ceases to exist; or
 - b. whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.
- (d) Words importing the singular include the plural and vice versa.
- (e) Explanatory notes do not form part of the terms of reference, but in the case of uncertainty may be relied on for interpretation purposes.

TERMS OF REFERENCE

I, Kristina Keneally, Premier of New South Wales approve the provision of services by the Independent Pricing and Regulatory Tribunal (IPART) under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* (IPART Act) to the Minister for Planning and the Minister for Local Government for the preparation of an annual report on the operation of IPART's delegated functions under the LG Act and IPART's assistance to the Minister for Planning and the councils in relation to the EP&A Act in accordance with the following terms of reference.

Background

Since 4 June 2010, the NSW Government has announced changes to local council charges on new housing development. The changes will lower the cost of new housing construction and provide certainty, transparency and fairness to councils, landowners, developers and the community.

Terms

In providing those services, IPART must:

- (a) prepare an annual report for the previous financial year relating to:
 - (i) IPART's delegated functions under the LG Act including:
 - (A) variation of general income
 - (B) special variation applications including those rejected and approved by IPART
 - (C) minimum amounts
 - (D) domestic waste charges
 - (ii) the development and publication of the local government cost index and the productivity factor
 - (iii) IPART assistance to the Minister for Planning and councils in relation to the EP&A Act under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* including reviews of the contributions plans;
- (b) forward to the Minister for Planning and the Minister for Local Government the report in paragraph (a) by 31 October each year; and
- (c) publish the report in paragraph (a) on IPART's website.

Definitions

EP&A Act means the *Environmental Planning and Assessment Act 1979*.

LG Act means the *Local Government Act 1993*

Interpretation

- (a) A reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacement of them.
- (b) A reference to an officer includes a reference to the officer who replaces him or her, or who substantially succeeds to his or her powers or functions.
- (c) A reference to a body, whether statutory or not:
 - a. which ceases to exist; or
 - b. whose powers or functions are transferred to another body,is a reference to the body which replaces it or which substantially succeeds to its powers or functions.
- (d) Words importing the singular include the plural and vice versa.



THE HON. BARBARA PERRY MP

Minister for Local Government,
Minister for Juvenile Justice,
Minister Assisting the Minister for Planning,
and Minister Assisting the Minister for Health (Mental Health)

Ref:
MIN:
Doc ID: A219064

Mr Rod Sims
Chairman
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB POST OFFICE NSW 1230

6 SEP 2010

Dear Mr Sims

I am writing in response to the NSW Government Cabinet Minute 124-10 – Infrastructure Contribution Reforms to Support Land and Housing Release in New South Wales.

As you are aware, Cabinet's decision required me, as Minister for Local Government, to delegate to the Independent Pricing and Regulatory Tribunal responsibility for setting the annual Local Government Rate Peg and for assessing and determining local council's applications for Special Variations to their general income from rates under section 508 and section 508A of the *Local Government Act 1993*.

In order to carry out the necessary determinations I am delegating my authority under the following sections of the Act to the Tribunal:

- Section 506 - the authority to specify the percentage by which councils' general income for a specified year may be varied ie the rate pegging percentage.
- Section 507 - the authority to vary annual charges for domestic waste management services.
- Section 508(2), (3), (6), (7) - the authority to specify a percentage by which individual councils' general income may be varied for a specified year ie special variation with a single annual percentage increase.
- Section 508A - the authority to specify the percentages by which individual councils' general income may be varied for specified years ie special variation for multiple annual percentage increases.
- Section 548(3), (8) - the authority to approve the setting of minimum amounts of rates, above the statutory maximum, for specific councils,

Attached is a copy of my Instrument to effect the above delegation.

Yours sincerely

Barbara Perry MP
Minister

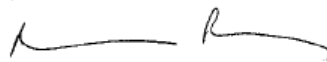
LOCAL GOVERNMENT ACT 1993
DELEGATION UNDER SECTION 744

I, **BARBARA MAZZEL PERRY MP**, Minister for Local Government, by this Instrument made under section 744 of the *Local Government Act 1993* ("Act"), hereby delegate to:

- (a) the Independent Pricing and Regulatory Tribunal of New South Wales ("IPART"); and
- (b) such members of IPART and other persons as are nominated for that purpose by IPART, and approved by the Minister, from time to time:
 - (1) all of my functions (as defined in the Act) under sections 506, 507, 508(2), 508(3), 508(6), 508(7), 508A, 548(3) and 548(8) of the Act (together the "Delegated Functions"); and
 - (2) such other powers under the Act and the *Local Government (General) Regulation 2005* which are necessary for IPART to perform the Delegated Functions.

Section 506	Variation of General Income
Section 507	Variation of Annual Charges for Domestic Waste Management Services
Section 508(2), 508(3), 508(6) and 508(7)	Orders under sections 506 and 507
Section 508A	Special Variation over a period of years
Section 548(3) and 548(8)	Minimum Amounts

Dated this 6th day of September 20 10.



The Hon Barbara Perry MP
Minister for Local Government

B Revised terms of reference for reviewing contributions plans



INDEPENDENT PRICING AND REGULATORY TRIBUNAL ACT 1992

TERMS OF REFERENCE

Reviewable Contributions Plans - *Environmental Planning and Assessment Act 1979*

I, GLADYS BEREJKLIAN MP, Premier, under section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992* approve provision, by the Independent Pricing and Regulatory Tribunal (IPART), of services to the Minister for Planning with respect to reviewing Reviewable Contributions Plans, in accordance with the following terms of reference.


Premier

Dated: 14/11/15

Background

The *Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012* contemplates that a Council may submit a Contributions Plan to IPART for review, where the Plan would (but for the Direction) authorise a contribution under section 7.11 of the EP&A Act that exceeds the maximum amount that the Direction allows to be imposed as a contribution in relation to residential development.

The Minister for Planning may also refer any contributions plan to IPART for review where the Minister considers there is merit in having an independent assessment.

Services

On and from the date that these terms of reference are issued to IPART, IPART is to review each Reviewable Contributions Plan submitted to it and provide the Minister for Planning and the relevant Council with a report on its review.

In providing the services, IPART must:

- (a) review the relevant Reviewable Contributions Plan in accordance with the assessment criteria set out in the Practice Note, including whether the public amenities and services to which the Contributions Plan relates are on the essential works list (if any) set out in the Practice Note;
- (b) consider, in its review of the Reviewable Contributions Plan, whether the estimate of the costs of providing those public amenities and services, as set out in the Plan, are reasonable;
- (c) publish a report of its review on its website; and
- (d) provide a copy of the report to the Minister for Planning and the relevant Council.

Consultation

In conducting a review under these terms of reference, IPART must:

- (a) consult with the Department of Planning and Environment (NSW);
- (b) consult with the relevant Council and any other person IPART considers appropriate; and
- (c) consider any criteria set out in the Practice Note (in addition to any other matters IPART considers relevant).

Definitions

Contributions Plan means a contributions plan or draft contributions plan prepared by the relevant Council for the purposes of imposing conditions under section 7.11 of the EP&A Act.

Council has the same meaning as it has in the *Local Government Act 1993*.



EP&A Act means the *Environmental Planning and Assessment Act 1979*.

Practice Note means the “Revised Local Development Contributions Practice Note: For the assessment of Local Contributions Plans by IPART” issued by the Department of Planning and Environment and dated January 2018, as amended or replaced from time to time.

Reviewable Contributions Plan means a Contributions Plan submitted to IPART as contemplated by the *Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012* or referred to it by the Minister for Planning.

C Reports and papers released during 2018-19

Table C.1 sets out the papers and reports related to our local government functions published by IPART during 2018-19.

This list does not include the reports published in May 2019 setting out our determinations of councils' applications for special rate variation and/or minimum rate increases for 2019-20, or the numerous Fact Sheets and Media Releases on our activities in rate-setting and reviewing contributions plans.

Table C.1 Reports and papers publicly released by IPART during 2018-19 related to our local government functions

Date	Paper or Report
2 July 2018	<i>Draft Technical Paper – Modelling local infrastructure contributions – July 2018</i>
23 August 2018	<i>Final Technical Paper – Modelling local infrastructure contributions – August 2018</i>
12 September 2018	<i>Discussion Paper – Contributions for local transport infrastructure – September 2018</i>
8 October 2018	<i>Information Paper – Local Infrastructure Benchmark Costs – October 2018</i>
8 October 2018	<i>Final Report – Assessment of Revised Contributions Plan 15 for Box Hill - The Hills Shire Council – October 2018</i>
17 December 2018	<i>Final Report – Assessment of Contributions Plan 22 for Rouse Hill (Area 20 and Riverstone East) – December 2018</i>
18 December 2018	<i>Final Report – Assessment of Campbelltown City Council's Contributions Plan for Menangle Park – December 2018</i>
11 April 2019	<i>Discussion Paper – Indexation of contribution rates – April 2019</i>
31 May 2019	<i>Draft Report - Assessment of Hawkesbury City Council's Vineyard Contributions Plan - May 2019</i>
11 June 2019	<i>Draft Report - Assessment of Blacktown City Council's Contributions Plan No 24 for Schofields - June 2019</i>

D Components of the Local Government Cost Index

Table D.1 The rise in the LGCI for the year ended June 2018

Cost Items	Effective weight as at end-Jun 2017 (%)	Price change to end-Jun 2018 (% annual average)	Contribution to index change (percentage points)
Operating cost items			
Employee benefits and on-costs	41.7	2.4	0.98
Plant & equipment leasing	0.3	1.0	0.00
Operating contracts	1.0	3.1	0.03
Legal & accounting services	0.8	2.6	0.02
Office & building cleaning services	0.3	4.5	0.01
Other business services	6.0	2.5	0.15
Insurance	1.7	3.3	0.06
Telecommunications, telephone & internet services	0.5	-4.1	-0.02
Printing publishing & advertising	0.5	0.9	0.00
Motor vehicle parts	0.3	2.4	0.01
Motor vehicle repairs & servicing	0.6	1.1	0.01
Automotive fuel	0.7	12.1	0.09
Electricity	2.7	14.4	0.40
Gas	0.1	8.0	0.00
Water & Sewerage	0.3	2.0	0.01
Road, footpath, kerbing, bridge & drain building materials	2.4	2.4	0.06
Other building & construction materials	0.5	3.4	0.02
Office supplies	0.2	2.5	0.01
Emergency services levies	1.4	2.0	0.03
Other expenses ^a	8.9	2.1	0.19
Capital cost items			
Buildings – non-dwelling	4.1	3.4	0.14
Construction works – road, drains, footpaths, kerbing, bridges	19.2	2.4	0.46
Construction works – other	1.9	2.4	0.05
Plant & equipment – machinery, etc	3.4	0.4	0.01
Plant & equipment – furniture, etc	0.1	0.9	0.00
Information technology & software	0.4	-2.8	-0.01
Total change in LGCI	100.0		2.7

^a Includes miscellaneous expenses with low weights in the Index, eg councillor and mayoral fees.

Note: Figures may not add due to rounding. Percentage changes are calculated from unrounded numbers.

E Summary of rate variations requested by councils and IPART's decisions

Table E.1 sets out the percentage increases in general income requested by each council, the amount approved by IPART, and the purpose for the requested special variation.

Table E.2 sets out the determinations by IPART to adjust general income for councils where Crown land has become rateable.

Table E.3 sets out the decisions made by IPART in 2019-20 on minimum rate applications.

Understanding Table E.1

The types of applications and decisions set out in Table E.1 are explained below. All approved increases in the table are permanent unless noted otherwise.

Fully approved applications

508(2) special variation

Four councils applied for a single-year increase in general income under section 508(2) of the LG Act. IPART approved the requested increases in full:

- a 9.74% permanent increase for Hunters Hill Council²²
- a 7.70% permanent increase for Ku-ring-gai Council
- a 15.13% permanent increase for Muswellbrook Shire Council, and
- a 8.76% permanent increase for Sutherland Shire Council.

508A special variation

Four councils applied for a multi-year increase in general income under section 508A of the LG Act. IPART approved the requested increases in full:

- a 19.48% permanent increase over four years for Burwood Council
- a 16.42% permanent increase over two years for Kiama Municipal Council
- a 5.90% temporary five-year increase for Randwick City Council,²³ and
- a 23.88% permanent increase over four years for Richmond Valley Council.

²² Hunter's Hill Council was approved for a 9.74% increase over one year. 5.70% of the increase will be retained permanently in the rate base (includes the rate peg), while 4.04% of the increase will be retained temporarily in the rate base for 10 years.

²³ Randwick Council was approved for a 5.90% increase over one year to remain in the rate base for five years. As Randwick Council has an existing permanent SV, the existing 508A instrument was varied to incorporate the newly approved 5.90% increase.

Special variations to renew existing special variations

Muswellbrook Shire Council and Randwick City Council's applications replace expiring special variations for the same percentage. As ratepayers are already paying the existing special variation percentage, the net increase in general income will be equal to the rate peg for these councils.

Kiama Municipal Council, Ku-ring-gai Council, and Lithgow City Council have existing SVs that expired on 30 June 2019. As their ratepayers are already paying the existing special variation percentage, the net increase in general income for the first year of their SVs will be lower than the approved increase.

Partially approved applications

Three applications for permanent increases were partially approved:

- ▼ Dungog Shire Council's application was reduced from 97.8% over seven years to 76.02% over five years due to the uncertainty of financial forecasts beyond five years.
- ▼ Lithgow City Council's application was reduced from 11.7% over one year to 9.0% due to shortcomings in its community consultation.
- ▼ North Sydney Council's application was reduced from 40.3% over five years to 22.5% over three years due to a failure to demonstrate financial need beyond year three.

Rejected applications

Two applications for permanent increases were not approved:

- ▼ Port Stephens Council requested 65.9% over seven years, but did not demonstrate the need for the additional revenue to improve financial sustainability or meet infrastructure benchmarks. We also considered ratepayer willingness to pay for the proposed expenditure to be funded by the SV. We found the large majority of ratepayers were not willing to pay.
- ▼ Tamworth Regional Council requested 11.8% over four years, equivalent to a 1.1% increase above the rate peg over the period. The additional 1.2% above the rate peg would be funded by an increase to the business rate, with no change to other rating categories. The council did not properly consult with its business ratepayers who would have all been impacted by the proposal. It also did not demonstrate financial need for the additional revenue and did not update its IP&R documentation to reflect the proposed SV.

Table E.1 Summary of special variations IPART has determined for 2019-20 – annual variation and purpose

Council	Type of SV approved	% increase per year approved (includes rate peg increase of 2.7% in 2019-20)					Cumulative % rise with SV (% above rate peg)	SV purpose
		2019-20	2020-21	2021-22	2022-23	2023-24		
Approved in full								
Burwood	508A	4.70	4.50	4.50	4.50	19.48 8.88	Fund ongoing operations such as infrastructure maintenance and renewal, maintain existing services and reduce its infrastructure backlog.	
Hunters Hill	508(2)	9.74				9.74 7.04	Fund ongoing operations such as infrastructure maintenance and renewals and enhance financial sustainability.	
Kiama Municipal ^a	508A	9.83	6.00			16.42 11.15	Fund ongoing operations such as infrastructure maintenance and renewal and enhance financial sustainability.	
Ku-ring-gai ^b	508(2)	7.70				7.70 5.00	Fund environmental works and programs.	
Muswellbrook Shire ^c	508(2)	15.13				15.13 12.43	Fund ongoing operations such as infrastructure maintenance and renewal, maintain existing services and improve and develop infrastructure.	
Randwick City ^d	508A	5.90				5.90 5.90	Fund ongoing development projects and services, focusing on environmental protection and long-term financial sustainability.	
Richmond Valley	508A	5.50	5.50	5.50	5.50	23.88 13.29	Enhance financial sustainability, maintain existing services, infrastructure and facilities and renew infrastructure.	
Sutherland Shire	508(2)	8.76				8.76 6.06	Improve financial sustainability and enable additional infrastructure renewals to reduce the backlog.	
Approved in-part								

Council	Type of SV approved	% increase per year approved (includes rate peg increase of 2.7% in 2019-20)					Cumulative % rise with SV (% above rate peg)	SV purpose
		2019-20	2020-21	2021-22	2022-23	2023-24		
Dungog Shire ^e	508A	15.00	15.00	10.00	10.00	10.00	76.02 62.66	Fund operations such as infrastructure maintenance and renewal, reduce infrastructure backlog, maintain existing services and enhance financial sustainability.
Lithgow City ^f	508(2)	9.00					9.00 6.30	Fund infrastructure renewals, maintain existing services and enhance financial sustainability.
North Sydney ^g	508A	7.00	7.00	7.00			22.50 14.61	Fund ongoing operations such as infrastructure maintenance and renewal, invest in new infrastructure, reduce its infrastructure backlog, maintain existing services and enhance financial sustainability.
Not approved								
Port Stephens ^h								- Fund operations such as infrastructure maintenance and renewal, and develop new infrastructure and services.
Tamworth Regional ⁱ								- Fund event attraction and management.

Note: In years where no percentage is specified, councils may increase rates by up to the rate peg

Note: Cumulative % rise – % rise above assumed rate peg in future years

a Kiama Municipal was granted an SV in 2018-19 which is due to expire on 30 June 2019. As a result, the net increase to general income will be 5.93% in 2019-20.

b Ku-ring-gai was granted an SV in 2011-12 which is due to expire on 30 June 2019. As a result, the net increase to general income will be 3.00% in 2019-20.

c Muswellbrook was granted an SV in 2018-19 which is due to expire on 30 June 2019. As a result, the net increase to general income will be 2.66% in 2019-20.

d Randwick City was granted an SV in 2014-15 which is due to expire on 30 June 2019. As a result, the net increase to general income will be 5.39% in 2019-20. The approved 5.90% increase can be retained in the rate base temporarily for five years until 2023-24. The council also has an existing permanent SV of 5.52% applying in 2019-20 and 2020-21. The existing 508A instrument has been amended to include the temporary component.

e Dungog Shire applied for a cumulative 97.78% from 2019-20 to 2025-26 to be retained permanently in the rate base.

f Lithgow City was granted an SV in 2009-10 which is due to expire on 30 June 2019. As a result, the net increase to general income will be 3.80% in 2019-20. The council applied for an 11.7% SV in 2019-20 to be retained permanently in the rate base.

g North Sydney applied for a 7.00% SV each year from 2019-20 to 2023-24 (cumulative 40.26%) to be retained permanently in the rate base.

h Port Stephens applied for a 7.50% SV each year from 2019-20 to 2025-26 (cumulative 65.90%) to be retained permanently in the rate base.

i Tamworth Regional applied for a cumulative 11.79% SV from 2019-20 to 2022-23 to be retained permanently in the rate base.

Table E.2 Summary of Crown land adjustments for 2019-20 approved by IPART

Council	Previous owner	CLA for 19-20 (\$)	Permitted increase in general income for 19-20		
			Increase for CLA (%)	Increase for rate peg/special variation (%)	Combined increase (%)
N/A	▼ N/A	N/A	N/A	N/A	N/A

Note: CLA for 19-20 – adjusted for rate peg/special variation

There were no applications for Crown land adjustments for 2019-20.

Table E.3 Summary of Minimum Rate decisions by IPART for 2019-20

Council	Minimum rate approved \$		
	2019-20	2020-21	2020-22
Approved in full			
Sutherland Shire (Residential and Business)	900.00		
Partially approved			
North Sydney (Residential and Business)	563.00	602.00	644.00

Note: Not all categories or sub-categories of ordinary rates are subject to a minimum amount. Councils have discretion in adopting a minimum rate for a particular category or sub-category. In years where no minimum rate is specified, councils have discretion to set a rate subject to constraints of the rate peg,

F Contributions plans reviewed in 2018-19

Details about the nine contributions plans IPART reviewed during 2018-19 are in Table F.1.

Table F.1 Contributions plans reviewed by IPART during 2018-19

Contributions Plan 15 for Box Hill – CP15 (2017)	
Council	The Hills Shire Council
Catchment area	Box Hill and Box Hill Industrial Precincts, North West Growth Area
Review context	<ul style="list-style-type: none"> ▼ Revised plan, reviewed by IPART twice previously (2014 & 2016) ▼ Minister asked for a targeted review focusing on amendments made following IPART's assessment in 2016
Review commenced	May 2018
Report issued	October 2018
Contributions Plan No 22 – Rouse Hill – CP22	
Council	Blacktown City Council
Catchment area	Area 20 (also known as the Cudgegong Road Precinct) and Riverstone East precincts, North West Growth Area
Review context	<ul style="list-style-type: none"> ▼ CP22, then applying only to Area 20, reviewed by IPART in 2012 ▼ CP22 comprises two separate plans, CP22L – Rouse Hill (Land) and CP22W – Rouse Hill (Works)
Review commenced	May 2018
Report issued	December 2018
Menangle Park Contributions Plan 2018 – Menangle Park CP	
Council	Campbelltown City Council
Catchment area	Menangle Park Urban Release Area, south-west of Sydney metro region
Review context	Adopted plan, first review by IPART
Review commenced	June 2018
Report issued	December 2018
Contributions Plan No 12 – Balmoral Road Release Area – CP12 (2018)	
Council	The Hills Shire Council
Catchment area	Balmoral Road Release Area in North West Sydney
Review context	Draft revised plan; CP12 previously reviewed by IPART in 2011
Review commenced	November 2018

Contributions Plan No 13 – North Kellyville – CP13 (2018)

Council	The Hills Shire Council
Catchment area	North Kellyville Precinct, North West Growth Area
Review context	Draft revised plan; CP13 previously reviewed by IPART in 2011
Review commenced	November 2018
Review on hold	Assessment on hold since 11 June 2019 while council prepares a response to IPART's draft assessment report

South Jerrabomberra Local Infrastructure Contributions Plan 2018

Council	Queanbeyan-Palerang Regional Council
Catchment area	South Jerrabomberra Urban Release Area, south-west of Queanbeyan
Review context	Adopted plan, first review by IPART
Review commenced	December 2018
Review on hold	Assessment process placed on hold from 21 December 2018 at the council's request, to allow council to consider the impact of grant funding on costs and contribution rates in the plan
Plan withdrawn	Council officers advised in June 2019 the plan should be withdrawn, and plan will be resubmitted if revised contribution rates exceed the threshold

Vineyard Precinct Section 7.11 Draft Contributions Plan – Vineyard CP

Council	Hawkesbury City Council
Catchment area	Vineyard Precinct, North West Growth Area; at present only Vineyard Stage 1 (of 2) rezoned for urban development
Review context	Draft Plan, first review by IPART
Review commenced	December 2018
Draft Report issued	31 May 2019 for a 4-week consultation period

Contributions Plan No 24 – Schofields Precinct – CP24 (2018)

Council	Blacktown City Council
Catchment area	Schofields Precinct, North West Growth Area
Review context	<ul style="list-style-type: none">▼ Revised adopted plan, comprises two separate plans, CP24L – Schofields (Land) and CP24W – Schofields (Works)▼ First reviewed by IPART in 2014
Review commenced	December 2018
Draft Report issued	11 June 2019 for a 4-week consultation period

Contributions Plan No 17 – Castle Hill North – CP17

Council	The Hills Shire Council
Catchment area	Castle Hill North Precinct in North West Sydney
Review context	Draft plan, first review by IPART
Review commenced	May 2019

G Summary of IPART-recommended adjustments to costs in councils' local infrastructure contributions plans

During 2018-19 we completed reviews of three contributions plans councils had submitted to IPART for review. A summary of our recommended adjustments is in Table G.1.

Table G.1 Summary of IPART-recommended adjustments to costs in councils' local infrastructure contributions plans

Council and plan	Total cost in plan as submitted (for land, works and administration)	IPART-recommended cost	Difference	Percentage change
<i>The Hills Shire Council</i>				
Contributions Plan 15 for Box Hill – CP15 (2017)	\$532.34 million (\$June 2016)	\$535.88 million (\$June 2016)	\$3.53 million (\$June 2016)	0.7%
<i>Blacktown City Council</i>				
Contributions Plan No 22 – Rouse Hill	\$987.60 million (\$Sep 2017)	\$832.60 million (\$Sep 2017)	\$154.99 million (\$Sep 2017)	-15.69%
CP22 Land (CP22L)	\$548.56 million (\$Sep 2017)	\$503.60 million (\$Sep 2017)	-\$44.95 million (\$Sep 2017)	-8.19%
CP22 Works (CP22W)	\$439.03 million (\$Sep 2017)	\$328.99 million (\$Sep 2017)	-\$110.04 million (\$Sep 2017)	-25.06%
<i>Campbelltown City Council</i>				
Menangle Park Contributions Plan 2017– Menangle Park CP	\$132.88 million (\$Sep 2016)	\$171.32 million (\$June 2018)	\$38.44 million (nominal)	28.9% (nominal) 25.7% (real)

