

Contribution Plans

IPART's assessment process



April 2017



WHAT

IPART reviews Section 94 contribution plans with development contributions greater than \$30,000 per dwelling in new release areas and \$20,000 per dwelling in in-fill development areas where a council is seeking alternative ways of funding the shortfall.



WHY

The Premier has asked IPART to undertake these reviews as a standing reference under Section 9 of the IPART Act.



WHO

To date, predominately councils in the North West Growth Centre, where the costs of providing essential infrastructure exceeds the cap and where those councils seek Local Infrastructure Growth Scheme (LIGS) funding, have applied to IPART for assessment of their Section 94 contributions plans.

However, other councils (Wollongong City and Rockdale City councils) have also submitted plans for assessment by IPART.



HOW

In undertaking the assessment process we are guided by the Department of Planning and Environment's Practice Note. This involves us examining the contributions plan in detail to ensure that it meets the assessment criteria in the practice note, namely:

- ▼ Are the facilities on the essential works list?
- ▼ Does the scale of the development justify the facilities?
- ▼ Are the costs reasonable?
- ▼ Are the facilities being provided in a timely fashion?
- ▼ Are the costs being fairly divided amongst developments?
- ▼ Did the council consult sufficiently with stakeholders?
- ▼ Are there any other matters we consider important?

We discuss in more detail in the attachment to this fact sheet.



WHEN

We endeavour to complete our assessments within six months of receiving the council's full application for assessment.

Any material gaps in the information provided could delay the process and extend the timeframe for the review. More details on what we require is provided over the page.



WHAT WE NEED FROM COUNCILS

The full application from a council should include:

- ▼ Application form part A
- ▼ Application form part B
- ▼ Draft Section 94 contributions plan¹
- ▼ Supporting documents including spreadsheets, technical studies and consultants' reports that have informed the contributions plan.



WHAT NEXT

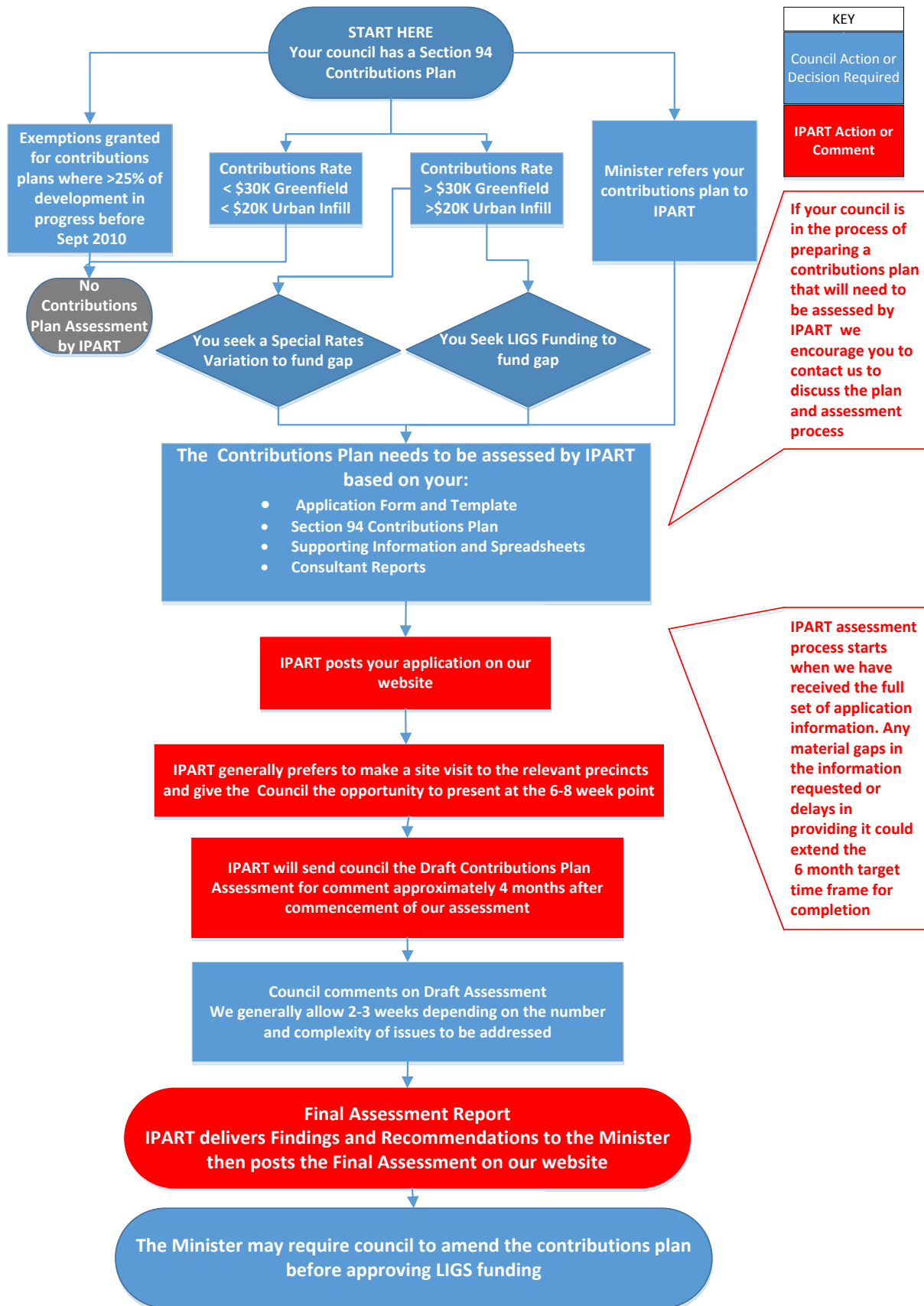
If your council is in the process of preparing a contributions plan that will need to be assessed by IPART, we encourage you to contact us to discuss the plan and the assessment process.

Call IPART on **02 9290 8400** to speak to the Local Government Contributions Plan Team.

Our process is represented in the flow chart on the following page and highlights the importance of the timely provision of data.

¹ The Practice Note (p5) states that plans are to be submitted to IPART for review following public exhibition, but prior to adoption by Council.

Section 94 Contribution Plans Assessment Process – Flow Chart



Based on contributions plans assessed by IPART from 2011 to 2016

Background

In 2010, the Government asked IPART to review section 94 development contributions plans. Our role is set out in the Practice Note issued by the Department of Planning and Environment (DPE),¹ which establishes the requirements for submissions of contributions plans to us for review, and the criteria for our assessment.

Our role in assessing contributions plans is explained in more detail next and then we outline how we have assessed these plans to date including the principles we have employed.

What contributions plans do we assess?

We assess new and existing contributions plans in which:

- ▼ Section 94 contributions are above the relevant contributions caps (\$30,000 per residential dwelling in greenfield areas and \$20,000 per residential dwelling in all other areas),² and
- ▼ The council is likely to seek funding for the gap between development contributions that reflect the infrastructure costs in the plan and the relevant cap. This funding may come from the State Government's Local Infrastructure Growth Scheme (LIGS) or from a special rate variation.

We may be required to review other contributions plans referred to us by the Minister for Planning (the Minister), even if they propose contributions rates below the relevant cap.

We also review amended plans, that we have already assessed when there has been changes to:

- ▼ the scope of works and/or their estimated costs
- ▼ the geographical catchment and development yield (population/dwelling density), or
- ▼ the basis for the apportionment of costs.³

For example, we originally assessed CP20 Riverstone & Alex Avenue Precincts in 2011. We reassessed the plan in 2015 and again in 2016, because of increased land cost estimates for which the council was seeking gap funding.

What will councils need to do when submitting their plans?

Councils submit applications to us, along with their contributions plan and its supporting documents. The supporting documents include the technical studies that establish the infrastructure required and, where applicable, cost sheets or other attachments used to develop the plan.

¹ Department of Planning and Environment *Revised Local Development Contributions Practice Note: For the assessment of Local Contributions Plans by IPART*, February 2014 ('Practice Note').

² The Minister for Planning exempted all developments from these caps, where, as of August 2010, the amount of development that had already occurred exceeded 25% of the potential number of lots. The Department of Planning and Environment has advised that developments subject to this exemption were assessed by DPE on application from relevant councils.

³ Practice Note, p 5.

How long does it take for IPART to complete its assessment?

We aim to complete our assessment within six months of receipt of the application. The actual time taken will depend on the complexity of the issues and whether consultants are required to assist us. During the assessment period, the council will be invited to provide feedback on IPART's draft report and the consultant's report(s), if any.

What happens after our assessment?

We will publish a report on our website along with a fact sheet and media release. Copies of the report are sent to the Minister, the DPE and the council. The Minister considers our report and may request the council to amend the plan.

The council may then seek funding from the LIGS or apply for a special rate variation. If approved, the special variation would increase general income to fund infrastructure in the plan.

How many contributions plans has IPART reviewed to date?

Since 2011, we have reviewed 10 contributions plans from The Hills Shire Council and Blacktown City Council, as shown in Table 1. We are currently assessing two more plans from Wollongong City Council and Rockdale City Council.

Table 1 Contributions plans reviewed by IPART

Council	Plan and development area	Date of assessment
The Hills Shire Council	CP12 – Balmoral Road Release Area	October 2011
The Hills Shire Council	CP13 – North Kellyville Precinct	October 2011
Blacktown City Council	CP20 – Riverstone and Alex Avenue Precincts	October 2011
Blacktown City Council	CP21 – Marsden Park Industrial Precinct	September 2012
Blacktown City Council	CP22 – Area 20 Precinct	September 2012
Blacktown City Council	CP24 – Schofields Precinct	August 2014
The Hills Shire Council	CP15 – Box Hill Precinct	December 2014
Blacktown City Council	CP20 – Riverstone & Alex Avenue Precincts (revised)	March 2015
The Hills Shire Council	CP15 – Box Hill Precinct (revised)	March 2016
Blacktown City Council	CP20 – Riverstone & Alex Avenue Precincts (revised)	July 2016
Wollongong City Council	West Dapto	October 2016
Rockdale City Council	Rockdale Contributions Plan 2016 – Urban Renewal Area	December 2016

How do we assess the plans?

We assess the plans in accordance with seven criteria set out in the Practice Note. This includes whether:

- ▼ the public amenities and public services in the plan are on the **Essential Works List**
- ▼ the proposed public amenities and public services are reasonable in terms of the **nexus** between the development and the demand it creates

- ▼ the proposed development contributions are based on a **reasonable estimate of the costs** of the proposed public amenities and public services
- ▼ the proposed public amenities and public services can be provided within a **reasonable time frame**
- ▼ the proposed development contributions are based on a **reasonable apportionment** of costs
- ▼ the council has conducted appropriate **community liaison and publicity** in preparing the contributions plan, and
- ▼ the plan complies with **other matters** IPART considers relevant, including information requirements in the Practice Note and Regulations.⁴

The following sections explain how we apply each criterion during our assessment.

Criterion 1: Essential Works List

The Essential Works List contains a list of public amenities and services which are considered essential works. This includes land and facilities for transport and stormwater infrastructure, as well as land and base level embellishments for open space infrastructure.⁵ For community services, only land is on the Essential Works List.

To assess whether the infrastructure is consistent with the Essential Works List, we examine the plan's work schedules, along with the detailed cost sheets. We have previously recommended removing some infrastructure because it is not on the Essential Works List or did not meet the definition of base level embellishments. For example:

- ▼ In Riverstone & Alex Avenue, several items were not essential works - public art (2011), skate parks (2011), aquatic facility upgrades (2011), facilities for community resource hubs (2011) and a frog habitat (2016).⁶
- ▼ In Box Hill:
 - An indoor recreation centre did not meet the definition of base level embellishments because it exceeded what is in the Essential Works List for recreational purposes (2015 & 2016).
 - An open space cost 'sundry unmeasured items' was not reasonable as essential works because it did not reasonably define what works will be carried out (2015).

In these cases, the council may retain the works in the plan, but not seek funding for them through the contributions plan. To assist us, councils should provide descriptions of the works involved for each item of infrastructure. If detailed costs are available, the council should include them with its application to us.

⁴ *Development Contributions Practice Notes (2005); Environmental Planning and Assessment Regulation 2000.*

⁵ Base level embellishments are works which make the land for open space secure and suitable for passive or active recreation. They may involve site regrading, utilities servicing, basic landscaping, drainage and irrigation, basic park structures and equipment, lighting and playing fields, and courts for different sports. Source: Practice Note, p 9.




⁶ We considered frog habitats to be environmental works, which the Practice Note excludes from essential works. Source: Practice Note, p 10.

Criterion 2: Nexus

The nexus criterion considers whether there is reasonable connection between the infrastructure included in the plans and the demand for facilities generated by the anticipated development.

To assess whether there is reasonable nexus, we examine the technical studies commissioned during the precinct planning process. In particular, we compare the rates of provision and levels of service in the plan with the recommendations in the technical studies. Where the council has made amendments to the recommended infrastructure, we consider whether they are supported by an independent assessment or a sound basis to demonstrate their reasonableness. Table 2 summarises how we have assessed nexus for each infrastructure category.

Table 2 Key principles and approaches we have applied in assessing whether contributions are based on a reasonable nexus for the infrastructure

Infrastructure	Key assessment principles
 <p>Transport</p>	<ul style="list-style-type: none"> ▼ The road network and intersection works in the plans should be consistent with a transport and accessibility study. ▼ The levels of service for the roads and intersection works should also be consistent with a transport and accessibility study.
 <p>Stormwater</p>	<ul style="list-style-type: none"> ▼ The location and configuration of stormwater infrastructure should be consistent with a stormwater technical study. ▼ Where possible, dual-use of stormwater land for open space should be made to minimise the cost of essential works.
 <p>Open space and Community</p>	<ul style="list-style-type: none"> ▼ The assumptions used in the open space and social infrastructure study should be consistent with the current estimated population and development in the plan. ▼ The overall amount of open space and the size of any land for community centres should be consistent with the recommended rate of provision in a technical study. ▼ The embellishment of facilities such as sportsfields, tennis courts and playing courts should be consistent with the recommended rates of provision in a technical study. ▼ The parks, sportsfields and playgrounds should be within a reasonable walking distance for residents in the development area.

We have previously recommended removing some open space and stormwater infrastructure from the cost of essential works in plans on the basis that there was insufficient nexus for these items. For example:

- ▼ For the Balmoral Road Release Area (2011), the rate of provision for open space was high compared with the recommended rate in the technical study, because of the latest population estimates. We recommended the removal of some linear parks from the works cost to reduce the rate of provision.
- ▼ In Schofields (2014), the rate of provision for open space was also high compared with the recommended rate in the technical study because of council revisions to population estimates. We recommended removing the cost of some reserves, which appeared to be relatively inaccessible, and some tennis courts from the works costs to better align the rate of provision with population needs.
- ▼ Similarly, in the Box Hill precinct (2016), we found that there was an over-provision of open space compared with the recommendations in the technical study commissioned by the Department of Planning. We recommended the removal of a significant amount of

the cost of both passive and active open space land and associated embellishment costs from the cost of essential works. This was primarily due to the opportunity in this precinct to make dual use of stormwater land as passive open space. There was also an oversupply of active open space compared with the consultant's report.

- ▼ For the Marsden Park Industrial Precinct (2012), we found that the provision of an additional stand-alone raingarden was excessive given the stormwater management needs of the area identified in the technical study.
- ▼ For Schofields (2014), the plan included a culvert that was redundant given the changes to the precinct layout during later planning revisions.
- ▼ In Riverstone and Alex Ave Precincts (2016) we considered that a significant proportion of the cost for a bridge over a conservation zone constituted environmental expenditure. Blacktown City Council re-examined the need for the bridge and decided to replace it with a culvert at lower cost.

We have also assessed that, in some cases, there may be reasonable nexus for infrastructure not recommended in the technical studies. For instance:






- ▼ For the Area 20 Precinct (2012) and the Schofields Precinct (2014), we assessed that it was reasonable to include more playgrounds than the recommended rate of provision. This was to provide playgrounds that are within a reasonable walking distance for most residents.
- ▼ For the Schofields Precinct (2014), we assessed that it was reasonable for the council to amend stormwater designs prepared by consultants during the precinct planning process because the council had refined the requirements to take into account specific local factors.

Criterion 3: Reasonable costs

The reasonable cost criterion is about ensuring that the contributions rate is based on a reasonable estimate of the cost of providing the public amenities and services. This includes how the costs of land and facilities for infrastructure are derived and the methodology applied to calculate the contributions rate and escalate it over time.

To assess whether costs are based on a reasonable estimates, we examine the council's costing approaches, as summarised in Table 3.

Table 3 Key principles and approaches we have applied in assessing whether contributions are based on a reasonable cost estimate

Cost aspect	Principles and approaches
 <p>Land</p>	<ul style="list-style-type: none"> ▼ The cost of land should be estimated by a Registered Valuer and take into account its use, zoning and site constraints eg, flooding, utility easements. ▼ The cost estimates should be comparable with other land values near the area, and similar developments nearby. ▼ Professional fees and transaction costs should also be considered in estimating the total cost of land.
 <p>Facilities</p>	<ul style="list-style-type: none"> ▼ The cost estimates should be based on the best information available. ▼ The contingency allowances, professional fees and other on-costs should be commensurate with the stage of infrastructure planning and delivery. ▼ Where IPART benchmarks have been used, they should be applied in accordance with IPART's benchmark report and should be replaced with site-specific estimates when these are available.
 <p>Administration</p>	<ul style="list-style-type: none"> ▼ The cost estimate should either be based on a 'bottom up' approach of the cost of administering the plan and technical studies, or the IPART benchmark rate of 1.5% of the total cost of facilities.
 <p>Indexation</p>	<ul style="list-style-type: none"> ▼ The costs in the plan should be escalated from the time of the costings to the base year of the plan, using cost-reflective indices for different types of facilities and land. ▼ The contributions rate should be indexed by the CPI from the base period onwards.
 <p>NPV model</p>	<ul style="list-style-type: none"> ▼ The approach in calculating the discount rate should be consistent with IPART's Technical Paper on Modelling Local Development Contributions. ▼ Where the council has used a nominal value approach, these costs should be escalated by appropriate indices that are cost-reflective. ▼ The expected cash-flows should be consistent with the timing of infrastructure delivery and the development pattern in the area.

Land acquisition costs

We have previously assessed that it is reasonable for councils to use a Registered Valuer to provide estimates for the cost of land for each infrastructure category, including average land rates, where applicable. We also consider that it is reasonable for a council to adjust land acquisition costs to:

- ▼ reflect site constraints such as flood-prone areas and utility easements - eg, CP15 Box Hill Precinct (2015) included adjustments to the cost of flood-prone land, and
- ▼ account for professional/transaction costs in acquiring the land, including compensation in accordance with legislative provisions - eg, CP24 Schofields Precinct (2014) included conveyancing and legal costs to acquire the land under the *Land Acquisition (Just Terms Compensation) Act 1991*.

In the 2016 CP20 Riverstone and Alex Ave Precinct assessment we were concerned about the relatively high cost of land compared to adjacent precincts. We were also concerned that the contribution plan indicated that over two thirds of the land being purchased for stormwater purposes could otherwise have been used for residential development and this had a large impact on the estimated cost of future stormwater land purchases. For these reasons we recommended that the DPE undertake a detailed review of these costs in CP20.

Cost of facilities

As a general principle, we consider that the costs should be estimated based on the best available information at the time of preparing the contributions plan. In our previous assessments, we considered that it is reasonable to use:

- ▼ **Council’s recent competitive tender and contract rates.** For example, we found the use of council’s competitive tender rates from the previous year to ‘build up’ the cost for an open space embellishment in Schofields (2014) was reasonable, as it represented the market price for the council to embellish the parks.
- ▼ **Quantity surveyor and consultant estimates.** For example, using cost-estimates from the stormwater technical study by J. Wyndham Prince for the Box Hill Precinct was reasonable, because they were based on specific designs in the study for the precinct.
- ▼ **IPART’s Benchmark Report, where other more accurate costings are not available.** In our review of the Box Hill Precinct, we recommended that the council not use IPART benchmark costs for some roads and intersections because a consultant’s estimate, based on detailed site designs, was prepared for the precinct.

In the Riverstone and Alex Ave precincts (2016) we were concerned about the relatively high cost of stormwater infrastructure compared with other recent plans we had assessed. We recommended the removal of \$140 million dollars of soil disposal costs pending a detailed review by the Department of Planning and Environment (DPE) and the council on this issue and the necessity (nexus) and cost efficiency(reasonableness) of all the stormwater costs in general.

We also consider that the contingencies allowance and professional fees should be commensurate with the degree of planning for the infrastructure. For example:

- ▼ In our review of Schofields (2014), we assessed that a 5% contingencies allowance was reasonable for stormwater infrastructure given the availability of detailed infrastructure designs.
- ▼ In contrast, we assessed that a higher 30% allowance for some transport infrastructure in the Box Hill Precinct was reasonable because planning had not progressed beyond the Strategic Review stage (2015).

For professional fees, we assessed in the Schofields Precinct (2014) that a 5% to 10% fee (based on the base cost of the facility) is a reasonable estimate. Alternatively, the council can apply a lump sum (eg, \$5,000 to \$20,000), to estimate the cost of design and consultancy services for each item.

Administration costs

In the Schofields (2014), Box Hill (2016) and Riverstone & Alex Ave Precincts (2016), we found it reasonable for councils to estimate administration costs using the IPART benchmark rate of 1.5% of the total cost of facilities. However, in some cases, using a standard rate may not be justified if the council expects or has incurred more or less costs, and in these cases, a council may wish to more accurately estimate this cost. As discussed in our IPART Benchmark Report, we consider that a ‘bottom-up’ approach is also reasonable.

Indexation of the cost of land and facilities

As a general principle, we recommend that councils index the total cost of land and facilities to the base period in the plan. For example, we recommended:

- ▼ In our review of CP21 Marsden Park Industrial Precinct (2012), that the costs for stormwater and transport infrastructure be indexed to the base period (June 2011) in the plan rather than the previous quarter when they were estimated.
- ▼ In our review of CP20 Riverstone and Alex Avenue (2015), that the council consider indexing the costs already incurred for some demolition works by the CPI for Sydney to the base period.

Indices should be cost-reflective for each infrastructure category. We stated in our 2015 review of Riverstone & Alex Avenue that tailored Producer Price Indices (PPI) from the Australian Bureau of Statistics could be used to escalate the various cost categories:

- ▼ Road and Bridge Construction Index for NSW for transport/stormwater facilities
- ▼ Non-residential Building Construction Index for NSW for open space embellishment, and
- ▼ Building Construction Index for NSW for community facilities.

Once the cost of land and facilities have been indexed to the base period in the plan, and the contributions rate established, the contributions rate should be indexed annually by the CPI for Sydney.

Net Present Value (NPV) Model

The Practice Note allows councils to use an NPV model to calculate the contributions rate. In our assessment of CP12 Balmoral Road Release Area (2011), CP13 North Kellyville Precinct (2011) and CP15 Box Hill Precinct (2016), the contributions rate is estimated using a NPV model, based on escalated nominal costs and revenues.

In our 2015 review of CP15 Box Hill Precinct, which used a nominal NPV model, we considered that:

- ▼ for revenue, it is reasonable to use the 2.5% midpoint of the Reserve Bank of Australia's inflation target range for escalating contributions revenue forecasts
- ▼ for the cost of land, it is reasonable to use the ABS Established House Price Index (Sydney), and
- ▼ for the cost of facilities, we recommended using cost-reflective Producer Price Indices to escalate the costs (see above).

For the discount rate, our preferred approach is set out in our 2016 Technical Paper.⁷ We recommend that the discount rate be calculated as the 10-year Commonwealth bond yield, plus a margin equal to half the spread between the 10-year Commonwealth bond yield and the 10-year non-financial corporate 'A' rated bond yield. We also recommend that an additional 12.5 basis points be added for debt raising costs. We are publishing this rate bi-annually on our website for application by councils.

⁷ IPART, *Modelling local development contributions in a present value framework – Technical Paper*, February 2016.

To address the revenue risk from delays in development uptake we discuss using councils' discount rate (cost of borrowing-*described above*) to construct an index to set the annual increase in the contributions rates.

Criterion 4: Timing

The timing criterion considers the reasonableness of the timetable of proposed expenditure and whether the council can provide it within a reasonable timeframe.

We therefore examine the timetable, how it was developed and how the infrastructure development has been prioritised. Examples of previous findings and recommendations on timing are as follows:




- ▼ We found it reasonable for the expected infrastructure delivery timeframes in CP13 North Kellyville (2011) to be informed by development rates from similar precincts (Bella Vista, Rouse Hill and Kellyville development areas).
- ▼ In our reviews of CP24 Schofields (2014) and CP20 Riverstone & Alex Avenue (2015), we found it reasonable for infrastructure delivery timeframes to be based on flexible time tranches, given the uncertainty about the rate of development and when infrastructure will be required.
- ▼ In our 2015 assessment of CP15 Box Hill, we recommended that the development timeframe of 40 years be shortened because it was 15 years longer than the technical studies supported.

Criterion 5: Apportionment

Apportionment is about ensuring the allocation of costs equitably between all those who will benefit from the infrastructure, or create the need for it. To assess whether the contributions rate is based on a reasonable apportionment of costs, we assess how the council has allocated the costs both within the precinct and across precincts.

Generally, costs should be apportioned on the basis of nexus. That is, they should be allocated to those who caused the need for the costs to be incurred. This requires the use of an appropriate unit for apportionment, subject to available information. Table 4 lists some examples of apportionment approaches we have accepted or recommended.

Table 4 Examples of approaches we have accepted or recommended to date in apportioning costs

Infrastructure	Approaches
Transport 	<ul style="list-style-type: none"> ▼ Costs being apportioned between residential and non-residential development, based on the relative size of net developable area (NDA). ▼ Costs being apportioned across residential development on a per person basis and across non-residential development on a NDA or gross floor area (GFA) basis. The cost apportioned to residential development could be further apportioned based on the number of daily vehicle trips, if relevant data were available. ▼ Where the infrastructure is shared across multiple precincts, the cost could be apportioned on a per person or NDA basis between the precincts, depending on the amount of residential/non-residential development.
Stormwater 	<ul style="list-style-type: none"> ▼ Costs being apportioned between the residential and non-residential sector, based on the net developable area (NDA) of each sector. ▼ Costs then being further apportioned between individual residential developments based on their NDA. We have also accepted apportionment between residential developments on a per person basis ▼ For the non-residential sectors apportioned costs we have accepted these being allocated to individual developments on the NDA of the individual development. Where a net present value (NPV) model has been used, we have also accepted apportionment between non-residential developments on a gross floor area (GFA) basis ▼ Where development contains on-site stormwater infrastructure (provided by the developer), the council could proportionally discount the amount apportioned, based on the extent of the on-site infrastructure. ▼ Where stormwater infrastructure serves more than one precinct, the council could apportion the cost based on the relative size of catchment areas. ▼ Where the precinct is divided into different stormwater catchments, the cost of infrastructure servicing each catchment should be separated and be apportioned to their respective catchments only.
Open space and community 	<ul style="list-style-type: none"> ▼ In greenfield developments these costs have only been apportioned to residential developments. ▼ Costs have been apportioned on a per person basis within the precinct, or across several precincts, consistent with the needs analysis of the area(s).

Transport infrastructure

- ▼ In North Kellyville (2011) and Box Hill (2015) we recommended apportionment using precinct populations for the cost of a bridge located on the boundary of the two precincts.
- ▼ Also in Box Hill (2015), we looked at employment land area to assess that it was reasonable to share the cost of a road with industrial area of CP11 Annangrove Road.
- ▼ In Riverstone & Alex Avenue (2015) our preferred apportionment was first on the basis of NDA between residential and non-residential development and then:
 - apportion per person for residential development, and
 - apportion on NDA for non-residential development.

Stormwater infrastructure

- ▼ In CP15 Box Hill Precinct (2015), we accepted that stormwater costs were driven by the size of the catchment area and therefore it was reasonable to apportion per hectare of NDA.

- ▼ In CP20 Riverstone and Alex Avenue Precincts (2015), we recommended that two basins shared with the Riverstone East Precinct should be apportioned based on the relative size of the stormwater catchment in both precincts.
- ▼ In CP24 Schofields Precinct (2014) and CP21 Marsden Park Industrial Precinct (2012), we considered it reasonable for the council to divide stormwater costs into different sub-catchments and apportion each sub-catchment's costs internally on an area basis. This recognised different stormwater needs for different sub-catchments and ensured that costs were equitably borne.
- ▼ In the Marsden Park Industrial Precinct (2012), we considered it reasonable that, where on-site stormwater quality measures were required, the costs apportioned to these developments should be discounted to reflect the extent of these facilities.

Open space and community infrastructure

- ▼ In the Box Hill precinct (2015), we recommended that the costs should be apportioned per person rather than on area because it was more equitable and better reflected how demand for open space is generated.
- ▼ In the Schofields Precinct (2014), we recommended that some residential areas in the precinct should not contribute to the cost of local open space infrastructure because they were located in a remote area.
- ▼ In the Balmoral Road Release Area (2011) and the North Kellyville Precinct (2011), we recommended that the **land** costs for a library be apportioned using the relative population estimates of the two precincts.
- ▼ In the Marsden Park Industrial Precinct (2012), we recommended sharing costs with the Marsden Park Precinct based on the relative residential populations, because most of the local open space infrastructure is in the adjacent Marsden Park Precinct.

Criterion 6: Appropriate community liaison

To apply this criterion, we require evidence that the plan has been exhibited and publicised and that submissions received during the exhibition period has been taken into account. The post-exhibition version of the plan should not differ so significantly from the exhibited version that it requires re-exhibition.

In the Box Hill Precinct (2015), significant increases in the base cost occurred without public consultation. We recommended that the plan be re-exhibited once changes requested by the Minister were made, so that stakeholders could comment on the changes.

Criterion 7: Other relevant matters

A recurring theme in our assessments is that councils should be transparent and consistent about their contributions plans. We have also examined whether the council has complied with the information requirements set out in the EP&A Regulation and the 2005 Practice Notes. We have made recommendations about:

- ▼ **Providing indicative contributions rates for selected types of dwellings.** We recommended that this be done for CP21 Marsden Park Industrial Precinct (2012).
- ▼ **Providing clarity about works-in-kind and offset provisions.** Significant infrastructure in CP24 Schofields (2014) was provided through a works-in-kind agreement, but it was

unclear on how the works would be credited. We recommended that guidance on council policy for works-in-kind be included in the plan.

Importance of quality assurance checks

Lastly, we recommend that councils undertake a quality assurance check of the contributions plan before submitting it to IPART. During our past assessments, we have found a number of administrative errors and inconsistencies in plans, which end up forming the basis for an IPART recommendation.

To help address this issue, IPART will provide an Excel spreadsheet template to councils to help standardise the essential data required by us for our assessment. This should also form a point of cross reference for the contributions.

These templates will also present essential information in a standardised form which will increase accessibility for all stakeholders.