

Contributions Plan Forum Q&A

29 July 2025

On 29 July 2025, IPART held its first Contributions Plan Forum, following our review of IPART's approach to assessing contributions plans. The purpose of establishing the forums is to provide stakeholders with more regular opportunities to engage with IPART on our role, processes and requirements for contributions plan reviews. Over 100 stakeholders attended the forum, including a range of NSW councils, industry representatives and other stakeholders.

During the forum, we agreed to publish questions and answers that were raised during the event. This document presents the questions that were asked during the forum as well as questions that participants raised through the registration process. Where appropriate, we have edited the questions to remove identifying information. We have provided answers and links to further information. We note that this is general information and guidance only and we encourage councils and other stakeholders to contact IPART for specific questions about your contributions plans and circumstances.

Table 1 Questions and answers raised during the Contributions Plan Forum

Question	Answer
If your section 7.11 plan proposes contributions for residential developments that are over the threshold, is it mandatory that they be reviewed by IPART?	Yes, the Ministerial Directions require that in order for a contribution under a section 7.11 plan to be charged above the threshold of \$20,000 per lot or dwelling (or \$30,000 where specified in the Ministerial Direction), the section 7.11 plan must be an IPART reviewed contributions plan.
How should councils determine whether to use section 7.11 contributions plans, section 7.12 contributions plans or special rate variations to fund infrastructure projects?	- Guidance on what can be funded through section 7.11 and section 7.12 contributions plans can be found in Department of Planning, Housing and Infrastructure (DPHI) practice notes. If you are seeking advice on whether to use section 7.11 contributions plans or section 7.12 contributions plans to fund local infrastructure, please contact DPHI's Local Infrastructure Team: infrastructure.contributions@planning.nsw.gov.au. - If you are developing a section 7.11 contributions plan with contribution rates above the thresholds set out in the Ministerial Directions please contact IPART: localgovernment@ipart.nsw.gov.au. - The Office of Local Government develops the guidelines for the preparation of an application for a special variation. More information can be found on our website. - If you are considering applying for a special variation, please contact IPART: localgovernment@ipart.nsw.gov.au.
A council is developing a new contributions plan for a new residential release area, likely to exceed the threshold. It also has an existing city-wide plan that excludes this new release area. Does IPART need to review both plans, or just the new release area plan?	- An existing city-wide plan needs to be assessed by IPART if it is a section 7.11 contribution plan which proposes contribution rates above the thresholds set out in the Ministerial Directions. - A new section 7.11 contributions plan for a new residential release area needs to be assessed by IPART if it proposes contribution rates above the thresholds set out in the Ministerial Directions.

	• If you are developing a new section 7.11 contributions plan with contribution rates above the thresholds or if your existing section 7.11 contributions plan is likely to exceed the thresholds, please contact IPART: localgovernment@ipart.nsw.gov.au. • IPART does not review section 7.12 contributions plans. • We encourage councils to contact the Local Infrastructure Team at DPHI infrastructure.contributions@planning.nsw.gov.au and our IPART Contributions Plan Team localgovernment@ipart.nsw.gov.au to discuss council's individual circumstances.
What does IPART do during its 6-month contributions plan assessment process?	• Our Information Paper sets out IPART's process for assessing contributions plans. • Our assessment includes reviewing the contributions plan against criteria set out in the Practice Note, consulting with stakeholders and preparing our report to the Minister.
What are IPART's expectations for engaging stakeholders in an intensively redeveloping established area where the active developers are not easily identifiable?	• Consultation obligations on councils preparing contributions plans are set out in the relevant legislation. • IPART also consults with stakeholders as part of its review of contributions plans. • If there are unique circumstances or concerns which affect the progression of your contributions plan, please contact our Contributions Plan team.
What is the best approach for councils to get IPART to consider real world costs vs benchmark costs in CPs?	• We outline our approach to assessing reasonable costs in our Information Paper. • We prefer councils to provide actual costs or cost estimates where they are available. We ask that councils provide evidence to support these costs. This evidence could be in the form of quantity surveyor reports, written cost estimates or evidence of actual costs. • We also consider comparative costs, for example where the council has undertaken equivalent works within the LGA.
Is the discount rate for net present value method the investment return? For example, bonds plus risk?	• Our current estimate of the local government discount rate is a typical council's cost of debt, calculated as the nominal risk-free rate plus a debt margin suitable for a borrower with a credit rating of A. • Our current methodology for calculating the local government discount rate is set out in our Technical Paper – Modelling local infrastructure contributions in a present value framework. • We are reviewing our methodology for calculating the local government discount rate.
How should councils determine future land acquisition costs and valuation estimates?	• We outline our approach to assessing land acquisition costs in our Information Paper. • Estimates may be based on individual valuations, or average values per square meter if actual valuations are not available. • Costs for land acquisition should include any additional costs such as contamination remediation costs, legal costs, just terms compensation costs. • Councils should provide an explanation of what costs are included and evidence such as valuations, contamination reports, or any other basis for determining costs, such as the basis for average costs.
How does IPART assess contingencies for land contamination?	• Our Benchmark costs for local infrastructure include a contingency allowance as a percentage of land acquisition costs that councils can apply to land valuations when determining the total cost. • We also outline our approach in our Information Paper, noting that councils should provide satisfactory supporting evidence to justify additional remediation costs to be included in the plan's land acquisition costs.

What is the difference between oncosts and plan administration? What activities can be funded through oncosts and plan administration? (e.g. staff costs?)

- As outlined in our [benchmark costs for local infrastructure report](#), oncosts are an allowance for overhead costs that are incorporated into the total cost of a single infrastructure item. Oncosts can include:
 - professional fees
 - authority fees, levies, and other statutory charges
 - internal staff costs
 - project specific insurance.
- The [IPART review of section 7.11 plans](#) Practice Note states that plan administration costs may include:
 - background studies, concept plans and cost estimates that are required to prepare the plan
 - project management costs for preparing and implementing the plan (such as employment of someone to coordinate the plan).

Are streetscape upgrade works, for example, main street upgrades in a Transport Oriented Development area, considered to be essential or non-essential works?

- The [essential works list](#) notes that land and facilities for transport (for example, road works, traffic management and pedestrian and cyclist facilities) are considered essential works.
- As outlined in our [benchmark costs for local infrastructure report](#), depending on the circumstances, road upgrades/ works may include footpath upgrades, signage and street trees and street lighting, bus shelters, footpaths / cycleways / shareways, pedestrian / cycle bridges, signals and pedestrian crossings are considered essential works.
- If you are unsure, please contact our Contributions Plan team: localgovernment@ipart.nsw.gov.au.

Does IPART consider Riparian embellishment works to be essential works in a new contribution plan?

- The [IPART review of section 7.11 plans](#) Practice Note states that land and works for environmental purposes such as bushland regeneration or riparian corridors are not defined as essential works for the purpose of IPART reviewed contributions plans. The only exception is where it can be demonstrated that the land or works in question serves a dual purpose. For example, the riparian embellishment also serves the purpose of stormwater or open space, as long as the proposed land or works are consistent with the essential works list.
- IPART considers whether the environmental works also meet the essential works criteria and base level embellishment for open space, transport or stormwater management.

Is strata space for community services land as an essential works item limited to 'cold shell'?

- The [IPART review of section 7.11 plans](#) Practice Note states that land for community services can include strata space within a building.
- The strata space will be considered and assessed on a case-by-case basis.
- We will use valuations and other evidence provided by council to determine the reasonable costs of acquiring land for community services within a building.

How does IPART assess embellishment of recreational facilities where there is reduced open space provision and higher demand usage?

- Councils can include base level embellishment of open space land in contributions plans.
- In the [IPART review of section 7.11 plans](#) Practice Note, base level embellishment of open space is defined as "work required to bring the space up to a level where it is secure and suitable for passive or active recreation."
- In our [Information Paper](#) we outline our approach to assessing base level embellishment.
- Councils should provide clear descriptions of the embellishments included in each local infrastructure item and ensure they do not include items that are excluded from the essential works list in the [IPART review of section 7.11 plans](#) Practice Note, such as skate parks.

Is there scope to increase the contributions thresholds?

- IPART is aware of stakeholders concerns about the current thresholds.

Does IPART consider housing affordability as part of its contributions plan assessment process?

- The thresholds are set out in the [Ministerial Directions](#) and any changes are therefore a matter for the Government. IPART does not have a role in making changes to the thresholds.

- Housing affordability is not part of the assessment criteria set out in the [Practice Note](#), however reasonable costs and community consultation are assessment criteria and we consider these criteria as part of our assessments of contributions plans.

Will IPART's role change under the new housing delivery targets and rezoning acceleration policies?

- IPART does not have a role in the new housing delivery targets and rezoning acceleration policies.