

# Contributions Plan Forum Q&A

3 March 2026

On 3 March 2026, IPART held 2 Contributions Plan Forum sessions, one for councils and one for other stakeholders. The commitment to hold Contributions Plan Forums follows our review of IPART's approach to assessing contributions plans. The purpose of 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 2 sessions, 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. 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 to contact IPART for specific questions about your contributions plan and circumstances.

Table 1 Questions raised during the Contributions Plan Forum

| Question   | Answer   |
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| <b>Session 1: Councils</b>   |  |
| <p>How does IPART consider estimations of land acquisition costs including just terms compensation for compulsory acquisitions in contributions plans?</p>                       | <ul style="list-style-type: none"> <li>• We outline our approach to assessing land acquisition costs in our Information Paper.</li> <li>• Councils may be required to pay just terms compensation under the <i>Land Acquisition (Just Terms Compensation) Act 1991</i> (LA Act) when acquiring land for local infrastructure in contributions plans. Where the costs of just terms compensation are likely to be incurred, councils may include these costs in contributions plans.</li> <li>• Estimates of land acquisition costs may be based on individual valuations, or average values per square meter if actual valuations are not available.</li> <li>• Costs for land acquisition should include any additional costs such as legal costs and just terms compensation costs.</li> <li>• 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.</li> </ul> |
| <p>Does the value of land or how it's assessed by IPART change if the acquisition is only for slices of land, such as for a road widening rather than for a whole allotment.</p> | <ul style="list-style-type: none"> <li>• We recognise that councils need to acquire land to provide essential infrastructure for new developments, and rezoning for these new developments may create fragmented lots.</li> <li>• We recommend that the value of the land should be estimated by a registered valuer and estimations should account for the use, zoning and site constraints.</li> <li>• We will consider these on a case-by-case basis, taking into consideration the methodology used to make those estimates.</li> </ul>  |
| <p>What is IPART's recommended approach for allocating a value to land zoned for environmental purposes?</p>   | <ul style="list-style-type: none"> <li>• As noted above, we outline our approach to assessing land acquisition costs in our Information Paper.</li> <li>• All land should be valued reflecting zoning, site constraints and use including whether the land is zoned for environmental purposes.</li> </ul>   |

Would IPART consider a higher allowance for land acquisition, over the usual 5%? What would be considered to justify a higher allowance.

- We generally suggest 5% as a land acquisition allowance to account for the additional costs to council of acquiring land.
- If a particular area requires a higher allowance, we would consider the evidence that the council provides to support the need for a higher land acquisition allowance.
- This would be considered on a case-by-case basis and we recommend that the council talk to IPART about this requirement prior to applying for an IPART review.
- While we have benchmarks for different contingencies and costs in a contributions plan, we do not expect them to be used rigidly, and we do consider special circumstances and other ways that councils might be able to demonstrate that a different cost or a different value is appropriate.
- The [Estimating infrastructure costs](#) module of the Practice Note states that contributions plans must be based on the [reasonable cost](#) of providing the [infrastructure needed by the incoming population](#). Accurately determining infrastructure costs helps demonstrate the reasonableness of the plan and can also reduce the risk of under collecting funds in a plan.

How will IPART address the ABS move to publishing monthly CPI rather than quarterly.

- IPART recognises that quarterly CPI is a legislative requirement across a number of industries.
- We will continue to monitor this to make sure that there are no unintended consequences for regulated entities or stakeholders and we will continue to engage with DPHI about any possible changes.
- We understand that the ABS will continue to publish quarterly CPI in addition to monthly CPI for the time being.

How are land value indexes (LVI) considered by IPART?

- We generally recommend that councils use a land value index rather than indexing using CPI, as they better account for changes in land prices.
- Our Information Paper sets out our approach to land value indexes in contributions plans.
- Approaches may include indexing contribution rates by:
  - an index of land or dwelling values developed by a property data provider on a city wide, local government area (LGA), or other geographic basis
  - an index constructed from precinct-specific land value appraisals undertaken on behalf of council
  - an index of unimproved land values published by the NSW Valuer General or constructed using NSW Valuer General data.

Creating an LVI is administration heavy. Can these administrative costs be accounted for in plan management rates above 15%?

- The 1.5% of total works costs for plan administration is an estimate of reasonable plan administration costs.
- However, councils can also submit itemised plan administration costs that may result in a higher percentage of works costs.
- IPART would consider the evidence to support these costs on a case-by-case basis as part of our consideration of reasonable costs.

Can strata space be leased under a contributions plan or only purchased.

- The [Local infrastructure contributions practice notes](#) published by DPHI set out [what can be funded through section 7.11 and 7.12 contributions](#).
- Local contributions can only fund the capital costs of new infrastructure and extending or augmenting existing infrastructure.
- We do not consider that contributions could be collected for the leasing of strata space under this framework.
- 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 are the timeframes for IPART review being reduced?

- 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.
- We have streamlined our internal processes as much as possible.
- We also consider that early engagement with councils helps councils prepare their application and helps IPART to ensure we have resources to complete the assessment. This makes the assessment process as efficient as possible.
- Our most recent assessment of Lane Cove Council's St Leonards South contributions plan took 10 weeks to complete and our assessment of the Hills Shire Council's Box Hill Contributions Plan took 14 weeks to complete.

Councils sought clarity about how to approach any contributions plan infrastructure items that are included in the [Infrastructure Opportunity Plans](#) published by DPPI.

- We recommend that the council includes the costs of infrastructure if it is applicable to the contributions plan if there is no other source of funding.
- If the council secures funding for that infrastructure from another source then it should be removed from the contributions plan.
- If there is no confirmed funding for infrastructure we recommend that councils include in the contributions plan.
- There is no obligation for you to remove anything from your contribution plan that is in an Infrastructure Opportunity Plan.

## Session 2: Other stakeholders

Does IPART have a preferred template or structure for Section 711 plans?

- IPART does not have a template for contributions plans. Councils can use any format, as long as the plan meets the regulatory requirements.
- There are several examples of contributions plans that we have previously assessed on our website.

What is the linkage between historical contribution levels and their inclusion or exclusion from Council long term financial plans and associated impact or on forecast capital works expenditures.

- This is not within the scope of IPART's review of contributions plans and we recommend engaging with the Office of Local Government or Local Government NSW to understand councils' practices.

Why are some types of facilities excluded from the essential works list?

- IPART is aware of stakeholders concerns about the essential works list.
- The essential works list is part of the practice notes published by the Department of Planning, Housing and Infrastructure.
- IPART does not have role in making changes to the essential works list.

Does IPART have a preferred approach or provide any guidance on land valuations for land acquisition items in contributions plans?

- 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 establishing costs.

Why have the caps on contribution rates not been indexed?

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

Can you provide some guidance on new public domain and streetscape works?

- The thresholds are set out in the Ministerial Direction and any changes are therefore a matter for the Government. IPART does not have a role in making changes to the thresholds.

Has IPART considered requiring councils to provide a program detailing the timing of infrastructure delivery, particularly for those considering considerable amounts of land acquisition,

- 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 cost 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](mailto:localgovernment@ipart.nsw.gov.au).

- IPART is required to assess whether the proposed infrastructure can be delivered within a reasonable timeframe when reviewing a contributions plan.
- To assess reasonable timeframes, we consider the delivery schedule of local infrastructure against the staging of new development and how the council has prioritised infrastructure delivery.
- Timing for infrastructure delivery can be expressed as a threshold being achieved or dates (or date range) for delivery.
- We understand the challenges councils face in balancing the timely delivery of roads, parks and stormwater for new communities and when the council receives the contributions to pay for them.
- We also understand the risks associated with delaying land acquisition when the cost of land is escalating.

Some precinct master plans and rezonings with detailed development uptake analysis are based on 20 to 25-year development time frames. Does IPART consider that a reasonable timeframe for contributions plans and work schedule?

- IPART is required to consider reasonable timeframes for the delivery of infrastructure within the length of the plan.
- We do not consider whether the length of the plan and overall timeframe for the development are reasonable because these matters are determined by the council and DPHI in the planning stage.