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Independent Pricing and Regulatory Tribunal
PO Box K35
HAYMARKET POST SHOP NSW 1240

IPART's review of its approach to assessing contributions plans

Thank you for giving us the opportunity to provide feedback on your November 2024 discussion paper, *Review of our approach to assessing contributions plans*.

In 2010, the NSW Government first asked IPART to help in implementing a new system for development contributions in NSW. This involved assessing council contributions plans where costs exceeded \$30,000 per lot/dwelling in greenfield areas and \$20,000 per lot/dwelling elsewhere (both amounts unadjusted for inflation). These thresholds remain unchanged in 2025.

Blacktown City Council, which manages 12 of the 16 growth precincts in the North West Growth Area, quickly submitted the first contributions plan for IPART's review in January 2011. With rapid population growth, we needed adequate funding to deliver essential local infrastructure without delay.

Over the past 13 years, we've submitted 12 contributions plans to IPART for assessment (including targeted assessments). With this experience, we are well-positioned to provide feedback on how we believe IPART can improve its processes for assessing contributions plans.

Since 1977, councils in NSW have been limited in raising funds due to rate capping. Although the infrastructure contributions system in NSW was created to help councils fund local infrastructure, numerous NSW Government policy changes over the past decade have led to significant funding shortfalls. These shortfalls make it difficult to deliver the local infrastructure needed for new communities and to address the current housing crisis. For example, Blacktown City Council faces a significant funding deficit for the North West Growth Area.

Despite following all Government rules and submitting our contributions plans to IPART for review, the Government still owes us \$250.1 million (plus inflation adjustments estimated to be around \$55 million) under the Local Infrastructure Growth Scheme (LIGS).

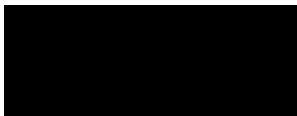
Adding to this problem, the Government determined to exclude community facilities including libraries, neighbourhood centres, and indoor aquatic centres from the "essential works list". For Blacktown City's North West Growth Area, this means residents won't have access to these critical facilities, which were recently valued at \$732 million by a quantity surveyor.

Submission on IPART's review of its approach to assessing contributions plans

Our full submission provides detailed responses to IPART's discussion paper questions and highlights other relevant issues.

If you would like any further information on this matter please contact our Manager Developer Contributions, Dennis Bagnall on [REDACTED].

Yours faithfully



Wayne Rogers
Acting Chief Executive Officer

1. What do you think could be improved about how IPART assesses contributions plans?

Assessment times

IPART's processing time for the 12 contributions plans (including targeted assessments) that we have lodged since 2011, from lodgement to Minister's report, averages 8 months¹.

We understand that IPART has a target a timeframe goal of a maximum 6 months to assess contributions plans. This target is rarely met.

Unfortunately, this is only part of the overall process time for an IPART reviewed contributions plan. The departmental process, set by the Department of Planning Housing and Infrastructure in its January 2020 Practice note² has meant that from lodging a contributions plan with IPART until Council can use the revised contribution rates averages 19 months.

At the time of lodgement however, construction costs and land values are already outdated. New or updated construction costs and land values need to be incorporated into a draft contributions plan before it is finalised. When finalised, the plan is normally reported to the Council, publicly exhibited for 28 days and then reported back to the Council to consider submissions. This adds another 6 months to the overall process.

In summary and based on previous assessments, the whole process on average has taken:


- 6 months – new or updated cost estimates to Council resolution
- 8 months - lodgement to IPART's report to the Minister
- 11 months – Minister's consideration and formal advice to Council
- 1.5 months - report to Council to contributions plan in force
- **26.5 months – overall average process time**

Recommendation

Allow an appropriate escalation factor when adopting a contributions plan after assessment by IPART and the Minister to ensure that the contribution rates reflect current costs as far as possible.

Failure to do this means that councils will never be able to fully fund the local infrastructure that their new communities need.

We appreciate that this review is limited to IPART's involvement in assessing contributions plans, but we consider it important to highlight the financial implications for councils when estimated costs in new or revised contributions plan become outdated during the assessment process because of lengthy process times.

 <https://www.blacktown.nsw.gov.au/Home/Industries/Local-Government/Local-Infrastructure-Contributions-Plans/Current-and-completed-assessment-of-plans>

² Process for assessing local infrastructure contributions plans – Secretary's Practice Note: Local Infrastructure Contributions | January 2020

Consistency

Councils need certainty that when a contributions plan is assessed and becomes an IPART reviewed contributions plan, that unless there is a government policy change, IPART's assessment on future reviews of that plan will not change.

Our experience with IPART assessments has shown that different IPART analysts or a different Tribunals can make recommendations that are inconsistent with previous recommendations of the same plan when the plan is submitted following a simple review.

When this happens, council's long-term financial decisions for infrastructure delivery, based on IPART's first assessment of the contributions plan need to be realigned to deliver (or not deliver) infrastructure.

Recommendation

To provide certainty for councils, IPART should carefully and consistently consider previous recommendations made so that councils are able to financially plan with certainty.

2. [Do you support using a suitable land value index to update land costs in your CP? Is there any other guidance about our assessment of land acquisition costs that would support your preparation of CPs?](#)

Use of a suitable land value index

We support using a suitable land value index (LVI) to update land costs in contributions plans.

The Environmental Planning and Assessment Regulation (Section 212 (2)(b)) allows a council to include land value indices within a contributions plan (although not specifically mentioned), provided the index is published quarterly or annually, and is readily accessible.

The Consumer Price Index (CPI) is used as an example in the Regulation and is recommended by the Department of Planning, Housing in Infrastructure as a suitable index for contributions plans. However, The CPI does not measure the rise in land value costs, particularly in a greenfield or growth context. It is non-volatile and does not assist councils.

The CPI measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of expenditure by the CPI population group (i.e. metropolitan households). This 'basket' covers a wide range of goods and services, arranged in the following eleven groups:

- Food and non-alcoholic beverages
- Alcohol and tobacco
- Clothing and footwear
- Housing
- Furnishings, household equipment and services
- Health
- Transport
- Communication

- Recreation and culture
- Education
- Insurance and financial services.

As such, we introduced a new bespoke unimproved LVI for the North West Growth Area (NWGA) when we lodged revised CP24 - Schofields Precinct with IPART in 2022.

The index, produced and published quarterly by Corelogic on its website, was endorsed by IPART and will now be used in all of our NWGA contributions plans to better reflect rising land values.

Other guidance about IPART's assessment of land acquisition costs

IPART states in its discussion paper that its current approach to assessing land costs differs between land that is already acquired, and land that has yet to be acquired. For land already acquired, it considers the indexing that land by the CPI, is reasonable as **required** by the Environmental Planning and Assessment Regulation 2021 (the Regulation).

However, Section 212 (2) (b) of the Regulation only uses the CPI as an **example**:

- (2) If a contributions plan authorises the imposition of a development levy condition, the plan must contain—
 - (a) the percentage of the development levy for each type of development, as specified in a schedule to the plan, and
 - (b) the method, if any, of adjusting the proposed cost of carrying out the development, after being determined by the consent authority, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan between the day of the determination and the day by which the levy must be paid.

Example —

A contributions plan may adopt the Consumer Price Index.

The Regulation does not **require** the use of the CPI.

It follows that *land that is already acquired* is not by restricted by indexation by the CPI and that a readily accessible index like a LVI can reasonably be used to reflect quarterly or annual variation in land values.

Recommendation

IPART should consider the use a suitable land value index to update land costs for **both** the land that is already acquired, and land that has yet to be acquired in a contributions plan. We would welcome the opportunity to provide input on how this index would be calculated

Land contamination contingency

IPART's discussion paper does not address land contamination contingency costs specifically and is not addressed adequately in the Genus Advisory report.

When we acquire Section 7.11 land, a condition of sale is for the vendor to provide a suitable site audit certificate or validation report that the land is free

from contamination. If the vendor cannot produce this certificate, we can negotiate a reduced valuation.

Notwithstanding, this only reduces the risk of contamination, it does not eliminate it.

When we compulsorily acquire land and cannot reach agreement within the prescribed time, the valuation progresses to the Valuer General or if not resolved, to the Land & Environment Court.

The risk for councils and what actually happens is that the council loses control of mitigating the risks and costs of contaminated land by different approval source. In our experience this has led to acquisition costs that are far in excess of those in the relevant contributions plan.

Recommendation

We recommend that IPART look at this matter separately as the material risk to under collecting contributions for land acquisition is a major contributing factor to contributions plans not meeting the real cost of providing infrastructure.

We also recommend that a suitable land contamination contingency be considered for contributions plans to de-risk the potential for land acquisitions to 'blow-out' from what is allowed for in a contributions plan.

We would be happy to discuss this further with IPART.

3. Do you support IPART using Urban Development Program growth forecasts as the agreed measure for population forecasts when assessing contribution plans?

While we support in-principle the alignment of population forecasts across State agencies through the Urban Development Program (UDP), we have significant concerns about its implementation that need to be addressed before it can serve as the agreed measure for population forecasts in contributions plans. These issues are discussed below

Key Issues:

Data Source Clarity

The UDP comprises multiple datasets (NSW Population Projection, Sydney Housing Supply Forecast, completions data, and greenfield snapshot). Each dataset has different methodologies, timeframes, and limitations that could significantly impact infrastructure planning outcomes. Given the framing of this question under 'Population Growth', this implies that IPART is proposing to use the NSW Population Projection. However, this is not clear. IPART must specify which dataset will be the standard for contributions planning.

Population Projection Concerns

The NSW Population Projections lack transparency in their methodology and has demonstrated volatility. For example, projections for the Blacktown Local Government Area (LGA) to 2041 increased by 71,109 people between the previous population projection and the new projection prepared in November

2024, far exceeding the stated 4% margin of error for Greater Sydney. This volatility creates significant challenges for long-term infrastructure planning.

As an organisation, Blacktown City Council utilises the population projection prepared by Forecast.id in conjunction with Council when undertaking resource and infrastructure planning for the future. Over the years, there has been less volatility in this data source.

The current difference between Forecast.id and NSW Population Projection for the Blacktown LGA (as at November 2024) to 2041 is 22,839 people (4% difference). This falls within the acknowledged margin of error identified by the NSW Government.

Data Limitations

If the Sydney Housing Supply Forecast component of UDP is used, several critical limitations would affect infrastructure planning:

- it excludes a significant range of dwelling typologies (secondary dwellings, boarding houses, seniors living developments, etc.)
- it is limited to a 6-year projection timeframe, insufficient for long-term infrastructure planning
- it systematically underestimates development density in growth areas
- it relies on incomplete dwelling completion data through Sydney Water connections.

Recommendations:

1. If IPART mandates UDP alignment, we strongly recommend using the NSW Population Projections rather than the Housing Supply Forecast to ensure comprehensive population coverage. The UDP interface does not currently host the NSW Population Projections, and instead links to a separate 'Population explorer'. If this is the data that is to be used, the pathway must be made clear on the UDP that this is the preferred data. We also note that the UDP applies only to Greater Sydney. As such, it would be preferable for IPART to refer to the NSW Common Planning Assumptions (rather than the Urban Development Program) and specifically the NSW Population Projections, which apply across the state.

IPART should maintain flexibility by allowing councils to use alternative population projections where they can demonstrate:

- robust and transparent methodology
- integration of local knowledge and development patterns
- demonstrated accuracy in previous projections
- regular updates reflecting changing conditions
- variances within acknowledged margins of error (2-4%).

This flexible approach would allow councils to utilise the most appropriate and accurate data for their local context while maintaining the rigour and accountability that IPART seeks in its assessment of contribution plans.

2. The NSW Government should implement a standardised methodology for infrastructure funding calculations that accurately accounts for total future population needs, not just market-rate dwellings, and ensures transparency in its assumptions and processes.
3. Any alignment with growth forecasts needs regular scrutiny that the projections are robust and reliable. The NSW Government should maintain a watching brief on international best practice.

A more detailed analysis of these issues and supporting evidence is provided in attachment 1.

4. [Do you have any feedback on our proposal to provide guidance to councils on our assessment of reasonable timeframes in CPs?](#)

The *Environmental Planning and Assessment (Local Infrastructure Contributions – Pooling of Contributions) Direction 2020* issued by the Minister for Planning and Public Spaces requires councils to pool contributions collected from their various contributions plans:

(1) If a local council holds monetary contributions that have been paid for different purposes, including for purposes identified in more than one contributions plan that applies in the local government area concerned, the council is to endeavour to pool those contributions, and apply them progressively, in order to facilitate the provision of the public amenities and public services to which any of those contributions plans relate.³

As such, councils pool the contributions plan revenue, including revenue from IPART reviewed contributions plans, and to *facilitate the provision of the public amenities and public services*, deliver local infrastructure in their LGAs that is prioritised. This can often be at odds with 'indicative' timeframes for delivery set out in contributions plans.

Section 212 (1) (g) of the Environmental Planning and Assessment Regulation 2021 requires a works schedule that contains an estimate of the cost and staging of the public amenities and public services, whether by reference to dates or thresholds.

However, staging delivery can change over the life of a contributions plan depending on multiple factors including 'fast-tracking' delivery of a prioritised item using revenue from another contributions plan or plans. This can make it almost impossible in some circumstances to meet the indicative public timeframes in one individual contributions plan.

Recommendation

³ <https://www.blacktown.nsw.gov.au/sites/default/files/2023-03/epaa-local-infrastructure-contributions-pooling-of-contributions-direction-2020.pdf>

IPART should note this when it assessing individual contributions plans and giving its opinion of whether the indicative timeframes are reasonable.

Any guidance given to councils on its assessment of reasonable timeframes in CPs should take this into account.

5. [Do you have any feedback on our proposal to develop guidance on how we identify and assess the Practice Note criterion 'other relevant matters'?](#)

IPART's discussion paper refers to councils considering a 'community's specific characteristics and needs' when determining the level of infrastructure funded by a contributions plan.

However, this is somewhat at odds with government policy that disregards a community's specific characteristics and needs by restricting those needs to an 'essential works list'.

Currently, Section 7.11 contributions plans need to establish a nexus between the expected types of development in an area and the 'demand' for 'public amenities and services' to meet development related infrastructure. This is a key principle underpinning Section 7.11.

Community's specific characteristics and requirements can change over time and councils need to be able to address evolving community expectations. Apart from greater tree cover and reflective road surfaces (cited in the discussion paper) other examples include but not limited to:

- male and female change rooms
- referee facilities
- playground shade sails
- lux lighting for training
- toilets that are larger than standard accessible toilets which provide people with disability and high support needs access to suitable, safe, and private bathroom facilities

Recommendation

Although IPART regulate contributions plans by applying the essential works list, we consider that IPART should advocate for the inclusion of infrastructure on that list to meet s community's specific characteristics and needs.

Communities in different areas may have different expectations of the type and level of local infrastructure they may need.

6. [Are there any other areas of IPART's assessment of contributions plans that you would like guidance on?](#)

Councils prepare Section 7.11 contributions plans that satisfy legislative requirements. A Section 7.11 IPART reviewed contributions plan template designed by IPART, may assist councils in understanding IPART's expectations and if used, accelerate the assessment process.

Recommendation

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It would be useful for IPART (with input from the DPHI) to design a non-mandatory Section 7.11 contributions plan template, specifically for IPART reviewed contributions plans.

7. Do you support our proposal for IPART to convene regular forums about our CP assessment process? Should these be separate forums for councils and developers?

We support this proposal and believe the forums should be open to councils and developers.

8. Would you support IPART holding a stakeholder workshop on the CP when we receive the council's plan for assessment?

We would support a workshop with the applicable council, IPART and the DPHI, but not with other stakeholders. Other stakeholders already have the opportunity to provide submissions to councils on the draft contributions plan when it is publicly exhibited and then, when IPART's draft report is published on its website. Reopening consultation would cause confusion and frustration with the process.

The stakeholder workshop should not unnecessarily extend the assessment process.

9. Would you support IPART inviting submissions on the CP as soon as we receive the council's plan for assessment in addition to submissions on our draft reports?

No. Councils already forward copies of submissions, or issues raised in submissions from the public exhibition of the draft contributions plan, when it submits its contributions plan to IPART for assessment.

IPART then considers whether the council's response to the submission/s or the matter/s raised in the submission/s is reasonable.

10. Do you support a performance-based approach to assess nexus for open space, consistent with the Draft Greener Places Design Guide?

We do not support solely adopting a performance-based approach to assess nexus for open space.

Listed below are some of the risks that should be considered by IPART, if it intends to rely solely on a performance-based approach in evaluating open space plans and contributions plans.

The draft Greener Places Design Guide's performance-based approach aims to *'allow greater flexibility and encourage innovation in planning, more efficient use of land for recreation and focus on quality of the outcome rather than just a quantity.'*

Risks of a Solely Performance-Based Approach:

Potential misuse by developers:

The flexibility of non-quantified, performance-based metrics can allow some property developers to take advantage of ambiguities, potentially delivering

substandard outcomes while claiming adherence to vaguely defined quality benchmarks. This could undermine public confidence and lead to inconsistent open space standards.

Ambiguity and lack of industry endorsement:

- the draft Greener Places Design Guide (2020) remains not endorsed and still a draft, as it provides only general descriptions without defining how terms like 'efficient' and 'quality' should be interpreted and quantified or who determines these standards. This ambiguity leaves the approach vulnerable to inconsistent application and subjective interpretation
- there is no evidence substantiating the claim that the 2.83 hectares per 1,000 people spatial standard is less effective than the performance-based approach. Feedback from Blacktown City Council in 2020 to NSW Government suggested combining both spatial standard and performance-based methods for better outcomes.

Inconsistent application and equity issues:

- the lack of a spatial metric complicates IPART's ability to review Contributions Plans, making it challenging to determine consistent open space requirements across Local Government Areas. This could result in reduced open space and inequitable outcomes for residents, in both greenfield and infill areas
- the absence of clear, consistent measures risks damaging IPART's reputation for fairness and transparency, creating confusion within the industry.

Funding and implementation gaps:

- the draft Greener Places Design Guide fails to address funding mechanisms necessary to upgrade existing open spaces or create new open spaces to meet 'quality' performance-based indicators
- current Contributions Plans lack sufficient funding to achieve 'quality' upgrades, leaving Councils with limited options to replace ageing park assets or deliver new parks for community
- the definition of public open space in the draft Greener Places Design Guide conflicts with the NSW Government's Practice Note - Local Infrastructure Contributions (2019). The Essential Works List limits developer-funded contributions to 'base-level' land embellishments, making the performance-based approach incompatible without updates to funding policies.

Policy and practical inconsistencies:

- the *Essential Works List* was introduced in 2010 by the Government to essentially lower developer contributions in greenfield areas. However, by only allowing 'base level embellishment' it excludes open space elements critical for higher-density infill areas
- without alignment between the *Greener Places Design Guide* and current funding policies, implementation becomes impractical.

Recommendation

To address these concerns, we recommend that IPART:

- provide clear, measurable definitions for open space "efficiency and quality"
- use a hybrid approach that combines spatial and performance-based standards
- advocate to the DPHI to update the *Essential Works List* to align with the *draft Greener Places Design Guide* with its emphasis on high-quality outcomes
- consider funding mechanisms and partnerships to support open space delivery.

11. Do you have any feedback about the list of local infrastructure benchmarks? Are there any other infrastructure items that you think should be included?

The list of local infrastructure benchmarks at a minimum should include all items from the contributions plans that IPART has assessed to date.

12. Do you have any feedback about the updated draft individual infrastructure benchmarks?

We engaged a quantity surveyor to independently review the benchmarks. Their assessment is provided as an attachment for IPART's assistance.

13. Do you have any feedback on our proposal to adopt the updated draft benchmarks for individual local infrastructure items?

We support the adoption of updated draft benchmark costs in-principle. However, we note from reviewing IPART's assessments of other councils' contributions plans that IPART disputed the utilisation of its own benchmark costs. This only creates confusion and uncertainty for councils.

14. Would our updated individual infrastructure benchmarks be useful to you in preparing your contributions plan, particularly at an early stage?

Yes. If the costs are suitable, we could align IPART's benchmarks with our own QS costs which may accelerate the preparation and assessment process.

15. Do you have any feedback about the draft aggregate benchmarks?

If reasonable draft aggregate benchmarks assist in reducing assessment times for contributions plan they are supported.

16. Do you have any feedback on using the draft aggregate benchmarks to assess reasonable costs in a CP?

As above.

17. Do you have feedback on the methodology used to develop the draft aggregate benchmarks?

If IPART are to adopt the draft aggregate benchmarks they should be adjusted annually (at a minimum) by a subsequent report that keeps pace with the volatility of the market.

18. Would you be willing to provide works schedules or other relevant information to us to support the development of our aggregate benchmarks?

We have a professional and collaborative relationship with IPART and would be happy to share any information that could be of assistance.

Attachment 1 – Concerns with utilising Urban Development Program for population

We are supportive in-principle of IPART aligning with other State agencies in utilising the NSW Common Planning Assumptions for population projections, to ensure all State agencies are using the same data. However, we have several key concerns about the proposal to align to the Urban Development Program (UDP):

- The UDP comprises multiple data sets (Population Projections, Housing Supply Forecast, completions data, and greenfield snapshot), and it is not clear which specific data set IPART proposes to utilise
- The NSW Population Projection methodology lacks transparency in how its data is compiled and why it routinely varies from ABS population projection data
- The Sydney Housing Supply Forecast and Completions data on the UDP does not accurately reflect on-ground development, particularly for certain dwelling types
- The UDP's 6-year projection timeframe is insufficient for long-term infrastructure planning needs
- There are significant gaps in the types of dwellings captured in UDP data, potentially underestimating future infrastructure needs

These concerns need to be addressed to ensure accurate and comprehensive planning for future infrastructure needs.

Clarity is needed on Urban Development Program data sources and preferred source for contributions planning

We are supportive in principle of having a centralised data source for State agencies, and councils to plan to such as the UDP. We note that the UDP focuses on Greater Sydney, and collates a range of data sources, including:

- the NSW Population Projections
- the Sydney Housing Supply Forecast
- housing completions data
- a greenfield snapshot, informed by the DPHI Greenfield Audit.

As such, the proposition for IPART to utilise the UDP is not clear which data set this will use. It is implied that the population projection will be used but this must be clarified. The implications of not specifying which UDP data source will be used for contributions planning are as follows.

- Different data sources within the UDP could lead to significantly different planning outcomes. For example, planning based on Housing Supply Forecast data (which excludes many dwelling types) versus Population Projections could underestimate future infrastructure needs.
- The timeframes of different UDP data sources vary considerably - from the 6-year horizon of the Housing Supply Forecast to the longer-term NSW Population Projections. This creates uncertainty about the appropriate planning timeframe for contributions plans.

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- Infrastructure planning requires long-term population forecasts to ensure adequate provision for future communities. Using shorter-term housing supply data could result in infrastructure shortfalls.
- The varying methodologies and exclusions in different UDP data sources mean that councils cannot properly assess the suitability of the data without knowing which source will be used. For instance:
 - the Housing Supply Forecast excludes several housing types that contribute to population growth
 - the completions data is based on Sydney Water connections which excludes certain dwelling types
 - the Population Projections provide total population but may not reflect local development patterns. This provides a challenge when creating localised contributions plans.
- Contribution plans need to be based on consistent, reliable data sources that account for all future infrastructure users. Without clarity on which UDP data source will be used, we cannot ensure our contributions plans will adequately provide for future community needs.

Concerns with NSW Population Projections

As an organisation, BCC utilises population projections provided by Forecast.id, which develops projections using ABS data combined with local assumptions developed in collaboration with Council. This approach offers several advantages:

- clear, documented methodology available on the Forecast.id website
- integration of local knowledge and development patterns
- consistent year-on-year projections
- greater transparency of assumptions made

By contrast, there is limited transparency in how the NSW Population Projection data is compiled and why it routinely varies from ABS population projection data. The NSW Government's 'Methods and Assumptions, 2024 NSW Population Projections' document acknowledges certain margins of error:

"We review projections every 5 years against Census results and final population estimates from the ABS. The margin of error for the projections at 20 years has been:

- plus or minus 2% at the NSW level
- plus or minus 3% for regional NSW
- plus or minus 4% for Greater Sydney."

Comparison of Current Projections

As shown in Table 1, the current difference between Forecast.id and NSW Population Projection for Blacktown LGA to 2041 is 22,839 people (4% difference). This falls within the acknowledged margin of error for Greater Sydney.

Table 1 – Population projections by various source, November 2024		
Forecast year (ending June 30)	Forecast ID Total population	*DPI LGA Projected population totals 2024

2041	540,511	563,350
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Historical Variation in Projections

The volatility of the NSW Population Projections is demonstrated by their recent update in November 2024. Table 2 shows the previous projection from July 2024, revealing a variation of 71,109 people - significantly exceeding the stated 4% margin of error.

Table 2 – Population projections by various source, as at July 2024		
Forecast year (ending June 30)	Forecast ID Total population	*DPHI LGA Projected population totals
2041	540,511	492,241

This significant variation in official projections within just four months highlights the importance of using consistent, reliable population data for infrastructure planning purposes.

Issues with Sydney Housing Supply Forecast data accuracy

We have significant concerns about the accuracy of UDP data and its ability to reflect on-ground development patterns. A key issue is the lack of clarity about whether IPART proposes to use NSW Population Projections or the Housing Supply Forecast within the UDP.

The DPHI prepares the Sydney Housing Supply Forecast for the UDP. The 2023 Sydney Housing Supply Forecast – Methodology document states that “the forecast is an estimate of the number of new dwellings that will be built under current zoning and planning controls, announced strategic precincts and planning proposals with gateway approval.” This highlights that the forecast is based on legislated and planned changes to planning controls. This does not include strategic work being undertaken by councils such as master planning. Whilst this aligns with the process for preparing contributions plans, there are other concerns regarding the data itself.

We strongly recommend using NSW Population Projections rather than dwelling numbers from the Housing Supply Forecast for the following reasons:

1. Significant Dwelling Type Exclusions

A major limitation of the Housing Supply Forecast is its failure to account for numerous housing types in its projections. The forecast excludes secondary dwellings, boarding houses, co-living housing, student accommodation, group homes, and various forms of seniors living developments including retirement villages, hostels, and aged care facilities. It also omits housing for people with a disability and manufactured housing estates. These significant exclusions create substantial gaps in understanding future housing supply and population growth, particularly as many of these housing types form an important component of our local housing stock.

2. Limited Planning Timeframe

The Housing Supply Forecast currently provides only a 6-year projection period extending to 2028/29. This short-term view is fundamentally inadequate for

contributions planning, which requires long-term population forecasts to properly plan and fund infrastructure delivery. The misalignment between the forecast's limited planning horizon and the longer-term infrastructure needs of growing communities creates significant challenges for effective infrastructure planning and delivery.

3. Underestimation of Development Density

A significant concern is the systematic underestimation of development density in the Housing Supply Forecast. DPHI calculations for North West Growth Area precincts are based on minimum dwelling density standards rather than actual delivery patterns. Both BCC's internal research and the DPHI Greenfield Audit 2023 demonstrate that actual development density consistently exceeds these minimum standards. This approach leads to a systematic underestimation of future population, potentially resulting in inadequate infrastructure provision for our growing community.

4. Impact on Infrastructure Planning

These combined limitations mean the Housing Supply Forecast cannot provide accurate guidance for future infrastructure needs. BCC's Local Housing Strategy provides a more comprehensive and accurate view of housing needs and types for our area, incorporating all housing types and more realistic density projections. Effective infrastructure planning requires consideration of all housing types and accurate density projections to ensure adequate provision for future communities. Without this comprehensive approach, there is a risk of underestimating future infrastructure needs and creating potential shortfalls in infrastructure provision.

Issues with UDP Completions data accuracy

The current approach to tracking housing completions in the UDP raises significant concerns about data accuracy and comprehensiveness. The UDP relies on Sydney Water connection data, which only captures net completions - the additional dwellings above existing stock - rather than total dwellings. This methodology creates uncertainty, as there is no clear base dataset against which these net additions are added to. More importantly, the reliance on water connections means that many dwelling types are systematically excluded from the count. While the UDP acknowledges the exclusion of secondary dwellings and some dual occupancies, this may also include other typologies, including those not accounted for in the Housing Supply Forecast such as secondary dwellings, boarding houses, co-living housing, student accommodation, group homes, and various forms of seniors living developments such as retirement villages, hostels, and aged care facilities. This significant undercounting means the UDP completions data fails to accurately reflect the true number of dwellings being delivered or the actual population growth creating infrastructure demand.

A significant change is proposed under the National Housing Accord, which proposes to standardise dwelling completion tracking across all states and territories using ABS completion data. However, the UDP has not yet incorporated this new data source, and it is not clear what the actual ABS data source is for this data. Currently the UDP does

also track Building Approvals data collected by the ABS, however not all building approvals progress to completion.

The transition to ABS data is likely to substantially impact how dwelling numbers are counted in local areas and could significantly alter the baseline that has been used for planning in Greater Sydney. This change highlights the current limitations of the UDP data and raises questions about its reliability for infrastructure planning purposes.

Further uncertainty surrounds the integration of the DPHI Greenfield Audit into the UDP. While this audit is listed as a data input, there is no transparency about its methodology, frequency, or how its findings are incorporated into UDP updates. This lack of clarity about such a significant data source further undermines confidence in the UDP's ability to reflect development patterns and housing delivery accurately.

Changing population and dwelling patterns

Population dynamics and housing needs in our community are evolving significantly, a trend that is evident across all data sources including ABS, NSW Population Projections, and Forecast.id. Shifting demographic patterns, changing household formations, and evolving housing preferences are reshaping our residential landscape. This transformation is reflected in varying household sizes, different family structures, and diverse dwelling requirements across Blacktown City.

The complexity of these changes means that (in addition to the issues identified above) dwelling projections are increasingly unreliable as a basis for infrastructure planning. These demographic and social changes make it crucial to focus on population projections rather than dwelling numbers when planning for infrastructure needs. Population-based planning provides a more accurate foundation for understanding future infrastructure demand, as it directly reflects the number of people who will use and rely on community facilities and services. This approach better accounts for varying household sizes and changing patterns of dwelling occupation, ensuring infrastructure planning aligns with actual community needs rather than just building numbers.

Consistent methodology needed for infrastructure planning across government

Blacktown City Council regularly seeks grant funding to deliver critical and enhanced infrastructure for our communities. However, we have observed significant inconsistencies in the methodologies used across various grant programs, particularly in how they account for future population projections.

A key concern is the current reliance on dwelling numbers as a metric. As discussed previously, the Sydney Housing Supply Forecast's dwelling calculation (utilised by the NSW Department of Planning, Housing and Infrastructure for infrastructure funding) does not fully capture the diversity of dwelling types, nor accurately reflect future population demands on infrastructure. While grant programs typically request data on the number of dwellings that will be served by new infrastructure, we find that the NSW Government's dwelling projections consistently underestimate both current and future housing delivery in our area. Specifically, the Department of Housing and Infrastructure's calculations fall below our verified on-ground completion rates and do not comprehensively account for planned future developments.

Given these discrepancies, we advocate for the establishment of a standardised methodology across all levels of government for calculating infrastructure funding. This methodology should:

- account for the total future population expected to utilise the infrastructure beyond market dwellings
- provide transparency in its underlying assumptions and calculations
- ensure consistency across all government grant programs.

This standardised approach would enable more accurate and equitable infrastructure planning that truly meets our community's future needs and would allow for greater transparency and equity in how infrastructure funding is determined and allocated.

Recommendation

If IPART implements a new standard that requires alignment with the UDP, it will be important to clarify whether this will be calculated against the NSW Population Projection or the Sydney Housing Supply Forecast. We strongly recommend that the NSW Population Projection be utilised, not the Sydney Housing Supply Forecast. This will ensure that we plan for the whole population that may be utilising infrastructure in the future.



Jf: 41847

15th January 2025

Dennis Bagnall
 Manager Developer Contributions
 Blacktown City Council
 PO Box 63
 BLACKTOWN NSW 2148

Dear Mr Bagnall,

RE: REVIEW OF DRAFT GENUS ADVISORY BENCHMARK COSTS FOR LOCAL INFRASTRUCTURE

As per your request, I have reviewed the Draft Genus Advisory (GA) Benchmark Costs for Local Infrastructure, dated 12 November 2024 and reply as follows:

GA's Site Constraint Factor percentages are appropriate for high level benchmark estimating where no details exist to determine costs. If details for projects exist then projects should be estimated in detail to calculate costs.

GA's Council On Cost percentages are appropriate for the majority of high level benchmark estimating where no details exist to determine costs. If there are complex projects, that are high in cost, then a higher on cost percentage than indicated [REDACTED] count for likely increases. For example, if a stormwater [REDACTED] road requires upgrading and the cost is over \$5M, then on [REDACTED] % are likely. If this is the case, then Council should adjust the [REDACTED].

The Contingency Table 6 should be amended as follows, to clearly state the intended percentages as per the examples provided on pages 14 to 16 of the report.

Description	Planning Phase	Design Development	Construction Phase
Transport	40%	25%	10%
Stormwater	35%	20%	10%
Open Space Embellishment	30%	20%	10%

The current percentages indicated in Table 6 do not indicate that the total contingency at Planning and Design Development Stages is an accumulation of all subsequent stages.

The road rates for new local roads, new half width local roads, new collector roads, new half width collector roads, new sub-arterial roads, new industrial roads are generally suitable for large greenfield development contribution plans, however these should be adjusted to include for the following if required:

- a) Demolition, clearing and disposal of rubbish left on land from previous owners;
- b) Clearing heavy vegetation;
- c) Likely requirement of 200 to 350mm crushed sandstone or select fill subgrade replacement for Blacktown Council areas as this is typically required on reactive clay material that is predominate in the Blacktown municipality;
- d) Increased rates if smaller amounts of work are being delivered due to reduced productivity;
- e) Increased rates of projects are being delivered in stages due to fragmented land ownership;
- f) Remediation including the disposal of general solid waste and contaminated material off-site and the replacement with suitable fill;
- g) Demolition and removal of redundant infrastructure to deliver new works;
- h) Requirement to import or dispose fill due to existing site constraints as the balance cannot be integrated into the design process;
- 1) Increased cut to fill for steep sites and sub-arterial roads, due to width and pavement depth, as an average cut to fill amount of 500mm/m² has been used for roads. The allowance of 500mm cut/fill balance is the same for all roads. Typically, as road specifications increase and become wider, more earthworks would be required. If 500mm is included for local roads, 650mm should be included for collectors and 730mm for the sub-arterial (excluding 2m median) based upon a width apportionment basis.
- i) Increased stormwater allowances for roads at the lower catchment areas due to increased pipe and pit sizing;
- j) Undergrounding, relocation and protection of existing utility infrastructure;

- 2) Installation of street trees larger than 45 litres. 45 litre street trees are smaller than typical requirements for most councils. Tree sizes are generally being increased to offset heat island effects being generated in new developments. It is not clear if root barriers, planting zones, stakes, surrounds and edges are included.
- k) Noise walls and sound attenuation if required adjacent dwellings in rezoned land;
- l) Additional design and coordination costs.

New local roads only include 1 x 1.5m wide footpath. Typically, new local roads in Blacktown areas have 1.5m wide footpaths on both sides due to the relatively high density of development.

Sub-arterial road design does not include for a medians. Medians should be included to split the trafficable lanes and allow for turning lanes into streets and intersections.

Industrial Roads exclude footpaths to either side of the road. Industrial developments typically have paths on at least one side to promote pedestrian access.

The new rural road rate is higher than some specifications, however the bases included for this road are thicker than local road specification.

GA have included lower rates for upgrading roads compared to their rates for new roads. Their description of work is not clear, however I assume the reason for very low rates is due to the fact they have only allowed for widening existing roads to required specifications. The road rates for upgrading local roads, collector roads and sub-arterial roads are not suitable for typical roads included in Blacktown Council Contribution Plans due to the following reasons:

- a) Existing pavements are not likely to meet revised road specifications and will be demolished in lieu of being milled and resheeted. Therefore, all upgrade rates should be higher than new roads constructed in a greenfield environment;
- b) [REDACTED] and disposal of rubbish left on land from previous owners;
- c) [REDACTED] of 200 to 350mm crushed sandstone subgrade replacement for Blacktown Council areas as this is typically required on reactive clay material that is predominate throughout the Blacktown municipality;
- d) Generally work is not as productive on brownfield sites when compared to greenfield subdivisions resulting in higher comparable rates;
- e) Likely requirement for additional demolition and remediation including the disposal of general solid waste and contaminated material off-site and the replacement with suitable fill;

- f) Demolition, removal and realignment of existing infrastructure to deliver new works. GA have not allowed for utility relocation or undergrounding. Utility relocation is hard to price without details, however all upgraded roads would typically require an allowance due to alignment changes and the requirement to maintain existing and install new services off the new alignment to ensure correct placement of conduits and pipes are adhered to in accordance with authority requirements.
- g) Scope increases to tie-in with existing infrastructure;
- h) Temporary scope of works to allow for staging;
- i) Requirement to dispose or import fill due to existing site constraints as the balance cannot be integrated into the design process;
- j) Modification and adjustment of adjacent impacted properties;
- k) Noise walls and sound attenuation of adjacent dwellings;
- l) Out-of-hour work requirements;
- m) Maintaining property access during works;
- n) Traffic and pedestrian management;
- o) Temporary works including diversions to deliver transport and stormwater infrastructure
- p) Additional preliminary, margin and cost escalation associated with prolonged delivery programmes;
- q) Additional design costs, coordination costs and costs associated with community consultation and design amendments.

[REDACTED] have decreased since the previous Cardno 2021 benchmark [REDACTED] clear what scope has changed or what has been included in [REDACTED] however the costs for upgrading are undervalued to a large extent and could not have decreased if similar scope to Cardno have been assumed.

Only one new 2.5m wide shared way has been included on the proposed collector road upgrade rate. Typically, an additional 1.5m footpath would be required as older roads would not have a footpath or have a 1.2m wide footpath.

New street trees have not been included in road upgrades. Trees need to be included as roads will be upgraded to new alignments. Existing will need to be removed and replaced with new.

Signalised and roundabout intersections are reasonable for new greenfield developments, however GA does not include any options for upgrading existing intersections to being signalised. Similar allowances need to be included as discussed in the road upgrade commentary.

Item T-1.20 does not include specifications on pavement width and pathways, footpaths, shareways and cycleways generally differ in width. \$220/m is insufficient for most shareways and cycleways due to increased width compared to footpaths, increased marking and signage. If this rate should be m² then rates should be higher for shareways and cycleways as the concrete depth is thicker and additional markings and signage is required;

Pathways, footpaths, shareways and cycleways do not include earthworks. If these items are being priced as standalone items then clearing, earthworks and turfing to disturbed areas should be included.

Bridge pricing is generally reasonable, however factors such as height, width and span should be assessed to determine if rates are reasonable or require adjustment.

It has been assumed that item T-1.23 is in reference to a rail over bridge and not a rail bridge.

It is not clear what specification has been included for cycleway and pedestrian bridges in regards to length and width and if vertical transportation has been included. This should be identified to determine the reasonableness of the rates provided.

Street lighting is considered high for greenfield works with reasonable quantities of lights being installed.

Waste disposal is high for greenfield works and should not be applied to large projects with high remediation costs. If this rate includes for loading, transport carting and disposal fees then rates are generally 40% high for GSW and RSW. Concrete approximately 80% too high as this material can be recycled and disposed at a licensed landfill.

[REDACTED] M, ENM and rock have not been included.

Box culverts and headwall rates are reasonable for greenfield works, however would be high for long culvert routes with high productivity. The rate should not be used for culvert road crossings with consideration for additional earthworks and allowances for retaining walls, pedestrian fences and vehicle crash barriers.

GA should provide further clarification for their basis of *ST-1.01 Combined basin and raingarden facility* estimate as sizing can impact costs. There should be multiple rates for small, medium and large basins with similar raingarden sizes.

Weirs, scour protection, vehicle access tracks, raised pits, landscaping, maintenance and geotextile fabric are not listed as being included for basins and raingardens. All these items are typically included in basin and raingarden construction. Additional costs should be included as required.

Basins and raingardens are typically constructed in stages to minimise the buildup of silt in the base of the basin and filtration layers of raingarden to maximise the storage capacity and life cycle. Staging requirements have not been addressed in GA's costs and should be included depending on projects life cycles.

It should be noted that disposal of excess excavated material has not been included in the specification for ST-1.01, ST-1.09 and ST-1.10. This adds considerable costs when material cannot be used as fill on site. Rates are generally reasonable for greenfield developments where surplus material can be reused, however it is very low for brownfield sites where surplus material needs to be disposed off-site.

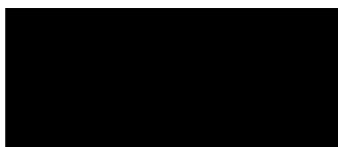
It is not clear what the rates for Item *ST-1.04 Bio-retention basin* refers to as the rate is in metres and refers to headwalls.

The rate for item *ST-1.05 Bio-retention filter* appears very low as most filters are 1.2m in depth. GA should clarify what the depth of the filter and layers are.

Item *ST-1.13 and 1.14 Stormwater pipes and pits* is considered very high for large greenfield developments and low for small brownfield developments. Costs should be assessed on a project appropriate basis as productivity of installation will impact costs more than pipe supply prices.

Prices are reasonable for GPT's in greenfield sites, however costs need to be increased in brownfield sites where additional shoring, excavated material disposal and diversion water pumping requirements would be applicable.

OSE-1.03 is considered high for mesh boundary fencing installed on greenfield projects. Fencing rates should be applied based upon quantity and requirements.

 Items including car park, cricket wicket, fields and courts are however they do not include for demolition or remediation and costs. Depending on the location of the site additional costs may be included for these items.

The rates included for demolition item OSE-1.08.1, 1.08,2 and 1.08.3 is very high if the quantity of demolition is large.

OSE-1.20 Basic landscaping should nominate the planting size in litres that has been assumed.

It should be noted that item *OSE-1.21 Park (security lighting)* exclude the cost for electrical supply, lighting control and switchboard costs. Additional costs should be included on a site-specific basis depending on installation requirements and existing infrastructure.

OSE-1.22 Paved area rates are low for sandstone, brick and polished concrete paving that would typically have a concrete base.

The cost of *OSE-1.24 Playground / exercise equipment* is low for playground equipment. Typically playground equipment is far more expensive than exercise equipment due to the size and footing requirements. Allowances should be made based upon sizes of parks and expected equipment.

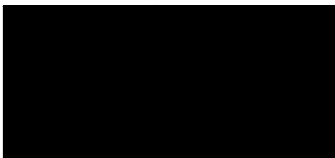
Item *OSE-1.28 Turfing* is very high for large greenfield developments, however the rates include for earthworks, 200-400mm sand bed, water supply piping and irrigation.

Item *OSE-1.29 Retaining wall* rates are reasonable for walls below 1.5m height and not 2m. Any wall above 1.5m high would require a pedestrian fence and would cost more per m².

Item *OSE-1.31 Synthetic playing surfaces / artificial grass* is reasonable for turf and base, however it should be noted the rate excludes disposal of surplus excavated material, concrete edges, subsoil drainage, perimeter drainage, perimeter fencing, goals, posts, nets, linemarking and player boxes. These additional items should be added if used for playing fields.

Should you require further information and details, please contact the undersigned.

Yours faithfully
MITCHELL BRANDTMAN



MATTHEW KRITZLER
PARTNER