



10 December 2021

Independent Pricing and Regulatory Tribunal
PO Box K35
SYDNEY NSW 1240

Attention: Ms Jessica Hanna

Dear Ms Jessica Hanna,

**Review of the essential works list, nexus efficient design and
benchmark costs for local infrastructure –
Canterbury Bankstown Council Submission**

Thank you for the opportunity to comment on the review of the essential works list, nexus efficient design and benchmark costs for local infrastructure.

Canterbury Bankstown is the largest local government area by population in NSW, with 394,000 residents.

Each year, Council receives an average of \$13 million in development contributions. Council's existing contributions plans fund the delivery of over \$280 million in capital works. The strategic centres of Bankstown and Campsie will house a further 45,000 residents in a City with a forecast population of 500,000 people and an additional 44,000 workers by 2036.

As a merged Council, Council has drafted a consolidated development contributions plan to help fund the delivery of \$900 million in essential local infrastructure by 2036, to accommodate the residential and employment growth expected in the City. An effective, efficient and fair development contributions system is critical to the well-being of our community and continued investment in our City.

This submission has been prepared by Council officers and does not reflect the views of the Councillors. This matter will be reported to Council in February 2022.

This submission raises the following issues in relation to the IPART Draft Report and Information Paper:

IPART Draft Report (dated October 2021)

1. Council does not support the proposed Essential Works List.
2. Council provides the following responses to the 18 stakeholder questions outlined in the IPART Draft Report:
 - Q1. The principles-based approach to the EWL does not provide certainty.
 - Q2. Include other guidance on nexus for local infrastructure.
 - Q3. The proposed guidance on base level, efficient local infrastructure will add complexity, cost and time to the preparation of contributions plans.
 - Q4. Consider benchmarking the broader range of local infrastructure items outlined in this submission.



- Q5. Apply an adjustment factor to benchmarks in established areas.
- Q6. Consider factors that increase the complexities of projects as outlined in this submission.
- Q7. No comment is provided.
- Q8. There is value in a per person benchmark for open space. Include a 'weighting' factor in the per person benchmark for open space to recognise different contexts.
- Q9. Apply a 2.2% plan administration levy to better reflect the actual cost of plan administration.
- Q10. Include the costs to implement the proposed IPART and DPIE reforms as additional costs that will be borne by councils for plan administration.
- Q11. Include an index relating to costs for community facilities. Carry out bi-annual reviews of benchmarks.
- Q12. Establish a tender review mechanism in association with Local Government Procurement to refine the cost benchmarks over time and reflect actual construction costs.
- Q13. Limit the information and justification expected from councils when seeking to vary the standard benchmark costs.
- Q14. Limit the proposed principles expected to be applied by councils when reviewing plans and updating costs.
- Q15. Limit the proposed plan cost review information requirements to '*proportionate explanation and justification for any increases to their costs as a result of the review.*'
- Q16. Do not require plans above a \$20,000 threshold to be reviewed under certain circumstances as outlined in the Draft Reform Bill and Practice Note.
- Q17. Allow councils to seek an extension or exemption from the proposed four yearly review of contributions plans.
- Q18. Allow councils to determine the plan review periods.

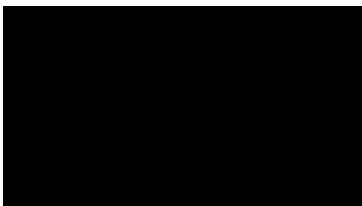
Information Paper (dated November 2021)

- 3. Amend the proposed benchmark costs to accurately reflect local infrastructure construction costs.

Further details on the above issues are attached for your information.

If you have any enquiries, please contact Anthony Milanoli, Growth Infrastructure Specialist on [REDACTED] or email [REDACTED]

Yours sincerely



Mitchell Noble
Manager Spatial Planning



**Canterbury Bankstown
Council Submission**

**IPART Draft Report
(Review of the essential
works list, nexus, efficient
design and benchmark
costs for local infrastructure)**

December 2021





SUMMARY

Canterbury Bankstown is the largest local government area by population in NSW, with 394,000 residents.

Each year, Council receives an average of \$13 million in development contributions. Council's existing contributions plans fund the delivery of over \$280 million in capital works. The strategic centres of Bankstown and Campsie will house a further 45,000 residents in a City with a forecast population of 500,000 people and an additional 44,000 workers by 2036.

As a merged Council, Council has drafted a consolidated development contributions plan to help fund the delivery of \$900 million in essential local infrastructure by 2036, to accommodate the residential and employment growth expected in the City. An effective, efficient and fair development contributions system is critical to the well-being of the community, continued investment in the City and achieving the NSW Government's growth objectives.

This submission has been prepared by Council officers and does not reflect the views of the Councillors. This matter will be reported to Council in February 2022.

This submission raises the following issues in relation to the review of the essential works list, nexus, efficient design and benchmark costs for local infrastructure:

[IPART Draft Report \(Review of the essential works list, nexus, efficient design and benchmark costs for local infrastructure\) dated October 2021](#)

Issue 1	Council does not support the proposed Essential Works List.
Issue 2	Response to the 18 stakeholder questions outlined in the IPART Draft Report.
Q1	The principles-based approach to the EWL does not provide certainty.
Q2	Include other guidance on nexus for local infrastructure.
Q3	The proposed guidance on base level, efficient local infrastructure will add complexity, cost and time to the preparation of contributions plans.



- Q4** Consider benchmarking the broader range of local infrastructure items outlined in this submission.
- Q5** Apply an adjustment factor to benchmarks in established areas.
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- Q14** Limit the proposed principles expected to be applied by councils when reviewing plans and updating costs.
- Q15** Limit the proposed plan cost review information requirements to "*proportionate explanation and justification for any increases to their costs as a result of the review*".
- Q16** Do not require plans above a \$20,000 threshold to be reviewed under certain circumstances as outlined in the Draft Reform Bill and Practice Note.
- Q17** Allow councils to seek an extension or exemption from the proposed four yearly review of contributions plans.



Q18 | Allow councils to determine the plan review periods.

Information Paper (Typical scopes and benchmarks costs of local infrastructure) dated 12 November 2021

Issue 3 | Amend the proposed benchmark costs to accurately reflect local infrastructure construction costs.



Issue 1: Council does not support the proposed Essential Works List.

The *Environmental Planning and Assessment Amendment (Infrastructure Contributions) Bill 2021* (the Draft Bill) and the *Environmental Planning and Assessment Amendment (Infrastructure Contributions) Regulation 2021* (the Regulation) propose to introduce an Essential Works List (EWL) that will limit the type and value of base level infrastructure permitted to be funded by section 7.11 contributions. Where communities demand higher levels of service, councils may elect to deliver these services via funding from voluntary agreements, the broader ratepayer base or possibly via grants.

Council does not support this proposal for the following reasons:

- The financially unsustainable consequences that would be borne by ratepayers due to the EWL-generated infrastructure funding gap.
The cost to existing ratepayers of meeting an infrastructure funding gap of at least \$269 million would exceed \$15.2 million each year. The consequence of this contributions funding gap will be an undersupply of up to \$300 million in critical infrastructure. The infrastructure funding gap represents one third the total land and works budget of \$901m outlined in Council's draft consolidated contributions plan. If ratepayers were required to cover the funding gap, this would represent a subsidy of new development by established residents and businesses, which is not supported.

The absence of funding for additional facilities will result in unsustainable, increased pressure on existing facilities from the 106,000 additional residents projected to live in the City by 2036.

- The range of essential works and benchmark costed items must be broadened to include recreation and community facilities capital works.
The construction of community facilities is essential to any city. Community halls, libraries, performance centres and the like support the provision of essential services in the community. By only permitting land (not furnished buildings) to be funded through contributions, the EWL will impede Council's ability to fund and deliver community facilities and the services that occur within these facilities.

The EWL should also recognise the growing need for facilities like indoor sports centres, which are multimillion-dollar facilities. The exclusion of these facilities from contributions plans will limit Council's ability to fund new facilities and to provide services that are essential to the health, well-being and cohesion of the community. Council, the community and detailed studies confirm that the provision of aquatic centres is an essential work, particularly for LGAs such as Canterbury Bankstown that do not have access to other swimming venues such as beaches / waterways. They offer recreation facilities and the provision of swimming lessons for local children.



Council's adopted Leisure and Aquatic Strategic Plan recommends an investment of approximately \$168.5 million (in 2019 dollars) over 15 plus years to renew and revitalise local facilities. The preparation of this Plan, and the proposed funding model, was on the basis that contributions would be a key funding source. Council currently has two projects in progress and budgets have been allocated based on the utilisation of contributions.

The exclusion of public domain / town centre upgrades from the EWL categories also fails to recognise the role these settings play in providing passive, free, focal points for local centres, making them safe, attractive and vibrant, as well as essential movement corridors. The local town centre public domains play important amenity and economic roles in the community, and help ensure the town centres are thriving.

The EWL categories and associated benchmark costings in the IPART Draft Report primarily relate to base level 'greenfield' environments. This approach confuses the minimal needs of a new suburb at Sydney's fringe, with the more integrated, diverse and multi-layered neighbourhoods found in established areas like Canterbury Bankstown. Failure to recognise the fundamentally different needs of these scenarios underpins the shortcomings of the EWL.

The Local Strategic Planning Statement '*Connective City 2036*', and recreation and community needs studies confirm the need for the community and open space facilities described above.

- There is no evidence base that community facilities and aquatic/indoor facilities are not essential.

All communities, particularly those in high growth, high density environments, need more than open space, drains and roads. The Department of Planning, Industry and Environment or IPART have not provided an evidence base to suggest that facilities like libraries, pools and community centres are not essential for a healthy community.

- The base level embellishment is inconsistent with the NSW Government's goals for public places.

There is a contradiction between providing a basic level embellishment for the EWL and creating great spaces as directed by the Minister for Public Space and the Greater Sydney Commission. The COVID-19 experience has demonstrated the community's frequent use of open spaces and a desire for new and exciting open spaces with a higher level of embellishment and amenity. This cannot be satisfied with the application of the EWL list and base level embellishment.



- Community facility capital costs (including fitouts) are more relevant to established councils than land values and should be included in the essential works categories.
Council owns land in most of its town centres which can accommodate community facilities. Accordingly, inclusion of the land for community facilities in the EWL categories does not aid Council in developing community facilities. This means that where a new community facility is proposed, Council is unable to collect contributions for the costs apportioned to the demand generated from new development. The result is that Council and the community are being asked to subsidise the apportioned costs proposed under the section 7.11 framework.
- Applying the essential works list is inconsistent with the draft Ministerial Direction that planning proposals not proceed without adequate infrastructure funded through contributions plans.
The draft planning reforms include a Ministerial Direction that requires contributions plans to accompany planning proposals if existing infrastructure cannot address the increased demand for infrastructure. As the EWL will not permit the funding of infrastructure that are required to meet development contingent demand, it will make it difficult for councils such as Canterbury Bankstown to support the growth envisaged for the Greater Sydney Region. The community has made it clear that growth must align with the infrastructure needed by new development.
- State and industry benchmarks for recreation and community facilities are not available or quantified.
The IPART Draft Report proposes a principles-based approach to identifying essential infrastructure and relies on the application of State and industry standards. The issue is there are no specific State or industry standards to apply in determining infrastructure, open space and community facilities needs. It is therefore not possible to easily extrapolate works schedules and costs.
- The principles-based approach to identifying essential infrastructure is uncertain and inefficient.
While flexible, the proposed principles-based approach to identifying essential infrastructure outlined in the IPART Draft Report are inconsistent with the principles for contributions planning outlined by the Productivity Commission. These principles are simplicity, efficiency and certainty.
- The essential works list and benchmark costs should be used as an optional complement to contributions plans, not a mandatory requirement.
The essential works list should not apply to all section 7.11 contributions plans, rather, it should help inform the preparation of such plans by outlining the types and cost for infrastructure which may be required by different communities across NSW.



Used in this capacity, the IPART Draft Report and more particularly the benchmark costs would improve efficiency in local contributions planning. The EWL and associated cost benchmarks should not be mandatory.

An infrastructure needs framework developed by IPART could incorporate 'layers' that are applied according to the characteristic of the LGA and permit a different range of 'essential' facilities. This approach would permit tailoring the benchmarks usefully to the specific requirements of each LGA and help achieve relative equity of access across the Greater Sydney Region.

- Onerous expectation on councils when preparing, reviewing and updating of contributions plans.

The IPART Draft Report proposes complex and impractical practices for councils when identifying works schedule items for contributions plans. For example, the options analysis exercise of comparing and justifying each works item could not practically be carried out when considering that many contributions plan works schedules contain over 400 items and each location for the works is unique. This onerous expectation is exacerbated by the IPART Draft Report's absence of simple processes and templates to guide such an exercise.

- Uncertainty regarding challenges to section 7.11 contributions plans.

The IPART Draft Report does not clarify if IPART is able to challenge draft section 7.11 contributions plans. IPART should clarify the process, given the extensive resourcing required to satisfy the draft report's expectations for elements such as identifying essential works using principles-based policies and conducting comparative options analysis for each works item.

Recommended Actions

- Ensure the essential works list and benchmark costs are an option for consideration, and not a mandatory requirement.
- Broaden the benchmark costed items to include recreation and community facilities capital works.



Issue 2: Response to the 18 stakeholder questions outlined in the IPART Draft Report.

Regarding the list of issues outlined in the IPART Draft Report, Council's response is as follows:

- 1. Do you think our proposed principles-based approach to the EWL, as part of our broader framework incorporating efficient design and delivery and benchmark costs, provides enough certainty? Have we got the balance right between flexibility and certainty?***

The principles-based approach to the EWL does not provide the certainty needed by Council to prepare contributions plans without the risk of challenge and different subjective interpretation of the principles.

For example, principle 1 is that items must be on the essential works list – however there is no definitive list, only categories under which facilities may or may not sit, subject to satisfying the principles. Items must be development contingent, and this contingency is subject to interpreting criteria. Costs must be for base level standard of works, but if localised cost or site/facility characteristics require variation from the cost benchmarks, then the costs projected by Council would also be subject to interpretation of criteria by others.

There is scope for much greater certainty regarding essential works without precluding the principles. This could be achieved by allowing councils to list works which may satisfy the principles in a range of scenarios. For example:

- Allow aquatic facilities (such as pools) and aquatic play spaces in areas distant from the harbour/coastal fringe.
- Allow libraries and cultural facilities in areas distant from the City of Sydney where State funded and subsidised libraries, museums, art galleries and theatres, are available.

Recommended Action

- Allow councils to list the essential works that satisfy the principles in a range of scenarios.



2. *Is the proposed evidence to establish nexus for infrastructure in a contributions plan appropriate and reasonable? Is there any other guidance on nexus for local infrastructure that should be included in an updated practice note to assist councils, developers and other stakeholders in preparing and assessing contributions plans?*

While it is appropriate and reasonable for nexus regarding development contingency for new infrastructure, the IPART Draft Report should offer guidance on nexus for local infrastructure as follows:

- Outline the circumstances when nexus is achieved for different infrastructure types in different local contexts, negating the need for councils to repeat this exercise at considerable time and cost.
- List current, accepted, definitive guidelines on recommended baseline infrastructure provision as a starting point for how councils can demonstrate nexus.
- Allow councils to update costs applied in contributions plans after more refined costs have been identified. For example, when planning for growth precincts or parklands, Council has adopted a range of site-specific Masterplans (e.g. Wiley Park Masterplan; Belmore Sport & Recreation Precinct; Salt Pan Creek Reserve Masterplan; Complete Streets for Campsie and Bankstown). These are prepared by independent consultants and have estimated costings associated with them but are strategic rather than business case costings. As these masterplans are translated into specific works projects, there is likely to be disparity between the Masterplan costings and contributions plan costings, which may affect funding of these important projects.

Recommended Actions

- List current, accepted, definitive guidelines on recommended baseline infrastructure provision as a starting point for how councils can demonstrate nexus.
- Allow councils to update costs applied in contributions plans after identifying more refined costs.



3. *What further guidance on base level, efficient local infrastructure should be included in an updated practice note to assist councils, developers and other stakeholders in preparing and assessing contributions plans? How definitively should the guidance in an updated practice note specify the standards expected of infrastructure (e.g. legislation and other industry standards)?*

The proposed guidance on base level, efficient local infrastructure will add significant complexity, cost and time to the preparation of contributions plans.

The IPART Draft Report (section 6.3.1) outlines a complex process required to justify delivering best value for money, including options analysis, operating and capital cost mix, and innovation and dual and shared use of infrastructure consideration. This will add time and cost to plan preparation. If IPART developed an automated best value options analyser for each works item, this would simplify and expedite the process.

The IPART Draft Report (section 6.3.2) expects councils to provide more infrastructure early in the development phase by undertaking loans, and risk whether development to repay the loans will occur. This approach fails to recognise the considerable maintenance burden borne by councils while awaiting full development. Unlike loans costs, maintenance costs for works completed but awaiting the extra population to pay rates for their maintenance, are not provided for in the review of contributions plans' costs. Accordingly, this represents a developer subsidy at community cost.

The IPART Draft Report (section 6.3.3) outlines logical merits in preparing whole of catchment stormwater planning, including across neighbouring councils. If whole of catchment planning is to occur, this exercise would likely need to be shouldered by a State agency. This approach is more likely to succeed in greenfields LGAs rather than established areas such as Canterbury Bankstown.

The IPART Draft Report (section 6.3.4) proposes regular review of contributions plans. Council has spent 12 months preparing a draft consolidated plan for two merged councils and now finds itself in an uncertain regulatory framework with a plan which may have a 2-year horizon. The IPART Draft Report should recognise the contributions plan review process is challenged by State reform uncertainties – including the future of the IPART Draft Report – and minimise expectations of the scale and frequency of such reviews.

Recommended Actions

- IPART to develop an automated best value options analyser for each works item.
- Allow councils to determine the review periods for contributions plans.



4. *Are there other items that we should consider benchmarking?*

Additional items for which benchmark costing should be prepared include:

- The unit rate (per sq.m) for building or acquiring strata space for cultural facilities including libraries, community centres, performing arts centres and cultural hubs
- The unit rate for fitting out those facilities
- Open space facilities such as aquatic facilities indoor recreation facilities and aqua play settings in parks
- Unit rates for public domain and town centre upgrades
- Responses to heat island issues e.g. misting stations
- A range of facilities associated with the most popular recreation pursuits of NSW residents – e.g. fishing related facilities (such as fish cleaning tables and shelters)
- More culturally diverse recreation and culture responsive items – for example, ping pong tables, large heat reflective canopy structures that permit outdoor tai chi, dancing and social gatherings in heat island affected LGAs
- Security lighting and CCTV, for unsafe areas.

Recommended Action

- Consider benchmarking the broader range of local infrastructure items outlined in this submission.



5. Do you agree with our approach to use adjustment factors so that the benchmarks are applicable to a broader range of projects?

The application of adjustment factors is appropriate and permits context-based responses for a broader range of projects.

The currently applied EWL is greenfield specific and does not fully account for additional costs of upgrades in an infill scenario (like Canterbury Bankstown). For example – upgrading of roundabouts to signalised traffic signals that had to account for existing constraints such as underground services and the like.

For established areas, an adjustment factor should apply to the benchmarks if the costs provided do not reflect comparable examples that Council has recently undertaken.

Recommended Action

- Apply an adjustment factor to benchmarks in established areas.

6. What other factors increase the complexity of a project that could be used as an adjustment factor?

Other factors that increase the complexities of projects may include:

- Cross boundary cooperation with neighbouring councils – due to additional time in negotiating, consulting, reporting and coordinating for both councils and allowances by any contractors and consultants involved, including potentially added complexity in tendering.

A current example is the Riverwood State Significant Precinct, where the Department of Planning, Industry and Environment is progressing a rezoning to facilitate additional dwellings on a large parcel of land owned by the Land and Housing Corporation. The site is within the Canterbury Bankstown LGA, but borders the Georges River LGA.

- Reporting requirements where funding or cooperation with government agencies is required.

Recommended Action

- Consider the factors outlined in this submission to include as adjustment factors.



7. We seek stakeholder views on the approach to project allowances, including the rates and their application.

No comment is provided.

8. We seek stakeholder views on alternative benchmarks for open space. Is there value in a per person benchmark? How would it work?

Per person benchmarks are useful to local government and the development industry and are typically included in contributions plans as a way of identifying likely open space demand and for apportioning costs between existing and new communities. An extract from the Bankstown Development Contributions Plan 2019 citing open space provision rates is contained below.

Table 12 Local infrastructure provision

Facility	Current provision	Current rate of provision
Undeveloped/passive open space	354ha	16.8m ² per person
Developed open space	446ha	21.3m ² per person
Playgrounds	132	1 per 1,588 people
Outdoor courts (basketball, volleyball or handball)	5	1 per 42,000 people
Outdoor half-courts (basketball, tennis or multi-use)	8	1 per 6,208 people
Tennis courts	14	1 per 15,000 people
Skate Parks	4	1 per 52,417 people
Multi-purpose community floor space		60-80sqm per 1,000 people
Off road cycleways	28km	155m per 1,000 people
On road cycleways	18.1km	100m per 1,000 people

Source: Canterbury-Bankstown Council

The application of per person benchmarks for open space should include a ‘weighting’ factor to recognise different contexts.

The IPART Draft Report’s proposal for ‘combined open space types benchmarks’ may be useful if it applied likely combination scenarios for open space hubs at various sizes. For example, a hierarchy of recreation facilities may include a ‘passive open space hub’, provided at a rate of say 1 hub per 1,000 persons and include the following costed items:

- a park of specified area
- walking track of certain minimum dimensions
- an outdoor gym with identified elements



- play equipment with specified qualities
- picnic shelter and BBQ facilities
- amenities, signage, bubblers.

These scenarios could be regionally responsive, recognising that some regions require more elements, such as:

- hotter suburbs requiring different features than coastal or harbour areas,
- socially and economically disadvantaged areas requiring more public facilities due to less likelihood of private facilities,

with works lists, costing and provision rates reflecting the variations in needs.

Recommended Action

- Include a 'weighting' factor in the per person benchmarks for open space to recognise different community needs associated with different contexts.

9. Does 1.5% of the total value of works excluding land broadly reflect the actual cost councils face to administer a contributions plan? If not, what percentage would better reflect the actual cost councils face?

The 1.5% of the value of works does not reflect the actual cost to Canterbury Bankstown to administer contributions plans.

The 1.5% amount represents only approximately 70% of the actual cost of planning and administering contributions plans. This plan administration funding gap will grow larger if the additional functions outlined in the draft report and the DPIE planning reforms take effect. Based on the current costs of administering and preparing contributions plans in Canterbury Bankstown, the benchmark cost should be 2.2% for plan administration. This rate should be further increased to accommodate additional costs which will arise from the reforms, especially those relating to Information Technology.

With a 2021 contribution plan works budget value of \$280 million – including land acquisition – spread over 15 years, the annual plan administration budget at Canterbury Bankstown is approximately \$280,000, whereas Council's costs in preparing and administering the Plans are \$402,000. The costs comprise staff, legal advice and consultancy work.

Recommended Action

- Apply a 2.2% percentage to better reflect the actual cost councils face to administer contributions plans.



10. *What other types of information or data would provide a clear evidence base for the true costs of plan administration?*

While the IPART Draft Report addresses the range of costs currently encountered by councils in plan administration, IPART should also include the additional costs associated with the implementation of the proposed IPART and DPIE reforms.

In particular, there will be an increase in IT costs associated with web-based material and reporting. If essential works list items identified in contributions plans are to be determined by applying principles and analysing alternative works options costings, plan preparation costs should also increase by at least 50%.

Recommended Action

- Include the implementation of the proposed IPART and DPIE reforms as part of the true costs of plan administration.

11. *We seek views on our proposed approach to annual escalations and 4 yearly reviews of benchmarks, including the choice of index and timeframe.*

The proposed approach to index by the Road and Building Construction Index (for transport and stormwater categories) and the Non-Residential Building Construction Index (for open space) is supported, subject to the following amendments:

- Include an index relating to costs for community facilities, as this cost is permitted (even at strata level) in the IPART Draft Report.
- Carry out bi-annual reviews of benchmarks to ensure contributions maintain parity with construction costs, and so that works can be delivered at plan-projected rates.

Recommended Actions

- Include an index relating to costs for community facilities.
- Carry out bi-annual reviews of benchmarks.



12. *We seek views on an appropriate feedback or data collection mechanism to obtain reliable and consistent project information to refine the benchmarks over time.*

IPART may establish a tender review mechanism in association with Local Government Procurement (link here: <https://lgp.org.au/>) to identify actual costs for delivering works for local government funded by contributions plans. Establishing these records may deliver the information that IPART seeks.

Recommended Action

- Establish a tender review mechanism in association with Local Government Procurement to refine the cost benchmarks over time and reflect actual construction costs.

13. *Are the proposed principles and information requirements for councils using an alternative costing approach adequate? Should councils be required to provide any further information to justify deviations from the standard benchmark costs?*

The proposed information requirements outlined in the IPART Draft Report (section 9.3) are considered excessive and unnecessary, and are inconsistent with the principles for contributions planning outlined by the Productivity Commission, namely simplicity, efficiency and certainty. It would add significant time and cost to the preparation of contributions plans.

The reason is a contributions plan works schedule may have over 400 works items and potentially several hundred of legitimate site-specific benchmark cost variations.

If justification by councils for specific cost estimate variation is required:

- It should only require councils to describe why the cost estimate is more accurate and efficient than the IPART benchmark costs.
- IPART should provide templates and examples of how councils would need to satisfy the information requirements in the IPART Draft Report. It would be useful for these template examples to describe different scenarios of the level of information proposed in the IPART Draft Report.

Recommended Actions

- Reduce the amount of information and justification expected from councils when seeking to vary the standard benchmark costs.



14. Are the proposed principles for reviewing plans and updating costs adequate? Are there any principles that should be removed from or added to this list?

The proposed principles in the IPART Draft Report (Table 10.1) are considered excessive and unnecessary, and are inconsistent with the principles for contributions planning outlined by the Productivity Commission, namely simplicity, efficiency and certainty. It would add significant time and cost to the preparation of contributions plans.

The proposed principles should be limited to:

- *Councils should provide proportionate explanation and justification for any increases to their costs as a result of the review.*
- *Council should update for any material increases or decreases in costs.*

IPART should include template examples of how councils would be expected to respond to the review criteria proposed for different scenarios, detailing the level of information/justification expected for works cost updates, bearing in mind the potential number of variations that may be subject to such cost review. As noted, many works costs in contributions plans are identified at a strategic stage, rather than at a business case stage (often due to responding to unforeseen development proposals) and may require cost reviews.

Recommended Actions

- Limit the proposed principles to:
 - *Councils should provide proportionate explanation and justification for any increases to their costs as a result of the review.*
 - *Council should update for any material increases or decreases in costs.*



15. Are the proposed information requirements for councils enough? Are there any other pieces of information that should be added to this list?

The proposed information requirements outlined in the IPART Draft Report (pages 70–71) are complex and inconsistent with the principles for contributions planning outlined by the Productivity Commission, namely simplicity, efficiency and certainty.

The proposed information requirements should be limited to *'proportionate explanation and justification for any increases to their costs as a result of the review'* and be in the form of a template provided in the IPART Draft Report. This will ensure consistency in responses across NSW.

Recommended Action

- Limit the proposed information requirements to *'proportionate explanation and justification for any increases to their costs as a result of the review'*.

16. Do you support our approach for a threshold to determine which plans must be reviewed?

The proposed approach should align with the Draft Bill provisions which do not require plans above a \$20,000 threshold to be re-exhibited when reviewed for circumstances including:

- Minor updates
- Indexing of rates in accordance with the inflators permitted
- Amending the mix of works which may be funded by the contributions plan, provided the overall contributions rates do not increase.

This suggested approach would improve the efficiency and simplicity of contributions planning.

Recommended Action

- Do not require plans above a \$20,000 threshold to be reviewed under certain circumstances as outlined in the Draft Bill and Practice Note.



17. Do you support our proposal for a fixed 4 yearly review of contributions plans?

The proposed approach should allow councils to seek an extension to the four yearly review period, or seek an exemption if the development environment and infrastructure needs projected in the contributions plan have not changed markedly. This may be relevant for smaller, low growth councils, where change may be modest, and the benefit of any review may be limited.

Recommended Action

- Allow councils to seek an extension or exemption from the proposed four yearly review of contributions plans.

18. Does the annual update and four-yearly review provide an appropriate balance between cost reflectivity and certainty?

The proposed approach should allow councils to determine the review periods to ensure cost reflectivity, particularly where infrastructure planning has occurred at a strategic stage.

Recommended Action

- Allow councils to determine the review periods.



Issue 3: Amend the proposed benchmark costs to accurately reflect local infrastructure construction costs.

IPART should amend the following benchmark costs to accurately reflect construction costs, based on Council’s experience in pricing, tendering and constructing many of the local infrastructure works described in the Information Paper:

Local infrastructure	Requested amendment to benchmark cost	Reason
1.14 – Roundabout single lane	\$250,000 to \$350,000	<p>The proposed benchmark cost is for ‘<i>roundabout only in greenfield with no traffic</i>’ costed at \$42,000.</p> <p>Although Canterbury Bankstown is a brownfield council, roundabouts identified in Council’s capital works program are priced between \$250,000 to \$350,000 per unit.</p> <p>While recognising that traffic management costs may inflate the price for roundabouts in infill areas compared with greenfield locations without traffic, the benchmark cost should be increased significantly to reflect roundabouts in brownfield councils.</p>
4.01 – Amenities building	\$3,2000 per sqm	<p>The proposed benchmark cost is \$2,500 per sqm.</p> <p>Based on the recent construction of new standard sports amenities buildings, it indicates a cost of approximately \$800,000 for a 250sqm sized facility. This equates to a unit rate of \$3,2000 per sqm, rather than the \$2,500 proposed in the benchmark costs.</p>
4.02 – BBQ area	\$25,000 per double burner unit	<p>The proposed benchmark cost is \$15,200 per double burner unit.</p> <p>Based on recent electronic BBQ installations, the cost is \$25,000 per double burner unit.</p>



Local infrastructure	Requested amendment to benchmark cost	Reason
4.05 – Cricket wicket / practice cricket nets (3 bay)	\$127,500	<p>The proposed benchmark cost is \$79,500 for 3 bays.</p> <p>Based on the recent installation of standard 4 bay cricket nets, the cost is approximately \$170,000. The benchmark cost for 3 bays should therefore increase to a rate of \$127,500.</p> <p>The description of the perimeter fencing should make clear this item does not exclude the fence around the cricket nets, which are shown on the diagrams.</p>
4.08 – Double playing fields	\$800,000–\$1.2 million	<p>Based on recent experience, the proposed rates do not reflect the actual costs to construct.</p> <p>Council’s approach is to carry out a full field reconstruction (which includes irrigation, drainage and resurfacing). The industry rate is currently \$43 per sqm, resulting in costs of between \$800,000–\$1.2 million for a double playing field, depending on the site characteristics.</p>
4.09 – Double playing lighting 100 lux	\$200,000 per pitch, with additional costs for more complex sites	<p>The proposed benchmark cost for football lighting is shown as approximately \$165,000 per pitch.</p> <p>This is less than Council’s experience, which has been averaging at approximately \$200,000 per pitch for lighting at locations with no constraints, with additional costs for more complex sites.</p>
4.19 – Playground	Refer to Council’s Playground and Play Spaces Strategic Plan	Council’s Playground and Play Spaces Strategic Plan guides the budget/costs for playgrounds, with set costs applied for Level 1, Level 2 and Level 3 playgrounds. A link to the Plan can be found on Council’s website and may inform benchmark provision rates review.