



17 February 2022

Independent Pricing & Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop  
SYDNEY NSW 1240

Contact: [REDACTED]  
Our Ref: DOC2025/003256  
Your Ref: Review of IPART's Approach to Assessing  
Contributions Plans

Dear Sir/Madam

### **Submission, Review of IPART's Approach to Assessing Contributions Plans**

Thank you for the opportunity to provide comments in response to the review of the Independent Pricing and Regulatory Tribunal's (IPART's) approach to assessing contributions plans. We have reviewed IPART's Discussion Paper and provide the following responses to the questions raised.

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

IPART's assessment timeframes currently range from 6 to 18 months, depending on the complexity of the issues involved in the contribution plan reviews. Longer assessment periods can lead to outdated infrastructure costings and demographic data by the time a plan is adopted. In addition, Council cannot collect contributions from new development while IPART is assessing the draft contributions plan. IPART should be mindful of this issue and consider ways to streamline the assessment process to mitigate delays. Alternatively, IPART should ensure that infrastructure costings and development yields remain accurate at the time of the plan's adoption, to ensure the contributions anticipated by the draft plan can still be achieved.

In addition, we recommend the following:

Consultation Process: IPART should assess whether additional consultation is necessary when plans have already been exhibited, and submissions are accepted during the Council's exhibition process. This additional layer of consultation can lengthen an already complex review. IPART might consider aligning its consultation process with the council's to streamline the overall timeline.

Consistency of Assessments: IPART should ensure consistency between initial assessments and subsequent reviews. Analysts should maintain consistency in methodology to avoid discrepancies between early and later assessments.

**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?**

Council supports the use of a suitable land value index (or separate indexes for various regions within NSW) to ensure a consistent and effective approach to land valuation

t: 02 4993 4100 f: 02 4993 2500

p: PO Box 152 Cessnock NSW 2325 or DX 21502 Cessnock

e: council@cessnock.nsw.gov.au w: www.cessnock.nsw.gov.au

ABN 60 919 148 928

and acquisition. Any changes to the current approach should be documented and supported by the Department of Planning, Housing, and Infrastructure (DPHI).

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

The Urban Development Program (UDP) monitors housing development, land supply, and infrastructure delivery, and relies on DPHI's population projection data. However, Cessnock City Council has found the demographic data and forecasting models provided by .id community to be more reliable than those provided by DPHI.

When comparing population forecast data from .id community and DPHI for the Cessnock LGA, significant differences have been observed. For example, by 2041, DPHI's population forecast for the Cessnock LGA is notably lower than that of .id community:

Population Forecast Data Source	Forecast Year for Cessnock LGA				
	2021	2026	2031	2036	2041
DPHI Forecast Data	64,120	70,305	77,064	83,607	90,019
.id community	64,061	74,336	85,233	96,784	107,375

This discrepancy could have significant implications for contributions rate calculations and apportionment. We recommend that IPART allow councils to choose the population dataset that will be used for assessing contribution plans.

**4. Do you have any feedback on our proposal to provide guidance to councils on our assessment of reasonable timeframes in CPs?**

Timeframes for the delivery of contribution plan infrastructure should be determined by Council based on its own delivery benchmarks and infrastructure prioritisation.

**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'?**

Providing clear and accessible guidance to councils is crucial for reducing assessment times. Any guidance documentation should be written in plain language and include practical examples where possible.

**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?**

Council supports the idea of regular forums to ensure all parties stay informed and aligned. However, a single forum that includes both councils and developers may be beneficial, as it would help stakeholders better understand the contributions plan process from different perspectives.

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

Council is concerned that a workshop at this stage might introduce additional delays. Instead, we suggest IPART encourage councils to hold workshops before and during the preparation of the plan by Council and that IPART are represented in these workshops. This proactive approach could streamline the overall 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?**

Council does not support this approach. Submissions should only be invited during the formal public exhibition period. We recommend that IPART carefully consider the necessity of additional consultations when plans have already being exhibited and submissions are accepted during the Council's exhibition process. Aligning IPART's consultation with the councils could help streamline the process and reduce the overall assessment timeframe.

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

Many councils have developed infrastructure strategies tailored to local needs through community consultation and analysis of existing infrastructure. A state-wide guide may not fully address local and regional differences and could undermine these locally developed strategies. Additionally, IPART and the Draft Greener Places Design Guide should consider the ongoing maintenance burden on councils for open space, particularly where excessive open space may not be strategically necessary or capable of being funded in perpetuity.

**Local infrastructure benchmarks, issues 11 to 14**

- A comprehensive review of the essential works list is necessary. Notably, community infrastructure, such as libraries and community buildings, is omitted but should be included. It is critical that new development contributes its fair share for this critical infrastructure.
- We recommend considering a contamination contingency in the updated benchmarks. Contamination is a growing concern for councils, and the rising costs of site remediation should be reflected in the benchmarks.
- If a council proceeds with an IPART review, it will need to consider IPART's benchmark costs, even though those benchmark costs may not align with the Council's cost estimate for the infrastructure. For this reason, Council's estimated infrastructure cost should prevail over IPART's benchmark figures, where there is an inconsistency.
- The updated benchmarks could be useful, especially at an early stage, but they must account for the potentially higher costs of delivering infrastructure in non-metropolitan areas and the escalating costs of land acquisition over time.

**Draft Aggregate benchmarks, issues 15 to 18**

Council is unsure about the appropriateness of draft aggregate benchmarks. However, any aggregate benchmark costings that apply to councils in non-metropolitan areas should reflect the aggregate cost to deliver infrastructure in those areas, rather than metropolitan areas. In comparison to metropolitan areas, the cost to deliver infrastructure in non-metropolitan areas may differ significantly.

Again, we appreciate the opportunity to provide feedback on the review of IPART's approach to assessing contributions plans. If you require any further information, please do not hesitate to contact Council on [REDACTED]

Yours faithfully

