
Our Reference F2020/01399

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10 December 2021

Dear IPART

RE: City of Parramatta Council submission on the review of the essential works list, nexus, efficient design and benchmark costs for local infrastructure

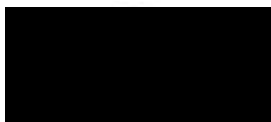
Please find attached City of Parramatta Council's submission on IPART's Draft Report: *Review of the essential works list (EWL), nexus, efficient design and benchmark costs for local infrastructure*.

Based upon the exhibited material, Council has identified the following key issues, which are further detailed in the documentation attached to this correspondence:

- Strong concerns are raised on proposed changes to the EWL, with Council's analysis finding proposed changes would potentially decrease development contributions in Council's Section 7.11 'Outside CBD Plan' by \$193million. These contributions deliver infrastructure required to service the modelled and NSW Government supported population growth in the Council area. It is noted that Council's Section 7.11 Outside CBD Plan already anticipates a \$300million funding gap, and contribution reductions would have to be funded from other sources, for example rates, which will adversely impact the communities view of expected growth to NSW Government targets
- Council supports the changes which will provide council's with greater flexibility to meet the infrastructure needs of their community as part of the EWL
- Strong concerns are raised in relation to the criteria guiding how nexus, design and delivery, and the application of a benchmarking approach would be applied in high growth established/infill areas like Parramatta, versus greenfield release areas, which seem to dominate the benchmark examples, and
- Council recommends that IPART undertake further consultation with council's, including the City of Parramatta, to resolve outstanding issues regarding benchmark costs in infill areas prior to any further guidance being provided.

This submission in its current form represents the views of Council Officers. It will be provided to the newly elected Council in February 2022 for consideration and endorsement. Should you seek any further information or wish to discuss the implications of the contributions reforms package for Council, please contact Anthony Newland via the details above.

Yours sincerely,



Brett Newman
Chief Executive Officer

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SUBMISSION

To the Independent Pricing and Regulatory Tribunal (IPART)

In response to the exhibition of Draft Report –
Review of the essential works list, nexus, efficient
design and benchmark costs for local
infrastructure

Submission lodged on behalf of City of Parramatta

CONTENTS

1. Executive Summary
2. Introduction / Background
3. Essential Works List (EWL) Issues
 - 3a. Changes to the application of the EWL
 - 3b. Changes to the EWL
 - 3c. Exclusion of the Construction of Community Facilities from the EWL
4. Principles to guide Nexus Decisions
5. Efficient Design and Delivery principles
6. Benchmarking Cost of Works
7. Benchmarking Plan Administration Costs
8. Updating Contributions Plans
9. Conclusion

1. Executive Summary

Following recommendations by the NSW Productivity Commission in 2020 the State Government has released Draft Legislation and Regulations, Ministerial Directions and an IPART Study to inform and implement significant changes to the way Developer Contributions Plans are prepared and contributions are collected by councils.

This submission, made by City of Parramatta Council (Council) officers, responds to issues arising from the IPART study which proposes changes to how Section 7.11 Contributions Plan would be applied. Council has an Outside CBD (Section 7.11) Contributions plan which was endorsed on 12 July 2021.

However, the Minister has deferred the application of any of the changes in the IPART report which may impact negatively on councils until the last quarter of 2024.

This submission will be made regardless of the Ministerial deferral to communicate Council's position on these matters so they are a matter of public record should any future review seek to implement the recommendations. This submission will be lodged with both IPART and the Department of Planning Industry and Environment as it responds to issues raised in exhibition materials prepared by both parties.

Whilst some minor recommendations are supported the more significant elements in the IPART recommendations have the potential to limit Council's ability in the future to efficiently collect contributions to fund community infrastructure in the following way:-

- Constrain Council's ability to collect funds for community facilities, upgrades to public domain in town centres and other works if the Essential Works List (EWL) is applied to Council's Contributions Plan in the way recommended by the Productivity Commission and IPART; and
- Impose changes to the way plans must be administered to increase the administrative burden placed on councils when preparing and reviewing contributions plans without providing any significant public benefit.

Council's position on the changes proposed are as follows:-

- Council objects to any future measures that seek to impose an EWL or any other changes to the Contributions Framework, that decrease the funding available to Council to deliver infrastructure to support growth via its Section 7.11 Outside CBD Plan.

- Council supports the following minor amendments proposed to the list of works in the EWL because they represent better planning practice than the current list and benefit the Councils where the EWL is currently applied:-
 - allowing strata floor space to be acquired for community not just land
 - removing the restriction that embellishment of open space be limited to “base level” treatments
 - allowing interest from borrowings to forward fund infrastructure to be included

However, this support should not be interpreted as support for the EWL to be applied to Council’s Section 7.11 plan now or any time in the future.

- Council continues to object to the cost of construction for Community Facilities being excluded from the EWL.
- IPART should review its principle/criteria guiding how nexus should be applied when preparing Contributions Plans so they are relevant in established/infill areas experiencing redevelopment rather than just greenfield release areas.
- The advice on base level infrastructure should be reconsidered and refined to respond to cases in established/infill areas where the density of development is increasing. Advice that is more relevant to this context should be issued if this principle is to apply to contributions plans in infill areas such as City of Parramatta.
- On the recommendations relating to benchmarking costs for infrastructure: -
 - The list of infrastructure benchmarked does not reflect the list of works commonly included in Section 7.11 Contributions Plans in infill areas such as the City of Parramatta.
 - In cases where works on the list are included in the City of Parramatta contributions plan the benchmarks are a significant underestimate of the cost of constructing the infrastructure and should be reviewed.
 - Given the factors above the administrative cost to Council of having to apply proposed benchmarking methodology is significantly greater than currently borne by Council with no demonstrable benefits arising from the extra administrative process.

If the Minister had not deferred the proposed measures the application of the EWL to the Parramatta Section 7.11 Contributions Plan would have resulted in Council’s expected future Contributions Revenue decreasing by \$193million. In a context where Council already has an unfunded \$300million funding gap associated with this plan increasing it by a factor approximately 66% is completely unacceptable.

The key conclusions of Council's submission are:

- At no time in the future should changes be considered to the contributions framework that have such a significant impact on Council's ability to deliver infrastructure; and
- The measures to refine the way nexus, efficient design and delivery and the application of a benchmarking approach need to be reconsidered as the guidance provided is not relevant to brownfields/ infill development areas form CoP and therefore will only add uncertainty and delay to the preparation and review of future plans. Further review and consultation with affected councils is essential before any further guidance is provided.

2. Introduction / Background

In response to recommendations from the Productivity Commission the Department of Planning Industry and Environment (DPIE) have released draft legislation, draft regulations, supporting Ministerial Directions and Guidance seeking to reform the Developer Contributions Framework in NSW. Note a separate submission will communicate Council's position on this broader reform package.

This submission responds to the review IPART has undertaken of certain aspects that guide the preparation and review of Section 7.11 contribution plans which will inform the Minister on future changes to the contributions framework. The IPART review covers:-

- a review of the Essential Works List
- advice to Government on how nexus and efficient design principles should be applied when preparing a contributions plan
- a review of benchmark costs for local infrastructure

Part way through the consultation on the above reviews the Minister for Planning and Public Spaces (Minister) announced that any changes to the Developer Contributions Framework that applies to Section 7.11 Plans would be deferred for 3 years. The City of Parramatta Outside CBD (Section 7.11) Contributions Plan will remain in its current form for at least late 2024.

However, IPART will still deliver a report to the Minister on the outcomes of the consultation process it has undertaken. Whilst the urgency in addressing the issues identified in this report has dissipated given the Ministers announcement of deferral of any action, this submission seeks to clarify Council's position on the IPART findings to inform and influence changes.

The City of Parramatta will play a substantial role in supporting growth in the Sydney region. The City of Parramatta has a target, specified in Council's Local Strategic Planning Statement, of 90,000 dwellings to 2036 and approximately 75,000 of these dwellings will be delivered outside the CBD.

Council endorsed its Outside Section 7.11 Contributions Plan to ensure a contribution is received to assist in funding the infrastructure upgrades that required to support this growth. It identifies \$1.6 billion of works/upgrades are required over 20 years and seeks to collect \$1.3 billion once apportionment and nexus principles are applied. This leaves Council to fund \$300 million plus increased operational/maintenance cost from other sources which are not able to be recovered via a Section 7.11 Plan.

This submission will demonstrate that if the IPART/ Productivity Commission recommendations are implemented there will be significant financial impacts that put at risk the ability of Council to provide the infrastructure necessary to support this growth.

3. Essential Works List (EWL) Issues

Firstly, Council welcomes the Minister's announcement that there will be no changes to the existing policy settings that apply to the EWL and Section 7.11 Plans. This means that Council can continue to collect infrastructure in its Outside CBD Contributions Plan (Section 7.11) for the next 3 years without any impact on Council's financial position.

It is noted that the Minister has flagged a further review of this issue in three years. The following comments detail Council's current position on potential changes flagged in the IPART report. Council seeks to remain engaged on any future changes to the EWL or any other aspect of the contributions system that will impact on its ability to deliver the infrastructure required to support growth and provides the following comment to clarify its position on future potential changes.

3a Changes to the application of the EWL

Any council seeking to impose Developer Contributions beyond a specified trigger point (in the case of CoP the trigger is \$20,000/ Dwelling) can only include works in the EWL in its Section 7.11 Plan. The Outside CBD Contributions (Section 7.11 Plan) imposes Contributions less than the \$20,000 trigger and therefore is not limited to the works in the EWL. Council can include any relevant infrastructure in its plan subject to it meeting the other requirements of the contributions framework.

The proposal, now deferred by the Minister for 3 years, was to remove all the triggers and apply the EWL to all plans across the State regardless of what level of contribution is being levied.

If this was to be applied in three years time Council would be forced to remove works from its current plan that are not on the EWL. The EWL does not allow collection of funds to construct community facilities only the acquisition of land to house them. The EWL seems to have been prepared to consider greenfields housing development and so does not allow contributions to infrastructure to support increases in workers and visitors such as car parking, public toilets and town centre upgrades.

Council's current Section 7.11 Contributions Plan intends to collect the following to support the growth expected in the CoP:-

Infrastructure not permitted under EWL	Cost of Works included in current plan	Apportioned amount Council proposed to collect	Gap Council must fund from other sources
Community Facilities (other than land acquisition costs)	\$220million	\$101million	\$119 million
Infrastructure to support increased workers	\$145million	\$92million	\$53 million
Total	\$365million	\$193 million	\$172million

If the EWL is applied Council will need to fund the full \$365 million cost of the infrastructure described in the table above with no development contributions. Council no longer be permitted to collect \$193 million in developer contribution for these works.

Council objects and will continue to object in future reviews to any changes to the current EWL trigger or any future changes to the Government Policy that limits Council's ability to provide infrastructure to support growth. Communities are already wary of changes that increase density citing concerns about the lack of infrastructure. Limiting Council's ability to expand/upgrade infrastructure so it can support growth is inconsistent with good planning practise and undermines community acceptance of changes to introduce increased densities of development.

The issue of funding Community Facilities is discussed in more detail in Section 3c.

Key Issue:- Council objects to any future measures that seek to impose an Essential Works List or any other changes to the Contributions Framework, that decrease the funding available to Council to deliver infrastructure to support growth via its Section 7.11 Outside CBD Plan.

3b Changes to the EWL

IPART EWL review has resulted in three changes when compared to the current list. The proposed changes and Council's response are provided in Table 1:-

Table 1 – Changes to the EWL

Amendment	Council Position
Embellishment of open space will no longer be limited to “base level embellishment”, instead council's will be required to justify the level of embellishment when establishing the nexus argument for the open space embellishment proposed	Council welcomes this change as a proactive step. It will permit a proper assessment of the impact of development and the appropriate level of embellishment. Also it will enable all stakeholders to provide input on the appropriate level of embellishment instead of imposing a statutory minimum level.
The EWL currently limits councils collecting for “Community Facilities” to recovering the land cost alone. The proposed amendment seeks to include strata spaces not just land as something Council can include in its Plan under the EWL.	In established areas such as the City of Parramatta where the density of development is higher it is more common to accommodate community facilities in mixed use buildings. In these circumstances the ability to collect for strata space within a mix use building is supported.
A broader proposal in the Government Reform package is to amend various regulations and policies to allow councils to borrow to bring forward delivery of infrastructure instead of having to wait until sufficient funds are collected. The EWL review supports this by adding interest payments on money borrowed to bring forward infrastructure to be included in contributions Plan	The broader proposal and EWL amendment that support councils if they wish to borrow to forward fund infrastructure is considered a positive outcome that gives councils more flexibility to deliver infrastructure in a financially sustainable manner.

Key Issues – Council supports the following minor amendments proposed to the list of works in the EWL because they represent better planning practice than the current list and benefit the Councils where the EWL is currently applied:-

- allowing strata floor space to be acquired for community not just land
- removing the restriction that embellishment of open space be limited to “base level” treatments
- allowing interest from borrowings to forward fund infrastructure to be included

However, this support should not be interpreted as support for the EWL to be applied to Council's Section 7.11 plan now or any time in the future.

3c Exclusion of the Construction of Community Facilities from the EWL

The decision to exclude construction of Community Facilities from the EWL was made during previous reforms that introduced the EWL triggers and set up a system that requires that any plan with contribution rates that trigger the EWL to be reviewed by IPART before they can come into effect.

The Terms of Reference for the current IPART review states that Community Facilities or any other types of infrastructure not already listed should not be added to the EWL.

The IPART report summarises the position of stakeholders on the exclusion of Community Facilities construction from the EWL:-

- Developers – community facility construction should not be included in plans because it increases contributions payable which are already too high. Whilst it is not stated in the report the development industry often claim rising contributions impact negatively on housing affordability
- Productivity commission – that community facilities should be funded by rates growth rather than developer contributions
- Councils – the construction of community facilities should not be excluded from any Plan as it is inconsistent with the Impactor Pays Principle. Also if infrastructure to support growth must be funded through rates communities will be less likely to accept the impacts of growth.

Council's position remains consistent with that of councils across NSW as described above. Any future changes to the contributions framework should remove any restrictions on the infrastructure that can be included in any contributions plan to allow the appropriate contribution from developers towards addressing the infrastructure demand that is being derived from their development. Ratepayers should not be required to fund infrastructure provision that is triggered by growth.

Key Issue:- Council continues to object to the cost of construction for Community Facilities being excluded from the EWL.

4. Principles to guide Nexus Decisions

A fundamental part of the preparation of a contributions plan which has been embedded in the regulations requires councils preparing a new plan to establish a nexus between the growth and the infrastructure proposed to be provided. To demonstrate nexus council must demonstrate that the growth generates a demand and that the infrastructure being provided satisfies that demand and that demand cannot be satisfied with existing infrastructure.

The IPART report seeks to provide further advice on the principles/criteria that should be applied when considering nexus decisions. It signals that these are the factors IPART will be looking to assess when it is requested to review plans in the future.

It appears that the majority of the assessment undertaken by IPART to date relates to greenfield/release areas. The examples given and the way the principles/ assessment criteria are worded to reflect a greenfields context. Whilst no concern is raised with the principles/criteria currently City of Parramatta request that IPART give further consideration to how these principles/criteria may be reworded or augmented to be more relevant to established areas that are being redeveloped at a higher density where the proposed infrastructure does not relate to the delivery of new infrastructure and instead is focused on augmentation of existing infrastructure.

If City of Parramatta in the future made a decision to set rates that trigger an IPART review clear principles and criteria relevant to the City of Parramatta context should be available.

Key Issues:- IPART should review its principle/criteria guiding how nexus should be applied when preparing Contributions Plans so they are relevant in established/infill areas experiencing redevelopment rather than just greenfield release areas.

5. Efficient Design and Delivery principles

The IPART report includes a decision it has made on how Efficient Design and Delivery of Infrastructure should be incorporated into the plan. The key issue is that infrastructure should be costed to deliver “base level efficient infrastructure” that delivers

- The minimum level of performance to meet the need whilst still complying with government regulations and other guidelines and standards
- Value for money having considered different options and their costs and benefits

Council accepts that the infrastructure provided should meet the need. Councils have previously been criticised for “gold plating” or “overdesigning” infrastructure and it is valid that this be clearly addressed. However the analysis provided by IPART provides no context to how this is applied in brownfields/infill areas such as CoP. The report should be amended to recognise cases such as the following-

- In an established area a service level delivered by existing infrastructure has been determined historically but growth may generate an increased demand which requires an upgrade to the infrastructure. An example given in the IPART report is that “*Council should design intersections to accommodate traffic rather than requiring a roundabout*”. A standard four way intersection may be the

subject of increased traffic due to development in the precinct to trigger a need to upgrade it to include a roundabout or traffic lights.

- The acquisition of land to maintain open space per head of population ratios is unfeasible in areas where density increases have driven up the underlying land values. In areas surrounding public transport nodes where increases in density can be significant the only feasible way to address open space need is by upgrading the capacity of existing open space. The level of service required to meet the need should be the determining issue on the extent and quality of the open space embellishment
- The IPART report makes the following comment *“It may be more cost-effective to upgrade or improve existing infrastructure in infill areas rather than invest in new infrastructure.* The COP Section 7.11 Plan reveals that upgrading existing facilities is the approach taken in almost all cases.

IPART should undertake a more robust review of existing plans in established infill areas as part of its review. The discussion should be more focused on ensuring the infrastructure meets the demonstrated need. The emphasis of the review is too highly skewed toward the provision of “baseline” infrastructure. More should be done to provide recognise and provide direction to Council’s on ensuring the need is efficiently met.

Key Issue- The advice on base level infrastructure should be reconsidered and refined to respond to cases in established/infill areas where the density of development is increasing. Advice that is more relevant to this context should be issued if this principle is to apply to contributions plans in infill areas such as City of Parramatta.

6. Benchmarking Cost of Works

IPART has provided a review of the costs of providing infrastructure as benchmarks. The proposal is that Council will follow one of two pathways:-

- Apply benchmark costs provided in IPART study to calculate cost of works in Plan; or
- Apply an “Alternate Costing Methodology”

The position of IPART is that all plans should apply that benchmarking costs it has prepared and that the Alternate Costing Methodology should only be used in cases where council can demonstrate the benchmark is not appropriate.

Council Officers have reviewed the benchmark costs provided and across a range of infrastructure categories. The benchmark costs seem to consistently be significantly less than the cost estimates of Council for these types of work. Council costings are based on recent works for similar types of infrastructure provided by Council. Case studies are provided in Appendix

A to demonstrate the difference between Council costs, which are market costs sourced through competitive tendering processes, and IPART benchmarks.

The benchmarks again seem to be primarily focused on greenfield release area. The benchmarks deal with creation of new infrastructure. In the case of City of Parramatta the works involve augmentation or upgrading of existing infrastructure which involve a different set of costs and risks which have not been properly taken into consideration on the IPART benchmarking.

Unless more appropriate benchmarks are provided Council will be forced to apply the Alternate Costing Methodology. The reduction in the amount of money Council would be able to collect if the current benchmarks are applied is too significant and Council would effectively be forced to use the Alternate Costing Methodology due to the financial impact on Council.

The level of justification/ information required in order to satisfy IPART requirements under the Alternate Costing Methodology is significantly greater than Council currently provides in its current Plan. For almost all project listed in the plans documentation would be required that demonstrates: -

- Why the benchmark could not be used and why the difference between the benchmark is material and Council's estimate more accurate
- Why the project is consistent with the "baseline" infrastructure principles discussed previously in this submission
- What site specific issues/ risk have been taken into consideration when developing the estimate
- How Council obtained and applied a market based evidence base for its alternate estimates

While the IPART report discusses this process in the context of Section 7.11 Plan there is a lack of clarify about whether these might also be applied to Section 7.12 plans such as the Plan proposed for Council's CBD.

The process of collating this information to apply the Alternate Costing Methodology for the 350 items in the Inside Contribution Plan (Section 7.12) works list and 135 items in the Outside CBD Contributions Plan (Section 7.12) works list would be a significant exercise with significant impacts on operational budgets and availability of relevant Council staff to undertake other work and does not in Council's view add any substantial benefits.

Key Issues –

- The list of infrastructure benchmarked does not reflect the list of works commonly included in Section 7.11 Contributions Plans in infill areas such as the City of Parramatta.
- In cases where works on the list are included in the City of Parramatta contributions plan the benchmarks are a significant underestimate of

- the cost of constructing the infrastructure and should be reviewed.
- Given the factors above the administrative cost to Council of having to apply proposed benchmarking methodology is significantly greater than currently borne by Council with no demonstrable benefits arising from the extra administrative process.

7. Benchmarking Plan Administration Costs

IPART is seeking feedback on whether a benchmark of 1.5% of the cost of works is an appropriate benchmark for Plan Administration Costs included in the Plan. Given the comments above regarding the benchmarking options proposed concern is raised that Council's in brownfields/ infill areas such as the City of Parramatta will have to pursue the Alternate Costing Methodology and justification for departure because the benchmarking provided is not fit for purpose in this context. The financial impact to Council of applying the current benchmarks has such a significant impact that Council will be forced to pursue the Alternate Costing Methodology.

The Alternate Costing Methodology will require significantly increased resources in the plan costing and preparation phase and unless more relevant benchmarks are provided 1.5% may be insufficient. The option for Council to apply an Alternate Costing Methodology so it can monitor real costs and include them in the plan should be an option for councils unless relevant benchmarks that decrease the administrative burdens on councils are provided.

8. Updating Contributions Plans

The IPART report seeks feedback on whether the proposal to require plans to be reviewed every four years is appropriate. It is accepted that regular reviews of Contributions Plans to ensure they continue to meet the needs of the community is appropriate.

9. CONCLUSION

The most significant reform discussed in this submission is the introduction of the EWL to all contributions plans in NSW. For the City of Parramatta this would result in Council having to forgo \$193million in funding that can be collected under current arrangements. This will need to be funded from other sources and will have a major impact on Council's ability to fund infrastructure with flow on effects on the community in terms of increased rates fees and charges and delays in delivery of the infrastructure if it can be delivered at all. Lower developer contributions will increase developer profits at the expense of Council's ability to fund infrastructure for the City of Parramatta community.

The fact that the Minister deferred the implementation of these measures for 3 years suggests that this impact has been acknowledged. However, in any future review the fundamental ability of councils to continue to provide infrastructure must be protected. Council cannot accept changes to the Contributions Planning framework in the future that represent such a significant reduction in Council's ability to deliver infrastructure.

The remainder of the more significant measure/ recommendations in IPART report relating to the application of nexus, the efficient delivery and design and benchmarking all share a common attribute. They have all been based on greenfield release area case studies and issues and do not address the issue relevant to brownfield/infill areas such as the City of Parramatta. The principles that underpin nexus and efficient cost effective delivery of infrastructure and the potential benefits that can come from a robust accurate benchmarking process can add value to the contribution framework but the guidance being provided in the report on these issues is of limited relevance to the City of Parramatta and should be reviewed in consultation with relevant councils before any change in the direction given to councils is finalised.

Appendix A- Comparison Case Studies – Comparison of Council Actual Costs and IPART Benchmarking Costs

Note: The comparisons below are based on the publication:
Supplementary Report - Benchmark Datasheets - Benchmark Costs for Local Infrastructure #360900

*Prepared for Independent Pricing and Regulatory Tribunal (IPART)
10 November 2021 by Cardno.*

Introduction

A benchmark is a standard or point of reference against which things may be compared. In theory, benchmarks should represent modern, fit for purpose, robust infrastructure, with a reasonable degree of quality and high degree of safety, consistent with community expectations for the locality.

Even with local variations, on costs and contingencies, it is very difficult to propose a one size fits all benchmark cost for various infrastructure works. Benchmarks can potentially be a guide, if they are based on realistic assumptions, but cannot be absolute. Similarly it is very difficult to produce a benchmark for even the most common local government infrastructure projects, as they all differ from each other in scope, site conditions, urban characteristics and so on.

There are numerous cost estimating and construction cost tools/guides available on the market, however they also have a significant number of variables to attempt to fine tune costs to the bespoke construction environment.

The examples used in this comparison are derived from competitive Tender and request for quotation processes by City of Parramatta Council. They represent actual market rates. Even then, the range of Tender prices varies widely, and successful Tenders are not necessarily based on the lowest cost submitted. There is a danger in designing benchmarks for the lowest cost to the community, as that is not in the best interests of the community and does not represent good, efficient infrastructure.

i) Datasheet Benchmark Items 1.09 to 1.11 - New Traffic Signals

The IPART/Cardno cost estimate for new Traffic Control Signals (TCS) range from \$250,000 to \$550,000 depending on number of traffic lanes and legs in an intersection. These costs estimates exclude road construction and traffic control but include kerb returns and kerb ramps and typical traffic signal configuration. The \$550,000 signalised intersection and one turning lane (**Item 1.11**) is most relevant to this comparison.

For comparison, City of Parramatta Council (CoPC) is currently designing new TCS at Hill Road and Bennelong Parkway, which is currently estimated to cost \$5.7 million - significantly higher than the IPART/Cardno cost estimate. The intersection is currently a priority controlled intersection in the form of a 'seagull' intersection with the proposed scope of works generally keeping to the existing kerb alignments, except for Bennelong Parkway where modifications to an existing landscaped splitter island is proposed to provide for additional traffic lanes. The scope of the intersection upgrade works generally includes as follows:

- Upgrade the Bennelong Parkway approach to the intersection from one left turn and one right turn lane to dual left and right turns into Hill Road.
- Upgrade the current two lane northbound approach in Hill Road to three lanes including one through lane, one shared through and right turn lane, and one right turn lane.
- Upgrade the current single through lane southbound approach with one left turn slip lane in Hill Road to two through lanes and one left turn slip lane.

Notwithstanding the additional lanes the actual cost is likely to be a quantum above the IPART/Cardno benchmark.

Another new TCS project by CoPC, currently in construction and nearing completion, is at North Rocks Road and Alkira Road. The current forecasted cost to complete the works is \$3.95 million with the project scope to upgrade the existing four/two lane priority controlled intersection including road widening in North Rocks Road to provide an additional right turn bay for westbound traffic in North Rocks Road with the traffic signal installation.

With regard to modification of TCS, costs for these works are also significantly higher than the IPART/Cardno estimate for new facilities. For example, the Fitzwilliam Road and Binalong intersection works are currently forecaste to cost \$1.1 million to complete. To further illustrate the disparity in costs, below is a list of projects Council has recently completed where only modifications were made to existing TCS:

- Intersection of Pennant Hills Road and Coleman Avenue, Carlingford: Upgrade all kerb ramps at the intersection and provide missing pedestrian crossing on the eastern leg of the intersection - \$831,745.48
- Intersection of Midson Road, Terry Road and Shaftsbury Road, Eastwood: Install missing pedestrian phase and upgrade kerb ramps - \$1,089,751
- Intersection of Carlingford Road, Rawson Street and Ray Road, Epping: Upgrade all kerb ramps at intersection including utility adjustments - \$1,048,346
- Intersection of Hassall Street and Station Street, Parramatta: Widen the existing footpath to create a pedestrian facility to improve connectivity as well as change traffic arrangements at the intersection - \$702,888
- Intersection of Great Western Highway, Parkes Street and Church Street: Reconstruction of Traffic Signal to install a missing pedestrian phase on the north leg of the intersection of Church Street, Parkes Street and Great Western Highway, Parramatta - \$758,500

ii) Benchmark Datasheet Item 1.25 - Pedestrian Crossings with Pedestrian Refuge Island

IPART/Cardno Benchmark Rate - \$13,000

The IPART/Cardno cost for item 1.25 'Pedestrian Crossings' is \$13,000, which includes any linemarking and signage, kerb ramps and also a pedestrian refuge island. This cost does not include a Flat Top Road Hump which was to be a separate item but is missing from the draft report.

Below are Council's actual costs for providing similar items:

- Bettington Road at Felton Road Pedestrian Refuge Island: \$155,792.14
- Pembroke Street at Essex Street Raised Pedestrian Crossing with Refuge Island: \$210,494.56
- Darcy Road Public School Raised Pedestrian Crossing with Pedestrian Refuge Island: \$202,533.54
- Bridge Street Epping Raised Pedestrian Crossing: \$173,176.63
- Bridge Street Epping Pedestrian Refuge Island: \$187,288.21
- Alfred Street at Prospect Street x2 Pedestrian Refuge Islands: \$240,058.68

In summary, it costs Council well over 10 times the benchmark amount to deliver these traffic facilities to the appropriate accepted standards than the Cardno/IPART cost estimates. Council invites Cardno to meet and review these costs together.

The other concerns with this item are as follows:

- Council's adopted minimum standard for pedestrian crossings are that all crossings on roads wider than 6m must be on a raised platform and not be at grade crossings.
- Street lighting needs to be included as an "inclusion" (may be reasonably required) considering the Australian Standards require a higher standard of lighting at pedestrian crossing points than elsewhere in the road.
- The costings make no considerations for any kerb extensions or road widening which are generally required for a safe design to achieve the aims of the Transport for NSW Technical Directions, Australian Standards and Austroads Guidelines.

iii) Benchmark Datasheet Item 1.14 - Roundabout Single Lane

IPART/Cardno Benchmark Rate - \$42,000

The IPART/Cardno estimate for a single lane roundabout is \$42,000, which includes the central island, splitter islands, kerb returns signage. For any road pavement works, refer to the separate items for road constructions.

This cost estimate is again significantly varied from what it costs CoPC to construct this item, which can be up to 10 times more (acknowledging the benchmark is for greenfield sites). Some recent examples of the final costs incurred from single lane roundabouts Council has completed are provided below:

- Intersection of Bettington Road and York Street: Installation of single lane roundabout - \$392,947.90
- Intersection of Macarthur Street, Grose Street and Mason Street: Installation of single lane roundabout - \$394,443.86
- Intersection of Isabella Street and Brabyn Street, North Parramatta: Installation of single lane roundabout - \$316,261
- Intersection of O'Connell Street at Dunlop Street, Parramatta: Installation of single lane roundabout - \$354,510

The other concerns with this item are as follows:

- The typical design of the roundabout by Cardno does not include pedestrian refuge islands which comply with TfNSW Technical Directions. The splitter islands they used have mountable kerbs and are small in size which do not offer satisfactory protection for any pedestrians waiting to cross the road. Roundabouts installed on City of Parramatta Council roads generally have splitter islands that are complying pedestrian refuge islands wherever possible. Considering that this design is for a greenfield site, this must be a minimum requirement for roundabouts rather than an exclusion.
- Street lighting needs to be included as an inclusion (may be reasonably required) considering the Australian Standards require a higher standard of lighting at roundabouts and pedestrian crossing points than elsewhere in the road.
- This cost estimate has no applicability to brownfield sites where there are significant constraints that require a tailored design. As demonstrated above, the cost of Council constructing such a facility is approximately 10 times the cost estimated by IPART/Cardno.

iv) New roads, benchmarks and Australian Standards

New Roads (traffic aspects only)

With regard to road construction, CoPC has traffic related concerns which are likely to impact costs. These are as follows:

- **Local Access Roads:** Only a 9m wide carriageway is assumed. This width is not sufficient to allow for parking on both sides of the road and allow for two-way traffic. Council's approach is to have 11m wide carriageways which allows for 2m wide parking and 3.5m travel lanes which is consistent with AS 2890.5:2020 particularly in areas of high density developments where there is a high demand for on-street parking. The benchmark is not appropriate busy urban areas (most parts of Sydney)
- **Collector Road and Sub-Arterial Road:** Sub arterial roads should have lane widths of at least 3.5m and parking bay dimensions of 2.6m plus a safety buffer of 0.5m depending on the use wherever on-street parking is permitted to comply with parking standards.
- **Industrial Roads:** The cross section assumes 5.5m wide travel and parking lanes (3.5m travel lanes and 2m parking lanes). As per AS 2890.5:2020, the parking bay width needs to be at least 2.6m with a 3.5m travel lane to allow for truck parking meaning the paved width of the road in the cross section needs to be increased to at least 12.2m.

v) Datasheet Benchmark Item 4.01 - Amenities Building 400 sqm

IPART/Cardno Benchmark Rate - \$2,500m²

City of Parramatta Council (CoPC) comparison

Each year CoPC carries out \$15M of capital upgrades to its parks, and typically constructs one amenities building per year. This building is usually a replacement of an existing building, and compares favourably with the functional description in the IPART/Cardno datasheet. The existing sites do not have significant development constraints, excessive cut, fill is not required and services are available to that existing site.

Due to the estimated building cost, each of the amenities building projects is subject to an open competitive Tender process. Therefore, the CoPC rates in this comparison are actual market rates, relevant to the Parramatta LGA.

In the last five years, CoPC has constructed, through an open competitive Tender, five amenities buildings, at the following locations:

West Epping Park
Dundas Park
Somerville Park – Eastwood
Boronia Park – Epping
Peggy Womersley Reserve – Carlingford

For each of these amenities buildings the construction cost range is approximately \$6,000-7,000/m² (internal spaces) and approximately \$2,000-2,500 (external covered spaces, eg, awning).

Rates for major renovations, which include adjustments to services, demolition and replacement of slab are comparable on a rate/m² to that of the local amenities building rates above.

Obviously, these market rates per square metre far exceed the IPART/Cardno Benchmark rate, before considering the various adjustment factors, on costs and contingencies as proposed by IPART/Cardno.

It is instructive that the IPART/Cardno Benchmark appears to set a very low standard, in this instance, for a public facility. The inclusions are:

- Single storey structure
- External blockwork walls, minimal internal walls, screens and doors
- Basic floor, wall and ceiling finishes and fitments
- Mechanical, electrical and hydraulic services including typical connections to existing mains
- Basic external works including paving, site landscaping, fencing and external lighting
- Notional facility size 100m²

There is an emphasis on a cheap building, external blockwork walls, minimal internal walls, 'basic' finishes and fitments and 'basic' external works. This type of construction was evident 30-40 years ago, however is not now acceptable. Communities demand more from their public buildings, in function, form and aesthetics, than a minimal building standard. Modern sporting facilities which cater for the whole community and multiple sports and recreational pursuits, in an equitable manner, are inconsistent with the proposed benchmark. Increasing densities in urban areas put more demands on community buildings to cater for a diverse community, and buildings must meet that demand.

The Cardno Benchmark is considered unrealistic. CoPC feedback is that to be effective and representative, the benchmark must be based on what a modern amenities building is required to deliver, and be based on actual market Tender rates, tailored to localities and urban characteristics, whether the urban area is brownfields with increasing density, or a new estate in an urban release area.

CoPC will be happy to engage further on these rates.
