

Friday, 21 February 2025

Independent Pricing and Regulatory Tribunal

Dear Colleagues,

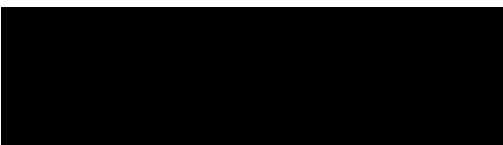
Submission to the Review of IPART's Approach to Assessing Contributions Plans

Thank you for your consideration of this short submission (attached), generated via consultation with a range of stakeholders across NSW, as part of the Accelerating Smarter Development initiative, which Delos Delta is coordinating on behalf of NBN Co, and Urbis.

This initiative is investigating the range of opportunities, risks, and impediments to the effective integration of high-value digital/smart technology as part of development activity across Australia. It is being steered by NBN Co, Urbis, and Professor Chris Petit of the UNSW City Futures Research Centre, supported by a reference group comprising the Property Council of Australia, the Urban Development Institute of Australia, the Planning Institute of Australia, and the Australian Smart Communities Association. Notwithstanding consultation with these entities, and broad in principle support, this submission does not profess to formally or completely represent their views.

Finally, we acknowledge that elements of our submission may not entirely fall within the remit of this particular Review, but trust, to this extent, that it might inform your broader program of reviews and activity into the future. We appreciate your consideration and would be happy to arrange time to discuss or clarify any points.

Yours faithfully,



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Submission

This submission addresses the Independent Pricing and Regulatory Tribunal's (IPART's) review of their approach to assessing contributions plans (CPs), and primarily relates to the following items that IPART are seeking comments on:

1. What do you think could be improved about how IPART assesses CPs?
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'?
11. Do you have any feedback about the list of local infrastructure benchmarks?

While it is acknowledged that elements of this submission may not entirely fall within the remit of this particular engagement process and review, we appreciate the opportunity to share our views for IPART's consideration and reflection, both now and into the future.

Key Issues Relevant to 'Smart' Development:

- ▶ Explicit identification of digital and communications technology infrastructure within the essential works list and draft infrastructure benchmarks are limited
- ▶ Where certain draft benchmark items and listed essential works might implicitly, or explicitly, encompass digital infrastructure, it is unclear the extent to which the assessment criteria accommodates digital, communications, and smart solutions within that digital infrastructure

New South Wales Strategic Context

The New South Wales State Infrastructure Strategy 2022-2042 (SIS) identifies strategic priorities that are increasingly reliant on digital infrastructure and the implementation of smart technology solutions.

These priorities include to:

- ▶ Achieve an orderly and efficient transition to Net Zero
- ▶ Harness the power of data and digital technology
- ▶ Design the investment program to endure

The last of these sets out 'diversify funding sources to deliver future investments' as a strategic direction, while recommending 'tipping the balance of spending towards technology upgrades'.

In addition, the New South Wales Asset Management Policy explicitly highlights the role of digital technology in enhanced asset management capability.

Engagement Insights

Local government stakeholders, as part of the Accelerating Smarter Development engagement process, consistently cited operational efficiency and cost savings, environmental sustainability and energy efficiency, future-proofing infrastructure, and better data insights and decision-making as drivers of smart infrastructure investment (in a development context). All of these drivers relate to identified NSW strategic infrastructure priorities.

Stakeholders also generally assessed that the level and type of digital infrastructure being incorporated into NSW developments was sub-optimal.

Opportunities

While ideally the essential works list and draft benchmarks would include a broader range of high-value digital and smart technologies, in the immediate term, it would be useful to indicate and clarify the extent to which current inclusions of digital infrastructure are provided for.

For instance, current implementations of 'street lighting' invariably utilise smart lighting solutions with the digital hardware and network connectivity to enable adaptive management, data collection, and remote operational capabilities. It is not clear to what extent these are accommodated within the current assessment criteria.

It would also be useful to acknowledge that most traditional/physical infrastructure now includes some digital components. For example, digital sensors, networks, and platforms are now very common (if not standard) elements of traditional infrastructure and essential works such as storm water management, road and transport infrastructure, and waste disposal.

Providing clear guidance as to the extent to which current listings of essential works and benchmark items support digital, communications, and smart technology implementations would be a useful and relatively simple enhancement to this material and the associated assessment processes.