Submission in respect of 'Draft Report - Assessment of Lane Cove Council St Leonards South Precinct Contributions Plan - August 2025'.

I request that the following three proposals be incorporated into IPART's final report.

1. Indexation methodology

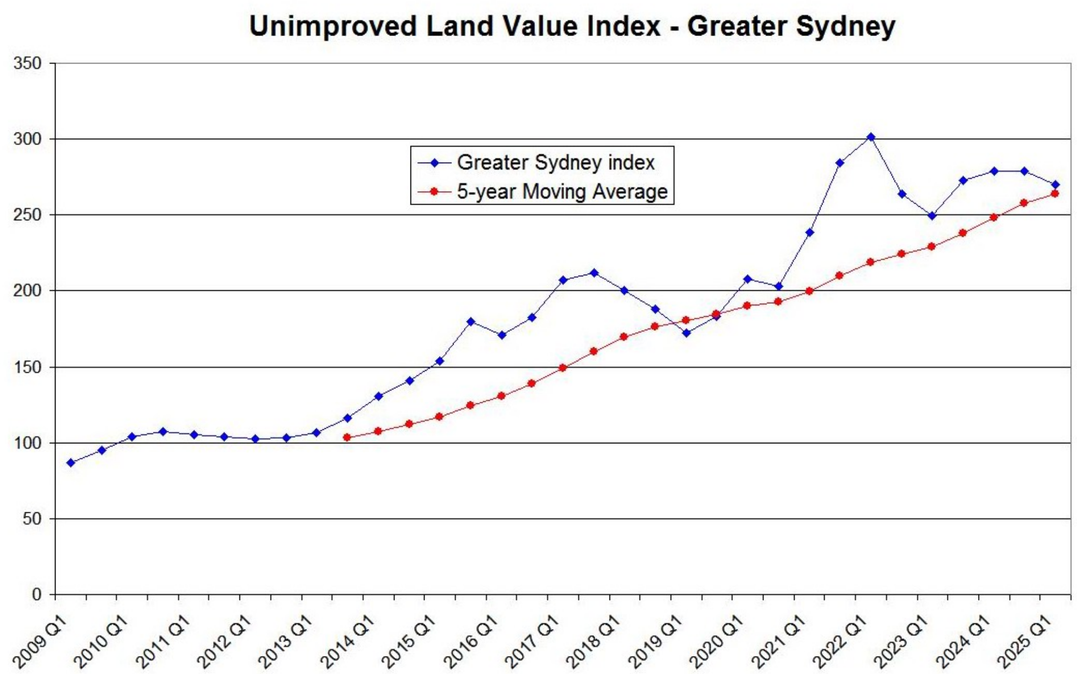
I refer to the Draft recommendation 3 of the Draft Report, which states:
"That the council applies the Cotality unimproved land value index for Greater Sydney (Greater Capital City) to index the cost of land not yet acquired."

The process of collecting the contributions and acquiring the required land is a long term one. The St Leonards South Precinct planning proposal was approved in August 2020. Five years on, only half of the required land has been acquired. It may take another five years or longer to acquire the remaining land.

On the other hand, the Cotality unimproved land value index for Greater Sydney (Greater Capital City) is a volatile index, which can fluctuate significantly from one quarter to the next, or even from one year to the next.

It is therefore more reasonable to use an index-averaging approach to minimise the volatility which will provide better predictability, and hence benefit both the local council and the developers in terms of planning.

I proposed that a 5-year moving average index based on the Cotality unimproved land value index for Greater Sydney (Greater Capital City) be applied, as illustrated in the chart below. The corresponding table of data is provided in Attachment A.



2. Indexation base reference

Any indexation specification would be incomplete without the definition of a base as the reference point.

The land valuation, and costs of the works components were determined by the local council in June 2025. Therefore it is logical to use the June quarter of 2025 as the base date for future indexation calculations. This date should be documented in the Contribution Plan (CP) so that the reference point will be independent of the timing of the final approval and adoption of the CP.

I proposed that the following be included in the CP:

30-6-2025 to be defined as the indexation base date,
land valuation index as at the base date, and
works cost index as at the base date.

3. Timely publication of index data

For transparency, the local council should publish the currently applicable indices on a quarterly bases, including:

The effective/commencement date of the current indices,
currently applicable index for the land acquisition component, and
currently applicable index for the works components.

Attachment A

Table of unimproved land value index for Greater Sydney (Greater Capital City)

Data source:

Data in Columns A and B is from https://www.cotality.com/au/our-data/indices
Data in Column C is a calculated average of the data in Column B.

Column A	Column B	Column C
Date (quarter)	Greater Sydney (Greater Capital City)	Greater Sydney 5-year Moving Average
2009 Q1	87.1	
2009 Q3	94.7	
2010 Q1	103.6	
2010 Q3	107.1	
2011 Q1	105.4	
2011 Q3	104.1	
2012 Q1	102.7	
2012 Q3	103.3	
2013 Q1	106.8	
2013 Q3	116.2	103.10
2014 Q1	130.5	107.44
2014 Q3	141.1	112.08
2015 Q1	154.0	117.12
2015 Q3	179.5	124.36
2016 Q1	170.6	130.88
2016 Q3	182.2	138.69
2017 Q1	207.1	149.13
2017 Q3	212.0	160.00
2018 Q1	200.1	169.33
2018 Q3	187.7	176.48
2019 Q1	172.0	180.63
2019 Q3	183.5	184.87
2020 Q1	207.8	190.25
2020 Q3	202.9	192.59
2021 Q1	238.4	199.37
2021 Q3	284.2	209.57
2022 Q1	301.6	219.02
2022 Q3	263.7	224.19
2023 Q1	249.4	229.12
2023 Q3	272.5	237.60
2024 Q1	279.0	248.30
2024 Q3	278.7	257.82
2025 Q1	270.1	264.05