

14 December 2021

Independent Pricing and Regulatory Tribunal
PO Box K35
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HAYMARKET NSW 1240

**Shellharbour City Council Submission on IPART Reviews Relating
to the Infrastructure Contributions Reforms**

Dear Submissions Manager,

I write to provide to you with a submission on the proposed reforms to the Infrastructure Contributions system. The submission has been prepared by Shellharbour City Council (Council) officers. It has not been referred to the elected Council – no such duly elected Council exists at this time.

It has been prepared in response to the following reports released for public comment by IPART:

- *Review of the essential works list, nexus, and efficient infrastructure design*
- *Review of benchmark costs for local infrastructure*

It also references, where relevant, the suite of documents relating to the reform of the infrastructure contributions system recently exhibited by the Department of Planning, Industry and Environment.

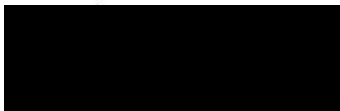
Consistent with its core values, Council has an accountable and sustainable history of use of contributions to fund the infrastructure required to service its growing community. The comments made are based on Council's practical experience of dealing with the system daily.

Although Council acknowledges the need to reform the contributions system, as outlined in the attached submission, there are several key aspects of the proposed reforms, as outlined in your reviews, that are concerning to Council. It is considered important for all stakeholders associated with the planning industry and in particular, the community the Council serves, that these matters be addressed or resolved prior to the finalisation and implementation of the reforms.

If you have any questions in regard to the submission or require additional information, please contact me directly on [REDACTED] or telephone [REDACTED].

Alternately, I would be more than happy to meet with you and with Council's Infrastructure Contributions officer, Julia Kaul to discuss the submission further.

Yours sincerely



Carey McIntyre
Chief Executive Officer

Shellharbour City Council

Submission on IPART Reports to Support Infrastructure Reforms Program

December 2021

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1 Introduction

The following submission has been prepared by Shellharbour City Council (Council) staff in response to the following draft reports issued for comment by IPART:

- Review of the essential works list, nexus, and efficient infrastructure design
- Review of benchmark costs for local infrastructure.

Due to the time constraints associated with the exhibition of the documents and the exhibition coinciding with Local Government elections it has not been possible to submit this document to an elected Council for consideration and as such the opinions expressed therein represent the opinions of the relevant Council officers only.

It is acknowledged that these reports have been prepared at the request of the Minister for Planning, and Public Spaces as part of the review of the infrastructure contributions system in NSW and are limited by the Terms of Reference set by the Minister.

The focus of Council's submission is to ensure that the revised system meets its stated objectives of certainty, transparency, simplicity, efficiency, and consistency. Council's responses to the specific questions that have been asked are contained in **Attachment 1**. The following comments, however, are intended to provide context and raise concerns that are otherwise not addressed by the targeted questions.

2 Review of essential works list, nexus, and efficient infrastructure design

Council currently has a single s7.11 contributions plan that applies differential rates across the city depending on the extent of infrastructure required to service development within established catchments. This plan covers a full range of infrastructure, with contribution rates generally between \$9,000 and \$12,000 per dwelling, except for one greenfield release area where contributions range between \$17,000 and \$25,000 per dwelling. With land value rates similar to south-western Sydney, these contribution rates are considered reasonable.

Under the proposed reforms Council's current contributions plan would be subject to the essential works list which will be imposed on its contributions plan for the first time. The implications of this change will be the removal of a significant number of facilities from the plan, including facilities that have been forward funded, resulting a funding blackhole.

2.1 Terms of reference

It is stated numerous times throughout the reports that the terms of reference require that there be no expansion of the works classified as essential. However, the terms of reference do not enable a full evaluation of the effectiveness of the current arrangements and therefore, offer limited opportunity to address existing issues. This undermines the credibility of the review and limits the degree to which the outcomes can ensure infrastructure is delivered when and where it is needed.

2.2 Principles-based system

DPIE are promoting the reforms as a movement towards a principles-based system with the principles clearly outlined in their exhibition material.

- Reasonableness
- Nexus
- Accountability
- Development-contingent infrastructure
- Efficient design of infrastructure.

IPART also references the creation of a principles-based system, however a different set of principles are applied being:

1. The items included in the contributions plan must be on the essential works list.
2. The items must be development contingent.
3. The costs in the plan must be based on the cost of base level infrastructure that meets efficient design and delivery principles.
4. If there is a relevant benchmark cost, that should be used unless it would not be reasonable to do so. Where a benchmark is not used, the council should apply the costing approach outlined in our report.
5. Plans may be updated to reflect actual costs during the life of the plan, in some circumstances. Where this is not reasonable, the plan may continue to reflect an updated cost estimate.

These IPART principles are not directly linked to the DPIE principles and add to the complexity of the system. In this regard the following should be noted:

- The application of the essential works list does not equate to reasonableness or imply nexus,
- It has not been demonstrated that the essential works list represents the full scope of development contingent infrastructure that would need to be provided,
- The benchmarked costs and limitations on the works that can be included are not representative of reasonable costs associated with servicing development,
- The use of benchmarked costs do not encourage the efficient development of land as they remove critical price signals to the development industry.

This is further complicated by additional principles being added for each component of the IPART review rather than referring to the DPIE principles.

2.3 Essential Works List

The existing essential works list was based on infrastructure considered essential to bring a residential lot to market. This list was to be applicable to a limited number of councils with high contribution rates. It was initially promoted as a means of improving housing affordability. In practice this has had no effect on housing affordability as the savings were not passed on to purchasers through reduced prices. The key exemption from the works list was social infrastructure.

Under the draft recommendations, only *'cost effective infrastructure that provides the minimum (or base level) of service can be included in a contributions plan to ensure that developers only pay for the efficient cost of infrastructure'* (page 7). This base level is poorly defined within the document, creating confusion and uncertainty. It is also noted that there is no equivalent limitation on the scope of works that a developer can choose to provide or expect reimbursement for. This system is heavily biased towards benefitting developers and shifting expense to council.

In addition to the above, we have the following general concerns regarding the proposed approach to the essential works list:

- It is noted that the application of the essential works list is to be extended to all s7.11 plans as it provides consistency across all s7.11 plans regardless of the contribution payable. This approach unfairly punishes those councils, like Shellharbour who keep their contributions as low as possible,
- The essential works list will only apply to s7.11 plans and undermines the consistency of application across the system,
- Placing artificial limitations on the scope of infrastructure will remove critical price signals that encourage efficient development patterns because the contributions will no longer be reflective of the cost of developing the land,
- Exclusion of an item from the essential works list does not mean that it will not need to be provided. Concerningly, no justification is given for why specific items have not been included,
- Where an item is excluded from the essential works list there is no analysis of the appropriate sources of alternate funds to fill the funding gap if or when the item is required.

The following comments relate to specific aspects of the list.

2.3.1 Community infrastructure

Community infrastructure is central to the development of a sense of community within any new development. It is a critical component in ensuring the ongoing health and well-being of any community and yet the construction of this infrastructure has been excluded from the essential works list.

The reasoning behind this is problematic for the following reasons:

- It has not been demonstrated that this infrastructure is beyond the scope of s7.11 of the Act as it is infrastructure for which demand is generated by development,
- It is still possible to levy for such infrastructure under both s7.12 plans and regional infrastructure contributions,
- It is not logical that land for this infrastructure is essential, but the building works are not, with the only explanation being that developers will seek reimbursement for the provision of such lands when they undertake their development but are unlikely to provide the building itself,
- The draft recommendations propose the inclusion of the acquisition of strata space for the use for community infrastructure in the essential works list. Strata space, by its very nature, includes building works. This undermines any logic that could be applied to the decision to exclude construction of community infrastructure and creates a system that is not consistent.

2.3.2 Base level infrastructure

The report infers that councils and the community have unrealistic expectations regarding the level of infrastructure that should be provided, and this 'unrealistic expectation' necessitates the inclusion of the requirement that contributions be limited to 'base level infrastructure' only, with anything above this to be funded through sources other than contributions. The report however provides no evidence that this is the case. Councils must account for the ongoing maintenance and renewal costs and as such are cautious when it comes to the standard of the infrastructure

to be provided and the impact it may have on their asset management requirements. Often the 'higher standard' infrastructure is nominated and provided by developers as a marketing tool for their development. The very basis for this component of the essential works list is not reasonable.

On a practical level the proposed approach to base level infrastructure does not provide sufficient certainty or direction for Councils and the expectations are not clearly defined.

2.4 Definition of key concepts and methodology

The report repeatedly references key concepts such as development-contingent development, base level performance and efficient design, without providing any clear definitions. This is further compounded by the proposed approach lacking certainty. IPART do not propose a clear and certain approach to the issues, with the proposed approach not only adding to the uncertainty of the contributions system but also adding significantly to the administrative burden on councils.

The proposed approach will require significant additional work to be carried out to demonstrate compliance with the principles on which the system is based. Although this would, on the surface, appear to improve **transparency**, in reality it creates a **more complex** and **less certain** system that is **less efficient** for councils to implement.

2.5 Focus on up-front provision of infrastructure

There is an emphasis throughout the report on up-front provision of infrastructure using pooled contributions or external borrowing. There is, however, no assessment of the practical implications associated with this approach including:

- The impact of borrowing on council's financial sustainability,
- The cost efficiency to council and the existing community of this approach due to costs associated with borrowing,
- The costs associated with an asset being transferred to Council including maintenance, depreciation, and renewal,
- The lack of certainty regarding the income required to service the loan which represents a significant financial risk to council,
- No consideration of the requirements of the *Local Government Act* relating to financial obligations, asset management and borrowing,
- The lack of certainty in development patterns – infrastructure may act as a constraint on future development,
- The encouragement of efficient development patterns,
- The provision of infrastructure in advance of adequate delivery of surrounding development means it is not subject to passive surveillance, leaving it exposed to the potential for damage through vandalism, therefore adding a further potential expense to council.

The proposed approach is highly problematic and would require considerable additional research before it became a requirement.

3 Review of benchmark costs for local infrastructure

IPART previously issued benchmarked costs for infrastructure, and wherever Council used these benchmarks they significantly undervalued the cost of undertaking the works. Council is therefore sceptical of the extent to which the current proposed benchmarks are truly reflective of the costs of providing development.

We have the following general concerns regarding the benchmarking of local infrastructure costs:

- Benchmarked costs are deliberately set low using the justification of ‘efficient costs’ and will therefore be used to further restrict the contribution payable by developers,
- These costs are based on the most basic level of service and will not be sufficient to ensure that our communities will develop as attractive and liveable places without significant financial impost on the wider community,
- Benchmarked costs do not allow for the contributions plans to be adjusted to reflect the actual cost of provision and as such contributions will not reflect the cost to the community of providing infrastructure,
- Benchmarked costs should be the exception that is used where it is not possible or practical to undertake detailed, site-specific design and cost estimations, rather than the rule, as this is the only way to ensure that the true cost of development and the associated economic triggers can be assessed, and efficient development patterns encouraged.

3.1 Methodology for developing and maintaining benchmark costs

Generally, the figures are quite appropriate. In this regard, it is noted that the Rawlinsons Australian Construction Handbook is referenced in the preparation of benchmarks. These are well regarded and widely used, including by Council.

The estimates must be updated on an annual basis to ensure they remain relevant to levying contributions. If the figures are not updated regularly, they will no longer accurately reflect current costs, and will not be relevant in terms of determining contributions. For example, the cost of steel has seen a significant price jump over the last 6 months.

It is also noted that the benchmarks will be reviewed every four years. This is not considered sufficient as it will fail to pick up on major changes in relevant inputs and a review every one or two years is more appropriate.

3.2 Definition of terms within benchmarks

The following observations relate to the definition of terms that are used within the benchmarks:

- “Lifecycle costs for the project” must include demolition and decommissioning at the end of the life of the infrastructure
- “Project cost” must incorporate utility projection/relocation
- “Council on-cost” must include:
 - Service locating
 - Potential utility protection/relocation
- “Levies and other government charges” must include permits e.g. Fisheries, Road Occupancy License

3.3 Site constraint factor

Site constraints are potentially a major cost in the provision of infrastructure and are often not known until later in the development process rather than when the initial contribution plan is being prepared. It is essential that appropriate allowances are made within the benchmark costs.

In this regard it should not be assumed that greenfield sites will be minimally constrained. Greenfield sites can still be heavily constrained due to such things as acid sulphate soils, European and Aboriginal heritage, flooding implications, etc. These can all have significant impacts and increase costs. Therefore, the allowance of 0% is unrealistic.

3.4 Contingencies

The level of detail available at the stage of development at which a contributions plan is initially prepared is conceptual at best and will be refined as development proceeds. This is reflected in the accuracy of the information on which any contribution plan is based. The scope of works covered by the plan and the costs associated with providing the necessary infrastructure will be refined over the life of the development. This lack of accuracy is usually offset by the level of contingencies applied to cost estimates.

It is noted that in the benchmarks, contingencies have been set at 20%. Council does not consider this appropriate as it assumes a level of certainty that is not available at the time a contributions plan is initially being developed. Rather, it would be more appropriate to apply a progressive scale as outlined in Table 1 below, which is based on the level of certainty available to Council.

Table 1: Sliding scale of contingencies

Level of planning and investigation	Contingency factor applied
High level strategic planning (i.e. with little to no site knowledge)	50%
Concept Design and site investigations	20-30%
Detailed Design (including gaining planning approvals and construction approval)	10-20%
Issued for construction	10%

In addition to the above the following concerns are noted:

- The statement on page 13 that “*Contingencies shall typically not include: allowance for significant scope changes and cost escalation*” while accurate, does not reflect current practice where contingency is generally spent on the aforementioned factors. This should be reflected in the benchmarked costs
- The statement on page 13 that: “*there is an expectation that planning is developed to a level where factors such as soil conditions are identified*”, is inaccurate and impractical as soil investigations occur after a scope for a project is received.

3.5 Alternatives to benchmark costs

There are many situations where the application of benchmark costs are not appropriate and the proposed alternate approach to costings is overly complex. Consistency in cost estimation would be improved if guidance was provided as to what should be addressed in a cost estimation and the treatment of on-costs, contingencies etc. The development of a cost estimation template would not only improve consistency across the system but would also enable future evaluation of the cost of providing infrastructure across NSW.

4 Cumulative impact of recommendations

These reports contain a large number of recommendations that when consolidated into a total system have the potential to significantly impact councils. The following seeks to provide IPART with a summary of the cumulative impacts of the proposals on council.

When considering these impacts, it is important to remember the purpose of section 7.11 of the *Environmental Planning and Assessment Act* (the Act) is to enable council, as a planning authority, to require a reasonable dedication or contribution for the provision, extension or

augmentation of public amenities and public services to serve the demand generated by new development.

4.1 Financial concerns

Currently there is insufficient certainty within the proposed approaches to determine the full extent of the possible financial impacts on Council. However, it will result in a significant reduction in the contributions that can be sought from developers to fund the infrastructure needed to service the additional demand created by their developments, and will undermine Council's ability to provide the required infrastructure when and where it is needed.

In this regard the following concerns should be noted:

- It has not been demonstrated that the contributions currently imposed by Council are unreasonable and require the imposition of limitations on their application.
- The proposed changes have an unreasonable financial impact on Council and the community,
- The reduced permitted scope of works for which contributions can be sought will not reduce the scope of works that need to be provided, resulting in the transfer of the costs of providing them to council and the broader community,
- It is likely that the reduced contributions will not be passed on as reduced housing prices. Subsequently, the householder will be paying more as they not only have to pay the same for their land/house but then also pay additional rates to top up the shortfall created by the application of the essential works list,
- Whilst the forward funding of infrastructure is appropriate in certain circumstances, this should be at Council's discretion so that a thorough assessment of possible impacts on the broader financial operations of Council,
- The imposition of the benchmarks for recovery of costs associated borrowing will mean that Council will be responsible for any additional costs associated with borrowing that is not covered by the benchmarks,
- There are no provisions that enable the actual cost of providing the infrastructure to be included in the contributions plan. Therefore, Council will not be able to recoup what it is required to spend to service new development.

4.2 Need for balance in system

There are many stakeholders in the system, and it is important that the needs of all stakeholders are adequately addressed. Under the current provisions, there are considerable constraints placed on Councils without equivalent restrictions being placed on developers' expectations of reimbursement from Council for the infrastructure required to be provided. As a result of this intrinsic imbalance, the price signals that would encourage efficient development patterns are undermined.

5 Summary

The focus of the system should always be on ensuring the provision of the necessary infrastructure when and where it is required. Section s7.11 provides council with a vehicle to ensure that those that will benefit from this infrastructure contribute towards its provision.

The increasingly restrictive essential works list and limiting approach to benchmarked costs will place unreasonable restrictions on Council's ability to utilise the powers granted under s7.11 of

the Act. They are not balanced with equivalent restrictions on the expectations of reimbursement to developers and will ultimately undermine Council's ability to provide infrastructure when and where it is needed.

It is Council's opinion that significant additional work is required on both reports to ensure their recommendations are practical, financially viable, and will positively support the provision of the right infrastructure needed to service the demands that new developments create.

6 Attachment 1: Response to draft decisions

Draft decision

1. Costs included in a section 7.11 contributions plan should relate to provision of local infrastructure in one or more of the following categories:
 - land and/or facilities for open spaces
 - land or strata space for community facilities
 - land and/or facilities for transport
 - land and/or facilities for stormwater management
 - costs of plan preparation and administration–borrowing costs to forward fund infrastructure.

Comment Sought

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?

Response

1. It does not provide certainty. The lack of clarity around terms used and permitted works creates a legal minefield and adds substantially to the administrative burden on Councils. This approach requires significant refinement before it is fit-for-purpose

Draft decision

2. Costs included in a section 7.11 contributions plan should relate to provision of development contingent local infrastructure. Proposed items will be development contingent where:
 - The expected development creates a demonstrable increase in the demand for public amenities and services.
 - The types of public facilities proposed in the contributions plan are required to address that demand.
 - The proposed facilities consider the extent to which existing facilities have capacity to meet that demand.

Comment Sought

2. Is the proposed evidence to establish nexus for infrastructure in a contribution 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?

Response

2. The requirements proposed by IPART lack clarity and certainty and would increase the administrative burden on councils. Revised practice notes should be focussed on providing simple practical advice to practitioners with worked examples

Draft decision

3. Costs included in a section 7.11 contributions plan should reflect the base level, efficient local infrastructure required to meet the identified demand. Proposed items will satisfy these requirements if:
 - They deliver the minimum level of performance required to meet the identified need and comply with government regulations or guidelines and industry standards.
 - They provide value for money compared with the different options available for meeting the identified need, with costs and benefits considered over the life of the assets proposed.

Comment Sought

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)?

Response

3. Neither the development industry nor the community will accept the provision of 'base level infrastructure'. The proposed approach will not improve housing affordability – it will merely reduce the cost to the development industry and increase the cost to council. This approach also undermines the economic triggers that encourage efficient development patterns.

On a practical level, the 'guidance' provided lacks clarity and certainty for local government. It raises more issues than it addresses, is highly subjective and will expose council to increased potential for legal challenge.

Draft decision

4. We will establish cost standardised benchmark scopes and base costs for the items listed in Table 7.1. Our approach will incorporate variation in the appropriate costs using base costs and adjustment factors.

Comment Sought

4. Are there other items that we should consider benchmarking?
5. Do you agree with our approach to use adjustment factors so that the benchmarks are applicable to a broader range of projects
6. What other factors increase the complexity of a project that could be used as an adjustment factor?

Response

4. The general scope of works benchmarked is acceptable although the benchmarks are limited to those works on the essential works list. The extension of those benchmarks to infrastructure that is not on the essential works list may be of benefit to those councils that are undertaking infrastructure works that are not on that list or as a guide for those councils using other forms of contributions e.g. s7.12 plans or planning agreements.
5. The adjustment factors have some issues that have been outlined in this submission
6. There are some key issues outlined in Sections 3.2 and 3.3 of this submission that should be addressed. Contingencies need to be reviewed in accordance with Section 3.4 of this submission.

Decision

5. We recommend project allowances be applied to base costs at the rates proposed under Table 7.3 and Table 7.4.

Comment Sought

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

Response

7. No comment to offer

Comment Sought

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

Response

8. This approach is valuable for the funding of the upgrade of open space within existing urban areas so that these facilities can cater for the additional demand from new development. Shellharbour has used this approach successfully in our existing urban areas where infill development is occurring.

Draft decision

6. The benchmark cost for plan administration should be set at 1.5% of the total value of works to be funded by local infrastructure contributions. This should cover the total costs of plan preparation, management, and administration.

Comment Sought

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

Response

9. Your research has been limited to the relatively small number of plans that have been reviewed by IPART, some of which have kept their administrative components deliberately low to smooth the review of the plan. This should therefore not be taken as evidence of what is realistic or reasonable for plans in general.

Shellharbour City Council has a long-term commitment to the regular review and implementation of our contributions plan. We operate a relatively simple single contributions plan that applies to the whole of our city, with sub-catchments as appropriate. We have a dedicated team for this purpose and have consistently reviewed the administrative costs associated with our plan since it was first adopted in 1993 (Note: it has been reviewed nine times since). Based on the estimated expenditure on staff, studies etc. over the life of the plan our current administrative costs are approximately 3.4% of the value of works within the plan. The proposed 1.5% **does not reflect the costs to Council**

10. Councils should be given the opportunity to calculate the cost of preparing and administering the plan as an alternative to the application of a blanket of 1.5% of cost of works. In this regard IPART should consider providing a list of items that should be considered when determining administration costs to guide those councils wishing to utilise a 'bottom up' approach to calculating administrative costs.

Draft decision

7. IPART should annually update the benchmarks to account for cost escalations using the ABS Producer Price Indexes for construction in Table 8.1, and publish the escalated benchmarks on its website.
8. IPART should review the set of benchmarks no less frequently than every 4 years and should carefully monitor the use of benchmarks in contributions plans to determine if an earlier review is required.
9. IPART should work with DPIE and councils to establish a mechanism for obtaining actual project costs to refine the benchmarks.

Comment Sought

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

Response

11. As outlined in Section 3.1 commitment to regular review of the benchmarks is critical to ensuring that they remain relevant. The cost of inputs to construction can be volatile and reviews should be undertaken at least every one to two years to ensure it covers the volatility in these prices.
12. As outlined in section 3.5 of this submission, a standard template for cost estimation would assist not only in consistency in cost estimation across the system but it would assist with the collection of data that would show where changes to the benchmarks might be required.

Draft decision

10. We recommend that councils provide appropriate justification, consistent with the principles described in chapter 9, when using cost estimates instead of benchmarks.
11. We recommend that councils use either a top down or bottom up approach to estimating costs that uses the most accurate information consistent with the methods described in chapter 9.

Comment Sought

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

Response

13. The principles and information requirements for councils seeking to use an alternative to benchmarks are overly onerous and will add considerably to the administrative costs associated with the plan. Deviation from the benchmarks would be better addressed through the provision of a standard cost estimation template and guidelines as outlined in section 3.5 of this submission
14. Refer to response 13 above

Draft decision

12. We recommend all contributions plans above the threshold amounts (\$20,000 / \$30,000 per lot infill / greenfield) be reviewed every 4 years consistent with the principles outlined in Table 10.1, with appropriate evidence to support the reviews as described above.

Comment Sought

15. Do you support our approach for a threshold to determine which plans must be reviewed?
16. Do you support our proposal for a fixed 4 yearly review of contributions plans?

Response

15. All plans should be regularly reviewed to ensure they remain current. The need to review plans should not be linked to an artificial threshold as this creates a lack of consistency in the application of the system

16. Reviews should be timed to be incorporated into the IP&R framework requirements

Comment Sought

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

Response

17. The costs of inputs for development are volatile and impacted by changes that are beyond the control of council. As outlined in section 3.1 of this submission the regular review is critical to retain any relevance of these benchmarks and must be committed to. The reviews should be undertaken every 1 to 2 years to ensure allowance is made for any fluctuations.