



Contributions Plans Forum

Carmel Donnelly PSM
Chair IPART
July 2025

Agenda

01 Welcome and overview

02 Session 1: IPART contribution plan assessments

- IPART presentation
- Questions and discussion

03 Session 2: Infrastructure benchmark tool

- IPART presentation
- Questions and discussion

04 Session 3: Discount rate review

- IPART presentation
- Questions and discussion

05 Closing remarks



Welcome and Acknowledgement of Country

Carmel Donnelly PSM
Chair

About IPART

- We are:
 - the independent pricing regulator for water, public transport and local government
 - licence/compliance regulator for water, electricity & gas
 - scheme administrator and regulator of the Energy Security Safeguard schemes
 - market monitor for energy, retail ethanol fuel, the childcare sector & biodiversity credits.
- We undertake a broad range of commissioned reviews and investigations at the request of the NSW Government.
- You can contact the team on 9113 7710 or 9113 7719 or email localgovernment@ipart.nsw.gov.au

IPART's role in local government

Current local government functions

- Set the annual rate peg
- Assess council special variation and minimum rate increase applications
- Specify a limit to changes in council domestic waste management charges 'waste peg'
- Review Section 7.11 Local Infrastructure Contributions Plans above the cap
- Annual report on our local government functions

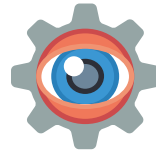
Some relevant reviews for 2025

- Prices for Valuer General's services to councils
- Approach to assessing contributions plans
- Prices for WaterNSW regional and rural bulk water
- Prices for WaterNSW Greater Sydney
- Prices for Hunter Water Corporation
- Prices for Water Administration Ministerial Corporation (WAMC)
- Prices for Sydney Water Corporation

IPART's role in assessing Contributions Plans



Under a Ministerial Direction, IPART reviews CPs where councils seek to levy rates above the cap (\$20,000/dwelling or \$30,000/dwelling in specified greenfield areas)



We assess CPs against the criteria set out in DPHI's *IPART review of section 7.11 plans practice note*.

We make recommendations to the Minister, who can then direct councils to make changes to its CP.



IPART's reviews of CPs signal the reasonable costs of the essential infrastructure needed to support a new development.



DPHI is responsible for setting local infrastructure policy, including the criteria for IPART assessments, inclusions on the essentials works list and the contributions cap.

Aims of our stakeholder forum

Provide opportunities to engage with IPART on our role, process and requirements



Provide guidance to councils, i.e. those who are preparing CPs or planning to submit to IPART



Platform to explain technical issues, i.e. net present value modelling



Chance for all stakeholders to ask questions or raise other matters



Session 1



IPART Assessment of contributions plans

IPART presentation

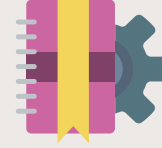
Review of our approach to assessing CPs

- We initiated the review to:
 - improve our processes for assessing CPs
 - update our benchmark costs for local infrastructure
- We recognise that delays to our assessment of CPs can have a financial impact on both councils and developers
- There is a need for an efficient and effective assessment process, and improved experiences for our stakeholders
- We completed our review in April 2025 and we're working on implementing the outcomes of our review.

Outcomes of our process review



Ensuring our CP assessments have
a clear timeframe for completion
(goal of within 6 months)



Providing better guidance to help
ensure councils understand how
we assess CPs



Streamlining assessments of CPs
that we have previously reviewed



Enhancing our engagement with
councils and other stakeholders

Streamlining our assessments

- We aim to complete our assessments within 6 months
- For previously reviewed plans, we aim to focus our review on elements that have changed, while still assessing all the practice note criteria
- In March 2025, we commenced our assessment of CP15 – Box Hill Precinct - this is the 6th time we have reviewed the plan
- We have undertaken a fit for purpose assessment of CP15 – Box Hill Precinct
- Through this approach, we have:
 - considered all practice note criteria
 - published our Draft Report in under 2 months
 - published our Final Report within 4 months.

Top 4 things councils can do to help streamline our assessment process



Let us know when you're preparing your plan for IPART review.



Consult with stakeholders, address issues raised and provide responses back to stakeholders.



Check plan and work schedules for any errors and make sure infrastructure in the plan is consistent with the EWL



Provide supporting documents, evidence to support claims and explain any exceptional factors

Updated guidance

- We have updated and consolidated our guidance into a single Information Paper
- This includes better detail on issues raised by stakeholders, eg reasonable timeframes, population growth estimates, land costs
- It also includes new guidance around land contamination and our consideration of 'other relevant matters'
- We recently published an update to the Information Paper to account for DPHI's revised practice notes.



Updated local infrastructure benchmark costs

- Our updated local infrastructure benchmark costs are published on our website
- The costs and scopes for individual items have been updated, and new adjustment factor methodologies introduced
- Feedback from councils during consultation has been closely considered and integrated
- We intend to update benchmarks regularly
- We will talk more about the benchmarks in our next session.

Independent Pricing and Regulatory Tribunal (IPART)

Benchmark Costs for Local Infrastructure

Committed to continuous improvement



We will always consider whether there is anything else we can do to make our processes more efficient



We will continue to consult with all stakeholders on further improvements we can make

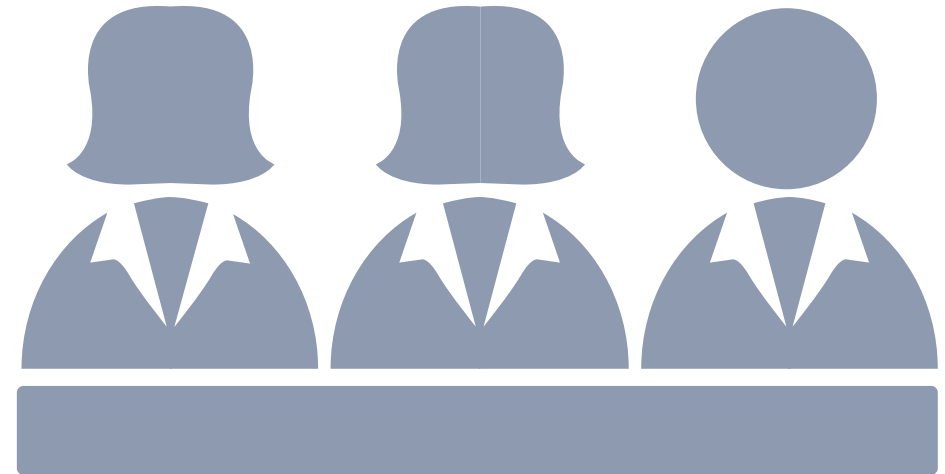


We will work with DPHI on any potential updates to the Practice Note, such as allowing for focused reviews



We will advise councils of progress and any changes via our website and through our email updates
If you would like to register, please subscribe [here](#).

Questions and discussion



Session 2

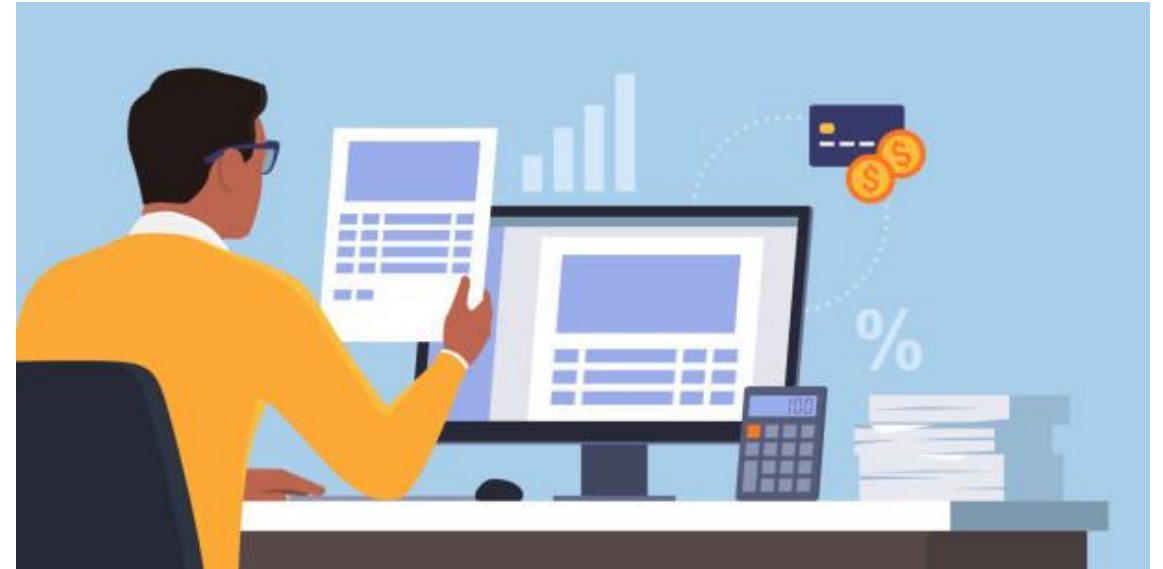


Infrastructure benchmark tool

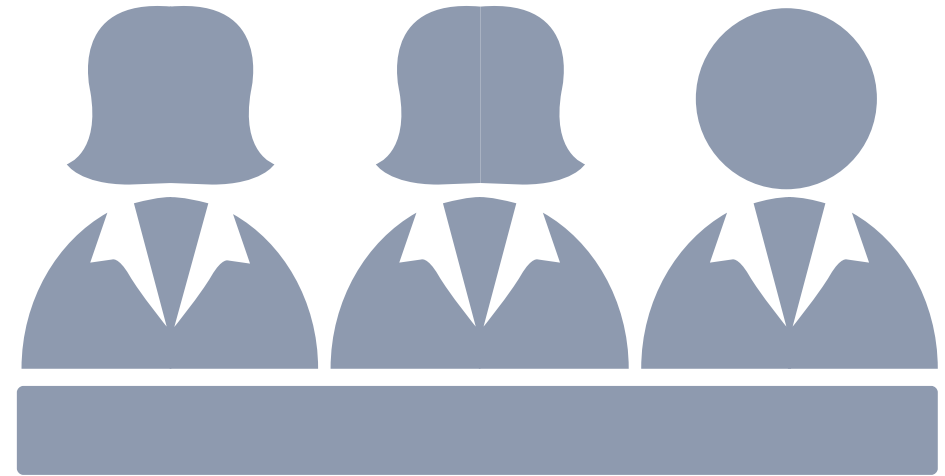
IPART presentation

Benchmark costs in practice – tool for councils

- We have developed a tool for councils, to make it easier to use the benchmarks to develop a work schedule
- We will provide a short demonstration of the benchmark tool
- We are looking for councils to trial the tool and provide feedback before we launch it
- We will contact councils who have expressed interest in testing our tool
- Any other councils interested in trialling the tool should contact the team on 9113 7719 or localgovernment@ipart.nsw.gov.au



Questions and discussion



Session 3



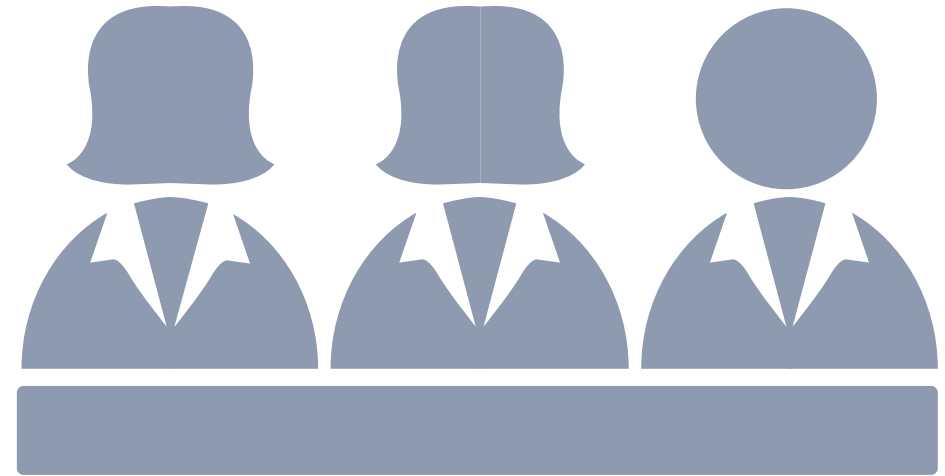
Discount rate review

IPART presentation

We are reviewing our methodology for calculating the discount rate

- Every six months, IPART publishes the discount rate we recommend councils apply if they are using a net present value (NPV) approach to calculating local infrastructure contributions.
- Our method of calculating the discount rate is outlined in our August 2024 Technical Paper, Modelling local infrastructure contributions in a present value framework.
- We will be consulting with stakeholders on the methodology for calculating the discount rate.
- We will be releasing an Issues Paper soon and we're planning a workshop in the coming months.
- Details of the review will be published on our website.

Questions and discussion





Closing remarks

Carmel Donnelly PSM

Chair

Contact us and
stay up to date

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Visit our website www.ipart.nsw.gov.au for further
information on our local government assessments and
reviews and to sign up for local government updates.