

Your ref: 2023/327371

Our ref: IRF23/1675

Mr Scott Phillips  
Chief Executive Officer  
Northern Beaches Council  
PO Box 82  
MANLY NSW 1655

5 October 2023

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**Subject: Frenchs Forest Town Centre – Section 7.11 Contributions Plan**

Dear Mr Phillips

I am writing in relation to the ‘*Frenchs Forest Town Centre – Section 7.11 Contributions Plan*’, which Northern Beaches Council submitted to the Independent Pricing and Regulatory Tribunal (IPART) for assessment. I also note representations made by the Council about the Plan to the Minister for Planning and Public Spaces, the Hon. Paul Scully MP (2023/327371). I am responding on his behalf.

IPART has completed its assessment and made 8 recommendations in relation to the Plan, including 2 relating to matters raised in the Council’s representations. As nominee for the Minister for Planning and Public Spaces, I have considered IPART’s recommendations, and the concerns raised by council, and have accepted the recommendations in full or with amendment. In particular:

- Recommendation 3 of IPART’s final report has been amended so that it is only the embellishment costs already met by grants received that must be removed from the Plan.
- Recommendation 4 continues to require the construction costs of the community hub building to be removed.

I note the Council’s request for an exemption from the essential works list to allow these costs to be included. I understand that these costs represent a small proportion of the costs of infrastructure proposed to be funded under the Plan. There is no scope for exemptions to the essential works list for individual plans under current policy settings.

I also note Council’s request for changes to the essential works list to include the construction of community facilities generally. This is not consistent with current government policy and would represent a significant change. The Department of Planning and Environment (the department) continues to explore opportunities for improvement in local infrastructure contributions but is not pursuing significant changes to the way councils collect them.

Once the amendments required by **Attachment A** have been made and the Council has finalised the plan, it will be considered as having met the requirements of being an IPART reviewed contributions plan within the meaning of clause 5(3) of the *Environmental Planning and Assessment (Local Infrastructure Contributions) Direction 2012*.

I would be grateful if you could advise the department once the Council has completed this process, including evidence that the changes have been made, via email to [infrastructure.contributions@planning.nsw.gov.au](mailto:infrastructure.contributions@planning.nsw.gov.au).

If you have any questions in relation to this matter, please contact Ms Katrine O'Flaherty, Director Local Infrastructure Funding Policy at the department on 0436 679 085.

Yours sincerely,



Amanda Fairley  
Deputy Secretary  
Programs, Infrastructure and Digital

**TABLE: Direction to Council and Council response**

IPART Recommendation		Minister's nominee direction	Minister's nominee comments to Council	Council comments
1	Council update cost estimates based on designs in subsequent reviews of the contributions plan.	<b>Recommendation accepted</b> Northern Beaches Council must update cost estimates based on designs in subsequent reviews of the contributions plan.	This recommendation is for advice only and does not require immediate action to amend the contributions plan. Any changes to costs in the Plan because of a future review must be further considered by IPART.	Noted, any future changes to costs resulting from a Plan review will be provided to IPART for consideration. The cost estimates in the Contributions Plan are not the subject of the public exhibition.
2	The contributions plan be updated with the 2022 land valuations.	<b>Recommendation accepted with clarification</b> Northern Beaches Council must update the contributions plan with the 2022 land valuations provided to IPART by Council.	These amendments do not require further review by IPART or the Department.	All land costs in the works schedule in the Contributions Plan have been updated to reflect the 2022 land valuation report considered by IPART. Council notes these 2022 land costs are not the subject of the public exhibition of the Contributions Plan.
3	Council removes the embellishment costs of Brick Pit Reserve, Akora Reserve and Rabbett Reserve funded by grants.	<b>Recommendation accepted with clarification</b> Northern Beaches Council must remove the portion of embellishment costs of Brick Pit Reserve, Akora Reserve and Rabbett Reserve that have been funded by grants.	These amendments do not require further review by IPART or the Department.	The works schedule has been updated to remove the embellishment cost of existing lands at Brick Pit Reserve and Akora Reserve and are the subject of grant funding. The embellishment cost of existing land at Rabbett Reserve is retained in the Contributions Plan as it is not funded by a grant. This change is not the subject of the public exhibition of the Contributions Plan.
4	Remove the costs for the community hub building from the contributions plan.	<b>Recommendation accepted with clarification</b> Northern Beaches Council must remove the costs for the community hub building from the contributions plan.	This amendment does not require further review by IPART or the Department.	The works schedule has been updated in the Contributions Plan making it clear the costs of the community hub building is not funded by development contributions. This change is not the subject of the public exhibition of the Contributions Plan.
5	Include an administration cost of \$12,000 per land acquisition where the council will have to acquire on a market basis. Council to provide actual costs as part of the next review.	<b>Recommendation accepted</b> Northern Beaches Council must amend the plan to include an administration cost of \$12,000 per land acquisition where the council will have to acquire on a market basis.	This amendment does not require further review by IPART or the Department.	All land costs in the works schedule have been updated to include administration costs. This change is not the subject of the public exhibition of the Contributions Plan.
6	The work schedule to be updated as per the version dated 7 November 2022 subject to the minister's advice on including the recommendations of this report.	<b>Recommendation accepted with clarification</b> Northern Beaches Council must update the works schedule as per the version submitted to IPART and dated 7 November 2022.	This amendment does not require further review by IPART or the Department.	The Contributions Plan has been updated to reflect the updated works schedule dated 7 November 2023. This includes changes to the occupancy rates in chapter B3.2 (by changing the reference from "Warriewood" to "Dee Why"). This change is not subject of the public exhibition of the Contributions Plan.
7	Council adopts a land value index for future land acquisitions and the use of ABS PPI indexing the future cost of works.	<b>Recommendation accepted with amendment</b> a) Northern Beaches Council should adopt the use of ABS PPI indexing for the future cost of works. b) Northern Beaches Council should publicly exhibit the proposed Land Value Index methodology and consider any feedback provided. If there are no changes to the methodology already considered by IPART, further review is not required and it may be adopted.	Refer to IPART's final report for additional information. Recommendation (a) does not require further review by IPART or the Department. Recommendation (b) does not require further review unless the proposed methodology is changed following exhibition.	Chapter 3.3 "S7.11 contributions will be imposed in accordance with indexed rates" of the Contributions Plan has been updated. The Producer Price Index (Australian Bureau of Statistics) is being used for works costs while the land costs indexation has been updated based on Council's recommended approach. As required by the Department, the indexation of land costs will be placed on public exhibition. This is the only component of the updated Contributions Plan that essentially, is on exhibition for public comment.
8	Council should submit the plan to IPART for assessment within 3 years from the date the plan becomes an "IPART reviewed contributions plan" within the meaning of the Minister's 2019 Direction.	<b>Recommendation accepted with amendment</b> Northern Beaches Council should regularly review the contributions plan to ensure that development occurs as expected and that the infrastructure identified, and its costs, remain appropriate.	This recommendation is for advice only and does not require immediate action to amend the contributions plan. Any changes to costs in the Plan because of a future review must be further considered by IPART.	Noted, Council has now placed the Contribution Plan review on schedule, with the first review to commence in 2026, and will require forwarding the Contribution Plan to IPART for a review.