

5 March 2014

Benchmarking of local infrastructure
Independent Pricing and Regulatory Tribunal
PO Box Q290
QVB Post Office NSW 1230

Email: nicole_haddock@ipart.nsw.gov.au

Attention: Nicole Haddock

Dear Ms Haddock,

Benchmarking of local infrastructure

The Urban Taskforce is supportive of the Benchmarking exercise being undertaken by the Independent Pricing and Regulatory Tribunal. We believe that it is essential that clear benchmarks be established based on credible independent data. However, the benchmarking exercise must not be seen as the end point of an investigation into infrastructure funding. The benchmarks established must be tested in the real world and regularly reviewed.

Benchmarking is important, but regard to the impact that cost of infrastructure has on development must not be neglected. That is, while we may all accept the benchmark, if the funding is left to those that will develop land, the resulting increase in development cost could place a project in jeopardy. It is not the actual standard and resulting cost of the road, or the open space, or the community facilities that is the key issue. It is the extent of apportionment and the nexus that is the real matter for concern to the development industry. While we understand that this matter may be beyond the terms of reference of this enquiry we believe that the reality is that when the development consents are issued with an expectation of massive infrastructure contributions from a developer, projects will collapse. This matter must be part of this review. Essentially we ask that benchmarks be "reality checked". The reality is that additional costs placed on the developer will result in an increase in the cost of every new housing lot produced.

Notwithstanding any of the above, there has always been a concern from the development industry that there can be "gold-plating" in relation to standards. I think the essence of what this exercise is all about is to try to achieve an understanding of what is the right balance for standards and to curtail gold-plating.

Please feel free to contact me at any time should you wish to discuss the content of the attached in any further detail.

Yours sincerely

Urban Taskforce Australia



Chris Johnson AM
Chief Executive Officer