

GUIDE TO ESTIMATING DEVELOPMENT COST & LOCAL INFRASTRUCTURE CONTRIBUTIONS (s7.12 only)

This guide applies to Development Applications (DA), Construction Certificates (CC) and Complying Development Certificates (CDC). It identifies the matters that Council takes into account when considering an estimate of costs for development works and for s7.12 Local Infrastructure Contributions.

S7.12 Local Infrastructure Contributions will apply where the cost of development exceeds \$100,000.

LODGEMENT REQUIREMENTS FOR DA'S, CC'S & CDC'S

Developments \$0 to \$750,000 (inclusive)

Council will require a cost summary report sheet prepared by a *suitably qualified person* as defined in this document. A copy of the cost summary report sheet can be found on Council's website under "Local Infrastructure Contributions Plan".

Developments over \$750,000

Council will require a detailed cost summary report sheet from a registered quantity surveyor. A copy of the cost summary report sheet can be found on Council's website under "Local Infrastructure Contributions Plan".

Suitably Qualified Persons

Council requires the estimate of costs associated with a DA, CC & CDC to be provided by a person who is qualified and experienced to determine the costs of the proposed building work.

The following persons are recognised as meeting these requirements:

- 1) a practising builder who is licensed to undertake the proposed building works, or
- 2) a practising registered quantity surveyor (member, affiliate or fellow), or
- 3) a practising registered architect, or
- 4) a practising qualified building estimator with relevant qualifications (e.g. degree in construction management), or
- 5) a practising qualified and accredited building designer, or
- 6) a practising tradesperson who is licensed with the Department of Fair Trading or WorkCover and has the relevant qualifications and proven experience in costing of development works at least to a similar scale and type as is proposed, or
- 7) a practising registered landscape architect who has proven experience in costing of development work at least to a similar scale and type as is proposed, or
- 8) a practising structural, civil, electrical, mechanical or building services engineer who is registered with the National Engineering Registration Board and who has proven experience in costing of development works at least to a similar scale and type as is proposed.

ESTIMATING COST OF WORKS – DEVELOPMENT LESS THAN \$100,000 (CLAUSE 251 EP&A REG.)

Council must be satisfied that an estimate of cost provided by an applicant is genuine and accurate and reserves the right to require proof of the estimated cost.

Clause 251 of the *Environmental Planning and Assessment Regulation 2021* identifies how a fee based on 'estimated cost' is determined. The consent authority (Council) must make its determination by reference to a **genuine and accurate** estimate of:

- a) the costs associated with the construction of the building, and
- b) the costs associated with the preparation of the building for the purpose for which it is to be used (such as the cost of installing plant, fittings, fixtures and equipment).

Activities and works associated with a development which are to be included in the total estimated cost, where applicable are:

- 1) Demolition works.
- 2) Excavation including shoring, tanking, filling and waterproofing.
- 3) External works including paving, drainage, retaining walls, fencing & landscaping.
- 4) Concrete / reinforcement work including formwork, footings, floor slabs, driveways, tilt up wall panels.
- 5) Brickwork and block work including glass block panels.
- 6) Structural steelwork including decking and platforms.
- 7) Metal work including security screens, grilles, fixed shelving, staircases, balustrades and handrails.
- 8) Carpentry including roofing, walls, flooring and wall linings.
- 9) Joinery including staircases, balustrades, handrails, skirtings, fixed cupboards, benches, fittings and partitions.
- 10) Windows and doors including hardware and door sundries, curtain walling, shop fronts, glazing, glazed screens, louvres, glasswall systems, fire doors, curtains and blinds, sunscreens.
- 11) Roofing and roof plumbing including eaves, gutters and downpipes.
- 12) Plastering including plasterboard lining, suspended ceilings.
- 13) Floor and wall finishes including tiles, carpet, painting.
- 14) Sanitary plumbing including fixtures (baths, basins, toilet, showers etc).
- 15) Electrical including mains, submains, cables, power and lighting equipment.
- 16) Mechanical services including air conditioning, ductwork, plant and equipment.

- 17) Fire protection and fire proofing.
- 18) Shops – in addition to the above, the following installations are to be included in the total estimate cost, where applicable to the use:
Enclosure walls and partitions: shop fronts; fire protection; plumbing including fixtures and fittings; drainage services; electrical services; air conditioning, mechanical ventilation; cooking equipment; dish and glass washers; exhaust hoods; benching; sinks; racks; counters; tray races; display cases; shelving ; coolrooms; refrigerators; freezers.

ESTIMATING COST OF WORKS – DEVELOPMENT MORE THAN \$100,000 (CLAUSE 208 EP&A REG.)

Clause 208 of the EP&A Reg. 2021 specifies those direct and indirect costs associated with development which are to be included or excluded from the calculation of the cost of the development by the consent authority. The proposed cost of carrying out development is to be determined by adding up all the costs and expenses that have been or are to be incurred by the applicant including:

- The costs of or incidental to – the erection of a building; or the carrying out of engineering or construction works; demolition; excavation; site preparation; decontamination and remediation.
- If a change of use of land – costs of or incidental to anything necessary to enable the use of the land to be changed.
- If in relation to subdivision of land – costs of or incidental to preparing, executing and registering the plan of subdivision and any related covenants; easements or other rights.

While the estimate of development costs for fixed development consent levies under S.7.12 will be similar to those estimated under Clause 251 the following costs and expenses are **not** to be included in any estimate or determination of the proposed cost of carrying out development as provided in Clause 208 of the EP&A Reg.:

- The cost of the land on which the development is to be carried out.
- The costs of repairs to any building or works on the land that are to be retained in connection with the development.
- The costs associated with marketing or financing the development (including interest on any loans).
- The costs associated with legal work carried out or to be carried out in connection with the development.
- Project management costs associated with the development.
- The cost of building insurance in respect of the development.
- The costs of fittings and furnishings including any refitting or refurbishing associated with the development (except where the development involves an enlargement, expansion or intensification of a current use of land).
- The costs of commercial stock inventory.
- Any taxes, levies or charges (other than GST) paid or payable in connection with the development by or under any law.
- The costs of enabling access by disabled persons in respect of the development.
- The cost of energy and water efficiency measures associated with the development.
- The cost of any development that is provided as affordable housing.

- The costs of any development that is the adaptive reuse of a heritage item.

The proposed cost of carrying out development may be adjusted before payment in accordance with a contributions plan to reflect quarterly or annual variations to readily accessible index figures adopted by the plan (such as a Consumer Price Index) between the date the proposed cost was determined by the consent authority and the date the levy is required to be paid.

WHAT RATES DOES COUNCIL BASE THE ESTIMATED COST ON?

Council uses building cost indicators from a number of sources including, but not limited to, *Rawlinsons Australian Construction Handbook*, *Archicentre Cost Guides*, *Cordell's Building Cost guides* and cost estimates derived from applications lodged with Council. The building cost indicators will be reviewed from time to time to reflect market rates.

Council is not required to take into account whether an applicant may source materials free or second hand or use their own labour (owner builder).

HOW DOES COUNCIL CALCULATE THE COST?

An application form for a DA, CC and CDC, requires the applicant to provide a completed cost summary report from a suitably qualified person (refer to "lodgement requirements" on Page 1).

Where Council is of the belief that an estimated cost is understated based on its assessment from building cost guides and / or relevant provisions of the Environmental Planning and Assessment Regulations 2021 then the applicant will be required to justify the estimated cost by providing a full breakdown of the building costs to obtain a further estimate of costs. Furthermore, the Council may, at the applicant's cost, engage a quantity surveyor or other suitably qualified person to review a report submitted by an applicant in respect to the costs of the development.

Please note that the base construction cost of a development may not be the only work involved with the entire proposal. The cost of decks, garages, driveways, landscaping and retaining walls for example, must be included as part of the completed cost of your project.

Council may reject or defer an application if it is not satisfied that an estimate is genuine and accurate.

WHAT IF I DISAGREE WITH COUNCIL'S DETERMINATION?

There are no appeal provisions in the Environmental Planning and Assessment Regulations regarding Council's rejection of an estimated cost on an application.

An applicant can, however, provide Council with a genuine cost estimate from a practising registered quantity surveyor.

Please refer to Council's website for information relating to the other form of contribution, **s7.11 Local Infrastructure Contributions**