



AGENDA

Late Reports

Ordinary Council Meeting

Date: Monday, 23 March 2026

Time: 5.45 PM

**Location: Cowra Council Chambers
116 Kendal Street, Cowra**

**Paul Devery
General Manager**

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8 LATE REPORTS

8.1 Councillor Information Request

File Number: D26/390

Author: Paul Devery, General Manager

RECOMMENDATION

That council note the responses provided to questions raised after the agenda was published.

INTRODUCTION

This report includes as an attachment, details of queries raised and responses provided to councillors since the publication of the agenda.

BUDGETARY IMPLICATIONS

Nil

ATTACHMENTS

- I. Councillor Query Form - Environmental Services [↓](#)



Date of Query: 23 March 2026	Inquirer: Councillor Ruth Fagan	Responder: Larissa Hackett Director- Environmental Services
Report title: Recommendation 4.10 Draft Cowra Contribution Plan 2026		
Meeting: Council	Meeting date: 23/03/26	Email/phone/in person: Email

Question:

1. Could you please provide the amount of Section 94 contributions since the last review, maybe 8 or 10 years?

Response:

1. The following amounts were received from Contributions

7.11 total 2018 -2024 = \$259,000

7.12 total 2018 - 2024 = \$913,000



Date of Query: 9 March 2026	Inquirer: Councillor Erin Watt	Responder: Larissa Hackett Director- Environmental Services
Report title: Recommendation 4.10 Draft Cowra Contribution Plan 2026		
Meeting: Council	Meeting date: 23/03/26	Email/phone/in person: Email

Question:

1. Can we please undertake an assessment of different index options for 7.11 of indexes such as ABS Producer Price Index (PPI) or construction index as well as assessment of whether CPI kept up with infrastructure costs over the past ten years of our policy?
2. Could we please investigate the pros & cons of quarterly indexation as utilised by other councils like Orange.
3. Can we Clarify that CDCs are covered by these updated policies.
4. What is the anticipated impact financially of the change to have key residential areas sit under 7.12 rather than 7.11 and could you please provide more information as to why we are proposing this change?
5. On another review of the new policy I picked up the section about "refund of contributions" on pg 30 of 7.11/pg 20 of 7.12 which articulates:
 - a. "Applications must be received by the first working day after 31 January within the year following payment of the levy e.g. payment is made in April 2026 then refund request can be made until first working day after 31 January 2027"
 - b. Can you give us some explanation as to this proposed timing and why it is based on a set date rather than a proportion of time after the payment of the levy? Additionally, is there any restrictions on timelines for reassessment of contributions?
6. I note the high priority is from 2025 - 2028. Have some of these already began or should these timelines be amended?

Additional Comments:

1. Section 7.12
I certainly agree with your assessment that due to the nature of housing in Section 7.12 generally being homes and smaller scale we want to keep this a predictable amount, and the infrastructure is likely to be much less significant.
2. Section 7.11
There is more nuance to the Section 7.11 indexation.
While cost of infrastructure already provided can only have CPI applied, the cost of infrastructure yet to be provided can be indexed at a different index.
3. From - <https://www.planningportal.nsw.gov.au/indexing-contribution-rates-and-conditions-consent>
Contribution rates in section 7.11 plans should be indexed
The rate table in a section 7.11 plan includes the base rates calculated at the time the plan was adopted. However, these rates should be indexed as outlined in the contributions plan to ensure they remain



current. The contributions plan must specify how it will adjust the contribution rates, the indexes to be used, the contribution rates they apply to and whether the adjustment will be quarterly or annually. The different components of the infrastructure costs in a section 7.11 plan can be indexed separately.

4. Councils must publish the most up to date contribution rates on their websites and on the NSW planning portal as part of their publication requirements. This means that the rates must be published again each time they are indexed.
5. If the process of indexation puts a rate over the maximum threshold, this will trigger a review by IPART if the council wishes to impose the higher contribution.
While of course none of us know how long the increase in diesel prices is going to last, I have to imagine construction and our infrastructure works are the types of things where costs will increase. The purpose of this being applied to future infrastructure is that we can be more realistic about the actual cost.
6. As you articulate cost of development is a focus to ensure housing availability. However, as is explained in the policy, 7.11 is primarily for industrial developments such as North Cowra Industrial Park rather than private housing.

Response:

1. 7.11s are legislated to only use CPI –

[207 Indexation of monetary development contribution—the Act, s 7.11\(3\)](#)

The cost of providing public amenities and public services must be indexed quarterly or annually, as specified in the relevant contributions plan, in accordance with movements in the Consumer Price Index.

Referred to on Page 11 of the draft 7.11 Contributions Plan.

Contributions levied under section 7.12 may utilise a choice of indexation methods according to the Environmental Planning and Assessment Regulation 2021:

[208 Determination of proposed cost of development—the Act, s 7.12\(5\)\(a\)](#)

(5) The proposed cost may be adjusted before payment of a development levy, as specified in a contributions plan, to reflect quarterly or annual variations to readily accessible index figures adopted by the plan between the day on which the proposed cost was determined by the consent authority and the day by which the development levy must be paid.

Example—

A contributions plan may adopt the Consumer Price Index.

As an indexation comparison, Council's Planning staff has recently recalculated 7.12 contributions for a DA approved in December 2024. See below comparison for what the result would be if we used Producer Price Index (Output of the Construction Industries) NSW instead of CPI (All groups Sydney).



<p>In accordance with Part 3.10 of the Cowra S94A Contributions Plan 2016, the 7.12 contributions for DA 55/2024 (approved 16 December 2024) are as follows:</p> <p>CP = CDC x (Current index / Base index)</p> <p>Where Current index is current CPI and Base index is CPI as at 16 December 2024 (97.57)</p> <p>CP = 47,339.64 x (101.61 / 97.57)</p> <p>Contributions Payable = \$49,299.79</p>	<p>Please see below re-calculated 7.12s had we used the Producer Price Index (Output of the Construction Industries) NSW instead of CPI</p> <p>CP = CDC x (Current index / Base index)</p> <p>Where Current index is current PPI(OCI) and Base index is PPI(OCI) as at 16 December 2024</p> <p>CP = 47,339.64 x (171.8 / 166.4)</p> <p>Contributions Payable = \$48,875.90</p>
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In this scenario, the contributions would be lower. This suggests that the price of construction hasn't increased as much as CPI in the last 16 months.

Note that this was a relatively recent, large \$4.7M project.

Hypothetically, a dwelling approved 4 or 5 years ago (March 2021/2022 – noting DAs are only valid 5 years) where the build cost was \$600,000 and the contributions were \$6,000:

<p>In accordance with Part 3.10 of the Cowra S94A Contributions Plan 2016, the 7.12 contributions (approved 1 March 2021) are as follows:</p> <p>CP = CDC x (Current index / Base index)</p> <p>Where Current index is current CPI and Base index is CPI as at 1 March 2021</p> <p>CP = 6,000.00 x (101.61 / 82.51)</p> <p>Contributions Payable = \$7,388.92</p>	<p>Please see below re-calculated 7.12s had we used the Producer Price Index (Output of the Construction Industries) NSW instead of CPI</p> <p>CP = CDC x (Current index / Base index)</p> <p>Where Current index is current PPI(OCI) and Base index is PPI(OCI) as at 1 March 2021</p> <p>CP = 6,000.00 x (171.8 / 125.3)</p> <p>Contributions Payable = \$8,226.65</p>
<p>In accordance with Part 3.10 of the Cowra S94A Contributions Plan 2016, the 7.12 contributions (approved 1 March 2022) are as follows:</p> <p>CP = CDC x (Current index / Base index)</p> <p>Where Current index is current CPI and Base index is CPI as at 1 March 2022</p> <p>CP = 6,000.00 x (101.61 / 86.26)</p>	<p>Please see below re-calculated 7.12s had we used the Producer Price Index (Output of the Construction Industries) NSW instead of CPI</p> <p>CP = CDC x (Current index / Base index)</p> <p>Where Current index is current PPI(OCI) and Base index is PPI(OCI) as at 1 March 2022</p> <p>CP = 6,000.00 x (171.8 / 139.1)</p> <p>Contributions Payable = \$7,410.50</p>



Contributions Payable = \$7,067.7

Note that in these scenarios, contributions would be higher. Since 7.12s are recalculated based on time of determination, the actual change can be highly variable, hence why we use CPI All Groups as an average of every aspect of the economy.

From the above, we can deduce that construction cost increases were higher than CPI in 2021 and 2022, however it appears to be slowing down and may be lower than CPI at the moment.

It should be noted that:

- CPI is transparent, readily accessible, and easily understood by the public (landowners, applicants, builders, developers) and Council staff undertaking fee estimate updates.
 - Fee estimate updates are still a manual process undertaken by Council staff across a variety of teams and experience using an Excel spreadsheet and researching CPI figures from the Australian Bureau of Statistics website. As evidenced above, introducing a new index may deliver variable financial impact while adding an extra layer of complexity for staff and internal processes.
 - 7.12 contributions are generally reflective of single dwelling construction – the bulk of development in Cowra, not large-scale suburb construction – so lower cost. At this end of the scale, a one per cent change in index more times than not would make negligible difference.
 - Because 7.12s are generally for residential dwelling developments, there is far less a risk of delay than there is with speculative subdivision development – generally, homebuilders want to build as soon as they can after Development consent is issued, minimising CPI variance and the need to recalculate contributions.
2. Like Orange, both the current Cowra Contributions Plans and the draft Contributions Plans utilise quarterly indexation.

The pros and cons are:

Quarterly:

Pros

1. Keeps contribution rates closer to real market conditions. Quarterly adjustments reflect more timely changes in construction or CPI movements, preventing a drift away from actual infrastructure costs. (NSW notes indexation is to keep contributions consistent with real infrastructure costs.)
2. Reduces risk of under-recovery in high-inflation periods. If costs escalate faster than expected (as they have in recent years across construction sectors), quarterly indexation avoids a lag where councils fall behind financially.

Cons

1. Administrative workload increases. More frequent updates mean more frequent publishing, system updates, and potential adjustments to internal processes.
2. Greater variability for developers. Rates can move several times a year, making feasibility assessment and financing less predictable than annual indexation.



Annual Indexation:

Pros

1. Far simpler administration. One change per year means less staff time, fewer system edits, and less scope for error — especially for councils with limited contributions administration resources.
2. Predictable for developers. Developers can plan contributions more reliably, with only one annual shift.

Cons

1. Risk of significant real-value erosion in high-inflation periods. If construction costs accelerate within the year, councils may under-recover for months until the annual reset. (Indexation is intended to maintain the “real value” of contributions.)
2. Larger “step changes” once a year. Instead of four smaller increments, annual indexing may produce an unpleasant “shock” increase for developers each year.

Cowra Council has chosen to remain with quarterly adjustment practices to:

- maintain consistency for long-term developers.
 - reflect transparency for developers.
 - maintain real market conditions and
 - maintain public understanding of how they are adjusted.
3. Please see pages 8, 22, 31, 34, (7.11) and pages 6, 7, 17, 18 (7.12s) of the draft Plans. Yes, they are covered.
 4. Included is a working sheet examining the impact financially on a Current 7.11 Growth Area – outlining that 7.12s will deliver a better result.

The Cowra Housing Strategy 2025 raised developer costs as a very real issue and feasibility blocker. Refer to Pages 141 – 148 of the strategy for further discussion.

Developer contributions deliver only a small percentage of benefit to infrastructure servicing provision. Generally, these large-scale infrastructure delivery projects are now reliant on large-scale grant funding.

It was determined that a wider macro approach is needed to incentivise development and deliver better cost/benefit outcomes generally regarding Contributions Plans for the future.

Section 7.11 contribution rates require very specific and costly skillsets and administration resources for detailed contributions planning, due to their need for nexus and apportionment.

They are almost entirely created by rare (and expensive) Contributions Planners, at a significant outsourcing cost to council.

In summation, the modifications are proposed because:

- it is simpler/less costly for Council to administer (less need for outsourcing costs)



- it reflects current housing delivery conditions and the local development market – Cowra has acknowledged large-scale land banking.
 - it aims to incentivise development and housing delivery.
5. Under NSW law, refund requests for development contributions must be made within 12 months of payment because of the Recovery of Imposts Act 1963. Councils apply this limit through their refund policies and codes of practice. A limited timeframe also provides certainty for council financial management. Development contributions are usually treated as restricted assets used to fund specific infrastructure. Councils need certainty about available funds when planning works, and long-term refund claims would undermine this. A clear time limit ensures councils aren't required to revisit old contributions years later when staff, policies, or records may have changed—helping maintain consistent and fair decision-making.

Council notes why your specific query regarding the 31 January 2027 date and for the moment reports it was not flagged for adjustment by Accounting or Financial staff during the internal review for the 2026 plan. The date does draw from the current plan. We commit to clarifying this though with the Finance team as to whether it is still applicable or whether a timeframe can be utilised.

Contributions can be re-assessed easily during the assessment phase of an application.

Once a DA is determined, however, it becomes a formal Review DA process – while not common, Cowra has had formal DA Review applications in the past.

The preferable way to avoid reassessment is to ensure construction costs are accurately reflected during development application assessment stage. This is done by Council staff reviewing the Estimated Development Cost (EDC – mandated document at time of lodgement) provided with each DA and ensuring it follows legislation.

6. The timelines provide guidance only and nominated growth may be completed by Council outside of these priorities depending on actual growth and or infrastructure priorities. These timelines were amended compared to the current plans and after extensive internal workshopping to determine what was finished from the current plans, what was still ongoing and what was new that could be included in the draft 2026 schedules. Also note The Plan allows for 7.12s to be pooled and applied depending upon project completion.

Additional Comments:

1. No Comment
2. Correct, although we have the ability to index differently, we still choose to use CPI as the index for future infrastructure, reasons provided earlier – see financial break down (tabled examples of actual contributions calculations) on the effects of choosing different indices. Our reasoning is that using a single unified, stable indexation method makes administration of the 7.11 / 7.12 plans more efficient, and most developers and ratepayers are already familiar with CPI and how it works.

- Cost of infrastructure **yet to be provided** can be indexed by applying any readily accessible index.

– this is already done, using CPI as chosen (for reasons given earlier) and explicitly published in the Contributions Plans on Council's website.



- Cost of infrastructure **already provided** and being recouped by the council must be adjusted by applying the [Consumer Price Index](#).

– this is already done, using CPI (legislated, we have no choice) and explicitly published in the Contributions Plans on Council's website.

- Frequency of indexation can be quarterly or annually.

– acknowledged earlier, analysis given. (we undertake this quarterly)

3. To provide additional clarification:

- Staff calculate the costs of infrastructure yet to be provided with the chosen index at time of determination for consent document. So, if your DA is in 2022, but the published rate was from 2016, that is recalculated as per the indexed rate (chosen) for the 2022 determination and the updated \$ amounts are provided in the Conditions of Consent.
- They also can recalculate the cost of infrastructure being recouped by applying CPI as legislated index (recalculated with CPI if paid in a following financial year). For example, your DA was approved in 2022, but you pay your contributions in 2024 (so separate components indexed).

The query also raises website publication – this is covered two ways:

- (existing) with the Contributions Plans being published online and featuring the index equation/formulas. That is the formula staff use to calculate contributions
- plus as part of this review, Council is preparing to take its current hard copy public register online. This online register will explicitly link to CPI and index rates.

4. Noted – as discussed above, indexing for infrastructure costs is applied as to the separate components to reflect as much as possible actual construction costs.

Additionally, these separate components may not be as obvious as 7.12s as there have been very few developments in the 7.11s Growth Areas for many years now - especially new subdivisions. An example of where both components came into play was the recent recalculation of 7.11s rates for the Willowvale Road subdivision from 2003 – where both the base rates were adjusted and then the rates adjusted again with CPI to acknowledge infrastructure already provided.

This lack of development in the 7.11 Growth Areas (land banking) is why Planning has chosen to pursue moving towards 7.12 contributions instead.

5. Previously 7.11 contributions were levied for both industrial and residential subdivisions in identified "growth areas". Part of the rationale for opting to continue utilising the 7.11s pathway - albeit with far less Growth Areas – is for industrial subdivision growth only. By utilising the 7.12 pathway for general housing development, it is less burden on the developer, aims to unlock housing, and prevent land banking.