

This document provides advice taken from the NSW Department of Planning, Housing and Infrastructure - *Planning Circular PS 24-002* which has been adopted by Murray River Council on calculating the Estimated Development Cost (EDC) for the purpose of determining Development Application fees.

Introduction

The NSW government introduced changes to the Environmental Planning and Assessment Regulation 2021 to replace the methodology for 'estimated cost of development' and 'capital investment value', with a new single methodology for 'estimated development cost' (**EDC**)

These changes commenced on **4 March 2024**.

The purpose of this document is to specify what matters should be taken into consideration when calculating Development Application (DA) fees, to ensure greater consistency and reduce fee disputes.

Why are estimated costs of development required?

DA fees are calculated based on the submitted estimated development cost (**EDC**).

Other fixed fees may also apply for matters such as notification, external referrals, builders' long service leave levy and additional fees for designated development - however, these do not apply to every application and are not the focus of this document.

How costs will be calculated under these new reforms?

The new reforms provide a guide as to how development costs will be calculated in the **EDC**. As per section 6 of the EP&A Regulation, the **EDC**, now has a single definition and means:

the estimated cost of carrying out the development, including the following:

- *the design and erection of a building and associated infrastructure*
- *the carrying out of a work*
- *the demolition of a building or work*
- *fixed or mobile plant and equipment*

But does not include:

- *amounts payable, or the cost of land dedicated, or other benefit provided, under a condition imposed under the EP&A Act, Division 7.1 or 7.2 or a planning agreement*
- *costs relating to a part of the development or project that is the subject of a separate development consent or approval*
- *land costs, including costs of marketing and selling land*
- *costs of the ongoing maintenance or use of the development*

- *GST.*

The definition of **EDC** excludes GST. However, cost estimates for all applications should identify the **EDC**, the GST incurred as part of those costs, and the sum of the **EDC** plus GST. This allows the Council, as the consent authority, to correctly calculate fees for certain applications where **EDC** and GST are used to determine the final fee.

To help calculate the **EDC** for development, applicants should refer to the definition of the EP&A Regulation (s.6) and appropriate professional guidance, including quantity surveying standards of practice.

The EDC of a proposed development must be based on a genuine estimate of the cost of carrying out the development.

Who is to estimate the costs of development prior to lodgement?

The following must be adhered to for development:

Works under \$100,000:

The cost estimate may be prepared by either the applicant or a suitably qualified person and its method submitted with that application.

Works between \$100,000 and \$3 million:

The EDC may be calculated based on:

1. A detailed estimate of cost based on individual components (Attachment A), and must be prepared by a qualified person such as a:
 - builder
 - registered architect
 - quantity surveyor, or a
 - person who is licensed, has the relevant qualifications and proven experience in costing of development works to a similar scale and type, as is proposed.

Works Over \$3 million:

An **EDC** report verifying the cost of the development must be prepared by an appropriately qualified quantity surveyor who is a member of a relevant professional body, such as:

- Australian Institute of Quantity Surveyors.
- Royal Institution of Chartered Surveyors.

The EDC report is to be:

Fact Sheet - Estimated Development Cost

- Prepared using the AIQS practice standard for estimated development costs
- Submitted in the standard form of quantity surveyor report available on the NSW planning portal (link and QR code provided under Attachment B)
- Based on cost estimated current as of that date and should be dated no earlier than 30 days from the when the application is submitted.

More information is available on how to calculate the EDC and is available on the Departments webpage [Estimated development cost | Planning \(nsw.gov.au\)](https://www.nsw.gov.au/estimated-development-cost-planning)

**A suitably qualified person is a builder who is licensed to undertake the proposed works, a registered architect, a qualified and accredited building designer, a quantity surveyor or a person who is licensed and has the relevant qualifications and proven experience in costing of development works at least to a similar scale and type as is proposed.*

When cost estimates should be provided

The EDC of a proposed development should be provided with the application for consent or approval. This enables the consent authority or Minister to determine whether the proposed development is SSD, SSI, RSD or a local DA and consequently identify the relevant consent/approval authority for the development. The EDC provided with the application may also be relevant to other assessment matters such as whether certain DA requirements apply (e.g. sustainability standards or design requirements).

Cost Estimates for fee purposes

The fees for DAs are specified in Schedule 4 (Fees) and determined in accordance with Part 13 (Fees) of the EP&A Regulations by the consent authority.

Murray River Council when determining the fee for a DA, that is based on the EDC, will use the EDC specified unless, in Council's opinion, the specified estimate is not genuine or accurate, as per Section 251(2) of the Regulation.

If the estimate provided is not considered genuine or accurate, Council may check and verify and may require the applicant to engage an independent quantity surveyor to review the cost estimate or the Council may undertake its own estimation.

Further information

Attachment A provides a table for calculating the EDC based on individual components for development under \$3 million.

Attachment B provides a link and QR for an EDC report required when development is over \$3 million.

Fact Sheet - Estimated Development Cost

Council uses building cost indicators contained within Cordell's Housing Building Cost Guide by Reed Construction Data. If the estimate is understated, the figure will be required to be adjusted. Additional application fees may then be incurred. It is further noted any retrospective application (use of existing development constructed without required development consent) is required to provide a genuine estimated cost of works based off current prices.

Various commercial entities publish building and construction cost guides/calculators which can be referenced. The Australian Institute of Quantity Surveyors provides technical guidance on estimating costs and methods of measurement in the Australian Cost Management Manuals.

1. GENERAL PROJECT INFORMATION

APPLICANT'S NAME		
APPLICANT'S ADDRESS		
DATE:		
DEVELOPMENT ADDRESS		
DESCRIPTION OF WORKS		
		m²
TOTAL SITE AREA	Gross floor area (commercial)	
	Gross floor area (residential)	
	Gross floor area) (retail)	
	Gross floor area) (industrial)	
	Gross floor area) (other)	
PARKING	Gross floor area (parking)	
	Number of parking spaces	
DEMOLITION WORKS		

Fact Sheet - Estimated Development Cost

2. Attachment A: ESTIMATED DEVELOPMENT COST (for development under \$3 million)

Element	Cost (excluding GST)
Demolition works (including cost of removal from site and disposal)	\$
Site preparation (e.g. clearing vegetation, decontamination or remediation)	\$
Excavation or dredging including shoring, tanking, filling and waterproofing	\$
Preliminaries (e.g. scaffolding, hoarding, fencing, site sheds, delivery of materials, waste management)	\$
Building construction and engineering costs <ul style="list-style-type: none"> ▪ concrete, brickwork, plastering ▪ steelwork/metal works ▪ carpentry/joinery ▪ windows and doors ▪ roofing 	\$
Internal services (e.g. plumbing, electrics, air conditioning, mechanical, fire protection, plant, lifts)	\$
Internal fit out (e.g. flooring, wall finishing, fittings, fixtures, bathrooms, and equipment)	\$
Other structures (e.g. landscaping, retaining walls, driveways, parking, boating facilities, loading area, swimming pools)	\$
External services (e.g. gas, telecommunications, water, sewerage, drains, electricity to mains)	\$
Professional fees (e.g. architects and consultant fees, excluding fees associated with non-construction components)	\$
Other (specify)	\$
Parking / garaging area	\$
Estimated development cost (EDC) (the sum of the above cost elements, exclusive of GST)	\$
GST	\$
Estimated development cost plus GST	\$

Fact Sheet - Estimated Development Cost

I certify that I have:

- provided the estimated costs of the proposed development and that those costs are based on industry recognized prices; and
- the estimated costs have been prepared having regard to the matters set out in the Environmental Planning and Assessment Regulation 2021.

Name.....

Signature.....

Date.....

Position and Qualification.....

Fact Sheet - Estimated Development Cost

3. Attachment B: STANDARD FORM FOR ESTIMATED DEVELOPMENT COST REPORT (for development over \$3 million, excluding state significant projects)

[Standard-form-of-Estimated-Cost-of-Development-report-for-projects-over-3M-March-2024 \(1\).pdf](#)



Extract from:

Department of Planning, Housing and Infrastructure Standard Form of Estimated Development Cost Report (Projects over \$3 million excluding State significant projects) - March 2024

Structure of Report

1. An Estimated Development Cost Report shall be addressed to the consent authority, and include:
 - a. An executive summary.
 - b. A description of the basis of preparation.
 - c. A description of the scope of the calculation of estimated development cost (EDC).
 - d. A detailed calculation schedule that supports the EDC.

Executive Summary

2. An Estimated Development Cost Report shall include:
 - a. A title that clearly indicates the report is an objective calculation of the EDC of the identified development proposal.
 - b. A summary of the value of EDC, using PS-24-002 Changes to how development costs are calculated for planning purposes (The Planning Circular).
 - c. A statement certifying that the calculation is accurate and covers the full scope of works in the identified development proposal, at the date of development application submission.
3. An Estimated Development Cost Report shall be dated no earlier than 30 days prior to DA submission.
4. An Estimated Development Cost Report should be prepared by an appropriately qualified quantity surveyor who is a member of a relevant professional body for example AIQS or RICS.

Basis of preparation

5. An Estimated Development Cost Report shall include:
 - a. A statement that the report has been prepared for the consent authority.
 - b. A statement that the report has been prepared in accordance with:
 - legislative and regulatory requirements of the consent authority for calculating EDC (EP&A Act, EP&A reg, SEPPs, and the Planning Circular)
 - the AIQS practice standard for calculating EDC in NSW.
 - other named guidance that has been used as a basis for calculating the EDC such as AS1181-1982 Australian Standard Method of measurement of civil engineering works and associated building works/ICMS Method.

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- c. A list of the development proposal documents, such as Statement of Environmental Effects (SEE), upon which the calculation has been based, and the date of those documents.
- d. A statement of any limitations in the preparation of the report, including:
 - information that forms part of the application and SEE that has not been made available to the Quantity Surveyor that could influence the accuracy of the calculation of EDC
 - any inherent uncertainty in the estimation process that has not been able to be incorporated into the detailed calculation schedule
- e. A statement of the qualifications held by the Quantity Surveyor signing the report.
- f. A statement identifying any matters that may impair the objectivity of the calculation.

Scope of the calculation of EDC

6. An Estimated Development Cost Report shall include:

- a. A statement identifying the development proposal and proponent (where the development proponent is a subsidiary entity, then the beneficial owner(s) must also be identified).
- b. A statement describing all component activities, including staging, comprising the full scope of works of the development proposal.

Detailed calculation schedule that supports the EDC

7. An Estimated Development Cost Report may include a detailed calculation schedule that supports the summary of value of EDC, to an appropriate level of detail that allows direct reference to individual cost measurement methods and presents the following detail for each cost component (at a minimum):

- a. The cost of that component.
- b. The basis (such as elemental quantities and rates) and assumptions made in calculating that cost (such as location, site conditions, construction methods, project complexity, and market conditions).
- c. The guidance and documents underpinning the calculation.
- d. The extent of uncertainty in the calculation, and the value of provisions for uncertainty, such as for escalation and contingency.

Note 1: The detailed calculation schedule should be prepared in accordance with the AIQS practice standard.

Note 2: As consent authorities may publish EDC Reports, specific sections of the detailed calculation schedule may be considered commercial-in-confidence and should be labelled as such so that they can be redacted in the published form.