

Peter Achterstraat AM  
NSW Productivity Commissioner  
NSW Productivity Commission  
GPO Box 7057  
Sydney NSW 2001

5 August 2020

Dear Commissioner Achterstraat

### **Review of Infrastructure Contributions in New South Wales**

We write in reference to the recently published issues paper relating to the Productivity Commission's review of the infrastructure contributions system in New South Wales (**the issues paper**).

Specifically, I am writing in response to the issues paper identifying the need for the better use of digital tools to manage the infrastructure contributions processes of local government.

For context, we are the provider of an infrastructure contributions business system called Novoplan that was specifically developed to:

- simplify the management of infrastructure contributions and voluntary planning agreements for local and state governments;
- integrate the management of infrastructure contributions and voluntary planning agreements into the business processes and IT systems adopted by local and state governments;
- improve the transparency of the infrastructure contributions system; and
- capture data that can be used to improve the planning and delivery of infrastructure by local and state governments.

We are writing to introduce Novoplan and outline how we believe it can be used to address the efficiency, transparency and accountability issues identified in the issues paper. This submission contains:

- A short history of Novoplan
- An introduction to the Novoplan application and its functionality
- A summary of how Novoplan can achieve the outcomes discussed within the issues paper.

### **History of Novoplan**

Novoplan was developed over three years by a team that included infrastructure planning and charging specialists and software developers with extensive public sector experience. As a result, Novoplan is the most comprehensive infrastructure contributions business system available in the market.

Since its release in late 2018, Novoplan has been successfully implemented at Townsville City Council, Economic Development Queensland (which is a department of the Queensland Government) and Brisbane City Council. Collectively, these organisations use Novoplan to manage over \$200 million in annual infrastructure contributions.

In each case, implementation of Novoplan followed a competitive procurement process which considered the offerings of other Australian and overseas software providers. Novoplan has consistently beaten these other providers on value and functionality.

Novoplan's current users have benefited from:

- the eradication of calculation errors which were resulting in the loss of between 3% and 5% of annual infrastructure contribution revenue;
- substantial productivity increases as a result of Novoplan's automation of complex tasks and calculations; and
- vastly improved reporting capabilities – including the reporting on development activity and development pipelines.

### **What is Novoplan?**

Novoplan consists of two modules which can be implemented as standalone applications or in tandem. These are:

- an **internal** facing module used by local governments to manage all aspects of infrastructure contributions provided by applicants as part of the development assessment process (**Charges Manager**).
- a **public facing** module that:
  - o enables third-party users (i.e. members of the public) to accurately calculate infrastructure contributions that apply to a proposed development (**the infrastructure contributions calculator**); and
  - o where implemented by a client that is also a Charges Manager user:
    - contains a detailed infrastructure contributions register; and
    - enables the user to generate reports on infrastructure contributions provided as part of the development assessment process (**the register**).

The reporting and register functionality contained within the public facing module can also be populated with data from third party systems through its API. This facilitates local or state governments who are not Charges Manager users adopting the public facing module of Novoplan.

A more detailed overview of the Novoplan application and its functionality has been included as Attachment 1 to this letter.

### **Novoplan as a tool to improve management and transparency of infrastructure contributions in New South Wales**

Prior to the creation of Novoplan, one of the most significant challenges faced by local and state governments when administering infrastructure contributions was the lack of a fit for purpose business system to facilitate their efficient and transparent management.

Novoplan can facilitate the efficient and transparent management of infrastructure contributions for New South Wales local governments by doing the following:

- As an internal business system, Novoplan Charges Manager vastly improves a local governments ability to administer the complex processes associated with:
  - o the management of infrastructure contributions and voluntary planning agreements; and

- the wider infrastructure planning and infrastructure delivery processes of local governments.
- By providing an easy to use public facing module, Novoplan simplifies infrastructure contributions and provides increased transparency, accountability and certainty to all stakeholders with an interest in infrastructure contributions.

**NSW Productivity Commission and Novoplan – a quick win**

One of the matters raised within the issues paper was that the complexity and opaqueness of contributions plans make it difficult for stakeholders to calculate potential contribution liabilities associated with development proposals. The Novoplan public facing module provides a platform through which the Productivity Commission can quickly address this issue.

In this regard, the infrastructure charges calculator of the public facing module could be readily configured with the contribution rates of local governments across New South Wales. This would enable users to easily calculate applicable infrastructure contributions for any development in the state.

Attachment 2 contains screen shots of the Novoplan infrastructure contribution calculator. Please note that this attachment contains Novoplan intellectual property and we therefore request that it is not made public.

Given that Novoplan is an off the shelf product, the first stage of a state-wide infrastructure contribution calculator could be operational within 4-6 weeks of engagement.

Novoplan could also function as a central repository and reporting tool for infrastructure contribution and planning agreement data across the state.

Implementing a single state-wide platform for this purpose would provide multiple benefits including:

- a consistent user experience across local government areas – this will increase stakeholder adoption.
- the removal of the need for each participating local government to engage their own supplier for this purpose – this will improve local governments adoption of the platform.
- improved audit and reporting capabilities.

From a supplier’s perspective, there are obvious efficiencies in entering into a single supply contract with a single entity who is providing the service on behalf of all participating local governments, as opposed to entering into multiple contracts with each participating local government. These efficiencies would enable a state-wide platform to be provided at a much lower cost than would otherwise be achievable.

We would welcome the opportunity to answer any questions you may have about the Novoplan application or to provide you and your team with a demonstration of its capabilities. Please do not hesitate to contact me directly on [REDACTED] or via email at [REDACTED] if you would like to do so.

Yours Sincerely,

[REDACTED]

[REDACTED]

[REDACTED]

Novoplan