

# AIQS Construction Cost Assessments for NSW Estimated Development Cost Reports (2<sup>nd</sup> Edition) Revisions

## Disclaimer

The AIQS Construction Cost Assessments for NSW Estimated Development Cost Reports – Second Edition Practice Standard supersedes the First Edition. The Second Edition should be regarded as a new document and is to be adopted by all AIQS members.

This is currently in force across NSW Government.

The table below highlights key changes between the first and second editions. However, it is not an exhaustive list. Readers are strongly encouraged to review the entire document to fully understand the scope and nature of the updates.

Section	2 <sup>nd</sup> Edition	1 <sup>st</sup> Edition (Superseded)
<b>Section 1.1 Purpose</b>	<p>NSW Government Planning Circular PS 24-002 issued February 2024:</p> <ul style="list-style-type: none"> <li>This Practice Standard is intended to provide practitioners with professional support and members should be aware that the New South Wales Department of Planning, Housing and Infrastructure requires that, for SSD or SSI applications where development costs will be above \$3 million, an EDC report prepared in accordance with this Practice Standard will be required (see NSW Government Planning Circular PS 24-002 issued February 2024 at pages 3 and 4).</li> </ul>	<p>Previously:</p> <ul style="list-style-type: none"> <li>The purpose of this Practice Standard is to establish a consistent approach for quantity surveyors when preparing cost assessments for the purpose of Estimated Development Cost (EDC) Reports (elemental order of cost assessments) for New South Wales (NSW) authorities.</li> <li>This Practice Standard does not purport to be a comprehensive description of the law and quantity surveyors should obtain independent legal advice where appropriate.</li> </ul>

Section	2 <sup>nd</sup> Edition	1 <sup>st</sup> Edition (Superseded)
<b>Section 2.1 Experience</b>	<p>Additional experience and reference to NSW projects:</p> <ul style="list-style-type: none"> <li>The preparation of the EDC Report for the relevant Consent Authority is to be undertaken by a member of The Australian Institute of Quantity Surveyors (AIQS), holding the Certified Quantity Surveyor (CQS) designation, or a Chartered Quantity Surveyor member of the Royal Institution of Chartered Surveyors (RICS), with demonstrated recent experience on NSW projects, and preferably, residing in the State of New South Wales.</li> <li>Quantity surveyors must operate within the limits of their qualifications and experience and must not accept instructions in a field of practice in which they possess insufficient knowledge and skill to provide competent services to the client, unless the quantity surveyor obtains fully informed consent from the client to undertake the services in conjunction with a person having the demonstrated expertise. This should include peer review via consultation/research with a person (or persons) having the relevant demonstrated expertise</li> </ul>	<p>Previously:</p> <ul style="list-style-type: none"> <li>The preparation of the EDC Report for the relevant Consent Authority should be undertaken by a member of The Australian Institute of Quantity Surveyors (AIQS), holding the Certified Quantity Surveyor (CQS) designation, or a Chartered Quantity Surveyor member of the Royal Institution of Chartered Surveyors (RICS), residing in the State of New South Wales. A schedule of AIQS members holding the CQS designation is freely available from the AIQS website (<a href="http://www.aiqs.com.au">www.aiqs.com.au</a>).</li> </ul>
<b>Section 4.1 Structure of the Report</b>	<p>The EDC Report must be prepared in two parts:</p> <ul style="list-style-type: none"> <li>Part 1: A report following the relevant Standard Form (Refer Appendix B &amp; C) including a single amount for the Estimated Development Cost including EDC definition (i.e., a separate PDF).</li> <li>Part 2: The Estimated Development Cost (EDC) supporting detailed calculations with “commercial-in-confidence” stated on all pages which will signal to the NSW Department of Planning Housing &amp; Infrastructure that these pages are not to be published.</li> </ul>	<p>Previously:</p> <p>The quantity surveyor’s EDC Report shall be addressed to the consent authority, and include:</p> <p><b>Note: The EDC Report is to be addressed to the consent authority care of the applicant</b></p> <ul style="list-style-type: none"> <li>a. Executive summary including EDC definition</li> <li>b. Basis of report preparation</li> <li>c. Description of the scope of the EDC</li> <li>d. Detailed calculation schedule that supports the EDC.</li> </ul>

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		<p><b>Note: Should an applicant/client deem the buildup of the EDC to be confidential and not wish it to be disclosed to the public the following approach is to be undertaken.</b></p> <p>The quantity surveyor is to prepare:</p> <ol style="list-style-type: none"> <li>1. A cover letter describing the project with the total EDC amount stated i.e., separate PDF from the balance of the report.</li> <li>2. The balance of the report to have “commercial-in-confidence” stated on all pages which will signal to the NSW Department of Planning that these pages are not to be published.</li> </ol>
<b>Section 4.2 Part 1 - Executive Summary Including EDC Definition</b>	<p>The quantity surveyor’s EDC Report shall be:</p> <ul style="list-style-type: none"> <li>• Prepared and signed by an AIQS Certified Quantity Surveyor or a RICS Chartered Quantity Surveyor, with demonstrated recent experience on NSW projects, and preferably, who resides in the State of New South Wales.</li> </ul>	<p>The quantity surveyor’s EDC Report shall be:</p> <ul style="list-style-type: none"> <li>• Signed by an AIQS Certified Quantity Surveyor or a RICS Chartered Quantity Surveyor residing in the State of New South Wales.</li> </ul>
<b>Section 4.5 Part 2- EDC Report (Detailed Calculation Schedule that supports the EDC)</b>	<ul style="list-style-type: none"> <li>• The Schedule Summary now requires the name and signature of the quantity surveyor.</li> <li>• <b>Contingency:</b> 5% of the items included in 5.1, excluding escalation OR where a P90 assessment is applicable, that value should be used.</li> </ul>	<p>Section 4.5 was previously under 4.2 and did not have its own title:</p> <ul style="list-style-type: none"> <li>• The Schedule Summary previously required Project Description, Project Location, Project Stage &amp; Date of Assessment.</li> <li>• <b>Contingency:</b> 5% of Construction for Non-Government application or P90 Risk Assessment for Government application.</li> </ul>
<b>Section 4.6 Part 2 - Detailed calculation schedule supporting the EDC</b>	<p>Additional bullet points added to this section:</p> <ul style="list-style-type: none"> <li>• A statement describing all component activities, including any staging, comprising the full scope of works of the development proposal.</li> </ul>	<p>Section 4.6 did not previously have its own title and was under section 4.4, original bullet points below:</p> <ul style="list-style-type: none"> <li>• The Demolition and remediation scope provisions</li> <li>• The elemental cost of that component</li> </ul>

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	<ul style="list-style-type: none"> <li>• A list of the development proposal documents (including the EIS report, all drawings and associated reports) upon which the calculation has been based, and the date of those documents (base documents must be dated within 30 days of EIS lodgement for Major Projects in NSW),</li> <li>• A statement identifying any matters that may impair the objectivity of the calculation.</li> </ul>	<p>(Identifying buildings and any infrastructure separately).</p> <ul style="list-style-type: none"> <li>• The basis (such as elemental quantities and rates) and assumptions and provisions made in calculating that cost (such as location, site conditions, construction methods, project complexity and market conditions).</li> <li>• The guidance and documents underpinning the calculation.</li> <li>• The extent of uncertainty in the calculation, and the cost of provisions for uncertainty, such as for escalation and contingency.</li> </ul>
<b>Section 4.7 Non- SSD Reports Over \$3million</b>	<p>New sections added to the document:</p> <ul style="list-style-type: none"> <li>• In addition to the above Standard Form requirements for SSD projects the Department of Planning, Housing and Infrastructure has also prepared a Standard Form of Estimated Development Cost Report (projects over \$3 million excluding State Significant Projects) – March 2024 which contains variances to the above outlined requirements. Quantity surveyors are referred to this Standard Form and its associated requirements.</li> </ul>	<p>This section did not exist independently in the first edition. However, its content was addressed in different ways throughout the document.</p>
<b>Section 5.3 Projects Over \$3 Million Reporting Assistance</b>	<p>Definitions updated:</p> <ul style="list-style-type: none"> <li>• <b>Contingency:</b> 5% of the items included in 5.1, excluding escalation OR where a P90 assessment is applicable, that value should be used</li> <li>• <b>Finance:</b> The cost of finance is not part of the EDC Calculation</li> <li>• <b>Mitigation of Impact Items:</b> The EIS will also have a chapter/section for Mitigation of Impacts and the quantity surveyor is to include in the EDC for the nominated mitigations which may or may not be identified on the application drawings. For example, including of biodiversity costs such as vegetation</li> </ul>	<p>Original definition of contingency has changed from below:</p> <p><b>Contingency:</b> 5% of Construction for Non-Government application or P90 Risk Assessment for Government application</p>

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	<p>replacement or associated offsets. If a project scope proposes to purchase offsets from the Biodiversity Conservation Trust, the upfront cost will require capital and should be included within the estimate of EDC. An equivalent land-based offset would be treated differently. The land acquisition costs are excluded by the EDC definition, but any upfront costs required to establish the site as a protected area are included. However, any ongoing payments for stewardship costs would be excluded.</p>	
<b>Appendix B</b>	<p>NSW Department of Planning, Housing and Infrastructure Standard Form of Estimated Development Cost Report (State Significant projects) – October 2024</p> <ul style="list-style-type: none"> <li>Updated Standards form of Estimated Development Cost Report (October 2024)</li> </ul>	<p>Previously:</p> <p>NSW Department of Planning, Housing and Infrastructure Standard Form of Estimated Development Cost Report (State Significant projects) – March 2024</p>