

31 August 2017

WHAT

IPART has reviewed an amended version of Contributions Plan 21 for the Marsden Park and Marsden Park Industrial Precincts (CP21) that was submitted for assessment in December 2016.

When fully developed, the precincts covered by CP21 will have around 33,742 additional residents and 10,000 workers.

Cost-related recommendations

IPART's assessment of CP21 shows there is potential for Blacktown City Council to achieve significant cost savings in the plan.

Our recommendations could reduce the cost of CP21 by around \$196m (20%). This includes recommendations to remove \$144m of costs:

- ▼ +\$8.3m for transport
- ▼ -\$108.3m for stormwater management, mainly the cost of capital works (-\$95.5m)
- ▼ -\$51.2m for open space
- ▼ +\$10.7m for community facility land, and
- ▼ -\$3.4m for plan administration costs.

We also found that a further \$112m of open space embellishment costs should be removed from CP21 until council does further work to determine their reasonable cost. We consider a reasonable cost of this work is around \$60m.

Other key recommendations

Most of the infrastructure in the plan is on the essential works list, and reasonable in terms of nexus (ie, meets the demand arising from the new development).

However, we recommend council remove bushland regeneration work because it is not 'essential'. We also found that council should remove the cost of a road upgrade where its need arises independent of the new development, and that it consults with the State Emergency Service (SES) regarding the safety need for wider, more costly bridges.

Through the assessment process, council provided revised land acquisition costs based on external valuations of the underlying zoning rates, applied to individual lots. We recommend it adopt these revised land costs in CP21, which results in higher costs for some infrastructure categories and lower costs in others.

WHY

The NSW Government caps the amount of contributions that councils can collect from new residential development. For eligible plans, councils can apply for funding from the Government to meet the shortfall between the reasonable costs of infrastructure (based on IPART's assessment) and the capped amount.

IPART reviewed the proposed infrastructure in CP21 and its associated costs because the contribution rates in the plan were above the cap, and the council intends to apply for funding from the NSW Government through the Local Infrastructure Growth Scheme.

WHAT NEXT

We have provided our report to the Minister for Planning who may request the council to amend the contributions plan. The report is available on IPART's website: <http://www.ipart.nsw.gov.au>