

# Review of Campbelltown City Council's Menangle Park Contributions Plan

18 December 2018



## WHAT

IPART has reviewed Campbelltown City Council's *Menangle Park Contributions Plan 2018* (Menangle Park CP), which applies to new development in Menangle Park Urban Release Area (URA).

Menangle Park URA is in Sydney's south west. Based on current planning controls, it is expected to be home to a population of 9,828 in approximately 3,500 dwellings.

### Our recommendations

Our recommendations would increase total costs in the plan from \$132.88 million (in September 2016 dollars) to \$171.32 million (in June 2018 dollars). This amounts to a nominal increase of 28.9% (including inflation) and a real increase of 25.7% (excluding inflation).

The increase in costs is the result of:

- ▼ The cost of additional land for transport and stormwater management works, which the council did not include in the plan initially, and which we consider should be included (\$17.21m).
- ▼ Adopting updated (June 2018) land value estimates because Menangle Park land values have risen significantly since the plan was prepared in 2016 (\$17.83m).
- ▼ Consistent with changing the base period for land costs, changing the base period for cost estimates of works in the plan from September 2016 to June 2018 (\$5.08m).

It is important that costs in contributions plans reflect the reasonable cost to the council of providing local infrastructure for

the new development. Otherwise, ratepayers would effectively subsidise the new development, or councils may not be able to provide the infrastructure needed to support the new development. Cost-reflective developer contributions are also important in ensuring that development only occurs where the benefits of development exceeds its costs.



## WHY

IPART assesses councils' contributions plans which propose local infrastructure contributions above a threshold amount. The maximum contributions in Menangle Park CP exceed the \$20,000 per lot or dwelling threshold that applies to the plan.



## HOW

We have assessed Menangle Park CP against the criteria in the Department of Planning and Environment's *Practice Note: Local Infrastructure Contributions* (January 2018). We have based our assessment on information in the plan, and further information provided by Council.



## WHAT NEXT

IPART has provided its report on the plan to the council and the Minister for Planning. It is available on IPART's website: <https://www.ipart.nsw.gov.au/>.

In response to our recommendations, the Minister will advise the council of any required changes. If adopted in full, IPART's recommendations would increase contributions for a standard residential lot from \$43,644 (\$ September 2016) to \$56,466 (\$ June 2018).