

IPART assesses Campbelltown City Council's Contributions Plan for Menangle Park

The Independent Pricing and Regulatory Tribunal (IPART) is recommending Campbelltown City Council increase development contributions in the Menangle Park Contributions Plan, so they accurately reflect the costs of providing local infrastructure to support new residential development in the Menangle Park Urban Release Area.

The recommendations aim to ensure development contributions match the reasonable cost to the council of acquiring land and delivering essential infrastructure. Otherwise, if contributions were set too low, ratepayers would effectively subsidise the new development, or the council may not be able to provide all of the required infrastructure.

Under arrangements announced by the NSW Government last year, the council is limited to levying contributions up to a maximum of \$20,000 per lot or dwelling until the plan is reviewed by IPART and the council makes any changes required by the Minister for Planning. The maximum contributions in the Menangle Park Contributions Plan exceed the \$20,000 threshold.

The recommendations, contained in a report to the NSW Minister for Planning, would allow the council to update the costs in the plan and collect contributions to cover the cost of acquiring land and delivering local infrastructure.

Chair of IPART's Local Government Committee, Deborah Cope, said "IPART has recommended some adjustments to the land and works in the Menangle Park Contributions Plan, to ensure that contributions from developers allow the council to recover the reasonable costs of providing essential local infrastructure for the new development in Menangle Park.

"This is the first time we have reviewed a plan from Campbelltown City Council, and the first plan where the council is not eligible for funding through the State Government's Local Infrastructure Growth Scheme (LIGS).

"While we have recommended the council reduce some costs in the plan, the overall impact of our recommendations would increase costs in the

plan to be recovered from development contributions by 25.7%, excluding the effects of inflation.”

IPART has recommended increases to land costs in the plan, to include extra land for essential transport and stormwater infrastructure, and to reflect updated land values. IPART has also recommended that the cost for all works be updated from 2016 to 2018 values.

The Minister for Planning will consider IPART’s recommendations and publish his advice to the council on the Department of Planning and Environment’s website.

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).

A full copy of IPART’s assessment is available on IPART’s website: <http://www.ipart.nsw.gov.au>.