

17th December 2020

Warwick Winn  
General Manager (Attn: City Planning – Mamre Road Contributions Plan)  
Penrith City Council  
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Penrith NSW 2751

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Cc: Sarah Hill WSPCA and Brett Whitworth DPIE

## Mamre Road Contributions Plan

Dear Warwick

I write further to our recent zoom conversation in relation to the draft Mamre Road Contributions Plan placed on public exhibition by Penrith City Council (the Council) for comment until 17<sup>th</sup> December 2020.

The Urban Taskforce acknowledges the need for the Mamre Road precinct to be properly serviced by both local and state infrastructure, and we support in principle that new development providers should contribute to this.

However, Councils' proposed s7.11 local infrastructure contribution to pay for all the physical and social infrastructure in the Mamre Road precinct in addition to the State Government's Special Infrastructure Contribution (SIC) is **not supported**.

As can be seen in the table below, the combined impost of levies proposed across the Aerotropolis precincts is substantial:

	<b>Industrial Development</b>
<b>S7.11 contribution</b>	\$698,596 per hectare of net developable area
<b>SIC</b>	\$200,000 per hectare of net developable area

Urban Taskforce members with interests in the Mamre Road precinct are advising the combined cost of proposed State and local contributions plans will render many industrial developments unfeasible. As a consequence, some investors will look to other jurisdictions for more commercially beneficial opportunities. This will be to the detriment to the success of the Aerotropolis and the much needed new employment opportunities in Western Sydney.

The Urban Taskforce draws Council's attention to the recently released report from the NSW Productivity Commission - *Review of Infrastructure Contributions in NSW*. The report finds that local contributions need to be calculated based on the "efficient cost" rather than the "reasonable cost". The Urban Taskforce **recommends** that Council reviews the NSW

Productivity Commission's report and accordingly adjusts the proposed contribution rate for Mamre Road.

The Urban Taskforce is also concerned about the potential for duplication of cost recovery in local and state contribution levies. For example, both the draft Mamre Road s7.11 local contributions plan and the proposed SIC set to recover the costs of providing considerable additional open space. The Urban Taskforce **recommends** that Council consults the State Government in ensuring there is no duplication of cost recovery.

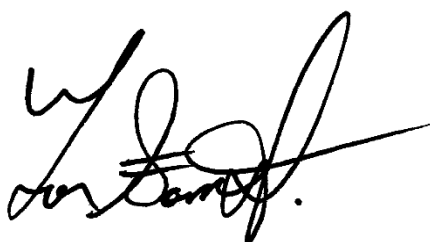
The Urban Taskforce asserts the economic benefits of successful development of the Aerotropolis precincts, including Mamre Road, extend well beyond developers and the relevant local government areas. As such, the burden of infrastructure costs should be spread across the broader population, with local infrastructure funding being supported by State and Commonwealth funding.

The logic for this position is already established with massive infrastructure contributions being made to the development of the airport, the new Metro Rail line and the road upgrades which are already underway. Urban Taskforce Members are confused as to why Local Infrastructure was not also anticipated and contribution schemes developed with a view to the cumulative impact on development as well as the long term benefit derived by the Greater Sydney, NSW and Australian economies.

As previously suggested, the Urban Taskforce would welcome an alliance with the Councils to continue a conversation on State and Federal Government contributions to the funding of local infrastructure to ensure these important precincts are developed and significant employment opportunities for Western Sydney can be realised.

The cumulative impact of the proposed SIC along with the proposed 7.11 local infrastructure charge will seriously jeopardise the very jobs creation that will deliver the Western Parkland City vision. We urge you to work with ourselves, State and Commonwealth governments to reduce the job-killing impact of this proposal.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a large, sweeping flourish extending to the right.

**Tom Forrest**  
Chief Executive Officer