

Frequently Asked Questions

High Wycombe South Development Contribution Plan – May 2023

1. What are development contributions?

Development contributions are a levy that helps pay for local infrastructure associated with new housing and development. Funds levied from development contributions are used to pay for infrastructure like roads and footpaths, drainage, parks and other community facilities that are needed to accompany new housing developments. Development contributions are intended to operate under the principle of 'beneficiary pays', a charge on the user of infrastructure, because the people that pay for the infrastructure directly benefit from it.

Development contributions are levied through subdivision and development processes, and where there are multiple landowners, through a Development Contribution Plan (DCP).

2. What is a Development Contribution Plan (DCP)

A DCP provides for the implementation of a cost-sharing arrangement, to levy contributions for planned infrastructure that is required to be shared across a development area. The purpose of the DCP is to coordinate the equitable sharing of costs for infrastructure that is reasonably required by development and subdivision in a prescribed area. A DCP is required to be prepared to stipulate the development contributions for landowners in a development contribution area (DCA).

3. What is the process for the creation of this DCP and what is involved?

The preparation of the planning framework for High Wycombe South has been a significant undertaking for the City, particularly in the context of highly fragmented land ownership, environmental constraints, the introduction of the METRONET Redevelopment Area over the TOD Precinct, and stakeholder liaison. The DCP preparation process has been complex and has been prepared in accordance with statutory and State Planning Policy requirements.

The complexity of this DCP is compounded by the fact that the land is in fragmented ownership. Fragmented ownership refers to a larger number of lots, under different ownership, in an area identified for future development. To facilitate orderly development, these properties are, in some instances, required to be assembled to enable coordinated subdivision and development.

Structure Plans and DCPs are planning tools that help coordinate land assembly by identifying suitable areas for development and the required land for infrastructure. This then facilitates cooperation from landowners and the private sector to bring land together for development purposes. Fragmented land ownership is complex and because of it, there are requirements for landowners to contribute towards infrastructure in a fair and equitable manner. DCPs also seek to ensure that all landowners equitably contribute towards infrastructure.

The DCP preparation process relies on the establishment of the statutory planning framework - Metropolitan Region Scheme and Local Planning Scheme amendments - structure planning and significant needs and apportionment analysis. Since the adoption of the Forrestfield North (High Wycombe South) District Structure Plan in 2016, the City has progressively developed the detailed planning required for the Residential Precinct Local Structure Plan (LSP) and TOD Precinct Activity Centre Structure Plan (ACSP). It was important to establish sufficient certainty within the statutory planning process and structure plans before finalising the inputs for the DCP.

Since mid-2020, following the WAPC's approval of the Residential Precinct LSP, the City has engaged with State Government agencies to ascertain the key technical investigations and assumptions to inform the analysis of the DCP. Market analysis into commercial and dwellings / population yields for the TOD and Residential Precincts were undertaken by DevelopmentWA in consultation with the City, and these informed modifications to housing density in the Residential Precinct. These inputs were consolidated and have been critical in informing the infrastructure requirements, particularly for roads and intersections.

4. Why is a DCP required for High Wycombe South?

The development of the Residential Precinct and Transit Oriented Development (TOD) Precinct in line with the Local Structure Plan and draft Activity Centre Structure Plan requires the timely and cost-efficient provision of roads, drainage and open spaces.

Given the highly fragmented nature of land in the Residential Precinct, a DCP is required to coordinate the equitable cost sharing arrangements for, and timely delivery of, infrastructure needed for the development of the precinct and its future residents.

This infrastructure is necessary to support the residential and commercial development envisaged by the Local Structure Plans. This will contribute to the liveability and community wellbeing and will help facilitate the necessary development of housing for a growing population.

5. What is the statutory mechanism that has been used to establish the DCP?

Local Planning Scheme 3 (LPS3) Amendment 113 (A113) will establish the statutory framework for the DCP by:

- a) Introducing a Special Control Area on the LPS3 Scheme Map as DCA2; and
- b) Amending Schedule 12 of LPS3 to include the model requirements for the DCP.

Schedule 12 of LPS3 proposes to establish the following details in respect to the DCP:

- The area name;
- Relationship to other planning instruments;
- Infrastructure and administrative items to be funded;
- Methodology for calculating contributions;
- Period of operation;
- Timing and priority principles for infrastructure delivery; and
- Review, process and reporting obligations.

6. What is infrastructure?

Infrastructure is primarily delivered by local governments, utility providers or a developer, and is fundamental to the economic and social well-being of communities. Infrastructure can be broadly defined into two categories:

- a. Development Infrastructure – infrastructure required to facilitate development and to support the orderly development or redevelopment of an area. For example, this can include roads, open space, drainage, and utility services.
- b. Community Infrastructure – infrastructure required for communities and neighbourhoods to function effectively. For example, this can include community, sporting, library, and other cultural facilities.

The DCP includes justification for the identified infrastructure needs as well as the specifications, and this is based on the relative demand for infrastructure from existing and future populations. The DCP which has been prepared includes essential development infrastructure given that community infrastructure has been identified to be funded through other sources (eg. Grant funding).

Justification for infrastructure included can be found in the Council report and the DCP Report (DCPR) attached to the Council report.

7. What infrastructure will be included in the DCP?

The DCP provides for the collection of cost contributions to assist with the coordinated delivery of:

- a. Upgrades to existing road infrastructure and delivery of new road infrastructure (roads and intersections).
- b. Improvements to public open space (POS), although not all POS or green space shown on the plan has been included (see below).
- c. Coordinated stormwater drainage.
- d. Land required to facilitate the delivery of the infrastructure (roads, POS, and drainage).
- e. Administration costs.

The DCP has been prepared with the exclusion of land costs associated with Local Open Space within the 'Green Link', an ecological corridor generally along the northern side of Brand Road and connecting Poison Gully and an existing Bushforever site on Sultana Road West. Based on the City's review, there is justification to progress a Metropolitan Region Scheme amendment to reserve this land as Parks and Recreation, which would enable the future purchase of the land by the State Government.

Further details are provided in a report to the Ordinary Council Meeting held on 18 April 2023 – <https://www.kalamunda.wa.gov.au/council/council-committees/agenda-minutes>

8. When is the development contribution paid and who pays?

Development contributions will only be triggered by new development and subdivision. Existing development and incidental changes (eg. building an addition to an existing house, or an outbuilding for domestic use) will not trigger development contributions.

Development contributions identified under a DCP are imposed via conditions of subdivision or development approval and are payable by the developer or landowner following the approval of, and prior to, the commencement of subdivision or development works.

9. Do I have to sell my land when the DCP is adopted?

The adoption of the DCP will not require any immediate decision for a landowner to sell their land.

The DCP identifies a list of infrastructure items that will be required to service the new development of the area. The infrastructure required, and the provision of that infrastructure, will correspond with the rate and needs of

development. Some of this infrastructure - particularly roads, drainage, and public open space - requires land to be purchased to fulfill the spatial and functional requirements identified for each infrastructure item. For example, some roads will need to be widened to construct new streetscapes, land will be required for stormwater drainage, and parks will need to be established to provide future residents with planned amenity and recreational opportunities.

If your property has been identified for local open space, drainage, or road reserve, there will, at a future stage, be the requirement for the portion of your land that is identified as one of these items to be purchased for that particular purpose through the DCP.

The above process occurs at the time the infrastructure is required. If the land is required to be purchased by the DCP or a developer, it will usually be instigated by negotiations between parties. If the City is seeking to purchase the land utilising DCP funds, the City will, in all instances, seek an independent land valuation to inform the land purchase.

The timeframes around when these negotiations will be required are not certain as it will depend on a need arising from the pattern and staging of development/subdivision in the area, the principles established under the DCPR, and funds being available and committed through a future DCP.

10. How is land value determined for the DCP and for land that needs to be purchased.

A land valuation, prepared by a licensed Land Valuer, was used to inform the DCP and set the contribution rate, and this valuation will be reviewed annually once the DCP is operational.

At the time of acquisition of infrastructure identified in, and funded by, the DCP, a separate independent Land Valuation will be undertaken to value the portion of land to be acquired. If a landowner does not agree and hold a different view on land value than the value provided, an opportunity exists to undertake a separate valuation. If the two valuations are different it is normal practice for the two valuers to confer and attempt to come to an agreement on the land value.

11. Will the DCP have an impact on the value of my land?

A market valuation takes into consideration a range of factors, including the characteristics and development costs. Given the DCP represents an apportioned costs for essential infrastructure to enable development and subdivision, these costs are considered by a land valuer. The value of your land can be assessed by you through obtaining independent expert valuation advice.

12. What is the proposed contribution rate and how has that been calculated?

The forecast development contribution rate has been calculated at \$70.41/m² to fund approximately \$41.8 million of road, open space, drainage infrastructure, and administration costs.

The calculation of the forecast contribution rate has been carried out in accordance with the principles established under State Planning Policy 3.6 (SPP 3.6). In essence, the calculation is a product of the total cost of proposed infrastructure (including roads, POS and drainage) plus the administrative costs, divided by the net contribution area (NLA) of the Development Contribution Area. This is the area of land within the DCA which can be developed and does not include areas such as land for environmental conservation reserved under the MRS, local open space, road reserves, bridle trails, and drainage basins required under the Local Water Management Strategy. Details of the calculation and the inclusions and exclusions can be found in the Council report and the DCPR.

13. How have the infrastructure items been costed?

Concept designs and estimated costs have been prepared for all items included in the DCP. Road and drainage infrastructure has been designed and estimated by a Civil Engineer, local open space has been designed by a landscape architect and estimated by a quantity surveyor, and land value estimates have been prepared by a land

valuer.

All concept designs and estimated costs are included in the appendices to the DCP Report.

14. How have the costs been apportioned?

In accordance with the requirements of SPP3.6 an apportionment analysis of the infrastructure was undertaken. In relation to the roads and intersections a Traffic Management Report was prepared, and the costs have been apportioned based on the modelling and calculated demand generated by the existing and future development of the area. All other items - local open space, drainage and administration costs – have been evenly apportioned to the precinct.

15. For how long will the DCP operate and why does it need that long?

The DCP is proposed to operate for a period of 30 years from date of gazettal of A113 to LPS3. The timeframe of 30 years has been considered to correspond to the projected and desired build-out rates for future development in the area. It also meets the SPP 3.6 requirements for a longer lifespan given that it is for a specific strategic urban precinct that has a minimum anticipated lifespan of 30 years.

16. What is the “Green Link” and how will that be implemented?

The "Green Link" is an ecological corridor generally along the northern side of Brand Road and connecting Poison Gully and an existing Bushforever site on Sultana Road West. A significant cost initially identified for potential inclusion in the DCP is land for Local Open Space (LOS) that makes up a portion of the Green Link and a portion of the 10% Public Open Space (POS) provision required under Liveable Neighbourhoods.

The City has identified a portion of the Green Link that warrants being reserved under the MRS as Parks and Recreation. Should the request to reserve this portion of LOS under the MRS be accepted it will mean that the acquisition of this portion of land will not be a cost to the DCP. The DCP does not currently incorporate land costs for LOS within the Green Link.

17. How can I calculate what I need to pay should I decide to develop or subdivide my land?

Section 4 of the DCP Report outlines the method for calculating contributions. The following formula is proposed to calculate the contribution for each owner:

$$\text{Contribution rate} = \frac{\text{Cost of infrastructure items} + \text{cost of administrative items (\$)}}{\text{Net lot area of DCA (m}^2\text{)}}$$

The DCP Report (Appendix M) also includes a cost apportionment schedule that outlines the indicative contribution based on the forecast rate, utilising the above formula.

18. Status and next steps?

Amendment 113 and the supporting draft DCP Report were considered at the Ordinary Council Meeting (OCM) on 18 April 2023. The following summarises the key outcomes regarding the next steps for the DCP:

1. Forward the Amendment 113 to the WAPC to satisfy the regulatory obligations to examine the documents prior to advertising.
2. Forward the Amendment 113 to the Environmental Protection Authority (EPA) to assess the need for an environmental review prior to advertising.
3. Upon advice being received from the WAPC that modifications are not required, and confirmation from the

EPA that an Environmental Review is not required, proceed with advertising of Amendment 113 and the DCP Report.

4. Request the WAPC initiate an amendment to the Metropolitan Region Scheme to reclassify all land within the 'Green Link' (an ecological corridor traversing the HWS Residential Precinct) as Parks and Recreation.

Amendment 113 and associated documents were forwarded to both the WAPC and the EPA on 1 May 2023 for their assessment and examination. Prior to proceeding with the formal public advertising process, the City is required to await confirmation of the following:

1. Advice from the WAPC that it is satisfied Amendment 113 is suitable to be advertised, or whether modifications are required. This is further discussed below; and
2. Advice from the EPA that an environmental assessment is not required. The EPA's advice is expected within approximately 1 month and without any environmental considerations raised.

With regard to the WAPC's advice, the Regulations provide that the WAPC (supported by the Department of Planning, Lands and Heritage (DPLH)) must examine Amendment 113 within 60 days or such longer period with the approval of the Minister for Planning, Lands and Heritage.

DPLH's review of Amendment 113 and the DCP Report is considered to be beneficial to all stakeholders. This process will reinforce the assumptions and inputs underpinning the DCP as proposed, or include recommended modifications to the proposed DCP, giving greater confidence in the supporting documents and approach as it progresses to future public advertising. In this regard, given the significant volume of information supporting Amendment 113, together with the City's MRS Amendment Request for the Green Link, the City expects that the DPLH will seek the Minister's approval for additional time beyond the aforementioned 60 day period, to confirm Amendment 113 is suitable to commence public advertising. The City will monitor this process and provide updates through the monthly HWS project newsletter.

Once the City has received confirmation from the WAPC and EPA, the scheme amendment, together with all the supporting documentation will be widely advertised for a period of 90 days.

Following the advertising period a further report to the Council will be prepared analysing and commenting on the submissions received during the advertising period with a recommendation to either proceed as advertised, proceed with modifications, or to not proceed with the amendment.

19. Where can I find out more?

Documentation and information on the High Wycombe South project can be found at <https://www.kalamunda.wa.gov.au/building-development/planning/projects/forrestfield-north>

Subscribe to the newsletter via http://eepurl.com/dOW__5

If you have further queries please contact the City's Strategic Planning Services during office hours on 9257 9999 or email enquiries@kalamunda.wa.gov.au.