

Frequently Asked Questions

High Wycombe South Development Contribution Plan – April 2022

1. What are development contributions?

Development contributions are levies charged to help 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.

In WA, development contributions are used to fund the physical and social infrastructure needs of growing communities. 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 cost contributions (development contributions) for landowners in a development contribution area (DCA).

A DCP is generally required to include the following information:

- a. The land included and excluded from the DCA
- b. The infrastructure and administrative items to be funded through the DCP
- c. Details of funding, including the percentage being funded by the DCP (DCP Apportionment), and the percentage from other funding sources.
- d. The method for calculating the cost contribution of each property owner
- e. The priority, timing, staging and delivery of each item of infrastructure
- f. The party responsible for delivering the infrastructure
- g. The term for which the DCP is to have effect
- h. The review process for the DCP
- i. The method to be used for indexing costs
- j. The land valuation methodology
- k. The policies, plans and other supporting documents supporting the DCP.

Where it has been determined that a DCP is required, provisions are required to be incorporated into the local planning scheme. This gives legal effect to the DCP and enables cost contributions to be levied for new development and subdivision.

3. 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 is required to include justification for infrastructure needs and specifications, based on the relative demand for infrastructure from existing and future populations.

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 Plans requires the timely and cost-efficient provision of infrastructure and facilities, such as roads, drainage, open space, sporting and community facilities.

Given the highly fragmented nature of land in both the Residential Precinct and TOD 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 liveability and community wellbeing and helps facilitate the necessary development of housing for a growing population.

5. What infrastructure will be included in the DCP?

DCPs may include the following infrastructure:

- a. Roads and intersections, including land for new or widened roads;
- b. Land and construction requirements for drainage;
- c. Land and basic standard improvements for local open space;
- d. Community facilities; and
- e. Sporting and club facilities associated with the Brand Road site

Further details are provided in a report to the Public Agenda Briefing Forum agenda for 12 April 2022 - <https://www.kalamunda.wa.gov.au/council/council-committees/agenda-minutes>

While apportionment analysis outlined in the above report to Council indicates a level of demand for both development and community infrastructure, it is important to note that the City has not yet made a final recommendation to Council on the inclusion of infrastructure items in the DCP.

Further information regarding infrastructure items will be contained in the draft DCP Report and publicly advertised to ensure the opportunity for community to provide input on the inclusion of items before the DCP is presented to Council and finalised.

6. 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 prior to the commencement of subdivision or development works.

7. 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 will identify a list of infrastructure items that are expected to be required to service the new development of the area. The infrastructure required will correspond with the rate and needs of development. Some of this infrastructure - particularly roads, drainage, and public open space - will require 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 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 a land valuation to inform negotiations.

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 together with funds being available and committed through a future DCP.

8. 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, will be prepared to inform the DCP and will be reviewed annually. At the time of acquisition of infrastructure identified in, and funded by, the DCP, an independent Land Valuer will undertake a valuation of the portion of land to be acquired. If you do not agree and hold a different view on land value than the value provided, you have the opportunity to consult a land valuer of your own to undertake a separate valuation. If the two valuations are different it is normal practice for two valuers to confer and attempt come to an agreement on land value. The particulars of this process will be further outlined within the DCP.

9. 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 is required to be prepared in accordance with statutory and State Planning Policy requirements. The complexity of this DCP compounded by the fact that the land is in fragmented ownership and that there are two distinct precincts; the TOD precinct under planning control of DevelopmentWA and the Residential Precinct being planned and administered by the City.

Fragmented land 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 is important to establish sufficient certainty within the statutory planning process and structure plans before finalising the inputs for a 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 traffic and community infrastructure modelling for the TOD and Residential Precincts.

A detailed update on the status of infrastructure analysis is provided in a report to the Public Agenda Briefing Forum agenda for 12 April 2022 - <https://www.kalamunda.wa.gov.au/council/council-committees/agenda-minutes>

10. When will the City provide cost estimates for infrastructure items proposed to be included in the DCP?

Cost estimates for the provision of infrastructure are currently in the process of finalisation and further consideration as part of the broader DCP preparation process.

Key matters that are required to be addressed to finalise cost estimates, as key inputs into the DCP preparation process, include:

1. Defined and detailed utility service cost estimates for roads and intersections.
2. Clarification of the level of State Government and other agencies investment in the TOD and Residential Precincts directly linked to the development of key State infrastructure including the High Wycombe Train Station.
3. Refinement of information and design to inform road and intersection widening.
4. Geotechnical information and pavement condition analysis on existing roads proposed for upgrade.
5. Finalised land valuation and land area calculations.

While the City is actively pursuing the finalisation of this information to inform accurate and reliable cost estimates in the timeliest manner possible, it is required to work with an array of stakeholders including State Government agencies and utility providers and as such, it is difficult to ascertain when these key inputs will be known by the City.

At this point in time, the City is unable to provide a specific timeframe for the finalisation of this information and will keep landowners informed as this information progresses through monthly newsletters.

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

DCPs are a financial consideration in the subdivision and development process. To fully understand this financial consideration, it is necessary to have full information on the scope of infrastructure required to service development, apportionment of infrastructure as it relates to the development and preliminary designs to provide for cost estimates.

Some cost estimates for the provision of infrastructure are currently in the process of finalisation and others are under further consideration as part of the broader DCP preparation process.

As key engineering considerations are finalised, the City will prepare and undertake detailed financial analysis in relation to the DCP. This analysis will be undertaken in consultation with the State Government and having regard for several factors including but not limited to DCP requirements as an overall cost to enable feasible subdivision and development.

At this point in time, the City is unable to provide a specific timeframe for the finalisation of this information and will keep landowners informed as this information progresses through monthly newsletters.

12. What are the next steps?

As noted above, the City is actively pursuing the finalisation of information to inform accurate and reliable cost estimates in the timeliest manner possible and will continue to work with State Government agencies to achieve this target.

Once this information is finalised, the DCP Report and Scheme Amendment will be progressed for the purposes of initiating public advertising.

At this point, the City is unable to provide a specific timeframe for the finalisation of the DCP Report and Scheme Amendment, however landowners will be informed on the progress of the key matters that are required to be addressed to finalise cost estimates and any other relevant matters through monthly newsletters.

Should landowners have any queries or require clarifications, please, do not hesitate to contact the City's Strategic Planning staff to discuss any questions or comments you may have on the project. To arrange a meeting please call 9257 9999 or email enquiries@kalamunda.wa.gov.au