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PLANNING AND DEVELOPMENT ACT 2005

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STATE PLANNING POLICY 3.6  
**INFRASTRUCTURE CONTRIBUTIONS**

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PREPARED UNDER SECTION 26 OF THE *PLANNING AND DEVELOPMENT ACT 2005* BY THE WESTERN AUSTRALIAN PLANNING COMMISSION.



**PLANNING AND DEVELOPMENT ACT 2005**

## State Planning Policy 3.6

**DEVELOPMENT CONTRIBUTIONS FOR INFRASTRUCTURE**

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**PLANNING AND DEVELOPMENT ACT 2005**

## State Planning Policy 3.6

**DEVELOPMENT CONTRIBUTIONS FOR INFRASTRUCTURE****1. CITATION**

This State Planning Policy is prepared under Part Three of the *Planning and Development Act 2005*. It may be cited as State Planning Policy 3.6 Infrastructure Contributions (SPP 3.6).

**2. BACKGROUND**

In Western Australia, contributions for infrastructure through a State Planning Policy were first established in 2009. They are collected by local governments or service providers towards the cost of infrastructure necessary to accommodate urban growth.

Contributions are levied directly through the subdivision and development process, or where there are multiple landowners, through Development Contribution Plans (DCPs).

Infrastructure contributions are one of a number of ways used to meet the physical and social infrastructure needs of growing urban communities. Other funding streams should also be considered to coordinate and deliver the full suite of necessary infrastructure.

The policy is supplemented by the Infrastructure Contributions Guidelines that provide additional explanatory information regarding the application and implementation of this policy.

**3. POLICY INTENT**

The careful planning and coordination of infrastructure is fundamental to the economic and social well-being of any community. New development and redevelopment needs to ensure the cost-efficient, and appropriately-timed provision of infrastructure and facilities such as roads, public transport, water supply, sewerage, electricity, gas, telecommunications, drainage, open space, schools, health, community and recreation facilities.

The provision of essential infrastructure influences the standard of living, mobility and lifestyle choices of a community and underpins the ability to achieve compact, connected and consolidated urban growth.

The delivery of cost-efficient and appropriately-timed infrastructure requires a co-ordinated commitment from State and local government, in partnership with the private sector.

The use of this policy does not prevent seeking additional State and Federal funding, to reduce costs and maintain housing affordability.

The purpose of this policy is to set out the principles and requirements that apply to the establishment and collection of infrastructure contributions in new and established areas. The policy also provides the framework to facilitate the coordination and delivery of infrastructure in greenfield locations, infill locations, activity centres, corridors and high-frequency public transport routes, industrial nodes and station precincts, where there is demand for additional services and facilities.

The key principle in the application of infrastructure contributions is that the 'beneficiary' pays. Sometimes benefits will be largely confined to the owners of new development. Sometimes, the benefits will accrue to owners of both existing and new development. Costs are apportioned proportional to the need for the infrastructure and facilities, and the demand generated by the development.

This policy provides the framework to ensure that the infrastructure contributions system is transparent, equitable, and accountable and provides for efficient dispute resolution at critical junctures in the process to ensure effective administration of the system.

**4. APPLICATION OF THE POLICY**

The policy applies throughout Western Australia across all development settings where new development results in a demand for additional infrastructure, services and facilities.

This may include new communities in greenfield locations; existing urban areas; industrial areas; and regional towns, where the principles outlined in the policy can be upheld.

The application of mechanisms outlined in this policy, such as Development Contribution Plans (DCPs), may not be suitable for all development settings, where the rate of development may result in difficulties to realise the intended infrastructure within the life of the DCP, and principles such as certainty, and need and nexus are difficult to establish.

Infill development and regional areas experiencing slow growth rates are examples where the use of such mechanisms need to be considered with a degree of caution.

Alternative approaches and mechanisms for funding may need to be considered to ensure the timely and coordinated redevelopment of an area, especially where the early of delivery of infrastructure is essential.

Alternative approaches may include—

- incentive and performance-based provisions in local planning frameworks that are linked to the delivery of broader community benefits, including infrastructure and public realm upgrades or;
- use of rating mechanisms available under the *Local Government Act 1995*.

Alternative approaches to the funding and delivery of infrastructure should ensure that the allocation of costs is transparent, equitable and accountable, and subject to consultation with the community prior to being implemented.

Where the local government seeks to use alternative approaches, it is recommended that early consultation occur with the Department of Planning, Lands and Heritage.

## 5. POLICY OBJECTIVES

The objectives of this policy are—

- to facilitate the efficient and effective provision of infrastructure and facilities that are essential to meet the demands arising from population growth and development;
- to provide a system for the coordinated delivery of infrastructure necessary to facilitate new urban growth opportunities to achieve compact, consolidated towns and cities;
- to provide clarity on the acceptable methods of collecting and coordinating contributions for infrastructure;
- to establish a system for apportioning, collecting and spending contributions for infrastructure that is transparent, equitable, accountable and consistent; and
- to guide an efficient dispute resolution and arbitration process.

## 6. POLICY MEASURES

### 6.1 Principles underlying infrastructure contributions

Contributions for all infrastructure must be levied in accordance with the following principles—

- (a) **Need and the nexus:** The need for the infrastructure must be clearly demonstrated (need) and the connection between the development and the demand created should be clearly established (nexus).
- (b) **Transparency:** Both the method for calculating the infrastructure contribution and the manner in which it is applied should be clear, transparent, and simple to understand and administer.
- (c) **Equity:** Infrastructure contributions should be levied equitably from identified stakeholders within a contribution area, based on the relative contribution to need.
- (d) **Certainty:** The scope, timing, and priority for delivering infrastructure items, and the cost of infrastructure contributions and methods of accounting for escalation, should be clearly identified.
- (e) **Efficiency:** Contribution should be justified on a whole-of-life capital cost basis consistent with maintaining financial discipline on service providers by precluding the over-recovery of costs.
- (f) **Consistency:** The system for infrastructure contributions for apportioning, collecting and spending contributions should be consistent, efficient and transparent.
- (g) **Accountable:** That there is accountability in the manner in which infrastructure contributions are determined, collected and expended.
- (h) **Right of consultation and review:** Land owners and developers have the right to be consulted on the manner in which development contributions are determined, and the opportunity to seek a review by an independent third party regarding the calculation of costs, and return of funds.

### 6.2 Types of Infrastructure

Infrastructure is fundamental to the economic and social wellbeing of any community. For the purposes of this policy, essential infrastructure includes—

- (a) **Development Infrastructure**—infrastructure required to facilitate development and to support the orderly development or redevelopment of an area.
- (b) **Community Infrastructure**—infrastructure required for communities and neighbourhoods to function effectively.

### 6.3 Scope

Infrastructure contributions can be sought for the following types of infrastructure—

- (a) **Development Infrastructure:** may be imposed through the subdivision and development process without the need for a DCP.

Items are listed in *Schedule 1—Development Infrastructure: Standard Infrastructure Contribution Requirements*. Standard Infrastructure items may be included in a DCP when

cost-sharing arrangements are proposed, unless other existing mechanisms and process are in place for collection of contributions for infrastructure such as primary schools.

- (b) **Community Infrastructure:** items that may be considered for inclusion in a DCP are listed in *Schedule 2—Community Infrastructure: Items for inclusion in a Development Contribution Plan*.

#### 6.4 Where infrastructure contributions can be sought

Contributions can be sought from developers and landowners for infrastructure items to support the orderly development of an area to cater to additional demand from increased population; to facilitate development and redevelopment of areas identified in strategic planning instruments for consolidated urban growth; or to accommodate and facilitate industrial growth, including—

- a new item of infrastructure;
- land for infrastructure;
- an upgrade in the standard of provision of an existing item of infrastructure, to meet the additional demand in a defined catchment;
- an extension to an existing item of infrastructure to avoid unnecessary duplication of facilities, to meet the additional demand of new residents in a defined catchment;
- the total replacement of infrastructure once it has reached the end of its economic life where it can be demonstrated that new development has resulted in additional demand; and
- other costs reasonably associated with the preparation, implementation and administration of a DCP.

The contributions are for the initial capital requirements only and not for ongoing maintenance or operating costs of the infrastructure, beyond that required of developers through the subdivision and development process.

#### 6.5 Form of infrastructure contributions

Infrastructure contributions can be satisfied by one or any combination of the following methods—

- ceding land for roads, public open space, primary school sites, drainage and/or other reserves;
- constructing infrastructure works to be transferred to a relevant Government agency on completion (in-kind contributions);
- monetary contributions, to be used by the local government or Government agency or utility provider to acquire land or undertake works (either directly through the subdivision and development process, or through a DCP); or
- some other method acceptable to the relevant Government agency or infrastructure provider, or a combination of the above.

#### 6.6 Variable and maximum costs levied

Costs levied are either variable or capped, depending on the type of infrastructure—

- (a) For **Development Infrastructure**—costs are variable depending on the infrastructure requirements and location of the development area. Costs should be established based on industry benchmarks for specifications at an appropriate standard.
- (b) For **Community Infrastructure**—a maximum levy for infrastructure of \$5,000 per dwelling shall apply for local governments seeking contributions for the capital cost of community infrastructure, subject to the support of the Western Australian Planning Commission (WAPC).

Contributions cannot exceed the maximum amount and all items are to be justified, with the demand for infrastructure demonstrated through a Community Infrastructure Plan (CIP). Local governments will be required to set priorities, following consultation with the community, on the delivery of Community Infrastructure.

It is expected that additional funding to deliver the full range of required Community Infrastructure will come from other sources including general local government revenue, and State and Federal funding.

The capped costs for Community Infrastructure is to ensure there is a balance in the ability for local governments to deliver Community Infrastructure for a growing population, while also limiting the impact on housing affordability.

The capped costs should not be regarded as a target, with contributions required through a community DCP to be justified, and the infrastructure able to be delivered within defined timeframes. Where possible, efforts should be made to obtain alternative or additional funding sources.

#### 6.7 Imposition of infrastructure contributions

Contributions for infrastructure are generally calculated and applied via the following mechanisms—

- (a) **Subdivision and development process**—consistent with the requirements of this policy and *Schedule 1—Development Infrastructure: Standard Infrastructure Contribution Requirements*, contributions are levied through the subdivision or development process and applied directly via standard conditions of subdivision, strata subdivision or development, or other methods detailed in the local planning scheme.

- (b) **Development Contribution Plans**—where cost-sharing arrangements are proposed to deliver Development or Community Infrastructure consistent with the requirements of this policy (refer *Schedule 1—Development Infrastructure: Standard Infrastructure Contribution Requirements*; and *Schedule 2—Community Infrastructure: Items for inclusion in a Development Contribution Plan*).
- (c) **Developer Agreements**—in limited circumstances, and pursuant to a request from the landowner or developer.

### 6.8 Subdivision and development

Developers, or landowners, are required to make contributions for new or upgraded infrastructure to support the orderly development of an area. These may relate to the requirements of service providers, the State Government or local government.

Schedule 1 details the standard requirements for infrastructure contributions levied through the subdivision and development process. This includes—

- land contributions for public open space, foreshore reserves, primary schools and roads;
- infrastructure works for essential services and roads;
- monetary contributions for standard servicing and utility charges or;
- a combination of the above.

### 6.9 Developer Agreements

Contributions may also be implemented in limited circumstances through Developer Agreements or by a voluntary agreement between a landowner or developer and the relevant local government, pursuant to a request from the landowner or developer.

Circumstances include large-scale, single ownership projects with a long development timeframe, or in regional areas where a formal DCP is not considered by local government and contributing owners to be necessary to achieve desired infrastructure delivery outcomes.

Notwithstanding that Developer Agreements do not form part of a local planning scheme, infrastructure contributions prepared under this arrangement should be consistent with the principles outlined in this policy and any decision to deviate from these principles, including the provision of facilities of a higher quality or specification than standard, should be a voluntary decision by all parties to the agreement.

### 6.10 Development Contribution Plans

#### 6.10.1 When a DCP is required

Development Contribution Plans (DCPs) prescribe the cost contributions for land owners in a development contribution area for the provision of infrastructure to service future growth.

Where cost-sharing arrangements are proposed that cannot be implemented through alternative arrangements, these can be supported by a DCP.

Infrastructure items can be included in a DCP where costs are to be equitably shared between landowners, based on the relative proportion of demand generated. Where applicable, a DCP should also reflect the sharing of costs of infrastructure, detailing any contribution to the delivery of infrastructure made by the local government or service provider.

Infrastructure items included in a DCP should consider the lifespan of the DCP, with the expectation that the item of infrastructure can be genuinely delivered consistent with the timing and priorities established in the DCP.

Infrastructure contributions can only be for the provision of capital items, and costs associated with design and construction of infrastructure (including land costs). The costs of administration, and other requirements, such as maintenance periods for public open space, required by State Government policy are considered capital items and may be included in a DCP.

DCPs should not be considered the default instrument for funding of infrastructure and should be carefully considered prior to commencement, and other approaches for the coordinated delivery of infrastructure should be explored.

DCPs may not be suitable in established regional or metropolitan areas due to the difficulties in establishing the need and nexus of additional infrastructure, or the uncertainty around the rate of growth and certainty regarding the timing of delivery of infrastructure.

#### 6.10.2 Operative Scheme Provisions

Where it has been determined that a DCP is required to implement cost-sharing arrangements, it is to be prepared for a Development Contribution Area (DCA). This area is to be identified on the scheme map and within the text, and incorporated into schemes via special control areas.

A DCP does not have effect until it is incorporated into a local planning scheme. Prior to (or concurrent with) identification of the first DCA within a local government area, and associated formulation of a DCP, operative scheme provisions must be included in the relevant local planning scheme to provide the framework for formulating and implementing a DCP, as provided in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

Where a local government has advertised a development contribution plan, and the submissions have been considered by the local government and the amendment forwarded to the WAPC for final approval, land within that DCA will be considered to be subject to the DCP. The WAPC will support the imposition of a condition of subdivision or development requiring contributions for the provisions of infrastructure consistent with the proposed DCP.

Provisions to be incorporated into local planning schemes relating to DCAs include the following—

- land excluded;
- procedures relating to the DCP Report and Cost Apportionment Schedule (CAS);
- cost contributions based on estimates;
- valuation of land;
- liabilities and triggers for cost contributions;
- payments of a cost contribution;
- unpaid contributions;
- administration of funds;
- procedures for shortfall or excess at the end of a DCP;
- closure procedures;
- powers of the local government and Minister; and
- arbitration and dispute resolution avenues.

Infrastructure costs and estimates are not to be incorporated into the local planning scheme, but shall be formulated and advertised with the scheme report, or scheme amendment report, which introduces the DCP.

While development contributions can be calculated, they cannot be collected prior to gazettal of the plan, without the agreement of the landowner.

Interim arrangements, such as Deed of Agreements, should be agreed and implemented via conditions of subdivision or development to contribute to the cost of providing community and/or development infrastructure. Further details regarding the recommended contents of Deed of Agreements are provided in the supporting the guidelines and include—

- a provisional cost contribution amount, mutually agreeable to both parties;
- the timing of reconciliation of final payment; and
- a sunset clause that defines the time period.

### **6.10.3 Timing of DCPs to align with comprehensive planning**

Where a structure plan (Standard, Precinct or District Structure Plan), or similar planning instrument, has been prepared and cost-sharing arrangements are identified as being required to deliver infrastructure necessary for development, a DCP should be drafted at the earliest opportunity, and advertised concurrently or within 6 months following approval of the structure plan. This is to ensure that the DCP has been prepared ahead of subdivision and development, and that all parties are aware of cost liabilities associated with the delivery of necessary infrastructure.

Consideration of structure plans by the local government and the WAPC should not be delayed where a local government has not yet prepared a DCP.

### **6.10.4 Requirements of a DCP**

Development Contribution Plans are detailed in the Scheme and supported by a DCP Report and associated CAS, and other supporting strategic and financial planning reports. In preparing a DCP, the local government is to ensure that—

- (a) there is a clear and sound basis with linkages to the local government's strategic and financial planning processes—infrastructure items must be included in a local government strategic community plan and capital works program;
- (b) the need for that infrastructure, based on an analysis of the demand generated, and the nexus, and where the relationship between the need for infrastructure and the new development is clearly established;
- (c) that the DCP Report contains adequate justification for the infrastructure and construction standards identified in the DCP, and the authority responsible for providing the infrastructure must be identified;
- (d) the costs of infrastructure must be transparent, appropriate and reviewed at least annually;
- (e) estimated costs of infrastructure should be based on the recommended reference rates, or indices, detailed in the policy and supporting guidelines, and relevant references or industry standards used in estimating costs are stated in the DCP Report;
- (f) there is a commitment to providing the infrastructure in accordance with the timing and priorities outlined in the scheme; the DCP Report should include any scenarios under which this term may be extended or shortened;
- (g) commitments to funding, including external sources of funding are detailed in the DCP;
- (h) the DCA to which the DCP applies must be appropriate and within an identified growth area or location identified in a strategic planning document; and
- (i) cost-sharing arrangements between owners in the DCP area must be transparent, fair and reasonable.

### 6.10.5 Scope of Items of Infrastructure in a DCP

Infrastructure contributions can be sought for items of infrastructure where cost-sharing arrangements are proposed.

Acceptable items are listed in *Schedule 1—Development Infrastructure: Standard Infrastructure Contribution Requirements* and *Schedule 2—Community Infrastructure: Items for inclusion in a Development Contribution Plan*.

The details of all items of infrastructure are to be detailed in the DCP in the scheme.

DCP infrastructure items are to be included in the local government strategic community plan and capital works program such that the timing of delivery aligns between all documents.

Where a DCP is proposed, the scope of infrastructure items should be clearly defined in the local planning scheme, and should not be subject to change unless adequate justification is provided, such as when an item of infrastructure is no longer required.

The scope of items of infrastructure in a DCP should not be expanded, to ensure the principle of certainty is upheld, unless any changes have been included in an amendment to the Scheme, and the required public consultation has been undertaken.

Infrastructure items considered inappropriate for inclusion in a DCP, where other funding mechanisms should be sought, or where other processes are in place to collect contributions, include—

- infrastructure to be delivered by individual developers or landowners through subdivision and development process, and which is not a shared cost in with other landowners in the DCA;
- wetland management (including any rehabilitation) – note that maintenance/ management costs may be included as required of developers by local governments through the subdivision and development process;
- regional drainage;
- high school and other education facilities—land acquired by relevant government agency or provider;
- primary schools—collection of contributions for primary school land is coordinated via the Department of Education;
- technical college (TAFE)/university—land acquired by relevant government agency or provider;
- non-government schools—land acquired by relevant or provider;
- administration costs associated with office accommodation and facilities for staff undertaking DCP administration;
- marketing features (eg estate boundary walls or fencing, entry statements, public art, signage, artificial lake or waterway with no drainage function);
- regional sports grounds and facilities (regional open space designated in Region Scheme); and
- local government offices.

### 6.10.6 Form and content of a DCP

The DCP template in Schedule 3 should be used and incorporated into the local planning scheme to ensure consistency in the application of the development contribution system across Western Australia, and to provide certainty for system users.

Any departure from the model template will need to be justified based on individual circumstances.

The DCP is to include or specify the following—

- (a) the DCA to which the DCP applies including details of land or development to be excluded;
- (b) the infrastructure and administrative items to be funded through the DCP;
- (c) details of funding, including the percentage being funded by the DCP, and the percentage from other funding sources;
- (d) the method and formula to be applied in determining the cost contribution of each property owner in the DCA (or unit of charge as determined in the DCP; the unit of charge applied may vary for residential and non-residential uses, and may include, but not limited to, per dwelling, per lot, per hectare, or per square metre);
- (e) the priority, timing, staging and delivery of each item of infrastructure, including the party responsibility for delivery of infrastructure;
- (f) the term for which the DCP is to have effect;
- (g) the applicable review process for the DCP, the DCP Report, and infrastructure cost estimates, including the method to be used, indexing mechanisms for credits accrued by a developer or property owner, and land valuations; and
- (h) the policies, plans and other supporting documents providing justification for the infrastructure items proposed for inclusion in the DCP.

The lifespan of a DCP should be linked to completion of development or subdivision, and generally a maximum lifespan of 10 years applies. A lifespan of longer than 10 years will only be considered in limited circumstances, if justification for such a timeframe can be demonstrated and linked to a capital works and staging program.

For Community Infrastructure, a longer lifespan may be considered in limited circumstances to deliver city-wide Community Infrastructure or specific strategic urban projects, which may have a longer delivery timeframe. While longer timeframes of up to 15 years may be considered, there must be a clear link to infrastructure delivery, and there is certainty that the landowners contributing to the community infrastructure will benefit from the infrastructure delivered.

Determining an appropriate lifespan should take into consideration strategic and infrastructure planning, and financing cycles; reflect anticipated development growth rates; and provide certainty that the identified infrastructure items can be delivered within the stipulated timeframe of the DCP.

#### **6.10.7 Supporting Information**

Supporting information required to accompany a DCP is specified in Schedule 4. Templates for DCP Reports and the CAS are included in the guidelines for Infrastructure Contributions.

#### **6.10.8 Management and administration of a DCP**

The local government is to establish and maintain an interest-bearing reserve account that will operate as the Development Contribution Fund (DCF), in accordance with the *Local Government Act 1995* for each DCA, into which cost contributions for that DCA will be credited, and from which all payments for infrastructure and administrative items within that DCA will be made.

The purpose of the reserve account and the use of money in the reserve account must be limited to the application of funds for the DCA.

Information on the interest earned on reserve accounts are to be made available to the public by the local government upon request, and any interest earned on cost contributions credited to a reserve account should be applied in the DCA to which the reserve account relates.

Administrative items may be included as a DCP item, but they must relate directly to the work local government must do to prepare and implement the DCP. All administration items are to be individually itemised in the DCP.

Items that may be included are detailed in Schedule 4 and may include: technical consultant fees for other studies, plans, reports, and project management associated with the development of land if required to inform the preparation of the DCP.

#### **6.10.9 Consultation requirements**

Prior to undertaking advertising and consultation as part of the statutory requirements for an amendment to the local planning scheme, early consultation on the proposed content of the DCP should be undertaken with relevant stakeholders, including key landowners in the DCA, providers of any infrastructure to be included in the DCP, and State Government planning agencies.

To ensure the principles of transparency and equity are maintained, the DCP Report is to be advertised concurrently with the Scheme Amendment Report to ensure that all parties are aware of their liabilities and responsibilities. The DCP Report should include the CAS and other supporting documentation as required, that provide details of the infrastructure costs and estimates, the priority and timing of the delivery of each item of infrastructure, and other information necessary to justify the scope and contribution.

#### **6.10.10 Prioritisation of infrastructure in a DCP**

A DCP may identify infrastructure that—

- (a) needs to be actioned with the first development in a DCA, such as a major road extension/connection; and
- (b) is predominantly located on an individual property owners' land, such as construction of a recreation facility, or acquisition of public open space, to service the larger DCA.

#### **6.10.11 Early acquisition of public purpose sites**

The DCP should give priority to the acquisition of land for public purposes early in the development process, to ensure that those landowners whose land has been identified for a public purpose (such as public open space) are not disadvantaged or unduly impacted by the rate of development. Sites for acquisition should be able to be used for the purpose intended.

Consideration is to be given by the local government to requests from landowners for early acquisition of land in cases of hardship, where land is identified for public purposes in the DCP area.

The Department of Planning, Lands and Heritage (the Department) may, in limited circumstances, pre-fund a DCP for the purposes of acquiring land in hardship cases, where the local government has provided evidence to the Department that it does not have funds to acquire the land. Once funds are available in the DCP fund, the Department will be reimbursed for the cost of acquiring land with interest.

In the case of primary school sites, early consultation with the Department of Education is required through the local structure plan process to establish commitment to timing of purchase of the land. Primary school sites are not included in DCPs as the acquisition of land is a separate process undertaken by the Department of Education. Consideration will be given by the Department of Education to requests from landowners for early acquisition of land in cases of hardship.

Further information regarding the provision of school sites is provided in the WAPC's Operational Policy which guides School Site Planning.

#### **6.10.12 Cost contributions based on estimates**

The determination of infrastructure costs and administrative costs is to be based on amounts expended, but when expenditure has not occurred, it is to be based on the best and latest estimated costs available to the local government and adjusted accordingly, if necessary.

Where a cost apportionment schedule contains estimated costs, such estimated costs are to be prepared and reviewed at least annually by the local government.

A local government is to provide available information upon request to relevant stakeholders, including the DCP Report, the CAS, and supporting information such as valuation advice, calculations and methodology used to determine the costs, or adjustment of costs.

Where a contribution has been paid based on estimated costs, this constitutes full and final discharge of the owner's liability.

Consistent with industry standards, the estimated cost of items of infrastructure may include project contingencies for design and construction.

Justification for proposed contingencies should be provided in the DCP report. Recommended contingency percentages for the design and construction phases are provided in the supporting guidelines.

Contingencies should be reviewed through various phases of the life of the DCP, consistent with the principle that contingency amounts will reduce as detailed design costs and cost estimates become more certain.

#### **6.10.13 Disputes and right of review**

Landowners and developers can seek a review of the calculation of costs, and the timing of return of funds.

It is preferable that disputes relating to cost contributions are resolved by negotiation between the parties to the dispute, determined by an independent third party.

However, it is acknowledged that this may not always be possible and review by an independent decision-maker may be required in some cases. This policy provides for the following pathways for the resolution of disputes.

When a party subject to a development contribution objects to the amount of a cost contribution, that party may give notice to the local government within 28 days after being informed of the cost contribution.

Supporting evidence may be submitted within 42 days after being informed of the cost contribution, and is to be prepared by a suitably qualified person detailing the basis of the objection, and include proposed alternative costs for consideration.

A review of the objection is to be undertaken by an independent expert (a suitably qualified person agreed by the local government and the owner), at the owner's expense.

If, following a review, the determination of the value of the cost contribution is still not acceptable to the owner, the value is to be determined—

- (a) by any method agreed between the local government and the landowner; or
- (b) if the local government and the owner cannot agree on a method, by arbitration in accordance with the *Commercial Arbitration Act 1985*, with the costs to be shared equally between the local government, on behalf of the DCP, and the owner.

Alternatively, it is proposed to introduce provisions into the *Planning and Development Local Planning Scheme Regulations 2015* (LPS Regulations) which would provide for an application for review being made to the State Administrative Tribunal for—

- the amount of the contribution required to satisfy a related condition of subdivision or development approval; and
- a decision of local government regarding the timing of return of a refund of a credit.

Consideration of applications for review made under these proposed provisions would be guided by the content of this policy and supporting provisions proposed to be included in the LPS Regulations.

These proposed changes respond to issues raised during consultation on this policy. However, as stakeholders have not had an opportunity to comment on the proposed method to resolve these issues, any proposed amendment to the LPS Regulations will be subject to additional consultation before implementation.

#### **6.10.14 Contribution credits—Principles of payment and refund**

Where a developer or landowner has pre-funded infrastructure within a DCA and/or land has been ceded to allow early infrastructure delivery, the landowner and the local government must negotiate a fair and reasonable outcome in relation to the credit.

Appropriate negotiated outcomes include the following, however, alternative arrangements may be made when agreed between the two parties—

- (a) Where a landowner has agreed, or been required to pre-fund an item of infrastructure, or to cede land early to allow early infrastructure delivery, this pre-funding is to be held as a credit against future contributions, due from that owner.
- (b) Pre-funding, the quantum of any credit, and the timing of reimbursement to the landowner or developer are to be discussed and agreed between the developer and the local government prior to the commencement of any works related to the pre-funded infrastructure.
- (c) Where a landowner has provided contributions via an interim arrangement, such as Deed of Agreement, this contribution is to be held as a credit against future contributions due from that owner if the credit has not been previously reconciled.

- (d) Where a developer, or land owner, has pre-funded infrastructure, or ceded land early, the credit may be used as security for interim payments until such time as the DCP has been finalised.
- (e) Where a developer, or land owner, has other land holdings in the development contribution area, the credit is held by the local government until it is required to be used by the developer to offset future contributions.
- (f) Where a developer, or land owner, has no further holdings in the DCA, the amount is held by the local government as a credit to the developer, or land owner, until payments into the DCP fund are received from subsequent developers to cover the credited amount. The credit is then reimbursed to the developer, or land owner, as soon as circumstances permit.
- (g) Where the DCP fund is in credit from developer, or land owner, contributions already received, the credit should be reimbursed as soon as circumstances permit on completion of the works/ceding of land and having regard to the priority and timing of DCP works.
- (h) Contribution credits applied as a result of a pre-funding arrangement for the cost of the infrastructure item are to be—
- (i) as identified in the CEP and CAS; and
  - (ii) based on the infrastructure being constructed to the same standard as was costed in the CEP.
- (i) The provision of infrastructure to a higher standard will require the relevant Government agency, or developer, or land owner, if on a voluntary basis, to meet the gap in costs.
- (j) If the actual amount of expenditure incurred when pre-funding an infrastructure item unexpectedly varies significantly from that identified in the CEP and CAS, the local government is to—
- (i) establish why the variation exists and whether such costs are justified; and
  - (ii) determine whether the CEP and CAS need to be reviewed.
- (k) Where the review of the CEP and CAS results in a significant change per unit of charge, a formal review of the DCP is required to ensure the principle of equity is upheld.
- (l) The reimbursement of pre-funded works and early ceding of land for acquisition through the DCP, should be given priority according to timing that the infrastructure was delivered, as soon as adequate funds have been collected in the DCP having regard to the priority and timing of DCP works.
- (m) Subject to the prior agreement of the local government, interest on loans and other borrowing costs directly associated with the pre-funded infrastructure can be included in contribution credits.
- (n) Where a developer, or land owner, seeks to pre-fund works in advance to the priorities and scheduling identified in the DCP, there should be a broader demonstrated benefit to the DCP for indexation to be applied to such works and applied to other owners' liabilities within the DCP. Indexation of pre-funding works should be discussed with the local government and detailed in the DCP report.
- (o) Credits are only available for infrastructure items included as an item in a DCP, including land acquisition.

Indexing is to apply to contribution credits to incorporate escalation. At the time the credit/liability is calculated, the index agreed between the parties should be used until the liability is paid in full.

#### **6.10.15 Indexation**

Indexing ensures cost contributions remain consistent with changing infrastructure costs. To achieve consistency in the use of indexing across local governments, the following indices are to be used, where appropriate, as reference rates for various DCP components including administration, development and community infrastructure, and land—

##### ***Community Infrastructure***

- Australian Bureau of Statistics (ABS) Producer Price Index for Non-Residential Building Construction;
- Australian Bureau of Statistics (ABS) Construction Work Done, Australia;
- WALGA Local Government Cost Index (Non- Residential Building Construction).

##### ***Development Infrastructure***

- Australian Bureau of Statistics (ABS) Producer Price Index for Road and Bridge Construction;
- Australian Bureau of Statistics (ABS) Engineering Construction Activity;
- WALGA Local Government Cost Index (Road and Bridge Construction);
- other WA based construction cost indices agreed between the parties.

##### ***Land***

- Valuation advice from a licensed valuer.

##### ***Credits***

- as per relevant index as, detailed above or;
- Reserve Bank of Australia (RBA)—Cash Rate.

If a local government considers, and can demonstrate, that the indexation isn't keeping pace with the true costs of a particular item, then the local government should revise the cost estimates for that component/item.

Indexation may be used in the annual review of cost estimates and/or as applied to credits and is to be detailed in the DCP. Indexation may be used for updating final cost contributions as required after gazettal of the DCP. The WAPC may support the use of alternative indexing to those listed in this policy.

#### **6.10.16 Review of infrastructure cost estimates**

A review of infrastructure cost estimates should be undertaken at least annually.

An annual review may be undertaken by—

- (i) applying the recommended Indexes detailed in this policy, or as published by the WAPC; and/or
- (ii) reviewing each DCP component and undertaking a full review of cost estimates.

The method of the review of cost estimates should be detailed in the DCP.

The review of cost estimates should be undertaken by a suitably qualified professional.

There may be circumstances where there is a substantial reduction in the cost contribution liability, due to factors including an overestimation of contingencies and component costs, or an item of infrastructure is no longer required. In such cases, including where a liability has been paid in full, the local government, on behalf of the DCP fund is to—

- (i) reconcile and adjust the liability for each unit of charge, and refund excess monies to owners that paid over the adjusted amount, as soon as circumstances permit; or
- (ii) in cases where it is not reasonably practicable to identify owners and issue their entitled amount of refund, any excess funds are to be held in the DCP fund until all cost contributions have been made or accounted for and applied to the provision of additional facilities or infrastructure improvements in that DCA.

In the event that an external funding source (State, Federal or other) is secured to fund infrastructure, the cost contribution should be adjusted, or contributors to the DCF should be refunded.

#### **6.10.17 Delivery of infrastructure**

Identification of infrastructure as a contribution item in a gazetted DCP implies an agreement by local government to deliver that infrastructure, and should align with the local government's long-term (10 year) financial plan.

While it is acknowledged that some level of flexibility in delivery timeframes is required to respond to the rate of development, it is important that local government adheres to the estimated delivery timeframes for infrastructure for which development contributions have been made to ensure that the principles of equity and accountability are upheld. Notwithstanding, the delivery of infrastructure can only occur with consideration of the use of available funds.

Any change to the proposed standards of infrastructure and facilities; deletion of an item of infrastructure; or significant changes to the timing and priority of delivery of infrastructure, after a DCP has been finalised and included in a local planning scheme, can only be incorporated in a DCP through an amendment to that scheme.

#### **6.10.18 Monitoring and reporting**

In addition to the annual review of cost estimates, an annual status report is to be prepared by the local government, providing an overview of progress of the delivery of infrastructure specified in the DCP.

The status report is to include—

- the timing and estimated percentage delivery of an infrastructure item against that stated in the DCP, arising from review of the local government's Capital Expenditure Plan;
- the financial position of the DCP, including interest that has been accrued; and
- a summary of the review of the estimated costs in the CAS, including any changes in funding and revenue sources, and any relevant indexation.

A model template for the annual report is provided in Schedule 5. It is intended that the annual reporting provide a snapshot, or high-level summary, of the progress of the DCP, to ensure the fundamental principles of transparency and accountability are upheld throughout the life of the DCP.

The annual status report is to be published by the local government on its website, and should align with the annual financial statements of local governments, published no later than six months after the end of the financial year. Supporting documentation and data informing the status report is to be made available at the request of the Department of Local Government, Sport and Cultural Industries or the Department of Planning, Lands and Heritage, to enable the effective collection of information regarding the progress of all DCPs across the state.

#### **6.10.19 Shortfall or excess in cost contribution at end of DCP**

At the end of a DCP, if there is a shortfall in the total amount of cost contributions when all contributions have been accounted for in a DCA, the local government may make up the shortfall via other revenue sources; entering into agreements with owners to fund the shortfall, if agreed by both parties; or fund the shortfall via loans or borrowings.

If there is an excess in funding when all contributions have been accounted for in a DCA, the local government is to—

- (a) For DCPs delivering Community Infrastructure only, the local government should apply the excess funds to the provision of additional facilities or improvements in that DCA, following consultation with the community.

The local government is to publish details of how the excess funds are intended to be spent in the DCA, before the funds are expended.

- (b) For all other DCPs, the local government is to refund the excess funds to the contributing landowners for that DCA. Prior to distribution of excess funds, owners are to be advised in writing on the extent of excess funds; how the excess funds are intended to be distributed; and the anticipated timing for return of excess funds.

There may be circumstances where it is not possible or practical to identify contributing owners. In such cases, and after making all reasonable efforts to identify and contact the contributing owners, the local government is to expend the excess funds to provide additional facilities or improvements in that DCA, following consultation with the community.

The local government is to publish details of how the excess funds are intended to be spent in the DCA before the funds are expended.

#### **6.10.20 Closing a DCP**

Once all infrastructure and facilities identified in a DCP have been delivered, the local government is required to take the appropriate steps to close the DCP within 12 months, or as soon as practicable, having consideration for the policy provisions for a shortfall or excess funds in a DCP.

In circumstances where the delivery of remaining infrastructure is delayed by a small number of landowners unwilling or unable to develop their land, local governments should follow the options outlined in Clause 6.9.19 to resolve the shortfall in funds, and where possible, deliver the remaining infrastructure.

The amount of any cost contribution for which an owner is liable, and has not paid, as a result of not developing their land is to be a charge on the owners' land to which the cost contribution relates, and the local government may lodge a caveat, at the owner's expense, against the owner's certificate of title to that land. The local government may withdraw the caveat to permit a dealing, and then re-lodge the caveat, at the owner's expense to prevent further dealings.

Once the cost contribution is paid in full, if requested to do so by the owner of the land, the local government is to withdraw the caveat as soon as circumstances permit.

#### **6.11 Infrastructure contributions not to be imposed as a condition of rezoning**

Local governments are not to impose infrastructure contributions beyond the scope of WAPC policy as conditions or prerequisites for rezoning. Infrastructure contributions must be formulated through an open and transparent process.

#### **6.12 Transitional arrangements**

The following transitional arrangements apply to the application of this policy—

- Existing DCPs will continue to remain valid for the lifespan of the DCP. DCPs that do not have a lifespan or review period shall be amended no longer than three (3) years after this policy comes into effect, to include the anticipated lifespan of the DCP and priority and timing for delivery of infrastructure.
- Existing DCPs are to adhere to all monitoring and reporting requirements of the LPS Regulations and SPP 3.6.
- DCPs that have been prepared prior to the gazettal of this policy and having been advertised, considered by Council and submitted to the WAPC for approval, can be considered and assessed against SPP 3.6 (2009), however, are to adhere to all operational, monitoring and reporting requirements of the LPS Regulations and this SPP 3.6.
- Any DCP (scheme amendment) that is being prepared, and has not been submitted to the WAPC on, or after the day of gazettal of this policy will be subject to the standards detailed in this policy.

#### **6.13 Implementation**

Implementation of this policy will be primarily through statutory instruments including, structure plans, local planning schemes or improvement schemes and the day-to-day consideration of scheme amendment, subdivision, strata subdivision and development proposals and applications, together with the actions and advice of agencies in carrying out their responsibilities.

### **7. REVIEW OF POLICY**

This policy shall be reviewed within five (5) years of the date that it is published in the *Government Gazette*.

Capped costs for community infrastructure will be reconsidered at the time this policy is reviewed.

### **8. DEFINITIONS/INTERPRETATIONS**

Unless otherwise defined within the relevant local planning scheme, all definitions and interpretations relating to Infrastructure Contributions and DCPs, shall be as defined in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

## SCHEDULES

*Schedule 1*DEVELOPMENT INFRASTRUCTURE: STANDARD INFRASTRUCTURE  
CONTRIBUTION REQUIREMENTS

Infrastructure items that may be required as an infrastructure contribution in any development setting imposed through the subdivision and development process, or contained within a Development Contribution Plan in cases where cost-sharing arrangements are proposed. Where item of infrastructure in this Schedule is included in a DCP, monetary contribution is based on need and nexus.

	Item	Standard Requirement	Delivery Method
<b>Public purposes</b>			
1	Land for Public Open Space (Local and District)	Public open space equivalent to 10% of the gross subdivisible area, or alternatively, a cash-in-lieu contribution, in accordance with WAPC policies and the <i>Planning and Development Act 2005</i> .	Land or monetary contribution
2	Development of Public Open Space	Basic Development—development of public open space consistent with the requirements of Liveable Neighbourhoods or other built environment policy of the WAPC, including full earthworks, basic reticulation, grassing of key areas, pathways that form part of the overall pedestrian and/or cycle network, trees, drainage, lighting, basic seating, and maintenance for two summers, and post water monitoring and establishment period of infrastructure such as living streams where required by WAPC policy. Additional facilities for public open space may be provided at the discretion of the landowner/developer and may include provision of basic playground equipment, water fountains/ features, litter bins. Upgrading of existing POS areas where comprehensive planning has been undertaken and public realm upgrade requirements are set out in a Structure Plan, or similar planning instrument.	Construction of infrastructure or monetary contribution
3	Foreshore reserves	Land for foreshore reserves on the coast, rivers and lakes in accordance with WAPC policies.	Land (ceded free of cost to the State as per WAPC policy)
4	Foreshore reserve management plan and/ or upgrades	As part of development of public open space, including remediation works.	Delivery by and at discretion of developer, or land owner/relevant government agency
5	Wetlands	Wetlands are not suitable for inclusion in a DCP purely for environmental protection purposes. Such land should provide a community recreation benefit to be considered for inclusion, and any valuation of the land should reflect the lack of development potential resulting from its environmental constraints. Inclusion in a DCP can only be for recreation purposes as part of the overall public open space network consistent with the provisions of Liveable Neighbourhoods. May include initial rehabilitation works and costs for maintenance/ management that are required of landowners/ developers through the subdivision and development process.	Land (ceded free of cost to the State as per WAPC policy or as part of allowable 2% restricted public open space, if useable for recreational purposes) or monetary contribution based on demonstrated need/nexus

	Item	Standard Requirement	Delivery Method
6	Primary schools	Land for government primary schools.	As per the relevant Operational Policy for school site planning— <ul style="list-style-type: none"> <li>- land (ceded free of cost to the State) or</li> <li>- pro-rata contribution by landowners via condition of subdivision.</li> </ul> Collection of contributions are coordinated through the Department of Education via the subdivision and development process and are not included in a DCP
<b>Movement network</b>			
7	Primary distributor roads (proposed)	Land for primary distributor roads including primary regional roads and railway reserves only where justified by a new subdivision/development i.e. in special circumstances where super-lots are created on the urban fringe to allow for future subdivision. In other circumstances, land to be acquired by appropriate authority.	Delivery by relevant government agency <i>In most cases land for regional infrastructure such as primary regional roads and railway reserves would be acquired by the appropriate authority</i>
8	Integrator arterials (proposed)	Where integrator arterials abut or are included within an area of subdivision or are required to connect to existing major roads outside the subdivision area but within the same landholding. Construction including earthworks for the whole road reserve, the construction of one carriageway comprised of two lanes and associated drainage works and shared paths or other works if shown in the structure plan, including intersection treatments where required.	Land and Construction of infrastructure; or monetary contribution based on infrastructure demand
9	Neighbourhood connectors, access streets and laneways (proposed)	Land for neighbourhood connectors, access streets and laneways where required. All roads and traffic works required within a subdivision and linked to a constructed public road, including intersection treatments, and drainage. These roads provide access to individual lots and allow utility services to be reticulated in the road reserves.	Land and Construction of infrastructure; or monetary contribution based on infrastructure demand

	Item	Standard Requirement	Delivery Method
10	Existing roads (land for widening)	Where the proposal induces additional traffic movements and/ or benefits from it; and or where development is a significant traffic generator. In other circumstances, land to be acquired by appropriate authority.	Land (ceded free of cost to the State as per WAPC policy, or acquired by relevant government agency, or subject to injurious affection) or monetary contribution based on infrastructure demand.
11	Existing roads (upgrades)	Where existing roads are inadequate to accommodate traffic generated by proposal; and or where development is a significant traffic generator. Upgrading, construction and widening of existing roads and laneways, including intersection treatment where required, to accommodate additional demand generated by a subdivision or development.	Land and/or construction of infrastructure; or monetary contribution based on infrastructure demand
12	Shared paths/cycle paths/footpaths/PAWs	Required as part of items 8-11—consistent with the requirements of Liveable Neighbourhoods or other WAPC policies. May include signs and signals, street furniture, trees, landscaping, planting and associated streetscape and public realm upgrades including public transport stops and shelters in accordance with approved Structure Plan, or similar planning instrument.	Land and Construction of infrastructure; or monetary contribution based on infrastructure demand
13	Grade separated and at grade pedestrian crossings	Only in limited circumstances where set out in Structure Plan for the area.	Land and/ or Construction of infrastructure; or monetary contribution based on infrastructure demand <i>In most cases land for regional infrastructure such as primary regional roads and railway reserves would be acquired by the appropriate authority</i>

#### Utilities and services

14	Utilities and Services	Infrastructure for— <ul style="list-style-type: none"> <li>• water</li> <li>• sewerage</li> <li>• drainage works</li> <li>• telecommunications</li> <li>• electricity supply infrastructure—initial provision and upgrades to existing services</li> </ul> <p>This covers on-site works as well as off-site capital works such as major pump stations, trunk sewers or transmission lines that are necessary to, or contribute to, the subdivision and/or development, and the planning and implementation of urban water requirements.</p> <p>If an area is in fragmented ownership, where the infrastructure is not pre-funded by a state government agency, monetary or in-kind contributions may be required in lieu of land or</p>	Land and Construction of infrastructure; or monetary contribution based on infrastructure demand <i>Note that works may be in addition to monetary charges by licensed service providers for off-site major infrastructure.</i>
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	Item	Standard Requirement	Delivery Method
		infrastructure works with reimbursement for other owners where costs are shared.	
<b>Other</b>			
15	Other contributions as provided for in WAPC policies	As determined via WAPC policies	As detailed in WAPC policies

**Schedule 2**

**COMMUNITY INFRASTRUCTURE: ITEMS FOR INCLUSION IN A DEVELOPMENT CONTRIBUTION PLAN**

Community infrastructure includes structures and facilities which help communities and neighbourhoods to function effectively. Levying Community Infrastructure requires the preparation of a Development Contribution Plan.

Caps on the levying of contributions for Community Infrastructure apply per dwelling.

	Item	Standard Requirement	Delivery Method
1	Local sports, cultural and recreation facilities (at local / neighbourhood parks)	<ul style="list-style-type: none"> <li>Local sporting facilities such as tennis and bowling clubs, and cultural facilities.</li> <li>Includes car parking and landscaping.</li> </ul>	Land (in some circumstances as part of provision of public open space) and Construction of infrastructure; or monetary contribution based on infrastructure demand Note: Land for Public Open Space is a Standard Infrastructure Item under Schedule 1
2	Multi-purpose district sports, cultural and recreation facilities and/ or pavilion/building (at district open space)	<ul style="list-style-type: none"> <li>Sports facilities—including, but not limited to grassed playing surfaces, multi-purpose hard surface outdoor courts, lighting and fencing.”</li> <li>Buildings/pavilion—indoor sports facilities including toilets, change rooms, basic kiosk facilities</li> <li>Associated car parking and landscaping.</li> </ul>	Land (in some circumstances as part of provision of public open space) and Construction of infrastructure; or monetary contribution based on infrastructure demand Note: Land for Public Open Space is a Standard Infrastructure Item under Schedule 1

	Item	Standard Requirement	Delivery Method
3	Multi-purpose Community building and basic facilities	Includes meetings rooms, indoor recreation rooms, small scale flexible performance space, kitchen facilities, toilets, car parking and landscaping	Land (in some circumstances as part of provision of public open space) and Construction of infrastructure; or monetary contribution based on infrastructure demand
4	Library building, and other cultural facilities and buildings and basic facilities	Excluding specialist interior fit-out and technology	Land (in some circumstances as part of provision of public open space) and Construction of infrastructure; or monetary contribution based on infrastructure demand
5	Child care/after school centre buildings and basic facilities	Community-run centres only, excluding interior fit-out and technology	Land (in some circumstances as part of provision of public open space) and Construction of infrastructure; or monetary contribution based on infrastructure demand
6	Other community services and facilities	Requested by local government and approved by the WAPC, for which development contributions may reasonably be requested, having regard to the objectives, scope and provisions of this policy	As determined by WAPC

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### *Schedule 3*

#### DEVELOPMENT CONTRIBUTION PLAN TEMPLATE

Reference No.	DCP X
Area name	DCA XX
Relationship to other planning instruments	The development contribution plan generally conforms to strategic planning documents outlining the intended delivery of infrastructure including the local government's Strategic Community Plan and the 10-year Financial Management Plan.
Infrastructure and administrative Items to be funded	Example— <ol style="list-style-type: none"> <li>1. District community centre               <ul style="list-style-type: none"> <li>• Single storey, xm<sup>2</sup>, plot ratio floor area building with x parking spaces situated on lot x, x street, x suburb—                   <ol style="list-style-type: none"> <li>i. planning and design;</li> <li>ii. site acquisition;</li> <li>iii. earthworks and site (including servicing);</li> <li>iv. construction of facility (including associated tender);</li> <li>v. associated parking;</li> <li>vi. associated landscaping.</li> </ol> </li> </ul> </li> </ol>

Reference No.	DCP X
	<p>2. Proportional costs of widening and upgrading of xx Road (x %)— including upgrading of existing carriageway, construction of one new carriageway, and associated drainage, lighting, landscaping etc</p> <p>3. Cost of land and works for the realignment of Road. Works are to include the cost of one carriageway, earthworks, medium landscaping, drainage, lighting and paths</p> <p>4. Administrative costs including—</p> <ol style="list-style-type: none"> <li>i. costs to prepare and administer the plan during the period of operation (including legal expenses, valuation fees, proportion of staff salaries, computer software or hardware for purpose of administering the plan)</li> <li>ii. costs to prepare Annual Report and monitoring</li> <li>iii. costs to prepare and review cost estimates and the cost apportionment schedule</li> <li>iv. valuation costs</li> </ol>
Method for calculating contributions	<p>The contributions outlined in this plan have been based on the need for community infrastructure and/or non-community infrastructure generated by additional development in the development contribution plan. The local government's Community Infrastructure Plan identifies the community infrastructure needs that impact on the development contribution plan. The method for calculating contributions excludes the—</p> <ul style="list-style-type: none"> <li>• demand for a facility that is generated by the current population</li> <li>• demand created by external usage—the proportion of use drawn from outside of the main catchment area</li> <li>• future usage—the proportion of usage that will be generated by future development outside of the development contribution plan timeframe</li> </ul> <p><math>C = [ID \times CR] \times I</math>, Where—</p> <p>C = Cost Contribution ID = Infrastructure Demand—calculated using cost Apportionment Schedule CR = Contribution Rate—as set out in the Cost Apportionment Schedule I = Indexation factor.</p>
Period of operation (lifespan)	<p>A DCP must specify the period of operation (X years). Lifespan should be linked to completion of development or subdivision, and a maximum lifespan of 10 years applies. A lifespan longer than 10 years will only be considered in limited circumstances, if justification for such a timeframe can be demonstrated and linked to a capital works and staging program, and subject to the principle of equity being upheld. A longer lifespan of up to 15 years may be considered in limited circumstances delivering city-wide community infrastructure or specific strategic urban projects, which will have a longer delivery timeframe. Selected timeframes are to correspond with any related strategic and infrastructure planning, and financing cycles; reflects anticipated development growth rates; and provide certainty that the identified infrastructure items can be delivered within the stipulated timeframe of the DCP.</p>
Timing and priority	<p>Summary of the estimated timing and priority for the delivery of each item of infrastructure - details to align with the Development Contribution Plan Report and the Council's long-term strategic plan and infrastructure plan.</p> <p>Timing and priorities—</p> <ol style="list-style-type: none"> <li>1-3 years       <ol style="list-style-type: none"> <li>1. Upgrading of xx road</li> </ol> </li> <li>4-7 years       <ol style="list-style-type: none"> <li>2. Realignment of xx road (land acquisition)</li> </ol> </li> <li>8-10 years       <ol style="list-style-type: none"> <li>3. Construction of District Community Centre</li> </ol> </li> </ol> <p>Note: In accordance with LPS Regulations (2015) the priority and timing of delivery of infrastructure should be included in the Scheme. Further detail regarding delivery may be included in the accompanying DCP Report.</p>

Reference No.	DCP X
Review process	<p>Example—</p> <p>(i) The plan will be reviewed five (5) years from the date of gazettal of the local planning scheme or amendment to the local planning scheme to incorporate the plan, or earlier should the local government consider it appropriate having regard to the rate of development in the area and the degree of development potential still existing.</p> <p>(ii) The estimated infrastructure costs shown in the cost apportionment schedule will be reviewed at least annually to reflect changes in funding and revenue sources and indexed based on the Building Cost Index or other appropriate index as approved by the qualified person undertaking the certification of costs.</p>
Participants and contributions	In accordance with the Cost Contribution Schedule adopted by the Local Government for DCA x
Reporting requirements	<ul style="list-style-type: none"> <li>• Annual review of DCP</li> <li>• A status report (annual report) in the form consistent with the template in Schedule 5</li> </ul>

#### *Schedule 4*

#### DEVELOPMENT CONTRIBUTION PLANS: REQUIRED INFORMATION

#### SCHEDULE 4—REQUIREMENTS AND CONTENT OF A DEVELOPMENT CONTRIBUTION PLAN

Required Information for all DCPs	<p>A DCP must be accompanied by a DCP Report which is to contain a Capital Expenditure Plan (CEP) and a Cost Apportioning Schedule (CAS), and, which between them—</p> <ul style="list-style-type: none"> <li>• identify the strategic basis for inclusion of each infrastructure item in the DCP;</li> <li>• specify the details of priority, staging and timing for the provision of infrastructure, and include any scenarios under which this term may be extended or shortened;</li> <li>• detail the methodology for land valuation, and or basis for a standard or specification used for items of infrastructure;</li> <li>• set out in detail the calculation of the cost contribution for each owner, or other unit to be charged such as (per lot, dwelling, m<sup>2</sup> etc) in the DCA, based on the methodology provided in the development contribution plan;</li> <li>• include all supporting documentation, such as technical reports, that support or justify any aspect of the DCP to be included as Appendices to the DCP Report. eg traffic modelling for upgrading of roads to inform apportionment of demand for the new infrastructure among the DCP landowners; an analysis of comparable provision ratio statistics from adjoining established residential communities, where applicable, to support the apportionment calculations.</li> </ul> <p>These documents do not form part of the scheme but provide important justification for the content of each DCP. Templates are provided in the Infrastructure Contributions Guidelines detailing the recommended form and content of the DCP Report and CAS.</p> <p>The DCP Report (and Appendices) and CAS must be adopted for advertising to all owners at the same time the related scheme amendment is advertised for comment.</p>
Documentation to support Community Infrastructure items	<p>Where a local government is seeking contributions for community infrastructure, these need to be supported by—</p> <ul style="list-style-type: none"> <li>• a community infrastructure plan for the area, identifying the services and facilities required over the next 5-10 years (supported by demand analysis and identification of service catchments);</li> <li>• a capital expenditure plan (with at least five years) which identifies the capital costs of facilities and the revenue sources (including capital grants) and programs for provision;</li> <li>• projected growth figures, including the number of new dwellings to be created at catchment level (suburb or district);</li> <li>• an analysis of comparable provision ratio statistics from adjoining established residential communities, where applicable, to support the apportionment calculations;</li> <li>• methodology and supporting analysis for determining the proportion of costs of community infrastructure to be attributed to growth and the proportion to be attributed to existing areas.</li> </ul>

**SCHEDULE 4—REQUIREMENTS AND CONTENT OF A DEVELOPMENT CONTRIBUTION PLAN**

Administrative Items	<p>Administrative items may be included as a DCP item, however, must relate directly to the work local government must do to prepare and implement the DCP. Administration Items should be itemised in the DCP and include estimated costs for each item in the DCP report—</p> <ul style="list-style-type: none"> <li>• costs to prepare and review DCP cost estimates;</li> <li>• costs to prepare DCP cost apportionment schedule;</li> <li>• costs for undertaking land valuations for DCP;</li> <li>• costs associated with structure planning and technical studies but only when associated with the preparation of a DCP;</li> <li>• fees for professional services directly linked to preparation and implementation of DCP (eg legal and accounting fees);</li> <li>• costs for computer software and/or hardware upgrades necessary to enable DCP preparation;</li> <li>• proportion of staff salaries directly related to DCP administration—'management fees' should directly relate to the cost of labour to manage the DCP, rather than a percentage of total DCP costs;</li> <li>• details and justification of contingencies applied;</li> <li>• financial institution fees and charges associated with administration of DCP funds;</li> <li>• interest charged on loans taken out to pre-fund items included in DCP (established based on lending rates at the time DCP is prepared).</li> </ul>
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**Schedule 5**
**ANNUAL REPORT TEMPLATE FOR DEVELOPMENT CONTRIBUTIONS PLANS**

Name of DCP—

Report date—

Financial Year—

**Table 1: Summary of delivery of infrastructure**

Item of infrastructure	Scheduled delivery/ priority in DCP	Progress/ status (% complete)	Expected delivery	% detail of funding (DCP and by other sources)	Reasons for delay (if applicable)

**Table 2: Financial position of DCF**

	Received/ value contributions collected or land area	DCP funds expended/ value	Current balance of DCF	Value of credits	Interest earned on DCP funds (if applicable)
Monetary component in levies (\$)					
Works in kind					
Land contribution					
<b>TOTAL</b>					

1. Has the DCF account been independently audited? (Yes/No) (Insert date).
2. Has the annual review of Cost Apportionment Schedule (CAS) and Cost Estimates been undertaken? (Yes/No) (Frequency/ insert date).
3. Are dwelling forecasts current? (Yes/No) (Insert review date)—state any implications for the DCP.
4. Identify any matters that may require future modifications to the DCP (slow rate of growth, unlikely to develop) and if alternative funding needs to be investigated.

Note: The data used in the annual status report is to be provided in .csv format.

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