

1 Introduction

This planning bulletin provides an overview of *State Planning Policy 3.6 Development Contributions for Infrastructure* (SPP 3.6) which was gazetted on 20 November 2009.

SPP 3.6 consolidates and expands on *Planning Bulletin 18 Developer Contributions for Infrastructure* and *Planning Bulletin 41 Draft Model Text Provisions for Development Contributions*. These planning bulletins are superseded by SPP 3.6 which:

- sets out development contribution provisions for standard infrastructure items applied by the Western Australian Planning Commission (WAPC) on the subdivision, strata subdivision, or development of land; and
- provides a consistent, accountable and transparent system for local governments to plan and charge for community infrastructure items which are not included in the standard provisions through development contribution plans.

2 Background

In Western Australia, as in other Australian states, local governments face increasing pressures on the services they provide. These pressures arise from population and economic growth, and increasing expectations of the community for new and upgraded infrastructure.

Examples of these pressures are:

- Greenfield development of land for urban purposes, where there are standard requirements for infrastructure and facilities which are imposed by the WAPC as conditions on the subdivision or strata subdivision of the land, but where local governments may be required to provide infrastructure or facilities over and above the common standards.

- Infill development and redevelopment where common standard conditions of subdivision, strata subdivision or development still apply, but where significant changes in the type or intensity of land use may require new infrastructure and facilities or the augmentation of existing infrastructure and facilities beyond the normal scope of standard subdivision conditions.

The capacity of local governments to provide the additional infrastructure and facilities necessary to accommodate future growth and change is limited. As a result, local governments are increasingly seeking to apply development contributions for the construction of infrastructure and facilities beyond the standard requirements such as car parking, community centres, recreation centres, sporting facilities, libraries, child care centres, and other such facilities.

Local governments have indicated that they need more guidance on the scope and framework for development contributions of this nature. The development industry has also pointed to the need for greater consistency and transparency in charging developers because of the potential impact on housing affordability and to avoid inequity arising from new residents subsidising existing residents.

This policy follows a joint study into development contributions undertaken by the Urban Development Institute of Australia (UDIA), Western Australia Local Government Association (WALGA) and the Department of Planning (DoP) to address these issues.

3 Objectives

The objectives of the policy are:

- to promote the efficient and effective provision of public infrastructure and facilities to

meet the demands arising from new growth and development;

- to ensure that development contributions are necessary and relevant to the proposed development and are charged equitably between those benefiting from the infrastructure and facilities to be provided;
- to ensure consistency and transparency in the system for apportioning, collecting and spending development contributions; and
- to ensure the social well-being of communities arising from, or affected by, development.

4 Key measures

SPP 3.6 combines elements of planning bulletin 18 (which provides the framework for the provision of standard infrastructure such as road, utilities and public open space) with the key elements of planning bulletin 41 (which provides the framework for incorporating development contribution requirements into local planning schemes). The policy also introduces a new framework for the requesting of contributions for community infrastructure which have previously occurred on an ad hoc basis.

Development contributions can be sought for items of infrastructure that are required to support the orderly development of an area. Standard requirements include roads, water and sewerage facilities, utilities, public open space and other items that are listed in appendix 1 to SPP 3.6. These standard requirements and the practice of requesting them remain unaffected by the new provisions of the policy.

Development contributions for infrastructure that does not fall within the standard requirements or community infrastructure, may now only be requested in accordance with the terms of SPP 3.6. That is, contributions may only be sought

for such items to the extent that they have been identified in a development contribution plan which has been incorporated into a local planning scheme, or otherwise through voluntary agreement with the relevant developer/s.

Community infrastructure is defined as:

“the structures and facilities which help communities and neighbourhoods to function effectively, including:

- *sporting and recreational facilities*
- *community centres*
- *child care and after school centres*
- *libraries and cultural facilities; and*
- *such other services and facilities for which development contributions may reasonably be requested having regard to the objectives, scope and provisions of the policy”.*

Development contributions can be sought for:

- a new item of infrastructure;
- land for infrastructure;
- an upgrade in the standard of provision of an existing item of infrastructure;
- an extension to existing infrastructure;
- the total replacement of infrastructure once it has reached the end of its economic life;
- other costs reasonably associated with the preparation, implementation and administration of a development contribution plan.

The policy sets out the principles underlying development contributions for community infrastructure and the form, content and process for the preparation of a development contribution plan. Development contribution plans do not have effect until they are incorporated into a local planning scheme and require that:

- there is a clear and sound basis with linkages to the local government’s strategic and financial planning processes, with all assumptions documented and justified;

- there is justification for the infrastructure identified in the development contribution plan and identifies the authority responsible for providing the infrastructure;
- the costs of infrastructure are appropriate and includes an annual adjustment for inflation;
- there is a commitment to providing the infrastructure in a reasonable period;
- the development contribution area to which the development contribution plan applies is appropriate and the proposed location/s of the infrastructure project/s is/are identified;
- cost sharing arrangements between owners in the development contribution plan area are transparent, fair and reasonable; and
- there is adequate consultation with the owners affected by the development contribution plan and with the wider community, as part of the local planning scheme amendment process.

Development contribution plans for community infrastructure must be supported by:

- a community infrastructure plan for the area, identifying the services and facilities required over the next five to 10 years (supported by demand analysis and identification of service catchments);
- a capital expenditure plan (with at least five out years) which identifies the capital costs of facilities and the revenue sources (including capital grants) and programs for provision;
- projected growth figures including the number of new dwellings to be created at catchment level (suburb or district); and
- a methodology for determining the proportion of costs of community infrastructure to be attributed to growth and the proportion to be attributed to existing areas.

Development contributions will be calculated and applied as:

- standard conditions of subdivision;

- conditions of development or
- legal/voluntary agreements.

5 Further information

Enquires concerning this planning bulletin should be directed to:

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