

# YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN REPORT

This Development Contribution Plan (DCP) Report has been prepared in accordance with State Planning Policy 3.6: Development Contributions for Infrastructure (SPP 3.6). It sets out in detail the calculation of the Cost Contribution for each owner in the Development Contribution Area based on the methodology provided in the DCP, and provides all relevant information in support of the DCP.

## 1. Development Contribution Area (DCA)

The DCA is defined as the Yanchep-Two Rocks locality, which forms part of the Northern Coastal Growth Corridor (NCGC) of the City of Wanneroo.. This area has been subject to a district structure planning process which identified the need for contribution arrangements to be put in place to share the costs of significant community facilities.

The DCA is consistent with the boundaries of the Yanchep-Two Rocks District Structure Plan and consists of all land within the Yanchep-Two Rocks district area capable of being developed to accommodate residential dwellings that will contribute towards the need for future community facilities.

The Yanchep-Two Rocks DCA is shown on the Scheme Map as DCA 2.

## 2. Purpose

The purpose of DCP Report is to:

- a) enable the application of development contributions for the development of new, and the upgrade of existing infrastructure, which is required as a result of increased demand generated in the development contribution area;
- b) provide for the equitable sharing of the costs of infrastructure and administrative items between owners;
- c) ensure that cost contributions are reasonably required as a result of the subdivision and development of land in the development contribution area; and
- d) coordinate the timely provision of infrastructure.

## 3. Period of the Plan

10 years from 9 September 2014 to 8 September 2024.

## 4. Operation of the Development Contribution Plan

The Yanchep-Two Rocks DCP has been prepared in accordance with State Planning Policy 3.6: Development Contributions for Infrastructure (SPP 3.6). It came into effect as of

Tuesday, 9 September 2014, being the date that Amendment No. 122 to District Planning Scheme No. 2 (DPS 2) was published in the Government Gazette.

## 5. Application requirements

Where a subdivision, strata subdivision or development application or an extension of land use is lodged which relates to land to which this plan applies, Council shall take the provisions of the plan into account in making a recommendation on or determining that application.

## 6. Principles

Development contributions will be applied in accordance with the following principles:

### 1.1. Need and the nexus

The Northern Coastal Growth Corridor Community Facilities Plan (CFP) details the facilities required as a result of projected development within the DCA. As the development contribution area was largely void of existing residential development at the commencement of the DCP's operation, the nexus between required facilities and projected development has been clearly established.

### 1.2. Transparency

The method for calculating the development contribution amount and the manner in which it is applied has been the subject of extensive consultation with landowners and developers in the DCA. Further, as the mechanism for determining the development contribution has been incorporated into DPS 2 through an amendment to that Scheme, it has been subject to public assessment and scrutiny through the statutory public advertising process.

### 1.3. Equity

The DCP applies to all developable land within the DCA, with contributions to be levied based on a relative contribution to need. Contributions within the DCA are limited to district facilities within that area. Regional facilities, where the catchment extends across the district boundary or outside of the northern coastal growth corridor, are not included in the DCP. Their provision will be outside of any formal, scheme enforced cost sharing arrangement.

### 1.4. Certainty

The DCP clearly outlines the facilities for which contributions are to be collected and the timeframe for their delivery. Information pertaining to the review and indexation of costs also forms part of the DCP.

### 1.5. Efficiency

Development contributions are sought for up-front capital costs only and exclude operational costs. Ongoing maintenance and operational costs for the life of the facilities will be primarily met by the City of Wanneroo.

### 1.6. Consistency

Development contributions are proposed to be applied uniformly across the DCA, based on the methodology outlined in the DCP and this DCP Report.

### 1.7. Right of consultation and arbitration

The DCP has been prepared in full consultation with land owners and developers in the DCA. All planning methodologies and cost estimates have been made available for review by stakeholders at all stages of their preparation. Further opportunity for review will be made available as part of the review process outlined in the DCP.

**1.8. Accountable**

The City is accountable for both the determination and expenditure of development contributions under the provisions of the Scheme.

**7. Process for Determining Development Contributions**

Both development contribution plans propose to utilise the *Per Dwelling* model of calculating development contributions, which involves the levy of a contribution based on the total number of new dwellings proposed to be created.

This method has been determined as being the most appropriate method of calculating cost contributions for the following reasons:

- It will maximise the nexus between contributing land / lots / dwellings and the facilities being delivered;
- It is consistent with the approach outlined in SPP 3.6;
- It will eliminate the need to set assumptions on which land deductions will be used to determine developable area. In doing so, it will eliminate many of the issues raised in submissions by affected landowners during public advertising of Amendment 122 to DPS 2; and
- It will allow the easy calculation of an owner's cost contribution.

Determination of Cost Contribution

The methodology for determining a landowner's cost contribution is in accordance with the following formula:

$$\bullet \quad CC \quad = \quad \frac{TC \times NDU}{TDU}$$

Where:

- CC = Landowner's Cost Contribution Amount (\$)
- TC = Total cost of delivering community facilities + Total administrative costs (\$)
- NDU = Number of additional lots proposed to be created as part of a proposed subdivision; and the number of dwellings proposed to be created as part of an application for planning approval, other than the first dwelling.
- TDU = Total number of dwellings expected within the DCA.

Where the term "dwelling" is used, the intent is that it relates to a built dwelling. However, where contributions are to be made on subdivisions, the term dwelling may also be taken to mean the number of lots. Where multiple or grouped dwelling sites are proposed, their contributions will be based on the initial subdivided lot, as well as any additional planned dwellings at the time of application for planning approval.

The Cost Apportionment Schedule, included at **Attachment 5**, outlines in detail the distribution of costs for the DCA.

## **7.1. Supporting Information**

In accordance with Clause 5.5 of SPP 3.6 the following information is provided in support of the methodology used to determine development contributions.

### Catchment Areas

The DCA is considered to be a district catchment and it is generally consistent with the boundary of the Yanchep Two Rocks District Structure Plan.

The district catchment translates to the provision of District level facilities, which are higher order facilities that serve multiple neighbourhoods and local catchments, but are not likely to have the wider draw from other district areas. Accordingly, the DCP only seeks to collect contributions for district level community facilities.

Facilities with local and regional catchments are not proposed to be funded through this DCP.

### Cost of Infrastructure Items

Given that there is essentially no existing development or community within the DCA, it has not been possible to determine the exact scope of facilities required, as their final location and nature has not yet been determined. This detail will be identified as more detailed planning is undertaken within the development area.

Consequently, the approach to facility provision has focussed on delivering broad multipurpose facilities that can adapt to changing future uses and avoid costly duplication of purpose built facilities. Inherent in this approach is the use of co-location and integration, the creation of community hubs and the acknowledgement of the role that community facilities play in anchoring development within an activity centre or community focal point.

This approach has required the City to develop standard models for each of the facilities identified in the Community Facilities Plan that represent the City's requirements for community use. These models have been developed using existing facility examples with various elements modified to represent best practice or to resolve management issues inherent in those facilities used as a basis for model development. These models were used by a Quantity Surveyor as a basis for determining the cost estimates incorporated into this DCP Report.

The final cost estimate for each facility is inclusive of a construction cost estimate, external works and services, plus allowances for planning, design and construction contingencies. Land costs, where applicable, have been the subject of a separate valuation process.

The cost estimates will be reviewed and refined as more detailed planning is undertaken on the location, level of co-location and integration, and ultimate design of individual facilities.

A scheduled review of the cost estimates will occur annually. Cost estimates will be adjusted to reflect changes in funding, revenue sources and advances in detailed planning and subsequently indexed based on the Building Cost Index or other appropriate index as approved by the qualified person undertaking the certification of costs referred to in Clause

11.3 of Schedule 18 of the Scheme (as proposed to be introduced by Amendment No 122 to DPS 2).

### Community Infrastructure Plan

The City prepared the Northern Coastal Growth Corridor Community Facilities Plan which details the need for community facilities resulting from projected population growth. This plan has been approved by Council and has been subject to public comment and consultation with key stakeholders.

### Capital Infrastructure Plan

The DCP has been designed to relate directly to the *City of Wanneroo Long Term Financial Plan* such that the facilities identified in the DCP are reflected in the Financial Management Plan. Furthermore, the review period proposed for the DCP will coincide with the annual review of the Financial Plan to ensure that new facilities required to be delivered under the DCP are identified in the Financial Management Plan and the City's Capital Works Program.

This will also provide a mechanism for alternate funding sources to be considered and incorporated into the funding model for each facility where possible.

An overview of the capital expenditure resulting from the operation of the DCP that will need to be reflected in the City's Long Term Financial Management Plan is included at **Attachment 4**, noting that these figures will be subject to ongoing review.

### Projected Growth Figures

The projected growth in dwellings for the DCA has been sourced from *forecast.id* population forecasts prepared by the City's consultant demographers. These figures were updated in November 2013 following consultation with land developers and the City of Wanneroo and are considered to be the most appropriate dwelling projections on which to base the cost contribution calculations.

These dwelling projections are for the 10 year timeframe of the DCP only and are summarised in **Attachment 1**. Full details of projected growth through to build-out of the DCA are included in the Northern Coastal Growth Corridor Community Facilities Plan.

### Methodology for Determining Proportion of Cost to be Attributed to Future Growth vs. Existing Areas

The DCP requires 100% of the cost of delivering the necessary facilities be met by future growth. The rationale behind this approach is as follows:

- The DCA was largely void of existing residential development or population at the commencement of DCP operation;
- The population that does exist was sufficiently served by community facilities up until the point where additional residential growth started to be experienced. This new population has put pressure on existing facilities to meet community needs. New facilities are now required as a result of this additional residential growth.

- None of the facilities identified in the Northern Coastal Growth Corridor Community Facilities Plan would be delivered if this additional residential growth wasn't projected to occur. It can therefore be clearly stated that the need for new facilities arises directly as a result of current and projected residential growth.
- The catchment of each of the district facilities proposed in the Northern Coastal Growth Corridor Community Facilities Plan is confined to the district in which it is located.
- The need for the facilities has been determined following analysis of the projected population within the DCA only. Any additional need resulting from residential areas outside the DCA is considered to be inconsequential.
- None of the facilities proposed to be delivered through the DCP are considered necessary to support community activity in existing developed areas. Current demand in these areas is already met through the existing provision of district facilities within the coastal ward of the City of Wanneroo and regional level facilities in the greater City of Wanneroo and the City of Joondalup.

The 100% funding liability may be offset by external grants or other funding sources in order to reduce the contribution amount required under the DCP, however other contributions have not been included in the funding model as part of the DCP as their successful application cannot be guaranteed or assumed until more detail is known of the nature, scale and location of the facilities proposed.

It is expected that the inclusion of grant funding would form part of an ongoing review of the DCP. In this regard, Council may establish a Consultative Committee for the DCA comprising of landowners, City Administration and Council representatives and any other persons considered appropriate by Council to make recommendations to Council in respect to the timing and arrangements of DCP works. If established, a key role of this Committee could be to identify and pursue additional funding sources.

## **8. Items Included in the Plan**

The DCP applies only to district level facilities needed within the DCA as determined by the *Northern Coastal Growth Corridor Community Facilities Plan*.

### **8.1. Infrastructure Elements**

#### **Yanchep Two Rocks Development Contribution Area – DCA (2)**

<b>Yanchep Lagoon</b>
Surf Life Saving Club
<b>Capricorn Coastal Node</b>
Coastal Node Facilities
<b>Yanchep Metropolitan Centre</b>
Public Open Space (Active)

Full details of the facility cost estimates can be seen at **Attachment 2**.

## 8.2. Administrative Elements

Under Development Contribution Plan No.2, "Administrative Items" include:

- i. preparation, administration and review of the Development Contribution Plan;
- ii. preparation and review of the Development Contribution Plan and Costs Apportionment Schedule;
- iii. any arbitration and valuation with respect to this Plan; and
- iv. advice and representation with respect to this Plan including legal, accounting, planning, engineering and other professional advice and representation.

Both incurred and recurring administrative costs shall be shared equally between the Alkimos Eglinton and Yanchep Two Rocks DCPs. Full details of Administration costs can be seen at **Attachment 3**.

## 9. Review

Various elements of the DCP are subject to ongoing review, as a result of both the general operation of the DCPs and the requirements of SPP 3.6. It is proposed that the DCP and associated CFP be reviewed (at a minimum) in accordance with the following schedule:

- Annually
  - DCP Cost Estimates;
  - DCP Cost Indexation;
  - Dwelling estimates;
  - Cost per Dwelling; and
- 5-yearly
  - CFP Assumptions and Recommendations
  - Full DCP Review.

### Cost Estimates & Indexation

The estimated infrastructure costs shown at **Attachment 2** and how those costs are apportioned, 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 referred to in Clause 11.3 of Schedule 17 of DPS 2.

### Contribution Amount

The cost per dwelling on which each landowner's contribution amount is based will be reviewed annually (or as required) as a result of the above changes to the costs and contribution area.

## ATTACHMENT 1 –DWELLING PROJECTIONS

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Yanchep Dwellings</b>	2,731	2,982	3,257	3,563	3,883	4,231	4,579	4,922	5,261	5,604
<b>Two Rocks Dwellings</b>	1,211	1,249	1,347	1,455	1,583	1,736	1,887	2,038	2,186	2,335
<b>TOTAL DCA DWELLINGS</b>	<b>3,942</b>	<b>4,231</b>	<b>4,604</b>	<b>5,018</b>	<b>5,466</b>	<b>5,967</b>	<b>6,466</b>	<b>6,960</b>	<b>7,447</b>	<b>7,939</b>

Source: i.d. Forecast (2013) City of Wanneroo Population Forecasts

**ATTACHMENT 2 - FACILITY COST ESTIMATES**

**YANCHEP METROPOLITAN CENTRE**

	POS District
Building Cost	\$ 1,206,260
External Works	\$ 4,926,590
External Services	\$ 794,971
Allowance for 5 star design (4%)	n/a
Preliminaries (10%)	\$ 692,782
Contingencies (Planning, Design, Construction)	\$ 1,212,000
Professional Fees & Disbursements	\$ 1,098,347
Locality Loading (2.5%)	\$ 190,515
Escalation to end 2015	\$ 281,920
Land Area & Rate	128,034 m2 @ \$100/m2
Land Cost Estimate	\$ 12,803,400

<b>Final Cost Estimate</b>	<b>\$ 23,206,785</b>
Source	DCWC Cost Report 2014 ILVWA Land Valuation 2014

FUNDING SOURCE	
Municipal Funds	\$-
Grants and Other Contributions	\$ 1,745,333
<b>Development Contributions</b>	<b>\$ 21,461,452</b>

**YANCHEP LAGOON**

	Surf Life Saving Club District
Building Cost	\$ 4,027,000
External Works	\$ 1,295,000
External Services	\$ 843,000
Allowance for 5 star design (4%)	n/a
Preliminaries (10%)	\$ 453,200
Contingencies (Planning, Design, Construction)	\$ 662,070
Professional Fees & Disbursements	\$ 150,000
Escalation to end 2015	\$ 206,561
Land Area & Rate	N/A
Land Cost Estimate	N/A

**Final Cost Estimate** \$7,636,831  
 Source Council Report

FUNDING SOURCE	
Municipal Funds	\$ -
Grants and Other Contributions	\$ -
<b>Development Contributions</b>	<b>\$ 7,636,831</b>

**CAPRICORN COASTAL NODE**

	Coastal Node Facilities District
Building Cost	n/a
External Works	\$ 1,091,523
External Services	\$ 336,730
Allowance for 5 star design (4%)	n/a
Preliminaries (10%)	\$ 142,825
Contingencies (Planning, Design, Construction)	\$ 372,322
Professional Fees & Disbursements	\$ 238,316
Escalation to end 2015	\$ 60,769
Land Area & Rate	N/A
Land Cost Estimate	N/A

**Final Cost Estimate** \$ 2,242,485  
 Source DCWC Cost Report 2014

FUNDING SOURCE	
Municipal Funds	\$ -
Grants and Other Contributions	\$ -
<b>Development Contributions</b>	<b>\$ 2,242,485</b>

**ATTACHMENT 3 – ADMINISTRATIVE COSTS**

Infrastructure Item	Actual Cost (ex GST)	DCP Contribution (%)	DCP Cost	Estimated Dwelling Yield	Cost per Dwelling
<b>Confirmed Costs</b>					
Facility Cost Estimates & Models 2011	\$37,820.00	50.00	\$18,910.00	4282	\$4.42
Land Valuations 2011	\$12,000.00	50.00	\$6,000.00	4282	\$1.40
Amendment No. 122 Advertising	\$2,721.90	50.00	\$1,360.95	4282	\$0.32
Government Gazette	\$1,459.93	50.00	\$729.97	4282	\$0.17
Facility Cost Estimate Review 2014	\$27,000.00	50.00	\$13,500.00	4282	\$3.15
Land Valuations 2014	\$14,000.00	50.00	\$7,000.00	4282	\$1.63
<b>Sub Total Confirmed Costs</b>	<b>\$95,001.83</b>		<b>\$47,500.92</b>		<b>\$11.09</b>
<b>Estimated Costs</b>					
Estimated Administration Costs (Administer the DCP) (\$115,000 p.a. x 10 years)	\$1,150,000.00	50.00	\$575,000.00	4282	\$134.28
<b>Sub Total Estimated Costs</b>	<b>\$1,150,000.00</b>		<b>\$575,000.00</b>		<b>\$134.28</b>
<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>\$1,245,001.83</b>		<b>\$622,500.92</b>		<b>\$145.38</b>

**ATTACHMENT 4 - CAPITAL EXPENDITURE PLAN**

Infrastructure Item	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	TOTAL
Public Open Space (Yanchep Metropolitan Centre)	\$ 21,461,452*										
Surf Life Saving Club (Yanchep Lagoon)				\$ 7,636,831							
Beach Activity Node (Capricorn Coastal Node)								\$ 2,242,485			
<b>TOTAL FACILITY COST (in 2011 costs)</b>	<b>\$ 21,461,452*</b>			<b>\$ 7,636,831</b>				<b>\$2,242,485</b>			<b>\$31,340,768</b>

\* Cost value for the Public Open Space facility includes cost reductions associated from successful grant funding applications.

**ATTACHMENT 5 - COST APPORTIONMENT SCHEDULE**

Infrastructure Item	Estimated Cost (\$)	DCP Contribution (%)	DCP Cost (\$)	Estimated Dwelling Yield	Cost per Dwelling
<b>YANCHEP TWO ROCKS DCP</b>					
Surf Life Saving Club, Yanchep Lagoon	\$ 7,636,831	100	\$ 7,636,831	4,282	\$ 1,783.47
Coastal Node Facilities, Capricorn Coastal Node	\$ 2,242,485	100	\$ 2,242,485	4,282	\$ 523.70
Public Open Space (Active), Yanchep Metropolitan Centre	\$ 21,461,452	100	\$ 21,461,452	4,282	\$ 5,012.02
<i>Collected contributions + interest</i>	<i>-\$ 717,589</i>	<i>100</i>	<i>-\$ 717,589</i>	<i>4,282</i>	<i>-\$ 167.58</i>
<b>Sub Total Facility Costs</b>			<b>\$ 30,623,179</b>		<b>\$ 7,151.61</b>
Confirmed Administration Costs (Preparation of DCP, Cost estimates etc)	\$ 95,002	50	\$ 47,501	4,282	\$ 11.09
Estimated Administration Costs (Administer the DCP) (\$115,000 p.a. x 10 years)	\$ 1,150,000	50	\$ 575,000	4,282	\$ 134.28
<b>Sub Total Administrative Costs</b>			<b>\$ 622,501</b>		<b>\$ 145.38</b>
<b>TOTAL</b>			<b>\$ 31,245,680</b>		<b>\$ 7,296.98</b>