ALKIMOS-EGLINTON 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 in the Development Contribution Area based on the methodology provided in the DCP and Schedules 13 of District Planning Scheme No. 2 and provides all relevant information in support of the DCP.

1. Development Contribution Area (DCA)

The DCA is defined as the Alkimos Eglinton 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 Alkimos Eglinton District Structure Plan and consists of all land within the Alkimos Eglinton district area capable of being developed to accommodate residential dwellings that will contribute towards the need for future community facilities.

The Alkimos Eglinton DCA is shown on the Scheme map as DCA 1.

2. Purpose

The purpose of this 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

25 years from 9 September 2014 to 8 September 2039.

4. Operation of the Development Contribution Plan

The Alkimos Eglinton 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 DCA 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 not for ongoing maintenance and/or operating costs of the facilities once, they are constructed. 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 landowners 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

The Alkimos-Eglinton DCP utilises the *Per Hectare* model of calculating development contributions, which involves the levy of a contribution based on the total area of developable land subject to a subdivision application, rather than the number of lots or dwellings proposed to be created as a result of that subdivision.

This model subsidises higher density development at the expense of lower density and is considered appropriate for use in the DCA as there is limited existing development and an underlying objective in the district structure plan to achieve higher residential densities than what has previously been delivered in the North West Corridor.

The *Per Hectare* model utilises 'net contributing area' rather than 'gross contributing area' as the contributing area in recognition of the fact that 'net contributing area' best represents the area of land that will contribute to the need for community facilities.

Determination of Contributing Area

'Net contributing area' is calculated as follows:

i. Gross land area, less the area of:

- existing development or land with valid subdivision approvals not conditional on the payment of development contributions;
- land reserved under the Metropolitan Region Scheme for Parks and Recreation;
- land reserved under the Metropolitan Region Scheme for Public Purpose;
- land designated under the Metropolitan Region Scheme as 'Primary Regional Roads', 'Other Regional Roads' or 'Railways'; and
- land designated under the Metropolitan Region Scheme as 'industrial'.

ii. A deduction of the following non-developable land uses identified in Local Structure

Plans from the total area determined in point (i):

- Local Roads;
- Public Open Space;
- Primary Schools;
- Service Commercial;
- Business Enterprise; and
- Retail (including retail core of Regional, District and Neighbourhood Activity Centres)

iii. A deduction of the following percentage of the total area for land zoned Mixed Use:

- 75% for Mixed Use located in land designated as 'Regional & District Activity Centres' in the Local Structure Plan (25% of the area is included in the net contributing area)
- 30% for Mixed Use located in land designated as 'Coastal Village Activity Centres' in the Local Structure Plan (70% of the area is included in the net contributing area); and
- 10% for Mixed Use located in land designated as 'Urban' in the Local Structure Plan (90% of the area is included in the net contributing area).

Maps illustrating the extent of contributing area within the DCA are included at **Attachment 1**.

Determination of Cost Contribution

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

- CPH = TC / NCA
- CC = CPH x GSA

Where:

CC = Landowner's Cost Contribution Amount ($)
CPH = Cost per hectare ($/ha)
TC = Total cost of delivering community facilities + Total administrative costs ($)
NCA = Net contributing area (ha)
CC = Cost Contribution Amount ($)
GSA = Gross area of proposed subdivision (ha)

The Cost Apportionment Schedule, included at **Attachment 3**, 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 a district catchment and it is generally consistent with the boundary of the Alkimos-Eglinton 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

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 DCP 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 14 of DPS 2.

Community Infrastructure Plan

The City prepared the CFP, 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. The CFP was revised by Council in 2020 and informed the 5-year fundamental Review of the DCP at that time.

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 2**, noting that these figures will be subject to ongoing review.

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

The methodology for calculating cost contributions set out in the Alkimos-Eglinton DCP contained in Schedule 18 of DPS 2 requires that the cost contributions be calculated on a proportionate basis relative to the need generated by new dwelling growth. Accordingly, the total cost on which the cost contribution is based has excluded the proportion of costs associated with the following:

- *demand for a facility that is generated by the current population;*
- *demand created by external usage – the proportion of use drawn from outside of the*
- *main catchment area; and*
- *future usage – the proportion of usage that will be generated by future development outside of the development contribution plan timeframe.*

The DCA was void of existing residential development or population at the commencement of DCP preparation. Lots that have been developed within the DCA since this time have made an interim contribution under *Local Planning Policy 3.3: Northern Coastal Growth Corridor Development Contributions.*

No additional need for the facilities is considered to be generated from population outside of Alkimos and Eglinton and there are no regional level facilities included in the DCP for which the catchment would extend beyond the DCP area.

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

- None of the facilities identified in the Northern Coastal Growth Corridor Community Facilities Plan would be delivered if the new residential growth did not 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 Alkimos-Eglinton DCP 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 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 has established a Working Group 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. A key role of this group is 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;* or a proportion of a Regional Facility designed to cater for District Level Infrastructure, where the infrastructure is co-located.

8.1. Infrastructure Elements

Alkimos Eglinton Development Contribution Area – DCA (1)

Alkimos South Coastal Village
Surf Life Saving Club
Alkimos Regional Parks and Recreation Reserve
Public Open Space (Active)
Multipurpose Hard Courts
Alkimos Secondary Centre
Community Centre
Library
Indoor Recreation Centre (Co-located with the Alkimos Aquatic Centre)
Eglinton District Centre
Indoor Recreation Centre
Community Centre
Library
Public Open Space (Active)
Multipurpose Hard Courts

Full details of the facility cost estimates, can be seen at **Attachment 3**.

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 in the Cost Apportionment Table (**Attachment 3**), which reflects the actual administration costs incurred and estimated remaining costs for the operation period of the DCP.

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;
  - Contributing Land Area;
  - Cost per Hectare; and

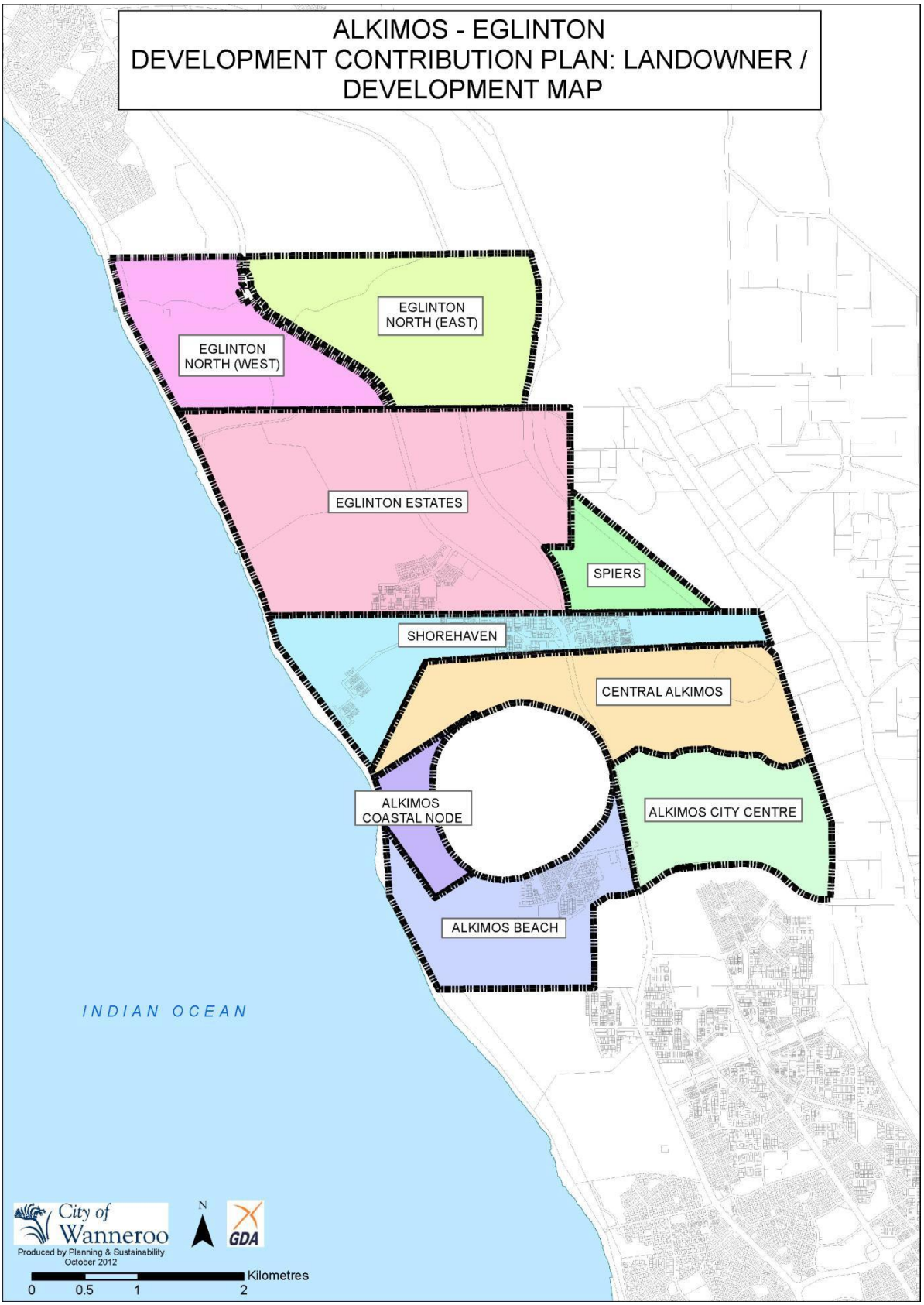
- 5-yearly (next due in 2025)
  - CFP Assumptions and Recommendations
  - Full DCP Review.

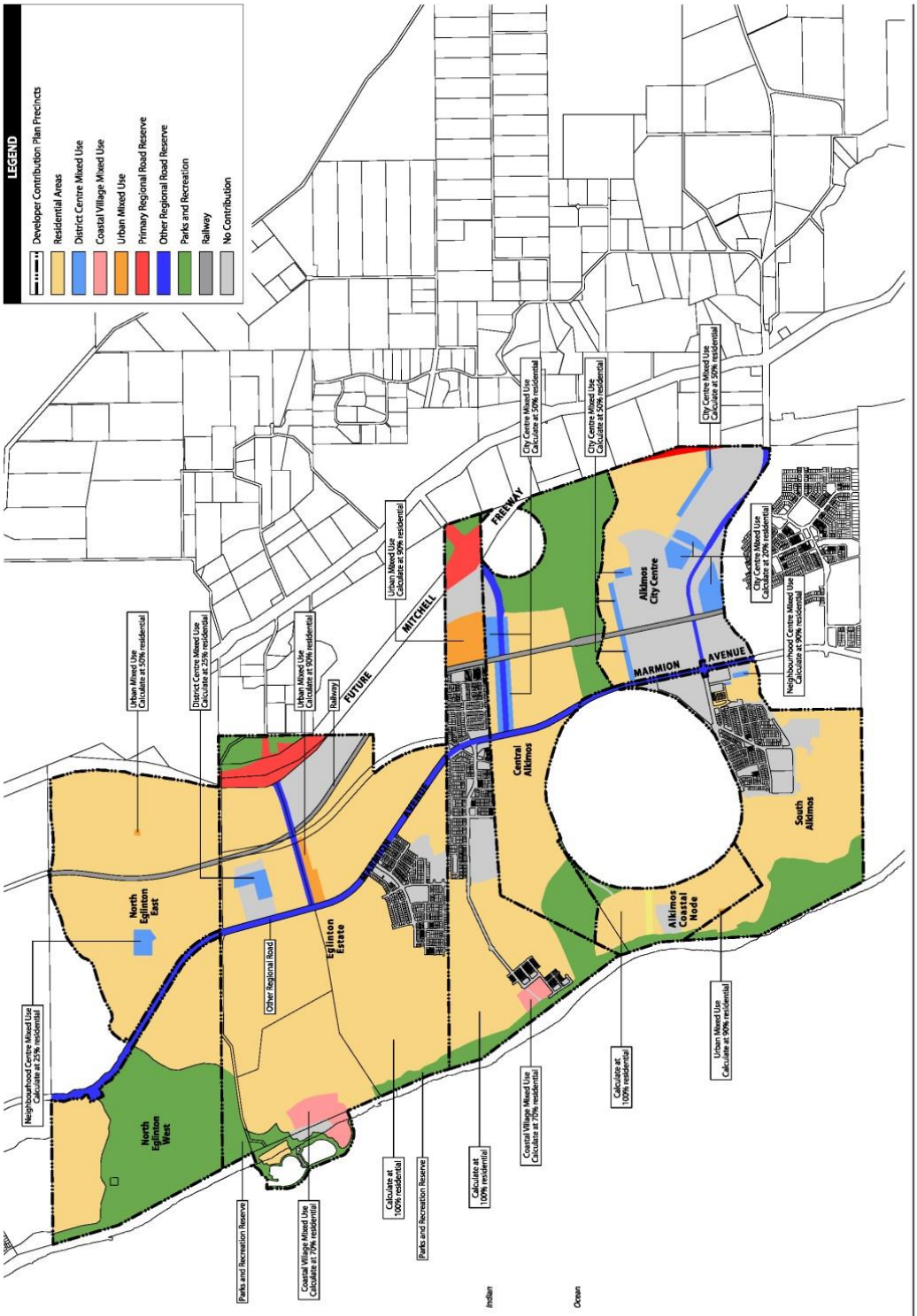
Cost Estimates & Indexation
The estimated infrastructure costs shown in **Attachments 2 and 3** of this report will be reviewed at least annually to reflect changes in funding and revenue sources and indexed based on the Building Cost Index or other appropriate index as approved by the qualified person undertaking the certification of costs referred to in Clause 11.3 of Schedule 14 of DPS 2 and made available to affected landowners as part of each annual review.

Contributing Lang Area
The ‘contributing land area’ is determined by deducting various land uses from the overall developable area, as outlined in Section 7 of this report. The area of most of these land uses is fixed by the Metropolitan Regional Scheme (however this may change from time to time as a result of gazetted amendments) with the exception of the area of existing development which will change as land is progressively developed. The contributing land area will therefore need to be regularly reviewed to reflect the current level of development and any gazetted changes made to the Metropolitan Region Scheme.

Contribution Amount
The cost per hectare 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 and defined in the Cost Apportionment Schedule.

ATTACHMENT 1 – DETERMINATION OF CONTRIBUTING AREA





DEVELOPER CONTRIBUTION PLAN

Alkimos Eglinton

Infrastructure Item	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	Annual Review Cost Estimate
ALKIMOS																		
Alkimos Surf Life Saving Club					Commencement ----------> Completion													$ 9,068,044
Alkimos District Community Centre					Commencement ----------> Completion													$ 10,880,416
Alkimos Regional Community Centre (Library)							Commencement ----------> Completion											$ 13,875,283
Alkimos District Open Space (Open Space)					Commencement ----------> Completion													$ 12,404,510
Alkimos District Open Space (Mulitpurpose Hardcourts)					Commencement ----------> Completion													$ 5,243,950
Alkimos Aquatic and Recreation Centre (Indoor Recreation Centre)	Commencement ----------> Completion																	$ 16,422,383
EGLINTON																		
Eglinton District Open Space											Commencement ----------> Completion							$ 12,404,510
Eglinton Hard Courts (Tennis)												Commencement ----------> Completion						$ 5,243,950
North Eglinton Indoor Recreation Centre				Commencement ----------> Completion														$ 21,227,327
Eglinton District Community Centre (Community)													Commencement ----------> Completion					$ 10,880,416
Eglinton District Community Centre (Library)													Commencement ----------> Completion					$ 13,875,283
TOTAL																		$ 131,526,072

ATTACHMENT 3 - COST APPORTIONMENT SCHEDULE

ALKIMOS EGLINTON DCP - FACILITY COST APPORTIONMENT (2025)						
Infrastructure Item	**Annual Review 2024**	**Incl Exp LTD to June 2025**	**Annual Review Updated Cost 2025**	**Updated Developable Area (ha)**	**Cost per Hectare**	**% Change**
ALKIMOS						
Alkimos Surf Life Saving Club	$ 8,396,337		$ 9,068,044	424.11	$ 21,381.43	8.00%
Alkimos District Community Centre	$ 10,094,830		$ 10,880,416	424.11	$ 25,654.80	7.78%
Alkimos Regional Community Centre (Library)	$ 12,867,855		$ 13,875,283	424.11	$ 32,716.36	7.83%
Public Open Space (Active), Alkimos Parks and Recreation Reserve	$ 11,485,657		$ 12,404,510	424.11	$ 29,248.44	8.00%
Alkimos District Open Space - Multipurpose Hard Courts	$ 4,855,509		$ 5,243,950	424.11	$ 12,364.65	8.00%
Indoor Recreation Centre, Alkimos Secondary Centre	$ 15,280,535	$ 5,401,028	$ 16,422,383	424.11	$ 38,722.13	7.47%
EGLINTON						
Eglinton District Open Space (Active)	$ 11,485,657		$ 12,404,510	424.11	$ 29,248.44	8.00%
Multipurpose Hard Courts (Tennis Courts)	$ 4,855,509		$ 5,243,950	424.11	$ 12,364.65	8.00%
North Eglinton Indoor Recreation Centre	$ 19,701,229		$ 21,227,327	424.11	$ 50,051.65	7.75%
District Community Centre (Community)	$ 10,094,830		$ 10,880,416	424.11	$ 25,654.80	7.78%
District Community Centre (Library)	$ 12,867,855		$ 13,875,283	424.11	$ 32,716.36	7.83%
Estimated Facility Cost	**$ 121,985,803**	**$ 5,401,028**	**$ 131,526,072**			
Interest	-$ 4,065,504	-$ 5,825,022	-$ 5,825,022	424.11	-$ 13,734.75	
Collected contributions	-$ 28,422,149	-$ 37,630,326	-$ 37,630,326	424.11	-$ 88,728.09	
Funding Accounted (Deducted from Cost)	**-$ 32,487,653**	**-$ 43,455,349**	**-$ 43,455,349**		**$ 207,660.88**	
Confirmed Administration Costs (Administer the DCP)	$ 611,950	$ 651,143	$ 651,143	424.11	$ 1,535.32	
Estimated Remaining Administration Costs (Administer the DCP) ($40,000 p.a. to 2039)	$ 1,368,051		$ 560,000	424.11	$ 1,320.42	
Sub Total Administrative Costs	**$ 1,980,001**	**$ 651,143**	**$ 1,211,143**		**$ 2,855.74**	
TOTAL	**$ 91,478,151**	**-$ 37,403,178**	**$ 89,281,866**		**$ 210,516.62**	

LANDOWNER COST APPORTIONMENT - 2025 Annual Review							
DEVELOPMENT / LANDOWNER	**REVISED SITE AREA (HA)**	**REVISED DEVELOPABLE**	**LANDOWNER CONTRIBUTION**	**TOTAL COST**	**LANDOWNER COST**	**COST CONTRIBUTION**	
Alkimos Beach	224.42	65.39	10.52	$ 89,281,866	$ 9,391,363.62	$ 143,620.79	
Alkimos City Centre	212.62	34.47	5.54	$ 89,281,866	$ 4,950,608.72	$ 143,620.79	
Central Alkimos	261.42	60.23	9.69	$ 89,281,866	$ 8,650,280.33	$ 143,620.79	
Alkimos Coastal Node	91.91	22.49	3.62	$ 89,281,866	$ 3,230,031.62	$ 143,620.79	
Shorehaven	241.23	49.93	8.03	$ 89,281,866	$ 7,170,986.17	$ 143,620.79	
Spiers	67.15	17.1	2.75	$ 89,281,866	$ 2,455,915.55	$ 143,620.79	
Eglinton Estates LSP 82	633.56	204.17	32.84	$ 89,281,866	$ 29,323,057.20	$ 143,620.79	
Eglinton Estates North East	241.48	107.35	17.27	$ 89,281,866	$ 15,417,692.07	$ 143,620.79	
Eglinton Estates North West	102.25	60.52	9.74	$ 89,281,866	$ 8,691,930.36	$ 143,620.79	
TOTAL	2076.04	621.65	100.00		$ 89,281,865.65		
Total developed from last updated NDA until August 2018		-16.46					
		605.19					
Total Developed from Last updated NDA until September 2019		-10.11					
		595.08					
Total Developed from Last updated NDA until June 2020		-7.40					
		587.68					
Total Developed from Last updated NDA until June 2021		-24.29					
		563.39					
Total Developed from Last updated NDA until June 2022		-21.94					
		541.45					
Total Developed from Last updated NDA until June 2023		-23.57					
		517.89					
Total Developed from Last updated NDA until June 2024		-42.37					
		475.52					
Total Developed from Last updated NDA until June 2025		-51.41					
Total Remaining Developable Area		**424.11**				hectares	