



Local Planning Policy 25 – Interim Development Contribution Arrangements	
Management Procedure Adopted:	Relevant Delegation

1. Purpose

1.1 Background:

A DCP is also known as an ‘infrastructure levy’, established to provide for infrastructure construction and upgrades in an area, where the subdivision or development of land creates additional demand for infrastructure such as roads or drainage requirements. DCPs effectively operate on a ‘user pays’ basis, with contributions payable at the time of subdivision or development, typically on a ‘per-lot’ or ‘per square metre’ basis.

Development contributions are paid by owners who develop or subdivide within an established or proposed Development Contribution Area. When approval is granted for a subdivision or development within a DCP area, conditions are generally imposed on the approval requiring the payment of development contributions. The owner/developer/subdivider of the land will then be required to make payment of the development contribution either prior to the finalisation of the subdivision or the commencement of construction, whichever is the earliest. Alternatively, the owner may decide to deliver the land or infrastructure (pre-fund) in lieu of paying money to the DCP, in which case an arrangement would be made with the City.

The process to establish a DCA involves a complex scheme amendment, which can take up to 12-18 months to complete and involves the preparation and adoption of the DCP by the City, the recommendation of the Western Australian Planning Commission (WAPC) and ultimately the approval of the Minister.

Until a DCA has been finalised, Local Planning Scheme no. 3 provides for other arrangements, satisfactory to the City, being established to achieve cost contributions. Other arrangements can be in the form of a legal agreement referred to as an Interim Development Contribution Arrangement (IDCA). The IDCA provides a means by which subdivision and development conditions relating to interim contributions can be cleared and cost contributions made, allowing development to progress prior to formal gazettal of the DCA. Through this Policy, the City provides guidance to landowners as to what it deems to be a satisfactory arrangement.



It is necessary for the City to establish a formal position with regard to IDCA's to ensure that Council can carry out its role as administrator of the DCA in a fair, reasonable, consistent and transparent manner that minimises the financial risk to Council and the broader community.

This Policy has been prepared to provide a concise and documented procedure for the establishment of Interim Development Contribution Arrangements (IDCA) within the City of Kalamunda.

1.2 Application of the Policy:

This Policy applies to all development located within a proposed or established Development Contribution Area (DCA) in the City of Kalamunda.

1.3 Statutory Authority / Legal Status:

This Policy has been prepared under and in accordance with Schedule 2 of the Planning and Development (Local Planning Scheme) Regulations 2015 (the Regulations).

1.3.1 Relationship to Local Planning Scheme No.3

This Policy is a local planning policy prepared and to be read with regard to the general provisions and objectives of 2 of Local Planning Scheme No.3 (the Scheme). The Policy augments and is to be read in conjunction with the provisions of the Scheme relating to DCAs.

1.3.2 Relationship to other state planning/ development control policies

This Policy has due regard and should be read in conjunction with State Planning Policies, of particular relevance to this Policy is State Planning Policy 3.6 – Development Contributions for Infrastructure.

1.3.3 Relationship to other local planning policies

This Policy must be read in conjunction with other applicable City of Kalamunda Local Planning Policies; of particular relevance to this Policy is Local Planning Policy 24 – Development Contribution Areas.

2. Policy Statement:

2.1 Policy Objectives

The objectives of this Policy are to:

- a) To clearly outline the City of Kalamunda's (the City) expectation in regards to satisfactory arrangements being established for contributions prior to formal gazettal of a Development Contribution Area (DCA).
- b) To identify the City's position with regard to interim development contribution arrangements prior to the formal gazettal of a DCA.
- c) To identify the City's position with regard to the provision of infrastructure and land prior to the finalisation of a DCA and the potential for development contributions offsets accordingly.
- d) To ensure that developers acknowledge the risks of entering into interim development contribution arrangements prior to finalisation of a DCA.

2.2 Specific Policy Requirements for Interim Development Contribution Arrangements



2.2.1 Subdivision and Development Approvals

- 2.2.1.1 In considering subdivision applications for land within a draft DCA, where recommencing approval of a subdivision application to the Western Australian Planning Commission (WAPC), the City will generally recommend a condition of approval requiring satisfactory arrangements being entered into with the City for the provision of an IDCA. The City will also generally recommend to the WAPC an advice note be included on the approval stating that the IDCA will be made pursuant to the provisions of the City of Kalamunda Local Planning Scheme No. 3 (the Scheme) and those of this Policy.
- 2.2.1.2 In considering development applications for land within a draft DCA, in approving an application, the City will generally impose a condition of approval requiring satisfactory arrangements being entered into with the City for the provision of an IDCA. The City will also generally provide an advice note with the approval, stating that the IDCA will be made pursuant to the provisions of the Scheme and those of this Policy.

2.3 Information Required to Seek Clearance of Conditions

2.3.1 In applying for City clearance of conditions of subdivision and/or development a landowner and/or applicant is required to:

- Engage the City's legal representatives, or another appropriate legal representative, to prepare the requisite legal documentation; and
- Seek the City's endorsement of the requisite legal documentation.

2.3.2 The legal documentation will generally consist of a legal agreement between the landowner and the City.

2.4 Required Content of Legal Agreement

2.4.1 To comply with a condition requiring an IDCA, the City will require the legal agreement to address the following matters:

- The payment of an interim development contribution amount to Council based on the latest available estimate cost contribution rate.
- The provision of security in addition to cost contributions to the value of not less than 50 percent of the estimate cost contribution rate, netting all stages of subdivision or development. The security will generally be in the form of a cash payment, bank guarantee or charge and caveat over a portion of land equal to or greater than the value of required security.

2.5 Estimated Cost Contribution

2.5.1 The latest available estimated cost contribution rate will be the latest rate adopted by Council for the purposes of calculating interim development contributions.

2.5.2 The City may take into consideration situations where developers have provided infrastructure and/or land, proposed to be included within the DCA, as part of their development as off-sets against the estimated contribution rate.

- 2.5.2.1 Only cost items that have been constructed or provided for within the specified stage of subdivision and/or development will be acknowledged as an off-set against contribution rates. Future off-sets that have not been constructed or provided for within the specified stage or previous stages will not be acknowledged as an off-set. However, should a cost item acknowledged as an off-set against estimated contribution rates exceeded the liability of the specified stage, the over provision may be used in subsequent stages as an off-set against estimated contribution rates.



2.5.3 *In determining the value of any off-sets, the City may have regard to the latest infrastructure/land rates adopted by Council, as per Provision 4.4.1 or may determine rates derived from a combination of rates adopted by Council and supplied by the subdivider.*

2.5.3.1 Developers are to acknowledge that off-sets are based on infrastructure and land envisaged to be included within the finalised DCA. The inclusion or exclusion of infrastructure, land and other cost items cannot be guaranteed by the City as final approval for a DCA is subject to the relevant statutory process. In this regard, the value of infrastructure and land provided as an off-set against an IDCA payment may need to be paid upon finalisation of the DCA should the infrastructure or item not be subsequently included within the finalised DCA.

2.6 Payment Cost Contribution

2.6.1 *The landowner, with the agreement of the City, is to pay the landowner's cost contribution by:*

- Cheque or cash;
- Transferring to the City land in satisfaction of the estimated cost contribution as per provision 4.4;
- The provision of physical infrastructure;
- Some other method acceptable to the local government; or
- Any combination of the abovementioned methods.

2.7 Legal Costs

2.7.1 *All direct and indirect costs associated with the preparation and finalisation of the requisite legal documentation for an IDCA is to be borne by the landowner of land to which the IDCA applies.*

2.8 Receipting

2.8.1 *Developers shall at all times maintain proper and itemised records of all relevant expenditure, including receipts and invoices for all relevant off-sets. Copies of all itemised records and expenditure shall be provided to the City upon request.*



Related Local Law			
Related Policies			
Related Budget Schedule			
Legislation	State Planning Policy 1 – State Planning Framework. State Planning Policy 3.6 – Development Contributions for Infrastructure. Local Planning Policy 24 – Development Contribution Areas.		
Conditions			
Authority			
Adopted		Next Review Date	