



POLICY STATEMENT: DEVELOPMENT CONTRIBUTION ARRANGEMENTS

PURPOSE: To guide the establishment and operation of City-administered development contribution arrangements

POLICY

1. Context

The City administers development contribution arrangements (DCAs) for various areas where it has been determined that the City will facilitate the shared provision of certain infrastructure among land owners.

DCAs typically involve five phases:

- **Establishment** of the arrangement
- **Assessment** of planning proposals for land in the arrangement area
- **Collection** of contributions
- **Expenditure** of arrangement funds
- **Monitoring/Review** of the operation of the arrangement

The principles of this policy, in addition to relevant State legislation and policies, will guide the City in administering DCAs through these phases.

2. Establishment

The City, in establishing a DCA, will:

2.1 Need to be satisfied that its involvement in facilitating a shared approach to the provision of certain development infrastructure through developer contribution would be in the community's best interests. This will involve consideration of a range of matters including, but not limited to:

- Land tenure
- Development potential limitations
- Potential community benefits
- Regional significance of development area and/or infrastructure
- Environmental constraints
- Involvement of other responsible authorities
- Efficiency and coordination benefits
- Financial risk
- Available resources

2.2 Where possible, encourage appropriate provision of infrastructure through imposition of approval requirements on subdivision and development proposals or by private arrangements between land owners.

2.3 Amend the City Town Planning Scheme and prepare associated documents to establish the basis for and outline the intended operation of the proposed arrangement and will consult with affected land owners as part of this process.



- 2.4 Ensure the principles of State Planning Policy 3.6 - Development Contributions for Infrastructure are applied.
- 2.5 Ensure that it can be operated effectively and efficiently with minimal City involvement and exposure to financial risk.
- 2.6 Only agree to infrastructure items being included as a shared cost for developers where their provision could not be equitably or reasonably achieved without such an arrangement.
- 2.7 Have the estimated costs of items reviewed by an appropriately qualified external professional in accordance with relevant legislative requirements and procedures as a cost to the arrangement.
- 2.8 Make contingency provision in cost estimates to cover reasonably unforeseen events and ensure a shortfall of funds does not occur.
- 2.9 Include the anticipated cost of its administration as a contribution item.

3. Assessment

The City when approving applications for development and making recommendations on applications for subdivision of land that is or is proposed to be the subject of a DCA will apply conditions requiring land owners to satisfy their obligations to make a contribution towards identified shared cost infrastructure items. This may involve entering into legal agreements to secure an owner's contribution where the parameters for operation of the DCA are not finalised. Such agreements will need to minimise the City's (and therefore the broader community's) exposure to financial risk.

4. Collection

The City in receiving a contribution will:

- 4.1 Provide a receipt of payment.
- 4.2 Maintain funds in a specific account for the DCA in accordance with legislative requirements.
- 4.3 Not accept staged payments that would create an unreasonable administrative burden for the City.
- 4.4 Not accept the value of works or land ceded for public use as a contribution offset unless satisfied that the works are suitably completed or the land is adequately secured and the agreement to credit will not prejudice the effective staged provision of shared infrastructure.
- 4.5 Publish a quarterly statement of accounts.

5. Expenditure

- 5.1 The City will seek to establish a program for completion of the identified shared cost items, determined by an assessment of the relative priority of required works.



- 5.2 The City will require land owners to take responsibility for satisfaction of regulatory requirements on subdivision and development. Where this cannot be equitably or effectively achieved and the City incurs costs in ensuring compliance, these costs will be incorporated into the DCA.
- 5.3 Claims by land owners for reimbursement for expenses incurred in providing shared cost items should be submitted in accordance with the established format and costing parameters of the DCA and suitably supported by plans and evidence of completion and costs incurred. Claims will be assessed against any works implementation or land acquisition program and reimbursement will be subject to that program and the availability of funds.

6. Monitoring/Review

- 6.1 The City will regularly review the shared cost items allowances, using independent advice where available, and if necessary adjust contribution rates to ensure sufficient funds for their completion. Affected land owners will be informed of any adjusted contribution rates and their rights of review.
- 6.2 In reviewing contribution rates, the City may tally the cost of completed and outstanding shared cost items that have not been contributed to and divide the total cost by the undeveloped area of the DCA that is yet to satisfy its contribution obligations, to ensure sufficient funds for required works or the timely completion of the DCA.
- 6.3 The City may also seek to encourage the timely completion of a DCA through various methods which may include making changes to the Town Planning Scheme to provide a means to conclude arrangements, applying a specified area rating and the imposition of caveats on property titles.

GOVERNANCE REFERENCES

Statutory Compliance	Local Government Act - Section 6.9 Planning and Development Act 2005 - Part 5 (Division 1) & Part 10 (Division 3 and 6) Town Planning Scheme No.6 - Schedule 12
Industry Compliance	State Planning Policy 3.6 - Development Contributions for Infrastructure
Organisational Compliance	N/a
Process Links	N/a

LOCAL PLANNING POLICY ADMINISTRATION

Directorate		Officer Title		Contact:	
Planning & Sustainability		Manager City Growth		9397 3000	
Risk Rating	Low	Review Cycle	Triennial	Next Due:	2014
Version	Decision To Advertise	Decision to Adopt		Synopsis	
1.	OCM 313/12/07/2011			Draft policy to be advertised for public comment for a period of not less than 21 days.	
2.		OCM 572/22/11/2011		Adopted by Council following advertising period. To guide the establishment and operation of City-administered development contribution arrangements.	
3.					