

25 November 2016

Development Contributions Policy
Western Australian Planning Commission
Locked Bag 2506, PERTH WA 6001

Dear Sir/Madam,

Revised State Planning Policy 3.6 Submission

The Committee for Perth is an influential, member based organisation driven by Perth's business and community leaders. As an advocate for a brighter, more liveable future for Perth, the Committee promotes and enables change that will improve the cultural diversity, economic prosperity, sustainability and world class amenity of Perth.

This submission has been prepared by the Committee for Perth with input from the Committee's Reshaping Working Group and *Get a Move On!* Steering Committee. These groups include stakeholders from both local government and property development who are directly impacted by State Planning Policy 3.6 (SPP3.6) Development Contributions for Infrastructure.

One of the recommendations arising from the Committee's soon to be released *Get a Move On!* report identified a requirement for State Government to review and amend SPP3.6 to provide a certain and consistent process through which local governments can access developer contributions in both infill and greenfield locations. The Committee commends the Western Australian Planning Commission (WAPC) and Department of Planning (DoP) on taking the initiative to amend this important Policy.

We thank you for the opportunity to provide feedback on what is an important document to guide planning practice that will enable local governments to access developer contributions. Should you require additional information or clarification on the Committee's submission, please do not hesitate to contact me.

Yours sincerely,



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Comments - State Planning Policy 3.6 (SPP 3.6) Development Contributions for Infrastructure

The Committee for Perth agrees that SPP 3.6 requires greater overall guidance and consistency in order to provide certainty in the requirements of both local governments and land owners to access and contribute towards the development of necessary infrastructure.

Furthermore, the Committee believes that development contributions require consistency in the approach undertaken for their collection in both greenfield and infill locations, and this needs to be reflected in metropolitan wide planning policy.

1.0 Development contributions and public transport infrastructure

SPP 3.6 currently does not allow Development Contribution Plans (DCP) to include public transport facilities as identified under Item 14 of Schedule 1: Categorisation of Infrastructure Items (page 27 of Guidelines to accompany SPP 3.6). This is in direct contradiction to the statement on page 1 of the Draft SPP 3.6 which states “New development and redevelopment needs to ensure the cost-efficient provision of infrastructure and facilities such as roads, public transport, water supply...”.

The Committee for Perth acknowledges the primary role of State Government in the provision of public transport infrastructure. While public transport infrastructure is costly to provide, if a local government is able to meet the need and nexus requirements for identified public transport infrastructure, it should be possible to include public transport in a DCP.

Most of Perth’s developed suburbs have a well-connected road network. By contrast, many existing locations are not well serviced by public and active transport, as highlighted in the Committee’s soon to be released *Get a Move On!* report. If infill targets are to be achieved, new models will be needed to finance public and active transport projects.

Developer contributions are only one part of the solution, and must be considered within a broader suite of funding models to ensure effective delivery of a well-connected movement system.

The current process to determine transport and traffic needs of a local community does not include implications of development on public transport provision, and should be amended to do so. DCPs currently prioritise road provision over public transport, potentially reflecting a historical bias towards greenfield development.

Residents in greenfield locations have an expectation that public transport infrastructure will be made available to them, which has resulted in prioritisation of the extension of rail corridors to outer and fringe suburbs and a lack of brownfield public transport projects. DCPs in greenfield locations should cover large enough areas, and long enough timeframes to consider incorporation of long-term public transport infrastructure requirements, rather than solely road. Furthermore, greenfield development should not be inefficiently subsidised for public transport by the broader tax base when there is a clear need and nexus whenever the urban zone is expanded.

The Committee therefore recommends that the WAPC and DoP amend Schedule 1 to allow DCPs to incorporate public and active transport facilities, where appropriate. The inclusion of public transport in a DCP should not hinder new development. One option that could be considered is a transport contribution with funds allocated in a manner similar to the Perth Parking Levy.

2.0 Section 5.3 Imposition of development contributions

Under Section 5.3 of the Draft SPP 3.6, the timeframe for applying contributions has identified that they may be applied during the strata subdivision stage. Through consultation with the aforementioned groups, it has been identified that this is too late in the process and has the potential to affect project viability and profitability. The Committee therefore recommends that the Draft SPP 3.6 be amended to remove the ability to seek contributions during strata subdivision.

To avoid development feasibility impacts, the process in which developer contributions are applied need to be clearly defined with agreed timeframes so that costs can be included during project feasibility rather than during the development phase.

3.0 Section 5.4 Characteristics of a development contribution plan

The amendment of a Local Planning Scheme (LPS) to include a DCP is a timely and complex process. There is concern regarding the ability (skillsets, expertise and governance) of some local governments to complete the process of amending their LPS in a timely manner to include a DCP, and therefore receive developer contributions for necessary infrastructure. This is currently reflected in the limited amount of LPSs that contain a DCP.

The Committee recommends that the WAPC and DoP consider ways in which to further provide guidance to local governments looking to amend their LPS to incorporate a DCP.

The Committee supports the identified requirements for DCPs to contain “a commitment to providing the infrastructure in a reasonable period” (bullet point 4), as currently land offered as a development contribution can remain vacant for too great a period, which impacts local amenity and results in infrastructure not being provided in a timely manner. This timeframe could be determined by a specified number of years, or tied to a certain level of development, i.e. after the construction of x number of dwellings.

4.0 Section 5.6 Form of contributions

Bullet point 2 of this section identifies that a development contribution may be provided by “... constructing infrastructure works to be transferred to a relevant government agency on completion”. In addition to this, the Committee recommends that a development contribution may be provided by constructing infrastructure works that the developer retains ownership of. This could allow for greater provision of community infrastructure in a timely manner, while removing to some extent the financial burden on the developer and the consequential management and maintenance costs for the local government.

Infrastructure outcomes should be mandated through planning conditions, and a legal agreement or other means should be in place to ensure the infrastructure is retained as long as there is an identifiable need. A DCP must be structured to ensure the early provision of infrastructure by the private sector, where a need has been identified, and should not be used as an excuse to delay the provision of necessary amenities.

There should be scope within a DCP to involve the community during the decision making process as to which infrastructure projects are prioritised for development, where more than one project is necessary. This should enable the purchasers within new developments to have a say, along with existing residents to ensure community involvement.

5.0 Development contributions and precinct planning

Precinct planning has been identified as one potential solution towards application of development contributions in infill locations, however this does not mean that further precinct planning is necessarily required as this may be an added cost and impost on local government. The application of precinct planning for development contributions would avoid burdening a small number of developments to meet the costs of necessary infrastructure. This would provide long-term certainty as to the future requirements of a larger community, however the timeframe for delivery would need to be extended beyond the 5-10 years identified within the Draft SPP 3.6.

The application of precinct planning over a larger area will allow for consideration of the flow on effects of increased density on the wider community and the necessary transport infrastructure requirements at 'funnel points'. Suburbs adjacent to new developments are impacted by increased traffic flows and this needs to be taken into consideration during DCP preparation.