

6. MOTIONS OF WHICH NOTICE HAS BEEN GIVEN:

SCM001/09/11	ESTABLISHING A FRAMEWORK FOR DEVELOPER CONTRIBUTIONS TOWARDS COMMUNITY INFRASTRUCTURE IN THE BYFORD STRUCTURE PLAN AREA (A1862)	
Owner:	N/A	In Brief For Council to consider: 1) Options in progressing Community Infrastructure in the Byford Structure Plan area. 2) Endorse the recommended option to include District Open Space into the Traditional Development Contribution Arrangement and Plan; 3) Note that a further report will be presented to Council by December 2011 on a Community Infrastructure Development Contribution Arrangement for the Byford Area; and 4) Undertake a Shire-wide Community Infrastructure Development Contribution Arrangement and Plan in 2012.
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Date of Report	26 September 2011	
Previously	August 2006 (CFSP) February 2009 (CFSP)	
Disclosure of Interest	No officer involved in the preparation of this report is required to declare an interest in accordance with the provisions of the Local Government Act	
Delegation	Council	

Background

The Shire is currently experiencing significant growth. Byford currently has a population of approximately 8,400 people which is expected to increase to 29,091 by 2031 (ABS, 2006; id. forecast, 2011).

Community facilities and services are essential to the health, wellbeing and long term sustainability of communities. Local Government is looked upon as a key provider and manager of community and sporting facilities. While there are expectations for Local Government to respond to this growth, there are significant resource implications.

In an effort to achieve a coordinated and responsible approach to planning for the Shire's future growth, the Community Facilities and Services Plan to 2020 (CFSP) was developed through extensive stakeholder engagement and adopted in February 2009 as the principal guide for facilities and services provision for a population of approximately 50,000.

In parallel with the formulation and finalisation of the CFSP, subdivision and development has been progressing in the Byford area. Since 2005, when the Byford District Structure Plan (BDSP) was adopted, Byford has grown to approximately 4,000 residential lots. In accordance with work undertaken by id. forecast and the figures for lot calculations from

subdivision and development applications, an approximate additional 9,000 residential lots are anticipated by the year 2031.

The Shire has substantially progressed a contribution arrangement for the provision of 'traditional infrastructure' for the BDSP Area, having been advertised for stakeholder comment in late-2010/early-2011. A number of submissions were received during the advertising period of the Traditional Byford Development Contribution Arrangement (DCA), which included the associated Development Contribution Plan (DCP) Report and Amendment 168 to Town Planning Scheme No.2 (TPS2). The progression of the traditional DCA for the BDSP Area is the subject of a separate report to Council – *SCM003/09/11*.

As part of the State Government's planning framework, State Planning Policy 3.6 (SPP3.6) was progressed in conjunction with industry stakeholders over a number of years and was gazetted in November 2009. The gazettal of SPP 3.6 effectively provided a statutory basis for the collection of funds from subdivision and development toward the provision of 'community infrastructure'.

It is now a critical phase in the Shire's planning for future growth. There is a need to establish funding and delivery mechanisms for community infrastructure, not only within the locality of Byford but also a clear path forward for communities facilities Shire-wide. There are a number of options available that the Shire could pursue based on the work previously completed as part of the CFSP. Options include but are not limited to continued negotiation with the private sector, applications for grant funding, utilisation of municipal funds, loans, and the establishment of development contribution arrangements.

With the anticipated growth in Byford, it is important that a direction be determined for community infrastructure funding and delivery as quickly as possible for the benefit of the community and all stakeholders. To not make a timely decision, would have serious implications for the Shire's ability to deliver community infrastructure.

This report provides Council with the opportunity to consider a number of different options for the delivery of community infrastructure and establish a path forward that can be progressed in conjunction with relevant stakeholders.

Sustainability Statement

Effect on Environment: The CFSP is underpinned by sustainability principles and local cultural values. It aims to enhance the built and social environment without being detrimental to the natural environment.

Resource Implications: The CFSP aims to strategically plan for the future through a staged and sustainable approach to resource allocation.

Use of Local, renewable or recycled Resources: The CFSP considers local facilities and services, and will allow local businesses to tender for future works.

Economic Viability: The CFSP aims to ensure value for money. The proposed strategic and sustainable provision and maintenance of community facilities and services, in partnership with land developers, other agencies and the community will enable the projects to be economically viable. Further investigations into the standards of provision and costings since the adoption of the CFSP have also helped to ensure costings are up to date.

Economic Benefits: The CFSP stages the provision of facilities and services which will generate employment opportunities, enhance tourist opportunities and provide local resources that would otherwise not be available.

Social – Quality of Life: The CFSP, for the sustainable provision of community facilities and services for the Shire to 2020, aims to meet the needs of a strongly connected community, preparing for rapid growth. It is underpinned by local cultural values, strong community engagement principles, a wide view of what constitutes future facilities and services and aims to enhance the quality of life for residents.

Social and Environmental Responsibility: The CFSP is based on partnerships and its implementation will broker further partnerships. The community continue to be involved in the feasibility, implementation & monitoring stages.

Social Diversity: The CFSP aims to provide for the social diversity of a rapidly growing and changing population.

Statutory Environment: TPS2
SPP 3.6

Policy/Work Procedure Implications: No work procedures/policy implications directly related to this application/issue.

Financial Implications: Significant financial implications associated with the different options for the delivery of community infrastructure within the locality of Byford and across the whole municipality. The financial implications are discussed in greater detail later in this report.

Strategic Implications:

This proposal relates to the following Focus Areas:-

Vision Category	Focus Area	Objective Summary	Objective
BUILT ENVIRONMENT			
	Land Use Planning		
		Rural Villages	Preserve the distinct character and lifestyle of our rural villages and sensitively plan for their growth.
			Ensure land use planning accommodates a vibrant and diverse range of activities and employment opportunities.
		Buildings	Invest upfront in the creation of vibrant, interactive public places and spaces that demonstrate the type of development envisaged by the community.
			Plan for the creation and preservation of iconic buildings and places that add to our sense of identity.
		Landscape	Provide a variety of affordable passive and active public open spaces that are well connected with a high level of amenity.
		General	Facilitate the development of a variety of well planned and connected activity centres and corridors.
			Ensure land use planning accommodates a diverse range of lifestyle and employment opportunities and activities.
			Rationalise existing, and responsibly plan new, public open spaces to ensure the sustainable

Vision Category	Focus Area	Objective Summary	Objective
			provision of recreation sites.
			Collaborate in the development of State planning proposals and lobby for the protection of Serpentine Jarrahdale's unique attributes.
			Encourage innovative solutions, technology and design.
	Infrastructure		
		Asset management	Continually improve the accuracy of the long term financial Plan for the Future by accommodating asset management plans that are developed.
			Ensure all decisions are consistent with the long term financial Plan for the Future.
			Ensure asset management plans extend to whole of life costings of assets and reflect the level of service determined by Council.
		Water Management	Minimise the use of piped and artificial drainage and its impact on the landscape.
			Promote, implement and celebrate best practice integrated water cycle management.
			Create low maintenance living streams and ephemeral wetlands.
			Where appropriate, create road side swales that add to the visual amenity, habitat, water quality and recreational enjoyment of the urban environment.
			Ensure infrastructure planning and design protects the community from flooding.
		Partnerships	Develop partnerships with the community, business, government agencies and politicians to facilitate the achievement of the Shire's vision and innovative concepts.
			Proactively and positively negotiate mutually beneficial outcomes with the development industry.
			Continue to work with funding agencies to secure grants for projects.
			Interact with professional and industry bodies to keep abreast of best practice.
			Establish, implement and maintain effective developer contribution schemes.
OUR COUNCIL AT WORK			
	Leadership		
		Leadership throughout the organisation	Elected members and staff have ownership and are accountable for decisions that are made.
			Our structure, processes, systems and policies are aligned with the Plan for the Future.
			Our structure, processes, systems and policies are based on the "keep it simple" principle.
			We are realistic about our capacity to deliver.
			All decisions by staff and elected members are evidence based, open and transparent.
			The elected members and staff operate from a common understanding of sustainability.
			The Shire will further establish itself as an

Vision Category	Focus Area	Objective Summary	Objective
			innovative leader.
			The Shire will set policy direction in the best interests of the community.
		Society, community and environmental responsibility	The elected members provide bold and visible leadership.
			The Shire will further establish itself as an innovative leader in social, community and environmental responsibility.
			The Shire will lead regional cooperation and resource sharing.
			The Shire is focussed on building relationships of respect with stakeholders.
	Strategy and Planning		
		Strategic Direction	Prepare effectively for future development.
			Position the Shire to be responsive and resilient to changes in State or Federal policy direction.
			Create innovative solutions and manage responsibly to aid our long term financial sustainability.
			Consider the regional delivery of services in the acquisition of compatible infrastructure and assets.
		The Planning Process	Develop comprehensive governance policies and strategies.
			Prioritise and integrate the financial implications of policy and strategy into the fully costed Plan for the Future.
			Create dynamic, adaptable policy and processes to aid rigour, currency and relevance.
		Achieving Sustainability	Ensure that elected members and staff are outcome focussed.
			The Shire will exercise responsible financial and asset management cognisant of being a hyper-growth council.
			Position the Shire to be responsive and resilient to changes in State or Federal policy direction.
			Develop a clear, robust, well researched evidence base which demonstrates our uniqueness and sustainability.
			Address the barriers to doing business in a positive way.
PEOPLE AND COMMUNITY	Knowledge and Information		
		Generating, collecting and analysing the right data to	Ensure the full costs are known before decisions are made.

Vision Category	Focus Area	Objective Summary	Objective
		inform decision making	
			Understand current and future costs of service delivery.
			Understand the needs of stakeholders.
			Develop systems for data capture and analysis.
		Creating value through applying knowledge	Ensure evidence based decision making
PEOPLE AND COMMUNITY			
	Wellbeing		
		Healthy	Promote a variety of recreation and leisure activities.
			Enable the provision of a range of facilities and services for families and children.
		Happy	Encourage youth participation in community activities, groups and networks.
			Achieve a sense of belonging through active networks and community groups.
			Build the community's capacity to create vibrant places through activities and events. Develop well connected neighbourhood hubs and activity centres.
			Empower people to represent their community of interest.
			Foster positive working relationships with and between volunteers.
	Relationships	Empower	Build strong relationships that are resilient to the pressures and challenges of growth and "breaking new ground".
			Ensure community spaces and places are accessible and inviting.
	Places	Vibrant	Plan and facilitate the provision of a range of facilities and services that meet community needs.
			Ensure community spaces and places are accessible and inviting.
			Build the community's capacity to create vibrant places through activities and events.
			Enable a diverse range of places that accommodate a variety of active and passive recreational pursuits.
			Plan and facilitate the provision of a range of facilities and services that meet community needs
			Ensure community spaces and places are accessible and inviting.
		Innovative	Enable and develop sustainable, multipurpose facilities where duplication is minimised. Promote and encourage the development of affordable and appropriate lifelong living environments.
		Distinctive	Recognise, preserve and enhance the distinct characteristics of each locality.
			Encourage the use of the arts to express our cultural identity.
			Enable and develop sustainable, multipurpose facilities where duplication is minimised.

Community Consultation

The formulation of the CFSP incorporated extensive stakeholder engagement as indicated in the section following. Whichever direction and path forward that Council may choose to pursue, effective stakeholder engagement will be critical and will be undertaken on an ongoing basis. Critical phases include feasibility, design, funding, delivery and maintenance.

Comment

In considering the planning for community infrastructure the Byford area, there are a number of matters that need to be explored, as follows:

1. General history of planning for community facilities and services within the Shire;
2. Formulation of the Shire's Community Facilities and Services Plan;
3. Lessons from the experiences of other local governments;
4. Evolution of SPP 3.6;
5. Anticipated expectations of the community for moving forward from here;
6. Anticipated expectations of the development industry for moving forward from here;
7. Standards of provision;
8. Financial capacity for the delivery of CFSP in a timely manner;
9. Potential range of different opportunities for funding;
10. Role of partnerships;
11. Discussion paper evaluation of different options;
12. Fully Costed Scenarios Associated with the Development of Options outlined in the Discussion Paper;
13. Preferred Option and steps involved in formulating and finalising a 'development contribution plan';
14. The historical approach incorporated into Amendment 150; and
15. Cost apportionment methodology for proportional contributions.

Each of these are matters are explored in greater detail in the following sections.

1. General History of planning for community facilities and services within the Shire.

There is an extensive history of planning for facilities and services within the Shire, dating back over the last 20 years, which is outlined in Report 1 of the CFSP. The studies have included, but are not limited to the *Serpentine Jarrahdale Shire Sport and Recreation Needs Study (1995)*, the Shire's Trails Masterplan (1999), the *Disability Services Plan (2000)*, and the *Serpentine Jarrahdale Shire Youth Advisory Council Strategic Plan (2007-2009)*.

2. Formulation of the Shire's Community Facilities and Services Plan.

In 2006, the Shire appointed *CCS Strategic Management* in conjunction with *Geografia*, as follows:

SD014.2/08/06 COUNCIL DECISION

Council awards the tender to CCS Strategic Management in association with Geografia, for a total fee of \$93,301.91 (ex GST), for the Serpentine Jarrahdale Shire Community Facilities and Services Plan to 2020.

The overarching objective of the CFSP was to provide a co-ordinated approach to the delivery of facilities and services to meet the needs of both existing and future communities. The CFSP recognised the traditional and emerging local government responsibilities, the value of developer contributions to community infrastructure and documented facilities anticipated to be provide by the State Government. In a departure from other approaches, the CFSP also considered private sector services (e.g. retail, personal services, and

professions and their relationship to the wider suite of required services and facilities needs within the Shire.

The CFSP evolved from an intensive 18 month process that involved extensive community and stakeholder consultation, demographic analysis, policy and literature review, needs assessment and financial modelling. The consultation process included:

- Ten locality based community workshops
- Telephone, online and community organisation surveys
- Shire and government agency staff workshops
- Councillor workshops/information sessions
- Workshop/information sessions with land developers
- One-on-one meetings with key stakeholders and community groups

A key aspect of the study methodology was an analysis of likely population growth scenarios. This was used as the basis for determining high and low growth revenue scenarios for the Shire. In addition a detailed audit of existing facilities was undertaken and refurbishment requirements identified. This was accompanied by a review of relevant literature to determine previously discussed needs and appropriate provision standards.

Based on this information a series of needs were determined and prioritised. Cost estimates were provided in 2007 values and escalated against an implementation schedule to 2020. Using a cost-sharing funding model developed by the Western Australian Local Government Association (WALGA) and the Urban Development Institute of Australia (UDIA), cash flow scenarios have been determined to 2020. This is accompanied by revenue and loans capacity scenarios for the Shire.

Based on this process a series of reports (available on the Shire website) were prepared comprising of:

- Report 1 - Literature Review, Trends and Values, Demographic, Facilities and Services Audit
- Report 2 - Consultation Outcomes and Demand Analysis
- Reports 3 & 4 - Needs Assessment, Costs and Funding
- Report 5 – Community Engagement, Access, and Inclusion
- Report 6 – Executive Summary

While the time horizon adopted for this plan is 2020, it takes into account the estimated full build out population. Although estimates of future needs and costs have been made on the best available information at the present time, with such long time horizons, alternative solutions will emerge and additional needs will be identified as the area evolves. Based on the latest information it is recognised that there are differences between the population projections as outlined in the CFSP and what has actually occurred.

As such, the plan has been developed as a guide for future planning based on population thresholds. Ideas and proposals were identified as needing to be justified on their individual merits and at times through more detailed feasibility assessments and consultative processes. The plan was also identified as being needed to be reviewed on a regular basis. Council at its meeting of February 2009 considered the CFSP, and passed the following resolution:

"SD071/02/09 COUNCIL DECISION

*Moved Cr Twine, seconded Cr Murphy
That Council:*

1. *Endorse the Serpentine Jarrahdale Community Facilities and Services Plan to 2020 (as per electronic attachments marked SD071.1/02/09 to SD071.9/02/09) as a guide for future financial, strategic land use and community planning decisions. The following ten recommendations from CFSP Report 6 are to be considered through the Plan for the Future process:*
 - (a) *Adopt the notional themes for the main localities developed in the CFSP 2020 as the basis for future facilities and services planning*
 - (b) *Adopt the list of facilities and services and the proposed timing outlined in Sections 6 and 7 of the CFSP 2020 (Report 6) to guide ongoing planning and development decisions*
 - (c) *Expedite negotiations with land developers to finalise the proposed funding model outlined in Section 8 of the CFSP 2020 (Report 6)*
 - (d) *Establish the proposed governance structure outlined in Section 9 of the CFSP 2020 (Report 6) to oversee its implementation*
 - (e) *Seek appropriate advice and Council support for loan funding to assist finance the CFSP 2020 (Report 6)*
 - (f) *Ensure that relevant state and federal government agencies are aware of the unique financial and resource constraints faced by the Shire*
 - (g) *Establish the proposed Futures Office as soon as practically possible to take carriage of the implementation of the infrastructure and economic development components of the CFSP 2020*
 - (h) *Appropriately resource the Shire's Community Development section to assist with the implementation of the CFSP 2020*
 - (i) *Develop project briefs for a suite of additional studies and plans to ensure that the 'hard infrastructure' components of the CFSP 2020 are supported by well developed 'soft infrastructure' programs and activities*
 - (j) *Continue to work with the community and other stakeholders to refine and implement the central findings and recommendations of the CFSP 2020.*
2. *Forward a copy of the Plan to the relevant government agencies, organisations and developers."*

The specific needs of the Byford Area were identified in Reports 3 and 4 of the CFSP.

A relevant extract from the CFSP for the Byford Area is provided as an attachment marked [SCM001.01/09/11](#)

Based on work completed by a quantity surveyor, projected costs per facility were identified in reports 3 and 4.

The projected costs, in 2007 dollars, is with attachments marked [SCM001.02/09/11](#)

Since the finalisation of the CFSP, the Shire has continuously sought to integrate the recommendations and actions into its corporate strategic planning, such as the *Plan for the Future 2009-2014* and the '*Fully Costed Plan for the Plan 2011/12 to 2014/15*'. In addition, the CFSP has been used as a basis for land use planning decisions, including the preparation and finalisation of local structure plans in the Byford area and the District Structure Plan for Mundijong/Whitby.

The various options and cost estimates that have been referenced in the discussion paper have been based on the CFSP combined with new information that has since come to light through updated population projections, site specific cost estimates, stakeholder feedback and other feasibility work.

These options and cost estimates are provided later in the agenda item.

3. Lessons from the experiences of other local governments

A number of other local governments have been heading down the path of preparing contribution arrangements based on documents similar to the CFSP for community infrastructure delivery. It is understood that at the time of writing this report:

- The gazettal of a DCA arrangement for the City of Cockburn is imminent;
- The WAPC is currently reviewing a DCA for the Town of Kwinana;
- The City of Wanneroo is progressing a DCA for future growth in the Alkimos-Eglinton Area;
- The City of Armadale/Armadale Redevelopment Authority have had approved and gazetted a DCA; and
- The City of Swan has prepared a DCA for the West Swan area.

From liaison with both local government practitioners and stakeholders within the development industry, a number of key messages have been shared as follows:

- Keep community and traditional infrastructure separate where possible;
- The importance of working with industry in a transparent manner; and
- The importance of understanding both community needs and aspirations.

Cost estimates and standards of infrastructure provision have been considered in the light of a number of factors including other local government provision. Significant variations are evident across Local Government areas. The Shire is proposing a reasonable approach that would be of a generally accepted standard of provision in Western Australia. This is further discussed later in the report with respect to standards and cost estimates.

It has to be acknowledged that information received from other local governments may have a particular perspective and/or relevance to a particular situation and naturally are not binding on the Shire in any way. It is important however, that stakeholders remain mindful of the broader context for any contribution arrangement that may be progressed for areas within the Shire, and where possible avoid any obvious potential difficulties.

4. Evolution of State Planning Policy 3.6

SPP 3.6 was partly prepared in recognition of the fact that the capacity of local governments to provide the additional infrastructure and facilities necessary to accommodate future growth and change is limited. As a result, local governments have been increasingly seeking to apply development contributions for the construction of infrastructure and facilities beyond the standard requirements. These include items such as car parking, community centres, recreation centres, sporting facilities, libraries, and other such facilities.

Local governments indicated that they need more guidance on the scope and framework for development contributions of this nature. The development industry also pointed to the need for greater consistency and transparency in charging developers because of the potential impact on housing affordability and to avoid inequity arising from new residents subsidising existing residents.

SPP3.6 followed a joint study into development contributions undertaken by the Urban Development Institute of Australia (UDIA), Western Australia Local Government Association (WALGA) and the Department of Planning (DoP) to address these issues.

A copy of State Planning Policy 3.6 is with attachments marked [SCM001.03/09/11](#)

Development contributions have historically been sought for items of infrastructure that are required to support the orderly development of an area. Standard requirements include

roads, water and sewerage facilities, utilities, public open space and other items that are listed in Appendix 1 to SPP 3.6. These standard requirements and the practice of requesting them remain unaffected by the new provisions of the policy.

Development contributions for infrastructure items may only be requested in accordance with the terms of SPP 3.6. That is, contributions may only be sought for such items to the extent that they have been identified in a development contribution plan which has been incorporated into a local planning scheme, or otherwise through voluntary agreement with the relevant developer/s. Community infrastructure is defined as:

“the structures and facilities which help communities and neighbourhoods to function effectively, including:

- *sporting and recreational facilities*
- *community centres*
- *child care and after school centres*
- *libraries and cultural facilities; and*
- *such other services and facilities for which development contributions may reasonably be requested having regard to the objectives, scope and provisions of the policy”.*

Based on SPP 3.6 development contributions can be sought for:

- a new item of infrastructure;
- land for infrastructure;
- an upgrade in the standard of provision of an existing item of infrastructure;
- an extension to existing infrastructure;
- the total replacement of infrastructure once it has reached the end of its economic life;
- other costs reasonably associated with the preparation, implementation and administration of a development contribution plan.

The Shire’s CFSP was developed in parallel with SPP 3.6 and has sought to provide recommendations for both infrastructure funding and delivery on the principles outlined in SPP 3.6

SPP3.6 states the following:

“A development contribution plan does not have effect until it is incorporated into a local planning scheme. As it forms part of the scheme, the Town Planning Regulation 1967, including advertising procedures and the requirement for ministerial approval, will apply to the making or amendment of a development contribution plan.”

Development contribution plans require that:

- *there is a clear and sound basis with linkages to the local government’s strategic and financial planning processes;*
- *there is justification for the infrastructure identified in the development contribution plan;*
- *the costs of infrastructure are appropriate;*
- *there is a commitment to providing the infrastructure in a reasonable period;*
- *the development contribution area to which the development contribution plan applies is appropriate;*
- *cost-sharing arrangements between owners in the development contribution area are fair and reasonable; and*
- *there is consultation with the owners affected by the development contribution plan.*

It is understood that SPP 3.6 is currently under review by the Western Australian Planning Commission (WAPC).

5. Anticipated expectations of the community for moving forward from here

In 2010, Serpentine Jarrahdale Shire conducted a Community Perceptions Survey with 400 residents to evaluate and monitor performance across a range of services & facilities. The survey was conducted by CATALYSE® Pty Ltd and provides the Shire with valid performance measures that can be benchmarked and consistently monitored over time.

The survey outcomes demonstrated that:

- Satisfaction remains low in terms of services and facilities for youth with 30% respondents satisfied and 49% of respondents dissatisfied;
- For access to services and facilities for people with disabilities, the level of satisfaction is also low with 53% of respondents dissatisfied and 28% of respondents satisfied;
- In terms of facilities and services available for seniors, 35% of respondents were satisfied and 46% of respondents were dissatisfied;
- The respondents also communicated that 35% were satisfied and 46% dissatisfied in how the community is being developed. It is noted that the survey results indicate that there is greatest room to improve satisfaction among those living in the South, Byford and Central Wards, and among empty nesters and families with younger children;
- In relation to community building halls and toilets; 56% of respondents were satisfied and 26% of respondents dissatisfied, while for sporting grounds, reserves and ovals, 59% were satisfied and 29% were dissatisfied, with satisfaction being highest among seniors and those living in the Central Ward, and greatest room to improve being with those who have children;
- In terms of parks; 46% of respondents were satisfied and 39% of respondents were dissatisfied; and
- For the way in which the Byford Town Centre is being developed, 35% of respondents were satisfied and 53% were dissatisfied, with there being greatest room to improve satisfaction amongst empty nesters and those living in Byford Ward.

6. Anticipated expectations of the development industry for moving forward from here

Based on submissions received from the development industry via the local governments, it is understood that there is the expectation that any developer contribution plan will adhere to the governing principles of SPP 3.6. In addition, the development industry expects that any impact on housing affordability will be taken into consideration and that any process should be robust and open.

Land developers were actively engaged in the development of the CFSP, with a number of developers contributing to the project and the majority of developers at that time participating in a series of workshops.

Developers have also been actively engaged in the traditional DCP process through a number of discussions from the early 2000's and were also provided with a submission opportunity through the 2010 advertising period.

A number of stakeholders would have the expectation that traditional and community infrastructure contribution arrangements would be kept separate.

To combine some or all of the different elements of a potential traditional DCA with a community DCA, would constitute a change in direction by the Shire. Should this occur, it is recommended that the Shire should explicitly outline any change in direction and provide a clear rationale and explanation accordingly. The Shire recognises that a key principle for any contribution arrangement is openness and transparency.

Existing stakeholder expectations will in part be based on past resolutions of Council, including the initiation of Amendment 150 in 2006, and the initiation of Amendments 167 and 168 in 2009. In addition, expectations may be based on the report presented to Council when the CFSP was presented for adoption in 2009. Relevant extracts from the report to Council are presented below.

"What is not being locked in at this stage is the detail of individual items in terms of design, timing and costings. The recommendations, which are all underwritten with a specific recommendation to undertake a detailed feasibility study, aim to provide the starting point from which feasibility studies and debate can work out the detail of each project. The Byford Hall and the Mundijong Changerooms feasibility studies are the first two examples of how this could work. The CFSP recommendation is considered as part of the feasibility study, but the final design and finances required are likely to be different to the notional figure in the CFSP report, as it was in both these cases.

The implementation process comprises two main outcomes that together create a continuous evaluation loop within the overall PFF process. One outcome is the consideration and approval of the feasibility studies which are to be programmed to be undertaken the following year. The other outcome is the consideration and endorsement of projects to be implemented, based on the results of the feasibility studies already undertaken.

Once SPP 3.6 has received final approval by the Minister for Planning, contributions towards community infrastructure need to be considered as part of any future Developer Contribution Plans. In the interim, contributions towards any community facilities will need to be negotiated with developers, as is currently the case for Byford."

There is the expectation from the development industry that the Shire will make all reasonable endeavours to finalise the existing development contribution arrangement for the Byford Structure Plan Area at the earliest opportunities.

7. Standards of provision

Cost estimates for all infrastructure and standards of infrastructure provision have been considered in the light of a number of factors including industry and other local government provision. Significant variations are evident across Local Government areas. The Shire is proposing a reasonable approach that would be of a generally accepted standard of provision in Western Australia. This approach considers the basic elements of:

- Land size;
- That the facilities are constructed so that they function in all conditions; and
- Where grassed areas are proposed that they will be able to be effectively irrigated.

The following cost estimates at this stage are a guide for discussion. Unit rates are primarily based on Rawlinsons Australian Construction Handbook and similar projects planned by other local government authorities. More accurate costings will be provided as part of the actioning of a Scheme Amendment pending the outcome of this Special Council Meeting.

Detail needs pertaining to community facilities were based on the following documents and standards:

- Department of Education standards;
- Advice from the Department of Sport and Recreation;
- National AFL guidelines;
- Victorian AFL standards;
- Wanneroo Local Planning Policy for Public Open Space; and
- Other Local Government examples.

To provide guideline cost estimates for ovals, the following assumptions have been made:

- Each site will have 1.5m gradient across the site which will be required for clear, cut and fill;
- Provision is for training level lighting for different sports (with the ability to be upgraded to competition level pending external funding);
- Car parking and access roads are bitumen;
- Subsoil drainage and irrigation for select areas are included;
- Landscaping with playground area;
- Provision for stolons which include soil preparation and loam for playground and buffer areas;
- A senior oval is based on 5ha (50,000m²);
- A junior oval is based on 3ha (30,000m²);
- Provision for bore and pump; and
- Services and other utilities having not been provided to the site.

It is noted that some of the above elements were not included in the original costings in the CFSP.

Ongoing discussions are underway in order to ensure benchmarking against other local governments as their DCAs progress. This will further assist the provision of more accurate costings beyond the estimates currently provided as a guide and with more accurate detail in regards to service provision.

8. Financial capacity for the delivery of CFSP in a timely manner

The CFSP, in 2007 dollar terms, outlines a capital cost total of \$66 million as being required to adequately meet the community facilities and service needs of the Shire to 2020.

Together with costs for specialist staff and ongoing maintenance of facilities created to meet community need, and escalated costs through to 2020, the total CFSP implementation requires \$208 million comprising capital costs of \$163 million (escalated from \$66 million in 2007), specialist staffing costs of \$15 million and additional maintenance costs for new infrastructure of \$30 million.

As identified in the cash flow analysis within the CFSP, it is anticipated that there would be a cash flow related shortfall of \$43 million in order to enable the plan to be fully implemented.

A copy of Report 3 and 4 detailing Cash Flow Analysis is with attachments marked [SCM001.4/09/11](#)

It is noted within the CFSP that a number of assumptions have been made including the rate of the Shire's development and the Shire's ability to allocate proportions of borrowing capacity or revenue to community infrastructure due to many other competing demands. Other assumptions include land acquisition, unknown contingencies, maintenance of current

facilities and services and replacement funds for new and existing infrastructure which are not catered for.

To meet the community's facilities and services needs, funding for community infrastructure through rates alone will be inadequate and the Shire will need to pursue all possible funding avenues. These include:

- Loans
- Partnerships
- Property Sales
- State and Federal Grants
- Developer Contributions

Complementing the pursuit of alternative funding mechanisms, the Shire may consider a reduction in the extent of facilities, exploring options for private sector provision (e.g. Swim School) and/or flat-lining (selected deferment of projects) the construction schedule. Due to new development data indicating slower land development within Byford, the timing of most of the items in the CFSP will be postponed to a later date.

9. Potential range of different opportunities for funding

As outlined in Report 5 of the CFSP, there are a range of funding and grant opportunities available to the Shire. Detailed below is a list of potential partners for identified facility needs. Appendix 1 also provides a list of funding sources for events, activities and other services the Shire may develop over time.

A copy of Report 5 details a list of potential funding partners identified in the CFSP is with attachments marked [SCM001.05/09/11](#)

Some obvious options for the Shire to submit applications to include:

- Department of Sport and Recreation
- Arts WA
- Healthway
- Department of Local Government and Regional Development
- Department of Housing and Works
- Department of Education and Training
- Sustainable Energy Office
- Office of Crime Prevention
- Peel Development Commission
- Federal Funding Programs including, DOTARS Regional Partnerships
- Lotterywest
- Heritage Council
- National Trust
- Peel Community Fund
- Local Industry, businesses & philanthropists
- Fire and Emergency Services Association (FESA)

There is also a raft of private sector institutions that have established funding programs. It needs to be acknowledged that while there are a range of external funding opportunities available, there is:

- No guarantee that any particular funding will be secured, making the development of forward financial plans and capital works plans difficult to prepare and implement

- There are significant resource implications associated with securing, managing and reporting on external funds.

It will be important for Council to establish a formal policy position in the future with respect to handling of grant funding with relation to developer contribution arrangements.

10. Role of partnerships

Partnerships with the private sector, not for profit sector, state and federal government will be critical to the implementation of the CFSP. The nature of these partnerships will need to be multi-faceted. They may include formal memorandums of understanding, funding agreements and a general exchange of information.

Community Groups are vital for engaging the wider community in a range of areas, and fostering a sense of pride in the community, and play a vital role in the implementation of the Community Facilities and Services Plan to 2020.

Positive relationships with the private sector will be critical to meeting the aspirations of the local community, particularly since the majority of their needs are non-government services. Core relationships in this regard will be those with land developers relating to urban design, facilities provision and community development activities.

11. Discussion paper evaluation of different options

There are a number of different options available to Council. In order to provide Council and other stakeholders with an open, transparent and comprehensive evaluation of the different options, a discussion paper has been prepared.

A copy of the discussion paper is with attachments marked [SCM001.6/09/11](#)

12. Fully Costed Scenarios Associated with the Development of Options outlined in the Discussion Paper

As identified within Part 8 of this Agenda Item, *Financial capacity for the delivery of CFSP in a timely manner*, further work has been undertaken to prepare cost scenarios associated with each Option presented as identified within the Community Infrastructure Discussion Paper.

A copy of the summary table for each community infrastructure delivery model is provided in attachment marked [SCM001.7/09/11](#)

Based on 2011 calculations, the cost estimates anticipated for the provision of community infrastructure within the Shire is anticipated is to the total of \$75,306,293. Forming part of this calculation, it is anticipated that the development of district open space ovals and sporting fields is to the valued of \$12,564,908.

As identified within the summary table, the costs attributed to Developers, Shire and Other stakeholders are projected. Costs for all community infrastructure is divided into Whole of Shire community infrastructure items and those relating directly to Byford. Please note that cost estimates are provided in good faith based on estimates and best available information.

13. Preferred Option and the steps involved in formulating and finalising a developer contribution arrangement

As identified in the community discussion paper, the accompany risk assessment matrix and fully costed scenarios for each development option, *Option 7 – Traditional DCA with*

District Open Space and Community Infrastructure for DCA for Balance of Byford Area Specifically as the preferred option.

This option will involve the inclusion of District Open Space within the Traditional DCA and for the preparation of a separate Community Infrastructure Developer Contribution Arrangement for the Byford area and an additional Community Infrastructure Developer Contribution Arrangement for the balance of the Shire.

A DCA shall only come into full effect once it has been incorporated into a Town Planning Scheme, by way of a Scheme Amendment.

In accordance with SPP 3.6, a local government is required to:

- Identify infrastructure needs, through a community infrastructure plan.
- Determine catchment for each item of infrastructure, again through a community infrastructure plan.
- Determine cost of providing infrastructure, through a capital expenditure plan.
- Apportion costs using demand analysis and portion of demand attributable to existing and new areas.
- Incorporate development contribution “contributions area” and plans into local planning schemes.

In the instance that Council elects to head down the path of establishing a new DCA for community infrastructure in the Byford area, the following will need to occur:

1. Preliminary cost estimates for infrastructure and cost apportionment methodology will need to be finalised.
2. A formal TPS amendment document will need to be developed.
3. A formal ‘Development Contribution Plan Report’ will need to be developed.

14. Historical approach incorporated into Amendment 150

Council in 2006 resolved to initiate Amendment 150, as follows:

OCM035/04/06

- A. *Council notes the decision of the Minister for Planning and Infrastructure in relation to Amendment 113 to TPS 2.*
- "2. *Introducing a Byford Development Contribution Plan into Appendix 16 of the Scheme Text as follows:*

16.1 Byford Development Contribution Plan

- (a) *The Byford Development Contribution Plan is to operate for a period of five (5) years, commencing on the date which notice of the Hon. Minister’s approval of the amendment is published in the Government Gazette. The period of operation may be extended and the Development Contribution Plan may be amended accordingly as provided for by clause 5.19.2.2(b) of the Scheme.*
- (b) *Owners within the Byford A precinct shall make a proportional Contribution to Costs in accordance with the Byford Development Contribution Plan to reflect the proportion of their land being subdivided. Owners within the Byford B, Byford C*

and Byford D precincts shall make the full Cost Contribution in accordance with the Byford Development Contribution Plan at the time of approval of the subdivision of their land and prior to clearance of diagrams of survey.

<u>Area</u> (see clause 5.18 of Scheme and clause 15.2 of Appendix 15)	<u>Common Infrastructure</u> (see clause 5.18.9)	<u>Details of Contribution Arrangement for Area</u> (see clause 5.18.9)
<i>Byford A</i>	1. Multi Use Corridors - Land Acquisition - Development 2. District Public Open Space - Land Acquisition - Development - Maintenance 3. District Road System - Land Acquisition 4. Administration	<i>The Cost Contribution is to be based upon the proportion that the value of each Owner's land bears to the total value of land within the Contribution Area</i>
<i>Byford B</i>	1. Multi Use Corridors - Land Acquisition - Development 2. Administration	<i>The Cost Contribution is to be based upon the proportion that the area of each Owner's land bears to the total area of land within the Contribution Area</i>
<i>Byford C</i>	1. Drainage and Road Improvements 2. Administration	<i>The Cost Contribution is to be based upon the proportion that the area of each Owner's land bears to the total area of land within the Contribution Area</i>
<i>Byford D</i>	1. Administration	<i>The Cost Contribution is to be based upon the proportion that the area of each Owner's land bears to the total area of land within the Contribution Area</i>

When Council considered the Byford DCA in 2009 and again in 2010, the Traditional DCA did not incorporate District Open Space (DOS). The reasons for this included, but were not limited to:

- The assumption that developers would continue improving their DOS areas as part of their subdivision and development process
- Developers have historically improved areas of open space within their estate in order to meet the expectations of the community and be commercially competitive
- Areas of DOS were geographically dispersed across the Byford Structure Plan area.
- Minimise the cost liability for developers under the DCA
- Minimise the financial risk to Council, in underwriting the DCA
- Uncertainty about the future improvement opportunities to DOS area

As a result of submissions received during the advertising period, further investigations to each DOS area, and the reluctance of developers to improve DOS without recognition under the DCA, it is open to Council to consider an alternative path forward.

As such, the recommended path forward is not inconsistent with that previously incorporated within Amendment 150, i.e. DOS has previously been incorporated in the Byford Traditional DCA. This method represents a reintroduction of a previous requirement.

15. Cost apportionment methodology for proportional contributions

SPP 3.6 requires local governments to establish a cost apportionment methodology for each DCP. It is required that consideration be given to the proportional growth having regard to both the future and existing populations.

The cost estimates and recommendation incorporated in this agenda item for the inclusion of DOS within the Traditional Infrastructure DCA are based on the following principles:

- There are existing recreational facilities that have historically met the needs of the existing community.
- The demand for new infrastructure directly stems from new development that is currently being experienced and expected to continue to occur.
- With respect to infrastructure proposed to be included in a future DCA for Community Infrastructure, consideration will need to be given to proportional demand from previous and existing communities.

The CFSP has historically assumed an 80/20 (Developer/Shire) split, however this may need to be updated to take into consideration anticipated development scenarios and current delivery of projects on the ground. An initial estimate of 70/30 as outlined in the Discussion Paper is considered reasonable at this time.

Conclusion

There is much to consider in relation to community infrastructure and no option presented for consideration is inherently without challenge and with resource implications. It is important, however, that a direction be established, actively pursued and communicated to all stakeholders.

On balance, having had regard to all manner of considerations presented within this item, it is recommended that *Option 7 – Traditional DCA with District Open Space and Community Infrastructure for DCA for Balance of Byford Area Specifically* as detailed within the Discussion Paper on Community Infrastructure in Byford be selected to progress the matter.

It is based on this information that Council is asked to recognise the various options presented and provide direction for a path forwards for Community Infrastructure.

Voting Requirements: Simple Majority

Minute Taker left the room at 6.30pm and returned at 6.32pm

SCM001/09/11/11 COUNCIL DECISION/Officer Recommended Resolution:

**Moved Cr Harris, seconded Cr Randall
That Council:**

A) Note the discussion paper marked SCM001.6/09/11.

B) Endorse the inclusion of District Open Space within the Byford Traditional Development Contribution Arrangement to be dealt with in a further report within this Agenda.

C) Endorse the preparation of a Community Infrastructure Developer Contribution Arrangement for the Byford area in accordance with State Planning Policy 3.6 and by way of a new Scheme Amendment and Developer Contribution Plan by December 2011.

D) Endorse Option 7, as outlined in the Discussion Paper Attachment marked SCM001.6/09/11 in order to progress the establishment of a framework for developer contributions towards community infrastructure in the locality of Byford.

E) Note that, in 2012, a Shire wide development contributions arrangement will be prepared for progressing with the establishment of a framework for developer contributions towards community infrastructure across the Shire.

CARRIED 7/0

COUNCIL DECISION

Moved Cr Harris, seconded Cr Lowry

Move item SCM002/09/11 out of order to enable the gallery to hear all the non-confidential items before the doors are closed to the public.

CARRIED 7/0

SCM003/09/11 AMENDMENT 168: BYFORD TRADITIONAL INFRASTRUCTURE DEVELOPMENT CONTRIBUTION PLAN AND BYFORD DEVELOPMENT CONTRIBUTION PLAN REPORT (A1862)		
Author:	Peter Varelis – Project Officer: Development Contribution Arrangements	In Brief In September 2010, Council determined that a Development Contribution Plan (DCP) Report and associated Amendment 168 for Byford was satisfactory for advertising. The advertising period has concluded and numerous submissions have been received. This report provides Council with the opportunity to consider
Senior Officer:	Brad Gleeson – Director Development Services	
Date of Report	22 September 2011	
Previously	OCM035/04/06 SCM018/12/09 SCM004/09/10	
Disclosure of Interest	No officer involved in the preparation of this report is required to declare an interest in accordance with the provisions of the Local Government Act.	