

e udia@udiawa.com.au
t 08 9321 1101
f 08 9321 1102
w www.udiawa.com.au

Urban Development Institute of Australia
(Western Australia)
Level 5, 150 St Georges Terrace,
Perth, Western Australia 6000



15th July 2008

Moshe Gilovitz
Secretary
Western Australian Planning Commission
Albert Facey House
469 Wellington Street
Perth WA 6000

Dear Moshe

State Planning Policy 3.6 Development Contributions for Infrastructure (Draft)

The Urban Development Institute of Australia (UDIA (WA)) fully endorses the draft State Planning Policy 3.6 Development Contributions for Infrastructure. UDIA is the peak body representing the property development industry in Western Australia with a membership drawn from the land development, planning, engineering, environmental and urban design professions. The demand for greater equity and transparency in the application of developer contributions came from industry and has underpinned the work of the institute over the last two years.

History

SPP 3.6 is the outcome of collaboration between UDIA, the Western Australian Local Government Association (WALGA) and the Department for Planning and Infrastructure (DPI) to develop tools through which local governments can fairly and equitably identify the cost of local infrastructure that is directly attributable to new developments in their area. Developer contributions are routinely paid to local authorities in Western Australia and are usually negotiated at a local level which historically has resulted in disparities in the application of contributions between local authorities and between developers.

Summary of Benefits of SPP 3.6

- SPP 3.6 ensures transparency and equity across all local authority areas and for all developers. It provides greater surety for the purchaser that they are not paying for infrastructure which should be paid from other sources such as the rates collected by councils or from State or Federal government grants.
- The draft policy requires local authorities to develop a community facilities plan that accounts for local, district and regional requirements over 5 - 10 years and includes a capital expenditure plan projected for five years. This reduces inconsistencies within and between Councils and provides clarity to the community about what infrastructure can be reasonably provided. It puts a timeline on the delivery of the agreed infrastructure and acknowledges the role of council funding through rates and borrowing as well as State and Commonwealth grants.

- The draft policy provides upfront surety to the developer of what the infrastructure charging arrangement is and allows for negotiation of in-kind contributions to reduce dollar input. For quality developers this will mean limited change to current arrangements.
- There is a rebate from the "pool" where a developer contributes to the agreed infrastructure above the level of the agreed contribution.
- It provides equity across developments – all lots will be included not just those of the more professional developers who are visible in the market place.
- It provides an appeal mechanism both in development of the infrastructure plan and in the application of the plan.
- As part of the Town Planning Scheme it is open to external scrutiny and approvals mechanism through WAPC.
- Payment of developer contributions is not required until clearances are sought.
- The policy expressly prohibits the rezoning process being used to impose unreasonable demands on land development outside the policy.

Conclusion

The draft SPP 3.6 is endorsed by UDIA (WA) Council and was presented at an industry briefing in May 2008. While UDIA is pleased that SPP 3.6 has the support of Minister MacTiernan, it is essential that the eight principles underlying development contributions and articulated in SPP 3.6 (Section 5.2) are also honoured by future Ministers when assessing town planning schemes that relate to community infrastructure plans. It is incumbent on the government to ensure the intent of these principles is maintained.

Yours sincerely



Debra Goostrey
Chief Executive Officer