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Chief Executive Officer
City of Wanneroo
23 Dundobar Road
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By email: enquiries@wanneroo.wa.gov.au

Attention: Nick Stawarz

Dear Nick

**Northern Coastal Growth Corridor Community Facilities Plan (CFP) and
Draft Local Planning Policy 3.3: Northern Coastal Growth Corridor Development
Contributions (LPP 3.3)**

The Urban Development Institute of Australia (UDIA WA) is pleased to make this submission to the City of Wanneroo on Draft Local Planning Policy 3.3: Northern Coastal Growth Corridor Development Contributions (LPP 3.3) and Northern Coastal Growth Corridor Community Facilities Plan (CFP). The proposals relate to the provision of community infrastructure in the Alkimos - Eglinton and Yanchep - Two Rocks Structure Plan areas, collectively known as the Northern Coastal Growth Corridor and how the cost contribution will be secured in the period prior to finalisation of the detailed Development Contribution Plan for the corridor.

UDIA attended the recent briefing on LPP 3.3 and the CFP at which the City requested industry feedback on the type and level of provision of facilities and recommendations on the structure of the interim arrangement for cost contributions, the proposed legal agreement. We understand that the CFP and LPP 3.3 are a first step in the final determination of the types of facilities the future population of the growth corridor might require.

UDIA supports the adoption of development contribution plans by local government where they are consistent with and comply with the principles of State Planning Policy 3.6 – Development Contributions for Infrastructure. LPP 3.3 does not comply with the principles of SPP 3.6 and we cannot support it on this basis. There are a number of issues within the draft LPP 3.3 that require amendment to ensure consistency with SPP 3.6 so that the DCP will provide certainty to developers, infrastructure providers and the community.

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State Planning Policy 3.6 – Development Contributions for Infrastructure

The draft LPP 3.3 is inconsistent with SPP 3.6 with regard to:

Timeframe

The timeframe of the CFP extends to 2061 which is far beyond the 5 to 10 year timeframe stipulated in SPP 3.6 (Section 5.5). Only those facilities that are to be provided in this timeframe should be included in the proposed Developer Contribution Plan. The draft CFP should be retained for the City's own facilities planning purposes. It is unreasonable for developers to contribute to infrastructure that is so far in the future and from which their own first generation communities might never benefit.

Principle 1 – Need and Nexus

The facilities included in the Community Facilities Plan are assumed to be 100% developer funded. This is in conflict with the need and nexus principle given the regional catchment that some of the facilities will have. The proposal also defies the equity principle and suggests that the City will make no effort to seek finance from grants or other sources.

Principle 4 – Certainty

The proposed legal agreement provides no certainty to developers as the contribution amount is not known at the time that the deed is required to be executed. Asking developers to sign a blank cheque is unacceptable to UDIA. Whilst we understand that the City will pay credits should a contribution exceed the final amount required this does not overcome the issue of uncertainty.

The draft policy assumes that a DCP will be in place by June 2011. Should this timeline not be achieved, developers will be required to provide security to the City of Wanneroo in the form of a bank guarantee or interest in the land. Considering the level of negotiation required in relation to the DCP, this timeframe is unrealistic and creates uncertainty for developers in the interim. The requirement regarding the timing of payments in the draft policy is also unclear. The policy requires developers to pay contributions 14 days after the DCP comes into effect. It is not clear that staged payments of developer contributions based on subdivision clearances will be allowed.

Draft LPP 3.3: Northern Coastal Growth Corridor Development Contributions

Existing Subdivision Approvals

At the briefing the City stated that contributions for community infrastructure will not be applied retrospectively to developments with existing subdivision approvals or to lots created before the final policy is endorsed. This position needs to be stated explicitly in the policy.

Timing of payments

The requirement regarding the timing of payments in the draft policy is unclear. The policy requires developers to pay contributions 14 days after the DCP comes into effect. It is not clear that staged payments of developer contributions based on subdivision clearances will be allowed. SPP 3.6 clearly articulates the three stages of establishing and paying contributions and this must be adhered to.

The Northern Coastal Growth Corridor Community Facilities Plan

The CFP details the Regional and District level facilities the City believes will be required within the northern growth corridor to meet the needs of the current and future population to 2061. Requirements are based on provision thresholds of what has been provided historically from

other local authorities in Western Australia and other states. UDIA is aware that a number of our members are undertaking analyses of the level of service provision and the cost estimates provided in the CFP and we recommend that this work be given due consideration.

Conclusion

UDIA is unable to support LPP 3.3 and the Community Facilities Plan in their current format and we recommend that further consideration be given to the issues raised in this submission. We appreciate that DCP's are complex documents and that the careful planning and coordination of infrastructure is difficult but fundamental to the economic and social well-being of any community.

The draft LPP 3.3 is inconsistent with SPP 3.6 in a number of areas and fails to apply the principles of the policy which seek to ensure contributions are applied equitably to provide certainty to developers, infrastructure providers and the community about the charges that apply and how funds will be spent. The draft policy seeks to impose on developers commitments that cannot be quantified which add uncertainty to the development process and inevitably impacts on housing affordability as developers seek to redress the high level of risk that the uncertainty imposes.

We thank you for the opportunity to comment.

Yours sincerely



Debra Goostrey
Chief Executive Officer