



**CENTRAL MADDINGTON
OUTLINE DEVELOPMENT PLAN
DEVELOPMENT CONTRIBUTION PLAN REPORT**

December 2017

Document Control

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1.0 INTRODUCTION

The Central Maddington Outline Development Plan (ODP) provides a framework to guide land use and development within a 115 ha area that has been identified for renewal and improvement. The ODP is shown in Figure 1.

Various items of infrastructure are required as part the development of the ODP area. As land is fragmented among multiple owners, development is likely to be undertaken by numerous parties and a development contribution arrangement is necessary to facilitate infrastructure provision in an equitable and shared manner.

This Development Contribution Plan (DCP) Report has been prepared to detail the intended operation of a development contribution arrangement for the ODP area, pursuant to Schedule 8 of Town Planning Scheme No. 6 (TPS 6).

Amendment No. 89 to TPS 6 provided for the formal establishment of a development contribution arrangement for the ODP area. The amendment broadly defined the ODP area as a Development Contribution Area (DCA) and the items of infrastructure that are to be provided in a shared manner by land owners. The extent of the DCA is shown in Figure 2.

The DCP Report expands upon the Scheme provisions by detailing the extent and estimated costs of required common infrastructure works (CIW) and public open space (POS). It also details the method by which costs will be apportioned to land owners in the form of development contributions. Collected contributions will be held in a City- administered trust fund to be drawn upon to provide the required infrastructure and acquire land for new roads and parkland.

Other costs may be associated with the development of land within the DCA. However unless specified in the DCP report, these are excluded from the development contribution arrangement and generally will be the responsibility of each individual developer.

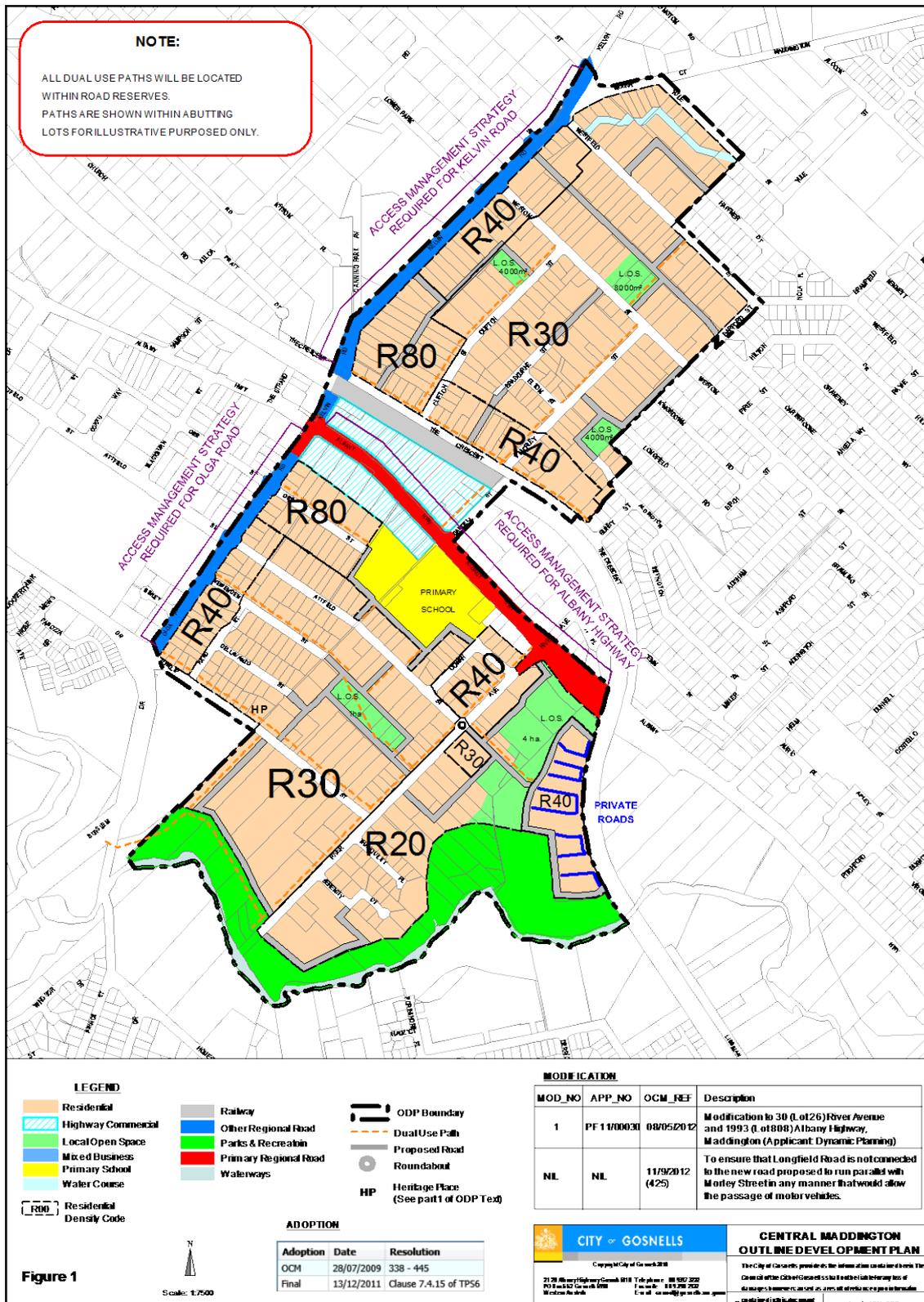
It is intended that the DCP report will be reviewed at least annually to ensure CIW and POS cost estimates, and consequently contribution rates, are updated to account for cost changes and any modifications made to the parameters of the development contribution arrangement. In the event of a dispute arising over the operational aspects of the development contribution arrangement, land owners are afforded the right to refer concerns for independent review and arbitration as provided by TPS 6.

The DCP report should be read in conjunction with Part 5 and Schedule 8 of TPS 6.

GLOSSARY OF TERMS

- CIW - infrastructure items to be collectively funded by Central Maddington ODP developers
 - DCA - the area within which the compulsory sharing of CIW and POS costs applies
DCP Report - a report setting out the schedule of costs and intended operation of the development contribution arrangement
 - MRS - the State Government's statutory plan for the development of Perth NCA - the estimated area over which contributions will be levied
 - ODP - the adopted structure plan that guides subdivision and development
 - POS - land to be set aside for public recreational use
 - TPS 6 - the statutory plan for the development of the City of Gosnells
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Figure 1 – Central Maddington Outline Development Plan



Nb: This plan may be modified with the approval of Council and the Western Australian Planning Commission. It is advisable to check the City's website for the current ODP.

2.0 DEVELOPMENT CONTRIBUTION ARRANGEMENT OVERVIEW

Most development of land within the DCA will be subject to a requirement to make a contribution towards the cost of providing certain infrastructure and acquiring land for POS, which have been identified as providing a common benefit to all developers in the DCA.

2.1 Common Infrastructure Works

The total CIW cost for the DCA has been estimated at \$29,715,314.

Council will subsidise this cost by an amount equivalent to one-third of the total but capped at 2014's values (\$9,213,893 for Precinct 1 and \$496,323 for Precinct 2). This reduces the land owners' CIW cost liability to \$20,005,098.

The subsidy is a finite amount and is applied once at the adoption of the DCPR. Subsequent reviews of CIW which results in increased costs will not be subject to the subsidy, and will be passed on to developers through revised contribution rates.

This cost is to be shared by the owners of developable residential land in the DCA, with contribution rates calculated using a formula that takes account of a range of factors including land area, development potential and strategic planning objectives.

Two CIW contribution precincts have been defined. The following CIW contribution rates apply to these precincts, depending on the individual property's R-Code shown on the ODP:

Precinct 1	Precinct 2
R20 - \$157,442/ha (\$15.75/m ²)	R20 - \$55,519/ha (\$5.56/m ²)
R30 - \$236,163/ha (\$23.62m ²)	R30 - \$83,278/ha (\$8.33/m ²)
R40 - \$314,884/ha (\$31.49/m ²)	R40 - \$111,037/ha (\$11.11/m ²)
R80 - \$629,767/ha(\$62.98/m ²)	R80 - N/A

Details of the CIW items, their cost and the calculation method for their apportionment to owners in the DCA are provided in section 4.0 and the Appendices that form part of this DCP report.

2.2 Public Open Space

The provision of POS is a key component of the planning that underpins the ODP. Collectively, approximately 7.5 ha of land is identified for various POS purposes, including recreation, conservation and drainage.

The requirement for land to be set aside for POS is not evenly distributed across each property in the DCA, in that some owners will be required to provide a substantial proportion of their land for POS, whereas many others will not.

A key objective of the development contribution arrangement is to equalise the cost of assembling land for POS among a collective of land owners in the DCA. Achieving this objective will involve the collection of contributions from owners who are able develop their land in accordance with the ODP to fund compensation payable to owners who are required provide land for POS.

The State Government has policies and practices that guide the City's approach to land valuation, compensation and POS contribution calculations in its operation of a development contribution arrangement.

Details of the POS-related aspects of the development contribution arrangement are set out in sections 3.0 and 5.0.

In short, a contribution is payable for much of the land to be developed for residential purposes in the DCA to fund the acquisition of 4.9 ha of the 7.5 ha land required for POS by the ODP, estimated to cost \$15,641,200 (including \$206,200 for existing improvements). Acquisition of the balance 2.6 ha of POS will be achieved through other means as detailed in section 5.0.

The POS land acquisition cost is to be shared by the owners of identified residential land in the DCA, with contribution rates set using a similar formula used to calculate CIW contributions.

Unless specifically exempted, the following contribution rates apply to residential zoned land, depending on the individual property R-Code shown on the ODP:

R20 - \$125,607/ha (\$12.57/m²)
R30 - \$188,411/ha (\$18.85/m²)
R40 - \$251,214/ha (\$25.13/m²)
R80 - \$502,428/ha (\$50.25/m²)

So as to conform to the adopted ODP, POS contribution requirements can be met through the provision of land identified on the ODP for POS, a cash contribution of a defined value or a combination of these methods.

A contribution is also required to undertake a basic level of work to develop the POS to a useable standard. However this cost is separate to the land cost and is allowed for in CIW cost estimates detailed in section 4.0.

3.0 LAND VALUATION BASIS

The provision of land for certain public purposes will be a key requirement of the development of the DCA. One of the main objectives of the contribution arrangement will be to facilitate the assembly of land needed for certain public purposes in an equitable manner, recognising the significant social and financial issues that need to be addressed in doing so.

An important component of the development contribution arrangement is the adoption of a land valuation basis for the DCA. The land valuation basis is used to estimate the cost of acquiring land required for roads and POS. In turn, the estimated cost is used to determine the value of CIW and POS contributions needed to fund this cost. This is intended to ensure that the contribution arrangement is operated in a manner that is financially sound, efficient, fair and transparent.

The land valuation basis is premised on an assumption that land within the ODP area has a underlying zoning of R30, this returns an average lot size of 300m² and has been selected on the basis of R30 being the predominant zoning in the ODP area.

Having designated the R30 zoning it is considered appropriate to further assume an average size for developable lots within the ODP area. This is to take in to account the infill nature of the ODP and provide a firmer framework for valuation purposes.

An average lot size of 1,400m² has been calculated by dividing the developable area of the ODP (77.44ha) by the number of parent lots (550). The resultant parcel is further assumed to have a development potential of four units (at R30).

Accordingly an englobo land valuation employing the above assumptions will form the basis for the value of land within the ODP area for purposes of the DCP Report.

The land valuation basis will be regularly reviewed over the life of the development contribution arrangement on advice from an independent, licensed valuer who will analyse market conditions and the prevailing values of land within the DCA.

Schedule 8 of TPS 6 provides for the valuer to be appointed by Council, following agreement with owners. Should the owners be unable to come to an agreement regarding the appointment of a valuer, an appointment shall be made by the President of the State division of the Australian Property Institute.

Valuation approaches will be guided by the principles established in Schedule 8 and based on assumptions that land is zoned and unconstrained for residential development. Offers made for the purchase of land for public purposes in the DCA by the City in operating the contribution arrangement will be informed by the adopted land valuation basis.

The intention is to ensure that contribution rates reflect the estimated cost of acquiring land and land owners are fairly compensated for the loss of land for a public purpose, without undue burden on the broader community.

Schedule 8 also provides a right for land owners to dispute a valuation adopted by Council.

A valuation was undertaken by JLL Mortgage Services Pty Ltd in May 2017 which returned a land value of \$3,150,000/ha (\$315/m²) and this value has been adopted as a basis for determining contributions for land that has yet to be acquired within the ODP area.

Table 2 details the changes in valuation rates over the life of the arrangement.

Date of Revision	POS cash in lieu / ha	
	Valuation / ha	% change
Adoption - 9 September 2014	\$3,200,000	n/a
19 December 2017	\$3,150,000	(1.56%)

4.0 COMMON INFRASTRUCTURE WORKS

4.1 Summary of Common Infrastructure Works Costs

Unless specifically exempted, all owners who subdivide or develop land in the DCA will be required to make a contribution toward the cost of providing CIW, consistent with the provisions of State Planning Policy 3.6 – Development Contributions for Infrastructure and Schedule 8 of TPS No. 6.

Cost allowances have been made for the following CIW:

- Construction of new roads and drainage
- Land acquisition for selected roads
- Construction of shared paths
- Upgrade of existing stormwater drainage
- Traffic infrastructure improvements
- Construction of sewer mains
- Construction of water mains
- Installation of low voltage underground power and street lighting
- Installation of telecommunications
- Public open space development
- Administration of the contribution arrangement

Two precincts have been defined for the apportionment of CIW costs. Precinct 1 includes most of the ODP area and has the requirement to contribute to all CIW costs set out in Table 2. Precinct 2 is comprised of properties that are larger than is typical in the ODP area and individual land owners will be responsible for constructing roads and related services at their own cost. Precinct 2 owners will largely be exempt from the requirement to contribute to road and servicing costs elsewhere in Precinct 1, however they will still have requirements to make a proportional contribution to items of common benefit, such as parkland development, shared use paths and administration of the DCA, as set out in Table 3.

As detailed in section 4.2, the net contributing area of Precinct 1 is 65.58ha. For Precinct 3, it is 11.86ha. The respective percentage of the total DCA net developable area for Precinct 1 is 84.68% and 15.32% for Precinct 2.

These percentages have been used to apportion those CIW costs of common benefit to the whole DCA to each precinct.

It should be noted that Council has resolved to subsidise a portion of the CIW costs, which is reflected in the contribution rates.

Further details of the CIW and cost of provision for Precincts 1 and 2 of the ODP area are set out below in Tables 2 and 3 respectively and in the Appendices to this DCP report.

The estimated costs are based upon average construction rates, current at the time of preparing the estimates, and advice received from service authorities and contractors.

Subsequent reviews will include amendments to account for actual costs, when known and adjustment to estimated costs based on the application of indexation and or updated estimates as they become available.

The adopted land valuation basis is used to estimate the cost of providing CIW involving a land component.

Table 3 details the changes in CIW contribution rates over the life of the arrangement.

Table 3 – Common Infrastructure Rates – update history				
Date of Revision	Precinct 1		Precinct 2	
	Base / ha	% change	Base / ha	% change
Adoption – 9 September 2014	\$152,900	n/a	\$53,665	n/a
19 December 2017	\$157,442	2.97%	\$55,519	3.45%

TABLE 4: SUMMARY OF COMMON INFRASTRUCTURE WORKS COSTS - CENTRAL MADDINGTON - PRECINCT 1	
<i>Note: All costs exclude GST. No GST is applied to CIW contributions.</i>	
Cost Estimate	Summary of Infrastructure Item
\$5,355,663	<p>1) Land Acquisition of Road Reserves (New Roads) and Improvements</p> <p>A contribution is to be made to fund the cost of acquiring specific portions of land associated with new roads in the DCA. This includes \$206,200 for existing structures which will need to be removed to make way for a new road. Land to be acquired is shown in Appendix B.</p> <p>A valuation rate of \$3,150,000/ha for 1.63ha of required land, has been used to calculate the cost estimate.</p>
\$8,289,090	<p>2) Construction of New Roads and Drainage</p> <p>A contribution to 100% of the cost of constructing approximately 4,550 metres of new roads in the DCA is to be subsidised by the City. This includes the cost associated with standard footpaths (1.8 metres wide) on one side of the street and also includes the cost of minor clearing (removal of vegetation and debris) of road reserves. New roads to be provided are shown at Appendix C.</p> <p>The following construction rates apply to the construction of 4,550 metres of new road:</p> <ul style="list-style-type: none"> • Clearing - \$23.71 per linear metre at a total of \$107,985 • Road Preparation - \$577.36 per linear metre to a total of \$2,626,988 • Road Surfacing - \$109.29 per linear metre to a total of \$497,252 • Kerbing - \$86.60 per linear metre to a total of \$394,049 • Footpaths - \$96.91 per linear metre to a total of \$440,959 • Backfill and Trim Verges - \$29.90 per linear metre to a total of \$136,041 • Drainage Pipe - 900 millimetres in diameter at \$807.27 per linear metre to a total of \$3,673,093 • Bioretention Swales -51 swales at \$8,095 per swale which equates to \$90.73 per linear metre to a total of \$412,813 (located in the verge one swale every 90 metres) <p>The combined cost of the basic road infrastructure items listed above equates to \$1,822 per linear metre for 4,550 metres of new road to a total of \$8,289,090.</p>
\$539,546	<p>3) Shared Paths</p> <p>A contribution to 84.68% of the cost of constructing shared use paths as identified on the plan contained in Appendix D is to be subsidised by the City.</p> <p>An allowance has been made for a construction cost rate of \$123.72 per linear metre, for 5,150 metres of shared paths (2.0 metres wide) to a total cost of \$637,158.</p>
\$327,395	<p>4) Traffic Infrastructure Improvements</p> <p>A contribution to 84.68% of the cost of constructing:</p> <ul style="list-style-type: none"> • One roundabout at a cost of \$281,525 • Two left in-left out intersection modifications at a cost of \$51,550 each to a total of \$103,100 <p>The roundabout is required at the intersection of Attfield Street and River Avenue and the intersection modifications are required at the intersections of Kelvin Road and two new roads identified on the plan contained in Appendix E.</p>

Cost Estimate	Summary of Infrastructure Item
\$1,109,656	<p>5) Construction of Sewer Mains</p> <p>A contribution is to be made to 100% of the cost of constructing sewer mains in 4,550 metres of new roads and 1,840 metres of sewer mains in certain existing roads where extensions are required. New sewer mains to be provided are shown at Appendix E.</p> <p>The following sewer infrastructure and construction rates apply:</p> <ul style="list-style-type: none"> Sewer in New Roads - \$135.06 per linear metre for sewer pipe at a diameter of 150 millimetres to a total \$614,528 Sewer in Existing Roads - \$269.09 per linear metre of sewer mains at a diameter of 150 millimetres to a total of \$495,128.
\$394,049	<p>6) Construction of Water Mains</p> <p>A contribution is to be made to 100% of the cost of constructing water mains in 4,550 metres of new roads. Water mains to be provided are shown at Appendix E.</p> <p>An allowance has been made for a construction cost rate of \$86.60 per linear metre for water mains at a diameter of 100 millimetres.</p>
\$1,081,710	<p>7) Upgrade of Existing Stormwater Drainage</p> <p>A contribution is to be made to allow for upgrades and extensions to the existing drainage system to accommodate its connection with new drainage infrastructure to be provided in the DCA.</p> <p>An allowance has been made for an upgrade rate of \$180.43 per linear metre of 7,080 metres of existing roads, multiplied by 84.68%</p>
\$980,430	<p>8) Installation of Low Voltage Underground Power and Street Lighting</p> <p>A contribution to 100% of the cost of installing low voltage underground power and street lighting for 4,550 metres of new roads at \$215.48 per linear metre is to be subsidised by the City. Low voltage underground power and street lighting to be provided are shown at Appendix E.</p>
\$243,935	<p>9) Installation of Telecommunications</p> <p>A contribution is to be made to the partial cost of installation of telecommunication infrastructure for 4,550 metres of new roads at \$53.61 per linear metre. Telecommunications to be provided are shown at Appendix E.</p>
\$3,111,554	<p>10) Parkland Development</p> <p>A contribution is to be made to 84.68% of the cost of developing parkland which includes site works, landscaping and reticulation and the first two years of initial maintenance. Parkland to be provided is identified on the plan contained in Appendix F.</p> <ul style="list-style-type: none"> A contribution of \$515,500 per hectare of 6.6ha of parkland is required for landscaping and reticulation, to a total cost of \$3,402,300 A contribution of \$20,620 per hectare of 6.6ha of parkland for a period of two years is required for parkland maintenance, to a total cost of \$272,184.
\$6,758,876	<p>11) Administration and Other Studies</p> <p>A contribution is to be made to costs of administering the contribution arrangement. This includes management of the arrangement by the City and includes the cost of project-managing infrastructure works and roll-out, design contingencies and consultants required to review and provide technical advice and other input on related matters. The following components are included in the cost:</p> <ul style="list-style-type: none"> 84.68% of the DCA Administration allowance of \$849,642 (\$719,476.85) 84.68% of the Legal Costs allowance of \$206,200 (\$174,610.16) 84.68% of the Surveying allowance of \$103,100 (\$87,305.08) 100% of the Construction Management allowance of \$1,699,284 84.68% of the Services Design allowance of \$154,650 (\$130,957.62) 84.68% of the Valuations allowance of \$103,100 (\$87,305.08) 84.68% of the Environmental Management Plan (Stokely Creek) allowance of \$51,550 (\$43,652.54) 100% of the Construction Contingency allowance of \$1,699,284 84.68% of the Interest allowance for borrowed finance used for pre-funding CIW and POS of \$2,500,000 (\$2,117,000)
\$28,191,904	Total Precinct 1 CIW Costs
\$9,213,893	Less Council subsidy
\$18,978,011	CIW Costs Apportioned to Precinct 1

TABLE 5: SUMMARY OF COMMON INFRASTRUCTURE WORKS COSTS - CENTRAL MADDINGTON - PRECINCT 2	
<i>Note: All costs exclude GST. No GST is applied to CIW contributions.</i>	
Cost Estimate	Summary of Infrastructure Item
\$0	1) Land Acquisition of Road Reserves (New Roads) and Improvements
\$0	2) Construction of New Roads and Drainage Roads and drainage within Precinct 2 will have to be constructed at the cost of the individual owners.
\$97,613	3) Shared Paths A contribution to 15.32% of the cost of constructing shared use paths as identified on the plan contained in Appendix D is to be subsidised by the City. An allowance has been made for a construction cost rate of \$123.72 per linear metre, for 5,150 metres of shared paths (2.0 metres wide) to a total cost of \$637,158.
\$59,231	4) Traffic Infrastructure Improvements A contribution to 15.32% of the cost of constructing: <ul style="list-style-type: none"> • One roundabout at a cost of \$281,525 • Two left in-left out intersection modifications at a cost of \$51,550 each to a total of \$103,100 The roundabout is required at the intersection of Attfield Street and River Avenue and the intersection modifications are required at the intersections of Kelvin Road and two new roads identified on the plan contained in Appendix E.
\$0	5) Construction of Sewer Mains Sewer mains within Precinct 2 will have to be constructed at the cost of the individual owners.
\$0	6) Construction of Water Mains Water mains within Precinct 2 will have to be constructed at the cost of the individual owners.
\$195,700	7) Upgrade of Existing Stormwater Drainage A 15.32% contribution is to be made to allow for upgrades and extensions to the existing drainage system to accommodate its connection with new drainage infrastructure to be provided in the DCA. An allowance has been made for an upgrade rate of \$180.43 per linear metre of 7,080 metres of existing roads.
\$0	8) Installation of Low Voltage Underground Power and Street Lighting Underground power and street lighting within Precinct 2 will have to be constructed at the cost of the individual owners.
\$0	9) Installation of Telecommunications Telecommunications within Precinct 2 will have to be constructed at the cost of the individual owners.
\$562,931	10) Parkland Development A contribution is to be made to 15.32% of the cost of developing parkland which includes site works, landscaping and reticulation and the first two years of initial maintenance. Parkland to be provided is identified on the plan contained in Appendix F. This includes: <ul style="list-style-type: none"> • A contribution of \$515,500 per hectare of 6.6ha of parkland is required for landscaping and reticulation, to a total cost of \$3,402,300 • A contribution of \$20,620 per hectare of 6.6ha of parkland for a period of two years is required for parkland maintenance, to a total cost of \$272,184.

Cost Estimate	Summary of Infrastructure Item
\$607,935	<p>11) Administration and Other Studies</p> <p>A contribution is to be made to the costs of administering the contribution arrangement insofar as it relates to the provision of infrastructure to which Precinct 2 is required to make a contribution. This includes:</p> <ul style="list-style-type: none"> • 15.32% of the DCA Administration allowance of \$849,642 (\$130,165.15) • 15.32% of the Legal Costs allowance of \$206,200 (\$31,794.92) • 15.32% of the Surveying allowance of \$103,100 (\$15,794.92) • 15.32% of the Services Design allowance of \$154,650 (\$23,692.38) • 15.32% of the Valuations allowance of \$103,100 (\$15,794.92) • 15.32% of the Environmental Management Plan (Stokely Creek) allowance of \$51,550 (\$7,897.46) • 15.32% of the Interest allowance for borrowed finance used for pre-funding CIW of \$2,500,000 (\$383,000)
\$1,523,410	Total Precinct 2 CIW Costs
\$496,323	Less Council subsidy
\$1,027,087	CIW Costs Apportioned to Precinct 2

4.2 Calculation of Net Contribution Area for CIW

It is necessary to calculate the amount of land in the DCA that is subject to a requirement for a contribution to be made towards CIW costs, in order to determine contribution rates. This figure is known as the Net Contribution Area (NCA).

Land to be developed for residential purposes is required to make a contribution towards CIW.

However, there is land within the DCA that is excluded from the NCA, as it is exempt from the requirement to make a contribution to CIW. Excluded land includes:

- Land required for various public purposes, including the Maddington Primary School, land reserved under the Metropolitan Region Scheme for Parks and Recreation along the Canning River foreshore and regional roads (Albany Highway, Kelvin Road and Olga Road) and land identified for local POS under the ODP.
- Land zoned for commercial purposes, which includes properties designated Highway Commercial and Mixed Business on the ODP, as the CIW works to be undertaken are not anticipated to provide any tangible benefit for this land.
- Land that has already been substantially developed, as it is not envisaged for redevelopment in the foreseeable future.

Land excluded from the NCA and therefore not required to contribute to CIW is shown on the plan at Appendix G. Table 6 shows how the NCA is calculated and includes the various land area deductions described above.

Gross Land Area	115.94 ha
Less	
MRS Parks and Recreation	8.64 ha
Core Wetlands	0.94 ha
Public Open Space	6.60 ha
Regional Roads	0.28 ha
Local Roads	8.86 ha
Residential Land Already Developed	2.27ha
Maddington Primary School	4.55 ha
Highway Commercial	5.89 ha
Mixed Business	0.47 ha
Total Net Contribution Area	77.44 ha
Total Precinct 1 Net Contribution Area	65.58 ha (84.68%)
Total Precinct 2 Net Contribution Area	11.86 ha (15.32%)

The cost of providing the CIW set out in Tables 4 and 5 are to be apportioned to Precincts 1 and 2 in the manner detailed in Tables 7, 8, 9 and 10. Recognising the variation in density codings in the ODP (between R20 and R80) and the variable lot yield generated as result, it is important to share the cost of provision of CIW in a manner that is equitable.

Contribution rates have been calculated by allocating a proportionate share of the total cost of CIW to the total area of land within each density code shown on the ODP, to reflect the variability in development potential from R20 to R80. This means, for example, that owners of R30-coded land are to pay proportionately more contributions than for R20-coded land and owners of R40-coded land are to pay proportionately more than for R30-coded land and so on.

This approach involves setting a base contribution rate for R20-coded land and applying adjustments for higher residential density coded land.

The formula in Table 7 sets out how the base contribution rate for Precinct 1 is calculated:

Base Contribution rate (\$/ha)	=
Total CIW cost	\$18,978,011
divided by the combined sum of:	÷
[Total area of all R80 land (7.39 ha) x 4]	(29.56)
plus	+
[Total area of all R40 land (12.31ha) x 2]	(24.62)
plus	+
[Total area of all R30 land (40.96ha) x 1.5]	(61.44)
plus	+
[Total area of all R20 land (4.92ha)]	(4.92)
= 65.58ha	(120.54)
	\$157,442/ha
<i>Nb - The base contribution rate is rounded up to the nearest dollar.</i>	

The formula in Table 8 sets out how the base contribution rate for Precinct 2 is calculated:

TABLE 8 PRECINCT 2 COMMON INFRASTRUCTURE WORKS BASE CONTRIBUTION RATE	
Base Contribution rate (\$/ha)	=
Total CIW cost	\$1,027,087
divided by the combined sum of:	÷
[Total area of all R80 land (0ha) x 4]	(0)
plus	+
[Total area of all R40 land (3.40ha) x 2]	(6.80)
plus	+
[Total area of all R30 land (6.48ha) x 1.5]	(9.72)
plus	+
[Total area of all R20 land (1.98ha)]	(1.98)
= 11.86ha	(18.50)
	\$55,519/ha
<i>Nb - The base contribution rate is rounded up to the nearest dollar.</i>	

Table 9 shows how contribution rates for Precinct 1 are determined for various density codings by applying adjustments for each code using the base contribution rate.

TABLE 9 PRECINCT 1 COMMON INFRASTRUCTURE WORKS CONTRIBUTION RATES					
R-Code	Developable Area (ha)	Multiplier (common base)	Notionally Adjusted Area (ha)	Proportionate Cost (\$)	Contribution Rate (\$/ha)
A	B	C	D	E	F
			<i>Column B x Column C</i>	<i>Column B x Column F</i>	<i>R20 base rate X Column C</i>
R20	4.92	Developable Area x 1	4.92	774,613	\$157,442/ha (\$15.75/m ²)
R30	40.96	Developable Area x 1.5	61.44	9,673,213	\$236,163/ha (\$23.62m ²)
R40	12.31	Developable Area x 2	24.62	3,876,213	\$314,884/ha (\$31.49/m ²)
R80	7.39	Developable Area x 4	29.56	4,653,974	\$629,767/ha (\$62.98/m ²)
Total	65.58		120.54	\$18,978,011	
<i>Nb - The rounding of the base contribution rate to the nearest dollar creates a minor discrepancy when tallying figures in Column E.</i>					

Table 10 shows how contribution rates for Precinct 2 are determined for various density codings by applying adjustments for each code using the base contribution rate.

TABLE 10 PRECINCT 2 COMMON INFRASTRUCTURE WORKS CONTRIBUTION RATES					
R-Code	Developable Area (ha)	Multiplier (common base)	Notionally Adjusted Area (ha)	Proportionate Cost (\$)	Contribution Rate (\$/ha)
A	B	C	D	E	F
			<i>Column B x Column C</i>	<i>Column B x Column F</i>	<i>R20 base rate X Column C</i>
R20	1.98	Developable Area x 1	1.98	109,927	\$55,519/ha (\$5.56/m ²)
R30	6.48	Developable Area x 1.5	9.72	539,637	\$83,278/ha (\$8.33/m ²)
R40	3.40	Developable Area x 2	6.80	377,524	\$111,037/ha (\$11.11/m ²)
R80	0	Developable Area x 4	0	0	N/A
Total	11.86		18.50	\$1,027,087	
<i>Nb - The rounding of the base contribution rate to the nearest dollar creates a minor discrepancy when tallying figures in Column E.</i>					

To ensure sufficient contributions are collected to complete the required CIW, contribution rates for each density coding will be applied regardless of the level of development of the individual property undertaken. For example, if a developer chooses to develop R40-coded land at a density akin to R20, the R40 contribution rate will be applied and not the R20 rate.

The City will consider requests to stage contribution payments commensurate with the level of staging of development undertaken.

If a density bonus applicable to multiple dwellings is sought to increase the development potential of land, which is possible under the relevant provisions of the Residential Design Codes, then the contribution rate applied will remain at the density under the ODP.

5.0 PUBLIC OPEN SPACE

The provision of POS is an important part of the planning and development of the DCA. POS will need to be set aside for various purposes, including recreation, conservation and drainage.

The POS to be provided in the DCA is shown on the plan contained in Appendix F.

Land owners required to provide land for POS will need to be financially compensated. Owners who develop or subdivide land which does involve providing a physical component for POS in accordance with the ODP will be required to pay a cash contribution toward POS acquisition costs.

POS contribution rates are determined in a similar manner to those for CIW in that the total cost of POS land acquisition is apportioned to the NCA, with a loading applied depending on the density coding of the contributor's land.

Not all land to be acquired for POS in the DCA is to be funded under the contribution arrangement. The approach to land owner compensation, estimation of costs, and definition of the NCA and calculation of contribution rates is detailed in the following section.

5.1 Land reserved for Parks and Recreation

The contribution arrangement does not include any requirement for contributions to be made towards the cost of acquiring land reserved for Parks and Recreation under the Metropolitan Region Scheme. As a consequence, the arrangement will not fund the cost of compensation for land required by the State Government for Parks and Recreation purposes. This is a separate matter for negotiation between landowners and the Western Australian Planning Commission (WAPC).

5.2 Wetlands

An estimated 4ha of POS is proposed in the southern half of the ODP on land generally bound by Albany Highway, the Perth to Armadale railway and River Avenue. This POS contains Stokely Creek which is classified as a Conservation Category Wetland (CCW) by the State Government. The CCW is approximately 1 ha in area.

It is intended that Stokely Creek and the associated wetland be integrated into an area of POS and developed into a recreational/conservation parkland area. The parkland will serve a dual function of protecting the wetland and providing recreational opportunities.

The intended development and future management of the Stokely Creek recreational/conservation parkland area is to be determined through the preparation of an Environmental Management Plan (EMP) which is included as a shared cost within the Administration component of CIW cost estimates, given the broad benefit that a sensitively developed and managed parcel of POS will provide to the DCA.

The contribution arrangement does not include any requirement for contributions to be made towards the cost of acquiring the 0.94 ha wetland contained within the future Stokely Creek POS and as a consequence, the arrangement will not fund the cost of any compensation payable to the involved land owners. This is consistent with WAPC

policy on these matters. As such compensation for wetlands is a separate matter for negotiation between land owners and the WAPC.

5.3 Local POS Areas

The development contribution arrangement will compensate land owners in the DCA who are required to provide land for local POS in accordance with the ODP. Setting aside the 0.94 ha wetland area referred to in section 5.2, approximately 0.80 ha of City owned land and 0.04 ha of Water Corporation owned land (containing a sewer pump station) is to be provided for POS at no cost to the development contribution arrangement as it is already in the desired location for POS allocated on the ODP. The acquisition of the remaining 4.9 ha of the 6.6 ha of local POS is to be funded from contributions collected under the contribution arrangement.

The other 0.9 ha is to be acquired using funds generated through the disposal of smaller existing POS reserves located within the DCA, which were provided in the past through previous land subdivision undertaken. These existing POS areas tend to be too small to function well for recreational use and suffer from poor surveillance and low amenity, hence their identification for disposal and redevelopment. These areas come under the broad control of the State Government, but are managed by the City and therefore a collaborative effort is required by both State Government and the City to facilitate this outcome. A plan illustrating existing POS within the DCA to be disposed of and redeveloped is provided at Appendix F.

An allowance of \$206,200 has been made for compensation to be paid for the value of improvements that will need to be removed from private land to develop the POS.

The land valuation basis of \$3,150,000/ha has been used to determine the cost of acquiring 4.9 ha for POS. The total estimated cost of acquiring POS is estimated at \$15,435,000

5.4 Calculation of Net Contribution Area for POS

It is necessary to calculate the extent of the NCA required to contribute towards POS. This is calculated in a similar manner as applies to the NCA for CIW contributions detailed in section 4.2, however unlike CIW costs, POS acquisition costs will be applied over the DCA as one precinct.

Unless otherwise exempted, land able to be developed for residential purposes in the DCA is required to make a contribution towards POS.

Land exempt from a requirement for a contribution to POS includes:

- Land required for various public purposes, including the Maddington Primary School, land reserved under the Metropolitan Region Scheme for Parks and Recreation along the Canning River foreshore and regional roads (Albany Highway, Kelvin Road and Olga Road) and land identified for local POS under the ODP.
 - Land zoned for commercial purposes, which includes properties designated Highway Commercial and Mixed Business on the ODP, as the WAPC exempts commercial land from requirements to contribute land for POS (however, this exemption will not apply if land is to be redeveloped with a residential component, in which case standard WAPC POS cash-in-lieu policy requirements will apply).
-

- Land that has already been substantially developed, as it is not envisaged for redevelopment in the foreseeable future and therefore is unlikely to make a CIW contribution.
- Land that has previously been subdivided and has provided a historical POS contribution at the time of subdivision.

Land not required to make contributions for POS is reflected on the plan contained in Appendix H.

Table 11 shows how the NCA is calculated and includes the various land area deductions exempt from a contribution requirement toward POS.

Gross Land Area	115.94 ha
Less	
MRS Parks and Recreation	8.64 ha
Core Wetlands	0.94 ha
Public Open Space	6.60 ha
Land Already Contributed to POS	9.93 ha
Regional Roads	0.28 ha
Local Roads	8.86 ha
Residential Land Already Developed	2.27 ha
Maddington Primary School	4.55 ha
Highway Commercial	5.89 ha
Mixed Business	0.47 ha
Net POS Contribution Area	67.51 ha

In total, 67.51 ha of developable residential land is required to make a contribution to POS acquisition costs, which are apportioned across the DCA. Recognising the variation in density codings in the ODP (between R20 and R80) and the variable lot yield generated as a result, it is important to share the cost of provision of POS in a manner that is equitable.

Similar to CIW costs, contribution rates have been calculated by allocating a proportionate share of the total cost of POS to the total area of land within each density code shown on the ODP, to reflect the variability in development potential from R20 to R80.

This approach involves setting a base contribution rate for R20-coded land and applying adjustments for higher residential density coded land. The formula in Table 12 sets out how the base contribution rate is calculated:

Base Contribution rate (\$/ha)	=
Total CIW cost	\$15,641,200
divided by the combined sum of:	÷
[Total area of all R80 land (7.39 ha) x 4]	(29.5600)
plus	+
[Total area of all R40 land (14.54ha) x 2]	(29.0800)
Plus	+
[Total area of all R30 land (40.61ha) x 1.5]	(60.9150)
Plus	+
[Total area of all R20 land (4.97ha)]	(4.9700)
= 67.51ha	(124.5250)
	\$125,607/ha
<i>Nb - The base contribution rate is rounded to the nearest dollar.</i>	

Table 13 shows how contribution rates are determined for various density codings by applying a loading for each code on the base contribution rate.

TABLE 13 PUBLIC OPEN SPACE CONTRIBUTION RATES					
R-Code	Developable Area (ha)	Multiplier (common base)	Notionally Adjusted Area (ha)	Proportionate Cost (\$)	Contribution Rate (\$/ha)
A	B	C	D	E	F
			<i>Column B x Column C</i>	<i>Column B x Column F</i>	<i>R20 base rate X Column C</i>
R20	4.97	Base Area x 1	4.97	624,267	\$125,607/ha (\$12.57/m ²)
R30	40.61	Base Area x 1.5	60.91	7,651,345	\$188,411/ha (\$18.85/m ²)
R40	14.54	Base Area x 2	29.08	3,652,649	\$251,214/ha (\$25.13/m ²)
R80	7.39	Base Area x 4	29.55	3,712,941	\$502,428/ha (\$50.25/m ²)
Total	67.51		124.5250	\$15,641,200	
<i>Nb - The rounding of the base contribution rate to the nearest dollar creates a minor discrepancy when tallying figures in Column E.</i>					

To ensure sufficient contributions are collected to acquire POS, contribution rates for each density coding will be applied regardless of the level of development of the individual property undertaken. For example, if a developer chooses to develop R40 coded land to a density of R20, the R40 contribution rate will be applied and not the R20 rate.

In the event that a modification to the ODP is applied for to introduce a higher density code, contributions payments will be calculated based at the higher code.

The City will consider requests to stage contribution payments commensurate with the level of staging of development undertaken.

If a density bonus applicable to multiple dwellings is sought to increase the development potential of land, which is possible under the relevant provisions of the Residential Design Codes, then the rate applied will remain at the density coding under the ODP.

Table 14 shows the properties which contain POS, as identified on the ODP and the respective estimated land areas required for acquisition.

TABLE 14 PROPERTIES WITH A PUBLIC OPEN SPACE LAND REQUIREMENT				
POS Site	Properties Affected	Wetland Core (m²)	Unrestricted POS (m²)	Total POS (m²)
1	Lot 91 Weston St		2,015	2,015
2	Lot 44 Weston St		806	806
3	Lot 45 Weston St		2,926	2,926
4	Lot 406 Weston St		1,866	1,866
5	Lot 78 Clifton St		3,179	3,179
6	Lot 36 Clifton St		375	375
7	Lot 5 Morley St		85	85
8	Lot 6 Morley St		1,910	1,910
9	Lot 2623 Morley St		173	173
10	Lot 58 The Crescent		1,849	1,849
11	Lot 86 Attfield St		2,095	2,095
12	Lot 82 Attfield St		1,860	1,860
13	Lot 83 Attfield St		1,837	1,837
14	Lot 24 Attfield St		1,228	1,228
15	Lot 15 Attfield St		1,227	1,227
16	Lot 14 Attfield St		657	657
17	MRS Reserve Albany Hwy	191	2,336	2,527
18	Lot 2 Albany Hwy	1,303	5,897	7,200
19	Lot 19 River Av	2,831	4,983	7,814
20	Lot 501 River Av	455	58	513
21	Lot 3430 River Av	448	14,708	15,156
22	Lot 26 River Av	619	2,528	3,147
23	Lot 42 River Av	793	181	974
24	Lot 43 River Av	952	0	952
25	Lot 44 River Av	216	69	285
26	Lot 808 Albany Hwy	1,524	10,625	12,149
Total		9,333	65,473	74,805
All land area figures are provisional and subject to detailed road design and site surveying				

6.0 OPERATION OF DEVELOPMENT CONTRIBUTION PLAN

Owners of land within the DCA will be required to make contributions outlined in the DCP report.

The requirement for the payment of contributions will be imposed as a condition on development or subdivision approvals in accordance with the development contribution arrangement.

Contributions are to be paid prior to the release of a building licence or in the case of subdivision occurring ahead of building construction, at the time of clearance of conditions by the City to create individual titles.

In the situation where the arrangement has not been formally approved by Council the payment of contributions can be satisfied with a legal agreement between the City and the land owner which requires that preliminary contributions to be made with the final contribution figure to be adjusted once the arrangement has been finalised.

Contributions paid will be held in a separate account specifically established for the DCA. The City will use the contributions collected to undertake the CIW and acquire land for POS, as identified in this DCP report.

The contribution arrangement is to operate for a period of five years, unless otherwise determined by Council. An extension to the initial five year time period may be required to provide all land owners sufficient time to undertake development and pay the required contributions.

If any dispute arises between a land owner and the City in connection with the operation of the contribution arrangement, it is to be resolved through the process set out in Schedule 12 of TPS 6.

7.0 TIMING AND STAGING OF WORKS

It is anticipated that implementation of the ODP and the associated development contribution arrangement will occur in a staged manner. The rate of development will have a significant impact on the timing of implementation, with factors like land owner intentions and economic conditions critical in shaping when and to what extent development may occur.

The rate of development will impact on the City's ability to ensure the timely provision of new roads and parkland in the DCA, as land owner contributions are needed to fund the required work.

Accurately forecasting when land owners may undertake development and make their contributions is difficult. The uncertainty of when contributions may be made and how much income may be available at any given time can also make it difficult to devise a workable program for land acquisition and the roll-out of infrastructure. In these circumstances no clear indication could be given to land owners in relation to critical implementation issues, such as the anticipated timing of compensation being paid where due or when particular infrastructure works are scheduled to occur.

The City is aware of the practical difficulties this level of uncertainty may create for individual land owners, such as those that may be affected by the alignment of a planned road or an area of required POS and would like to know when construction may occur or land may be acquired. More broadly, the City is also aware that the amenity of the DCA may be compromised by a situation where infrastructure works are incomplete and the timing for their completion is not defined.

In recognition of these potential issues, the City will explore the potential to pre-fund infrastructure provision early in the life of the contribution arrangement, with the intention of providing the required infrastructure in a well-planned and co-ordinated manner and making suitable and timely land acquisition arrangements with owners. This will likely involve borrowing funds for these purposes. Provision is made in the CIW estimates for the cost of interest that the City will incur on any borrowed funds.

(It is intended to incorporate a CIW and POS staging plan at this point of the document. This plan will be prepared in future, as guided by the outcome of consultation with land owners on this DCP report and their development intentions, the identification of priorities for infrastructure works and land acquisition and analysis of the financial capacity of the City to source finance and service all debt)

APPENDIX A – COMMON INFRASTRUCTURE WORKS COSTING DETAILS

This section provides details of the CIW required for the DCA and the cost of provision.

1. Land Acquisition for Roads

The City will subsidise the cost of constructing all new local roads shown on the ODP (see point 2 below). However, construction will not be possible without access to the land upon which the new roads are to be built.

Under the ODP, approximately 20% of the 550 properties within the DCA have some portion of land required for a planned new road. Some properties are significantly more affected than others, in respect to the amount of land required for a new road and the proportion it bears to the total property area. In some instances, the land required for a new road significantly reduces the property's development potential, whereas in other circumstances the impact is relatively less.

WAPC policy usually requires new roads created as part of the subdivision of land to be given up free of cost, without payment of any compensation. The application of this approach to the DCA would be inequitable, given that the requirement for land for new roads varies significantly from property to property. A means to equalise the cost of acquiring land for new roads is therefore required.

Devising a fair, equitable and workable approach is complex, with a variety of possible options.

At one end of the spectrum is the option of compensating the owners of all land required for new roads. Collectively, approximately 8.86ha of land is required for new roads. If compensation was to be paid for all required land (at an assumed value of \$3,200,000/ha), \$28.35 million would be required. It would be beyond the capacity of the City and an unfair burden on the broader community to meet this cost from municipal funds. Meeting this cost from development contributions would add approximately \$350,000/ha to the base contribution rate, which would significantly add to the cost of development.

At the opposite end of the spectrum is the option to pay no compensation to owners required to provide land for new roads. As mentioned above, this would be an inequitable approach.

A balanced option would involve contributions to be collected from developers in the DCA to compensate those land owners who are required to provide a substantial proportion of their property for new roads. However, what constitutes a substantial enough proportion of land to warrant compensation requires a clear policy position.

In this respect, an allowance has been made to fund either all or a 50% portion of the cost of acquiring certain land, as indicated in Table 7 and on the plan contained in Appendix B, to facilitate the construction of new roads and share the cost of doing so among DCA land owners in an equitable manner.

This approach is based on the following considerations:

- Any owner required to provide up to 25% of the area of an individual property for a new road will receive no compensation for doing so.
-

- Any owner required to provide between 25% and 40% of the area of an individual property for a new road will receive compensation for 50% of the value of the land provided.
- Any owner required to provide between 40% and 100% of the area of an individual property for a new road will receive compensation for 100% of the value of the land provided.
- Any land required for POS under the ODP is deducted from the area of the property for the purposes of calculating the proportion to be given up for the new roads.
- Compensation is to be paid in accordance with the adopted land valuation basis applicable at the time the land is to be formally transferred.
- Compensation will not be paid to an owner who subdivides land in a manner that results in a property being created with more than 25% of the new lot being required for a new road. In other words, only those properties identified in Table 7 and on the plan contained in Appendix B will be eligible for compensation.
- The contribution arrangement will not retrospectively fund compensation payable to land owners within the DCA who may have previously provided land for new roads at the time of subdivision in the past.

Collectively, compensation will be paid for approximately 24,732 m² of land for new roads, with the cost to be met by all land owners developing land within the NCA.

The cost of compensable land required for new roads is estimated to be \$5,355,663 based on the adopted land valuation basis of \$3,150,000/ha. This cost will be apportioned to Precinct 1, but not Precinct 2.

Site No.	Affected Property	Land Area Required (m ²)	Compensation Value (%)	Total Cost (\$)
1	Lot 21 The Crescent	1,012	100	\$318,780.00
2	Lot 138 The Crescent*	2,023	100	\$637,245.00
3	Lot 18 Westfield St	666	100	\$209,790.00
4	Lot 1 Kelvin Rd	1,665	100	\$524,475.00
5	Lot 81 Weston St	516	100	\$162,540.00
6	Lot 82 Attfield St	2,081	100	\$655,515.00
7	Lot 6 Morley St	958	50	\$150,885.00
8	Lot 5 Morley St	1,426	50	\$224,595.00
9	Lot 86 Attfield St	1,091	50	\$171,832.50
10	Lot 1 River Av	1,037	50	\$163,327.50
11	Lot 79 Phillip St	1,352	50	\$212,940.00
12	Lot 26 River Av	3,468	50	\$546,210.00
13	Lot 407 Weston St	1,038	50	\$163,485.00
14	Lot 32 Phillip St	3,850	50	\$606,375.00
15	Lot 77 Dellavanzo St	850	50	\$133,875.00
16	Lot 19 Westfield St	647	50	\$101,902.50
17	Lot 14 Attfield St	846	50	\$133,245.00
18	Lot 23 Kelvin Rd	206	50	\$32,445.00
	Total	24,732		\$5,149,462.50
	Cost @ \$320/m ²		+ \$206,200	\$5,355,662.50

All land area figures are provisional and subject to detailed road design and site surveying

Nb - The portion of the property required for acquisition marked with an asterisk contains a dwelling, which will need to be demolished to allow for road construction to occur. The land owner is to be compensated an improvement value of \$200,000 for the dwelling over and above any compensation amount determined using the land valuation basis.

2. Construction of New Roads and Drainage

Approximately 6,200m of new roads are proposed to be constructed in the DCA, as shown on the plan contained in Appendix C. However, not all roads are to be funded by the DCA. Appendix C indicates three new roads as being excluded from the DCA, with a collective length of 1,650m, which will have to be constructed at the cost of the affected individual land owners.

The following table outlines the various roads and construction requirements:

Road Profile	Length (m)	Reserve Width (m)	Seal Width (m)	Reserve Area (m ²)	Asphalt Area (m ²)	Sub-Base Area (m ²)
A	200	20	10	4,000	2,000	2,240
B	260	17.9	9	4,654	2,340	2,834
C	3540	15.4	7.2	54,516	25,488	25,488
D	2,200	12	6	26,400	13,200	15,840
Total	6,200			89,570	43,028	46,402

With the deduction of the 1,650m of roads to be excluded from the DCA, 4,550m of roads will be funded through CIW contributions.

The works involved in the construction of the DCA-funded new roads include:

- Clearing of vegetation and debris in new road reserves at \$23.71 per linear metre to a total cost of \$107,895.
- Road preparation, including earthworks, fill and the construction of sub-base and primer seal at \$577.36 per linear metre at a cost of \$2,626,988.
- Road surfacing, including the construction of 30mm of asphalt concrete at \$109.29 per linear metre at a total cost of \$497,252.
- Construction of kerbing at \$86.60 per linear metre to a total cost of \$394,049.
- Construction of footpaths including ramps, on one side of the street, 1.8m in width at \$96.91 per linear metre to a total cost of \$440,959.
- The backfilling and trimming to the level of verges at \$29.90 per linear metre to a total cost of \$136,041.
- Drainage infrastructure, which includes 4,550m of new drainage pipes to a diameter of 900mm at \$807.27 per linear metre at a total cost of \$3,673,093.
- Bio-retention drainage swales to be provided in road verges, approximately one every 90 metres. A total of 51 swales are required at a cost of \$8,095 each, which equates to \$90.73 per linear metre at a total cost of \$412,813

The total cost of complete road and drainage works equates to \$1,822 per linear metre for 4,550 metres of new road, which is estimated at \$8,289,090.

This cost will be apportioned to Precinct 1, but not Precinct 2 as Precinct 2 owners will fund the cost of roads in this part of the ODP area.

3. Shared Paths

Approximately 5,150m of shared paths are to be provided in the DCA. The location of new roads and drainage is shown in the plan provided at Appendix D.

The paths are to be two metres wide and cost \$123.72 per linear metre for a total cost of \$637,158.

This cost is to be apportioned to both Precincts 1 and 2 at a percentage of 84.68% and 15.32% respectively, which reflects the NCA of each Precinct as a proportion of the total NCA.

4. Traffic Infrastructure Improvements

Several traffic infrastructure items are to be provided in the DCA. These items include:

- A roundabout at the intersection of Attfield Street and River Avenue at a total cost of \$283,525
- Two intersection modifications at the junction of Kelvin Road and two proposed new road connections so that access to Kelvin Road is restricted to left-in left-out access only. The cost of these modifications at \$51,550 each will cost a total of \$103,100.

The location of the new roundabout and intersection modifications are shown on the plan contained in Appendix E.

The complete cost of providing traffic infrastructure work is estimated to be \$386,625. This cost is to be apportioned to both Precincts 1 and 2 at a percentage of 84.68% and 15.32% respectively, which reflects the NCA of each Precinct as a proportion of the total NCA.

This and any other additional traffic management devices that may be required in the DCA are to be funded by either the City, or individual developers if their planned development is of a scale to warrant the installation.

5. Construction of Sewer Mains

New sewer mains are to be provided in proposed new roads shown on the ODP to service adjoining residential properties. Some existing streets in the area do not have access to sewer and therefore an allowance has also been made to extend the sewer network to those sections.

The location of sewer works are shown on the plan contained in Appendix E.

The following sewer works are required:

- New sewer pipes of 150 millimetres in diameter are to be provided in 4,550m of new roads at \$135.06 per linear metre at a total cost of \$614,528.
- New sewer pipes of 150 millimetres in diameter are to be provided in 1,840m of existing roads at \$269.09 per linear metre at a total cost of \$495,128.

The allowance does not include the cost for connections between new sewer mains and individual properties. This is the responsibility of the subdivider or developer.

The cost of providing complete sewer works to the DCA is estimated at \$1,109,656.

This cost will be apportioned to Precinct 1. As Precinct 2 is self-contained, the land owners will fund the cost of sewer mains in this part of the ODP area.

6. Construction of Water Mains

Scheme water is to be provided in new roads to service adjoining residential properties. This will require water mains 100 millimeters in diameter and includes pipe supply, laying and fittings.

The location of new water infrastructure is shown on the plan contained in Appendix E.

The allowance does not include the cost for connections between new water mains and individual properties. This is the responsibility of the subdivider or developer.

The cost of providing new water infrastructure in 4,550m of new roads at \$86.60 per linear metre is estimated to cost a total of \$394,049.

This cost will be apportioned to Precinct 1, but not Precinct 2 as Precinct 2 owners will exclusively fund the cost of water mains in this part of the ODP area.

7. Drainage Upgrade

Upgrades will be required to the existing drainage network to ensure it will adequately manage storm water post development and integrate with the new drainage infrastructure proposed in new ODP roads.

The allowance does not include the cost of drainage connections between new drainage infrastructure in road reserves and individual properties. This is the responsibility of the subdivider or developer.

The existing drainage network is contained within 7,080m of existing roads in the DCA. As such the cost has been calculated at \$180.43/ linear metre of existing road for a total cost of \$1,277,409.

This cost is to be apportioned to both Precincts 1 and 2 at a percentage of 84.68% and 15.32% respectively, which reflects the NCA of each Precinct as a proportion of the total NCA.

8. Underground Power and Street Lighting

Low voltage (LV) power and street lighting are to be provided in the 4,550m of new roads shown on the ODP to service adjoining residential lots. No allowance is made for the conversion of existing above ground services to underground in the DCA.

The cost of providing LV power, street light cabling and new street lights in 4,550m of new road at \$215.48 per linear metre gives a total cost of \$980,430.

This cost will be apportioned to Precinct 1, but not Precinct 2 as Precinct 2 owners will fund the cost of these services in this part of the ODP area.

The location of LV power and street lighting is shown on the plan contained in Appendix E.

9. Telecommunications

Telecommunications infrastructure will be required to be installed in the 4,550m of new roads shown on the ODP. Developers are now required to contribute to some of the cost of works involved in the installation of this infrastructure. These works include the provision of pits, pipes and trench installations. Developers are also required to contribute to the installation of the National Broadband Network (NBN) within new roads shown on the ODP.

The location of required telecommunications infrastructure is shown on the plan contained in Appendix E.

No allowance is made for the provision of telecommunications infrastructure, including the NBN within existing roads in the DCA.

Providing telecommunication infrastructure for 4,550 metres of new roads at \$53.61 per linear metre is expected to cost a total of \$243,935.

This cost will be apportioned to Precinct 1, but not Precinct 2 as Precinct 2 owners will exclusively fund the cost of telecommunications in this part of the ODP area.

10. Parkland Development

Local POS will need to be developed to a minimum standard once it has been acquired. Approximately 7.5ha of land is to be provided for parkland which includes approximately 0.9ha of wetland, to be set aside for protection, and contained within the future Stokely Creek recreation/conservation reserve. Development of the other 6.6 ha of POS intended for general recreational use, at \$515,500/ha (which includes site works, the laying of turf, installation of water reticulation and tree planting) is estimated to cost a total of \$3,402,300.

A two-year parkland maintenance period is also required to ensure establishment of the POS. The maintenance period, at a rate of \$20,620/ha for the 6.6ha of parkland for two years, is estimated to cost a total of \$272,184.

The requirement for developers to contribute towards a basic level of POS development and initial two-year period of maintenance is consistent with WAPC policy.

The cost of other parkland facilities such as playground equipment, barbeque facilities seating areas are not provided for under the contribution arrangement.

The development and maintenance of parkland overall is expected to total \$3,674,484.

This cost is to be apportioned to both Precincts 1 and 2 at a percentage of 84.68% and 15.32% respectively, which reflects the NCA of each Precinct as a proportion of the total NCA.

11. Administration

Costs will be incurred in administering the development contribution arrangement which need to be shared among landowners. The total cost of administration is estimated to be \$7,366,810 over the life of the development contribution arrangement. The total cost involves a number of individual components which are listed below.

Some of the individual costs, such as general administration and construction management of works have been based on a percentage of the overall cost of providing the CIW (excluding land acquisition), which is estimated at \$16,992,836. Advice from consultants will also be required for the operation of the development contribution arrangement. Required services include legal advice, surveying and valuations. Other consultants will be required to prepare an Environmental Management Plan (EMP) and design of civil works.

The individual components and costs for the administration of the arrangement and additional consultant work include:

- Administration by the City is expected to cost \$849,642. This figure represents 5% of the total capital cost of required CIW (that is, excluding the cost of land acquisition for new roads and arrangement administration), which is \$16,992,836. This allowance provides for the estimated cost of:
 - managing collection of contributions
 - landowner acquisition negotiations
 - managing claims for reimbursement on CIW and POS
 - managing contribution reserve accounts
 - annual review of contribution rates
 - financial reporting
 - providing customer information
 - Construction management of roads and service infrastructure by the City is expected to cost \$1,648,189. This figure represents 10% of the total capital cost of all required CIW (that is, all works including those to be subsidised by the City, but excluding the cost of land acquisition for new roads and arrangement administration). This allowance provides for the estimated cost of:
 - design and approvals
 - works programming
 - contractor procurement processes
 - contractor performance
 - site supervision
 - public consultation and stakeholder liaison
 - Expertise will be required for the following:
 - Legal advice/action at a total of \$206,200
 - Surveying at a total of \$103,100
 - Valuations at a total of \$103,100
 - Civil design work estimated at \$154,650 will need to be undertaken to facilitate infrastructure provision in the area. This includes detailed services design for all roads and service installations.
-

- An EMP estimated to cost \$51,550 will need to be prepared to facilitate development of Stokely Creek into a recreation/conservation reserve. Stokely Creek is to be integrated with approximately four hectares of parkland shown in the southern half of the ODP. The EMP is to demonstrate how the wetland will be protected and managed and integrated within the new parkland and adjacent river reserve.
- Allowance for a works design and costing contingency of \$1,699,284. This figure represents 10% of the total capital cost of required CIW.
- A contribution is required for interest charges estimated to cost total of \$2,500,000 on funds borrowed by the City to prefund the provision of CIW and POS. The allowance has been calculated assuming an average loan principle of \$10,000,000 at an interest rate of 5% for 5 years.

In Precinct 1, a contribution is to be made to the cost of management of the arrangement by the City and includes the cost of project-managing infrastructure works and roll-out, design contingencies and consultants required to review and provide technical advice and other input on related matters. The following components are included in the cost:

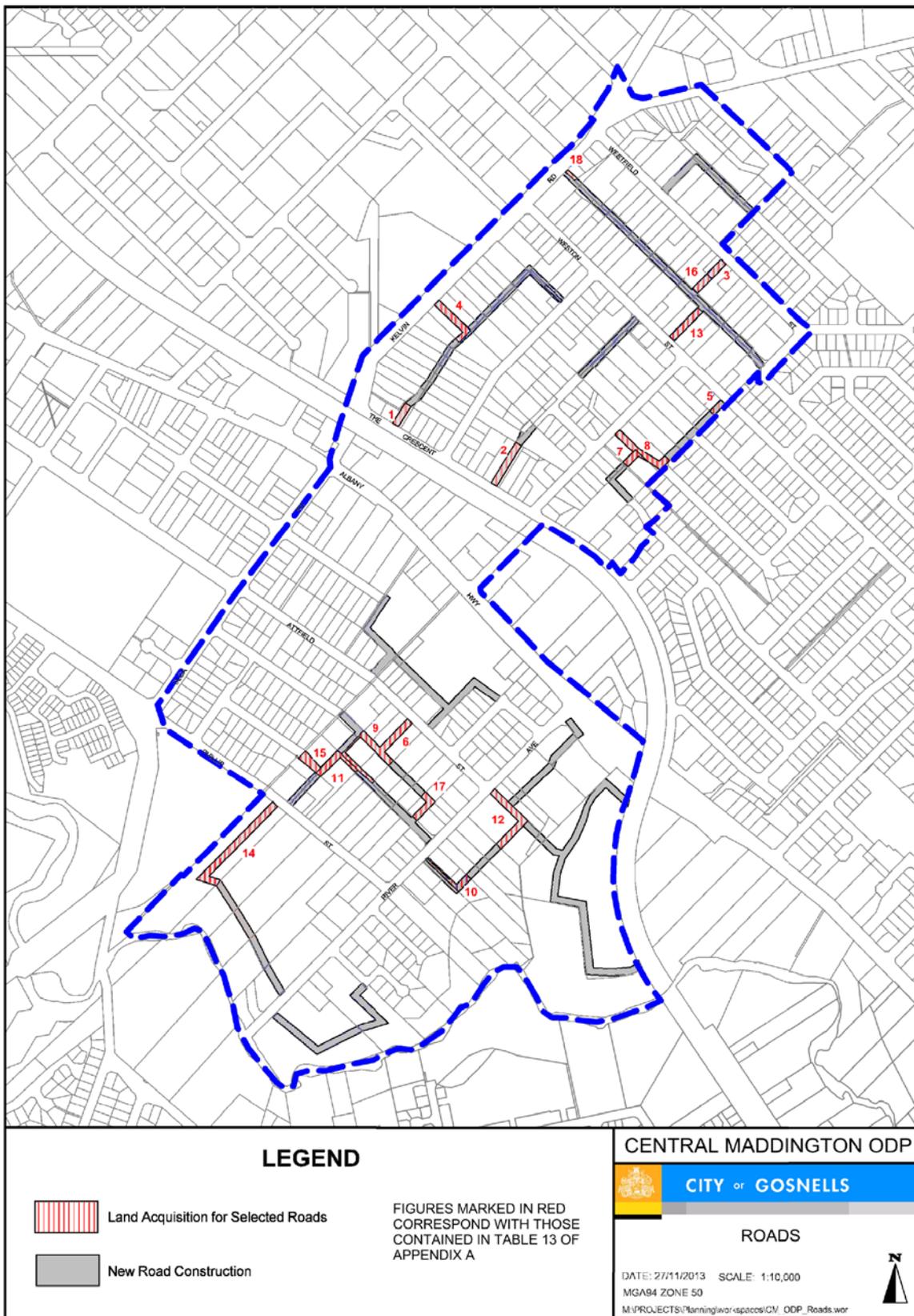
- 84.68% of the DCA Administration allowance of \$849,642 (\$719,477)
- 84.68% of the Legal Costs allowance of \$206,200 (\$174,611)
- 84.68% of the Surveying allowance of \$103,100 (\$87,306)
- 100% of the Construction Management allowance of \$1,699,284
- 84.68% of the Services Design allowance of \$154,650 (\$130,958)
- 84.68% of the Valuations allowance of \$103,100 (\$87,306)
- 84.68% of the Environmental Management Plan (Stokely Creek) allowance of \$51,550 (\$43,653)
- 100% of the Construction Contingency allowance of \$1,699,284
- 84.68% of the Interest allowance for borrowed finance used for pre-funding CIW and POS of \$2,500,000 (\$2,117,000)

In Precinct 2, a contribution is to be made to the costs of administering the contribution arrangement insofar as it relates to the provision of infrastructure to which Precinct 2 is required to make a contribution. This includes:

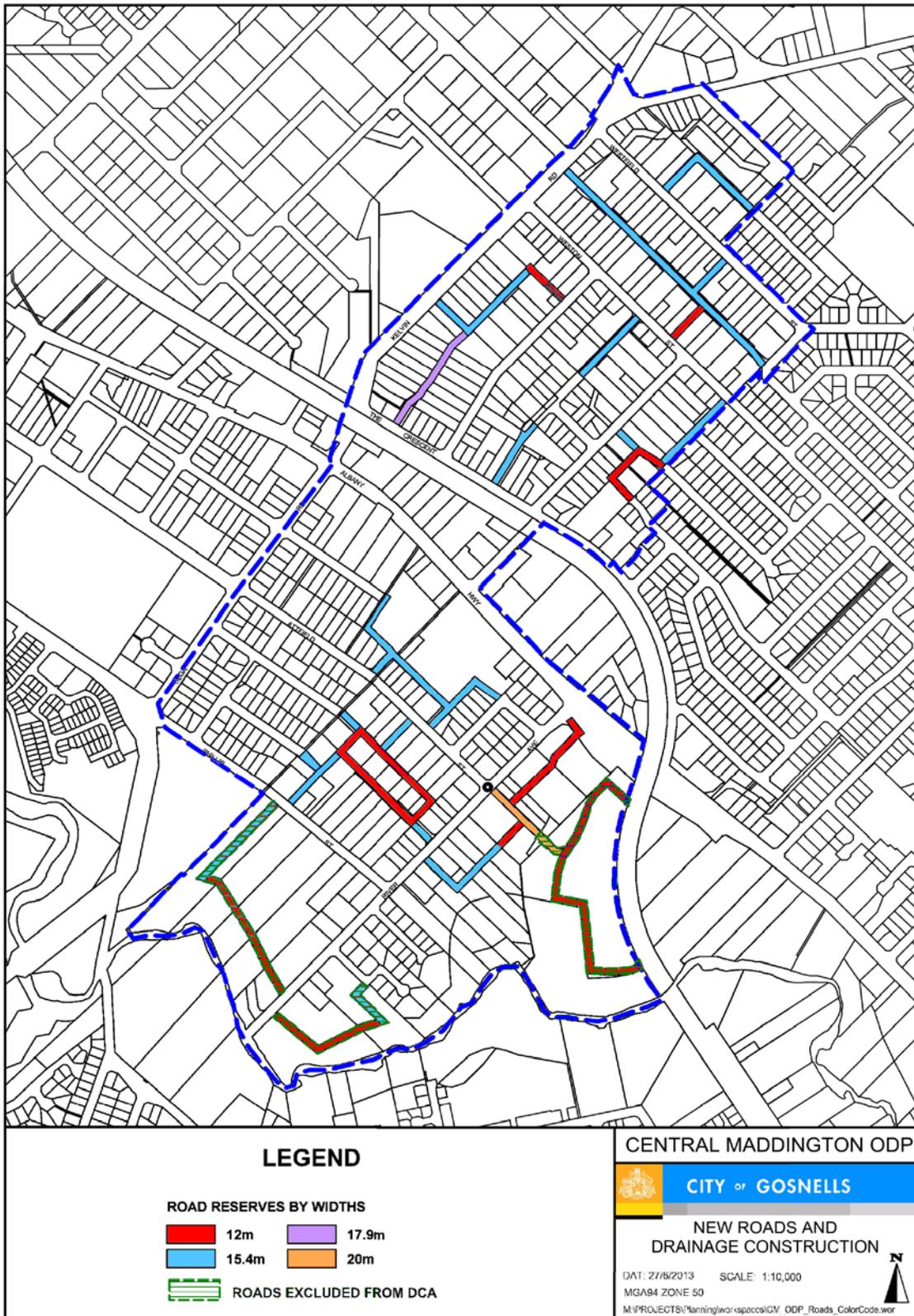
- 15.32% of the DCA Administration at a total of \$849,642 (\$130,166)
- 15.32% of the Legal Costs allowance of \$206,200 (\$31,590)
- 15.32% of the Surveying allowance at a total of \$103,100 (\$15,795)
- 15.32% of the Services Design allowance of \$154,650 (\$23,693)
- 15.32% of the Valuations allowance of \$103,100 (\$15,795)
- 15.32% of the Environmental Management Plan (Stokely Creek) allowance of \$51,550 (\$7,898)
- 15.32% of the Interest allowance for borrowed finance used for pre-funding CIW of \$2,500,000 (\$383,000)

The apportionment of costs to Precincts 1 and 2 at a percentage of 84.68% and 15.32% respectively reflects the NCA of each Precinct as a proportion of the total NCA.

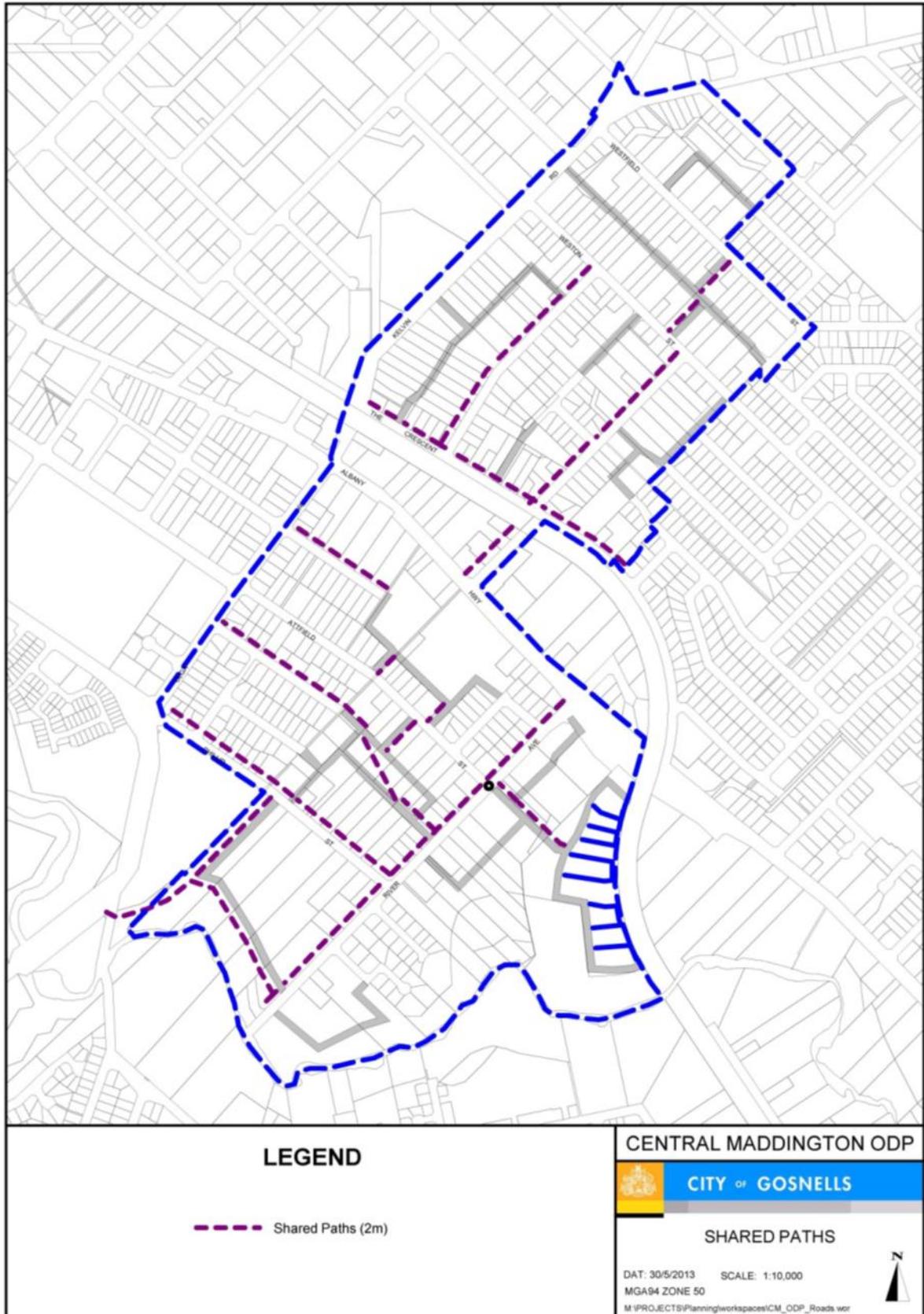
Appendix B – Land Acquisition for Selected Roads



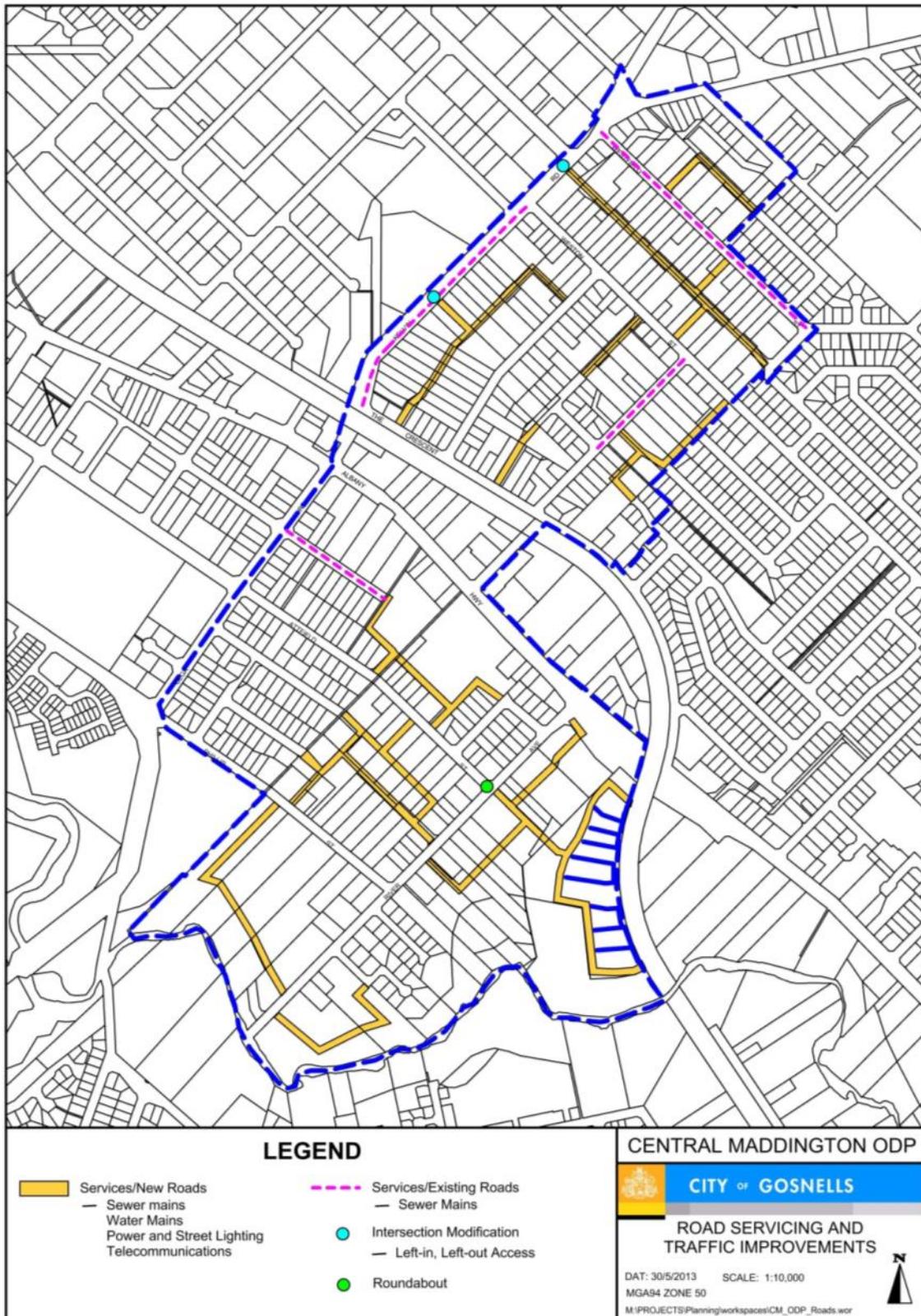
Appendix C – Roads and Drainage Construction



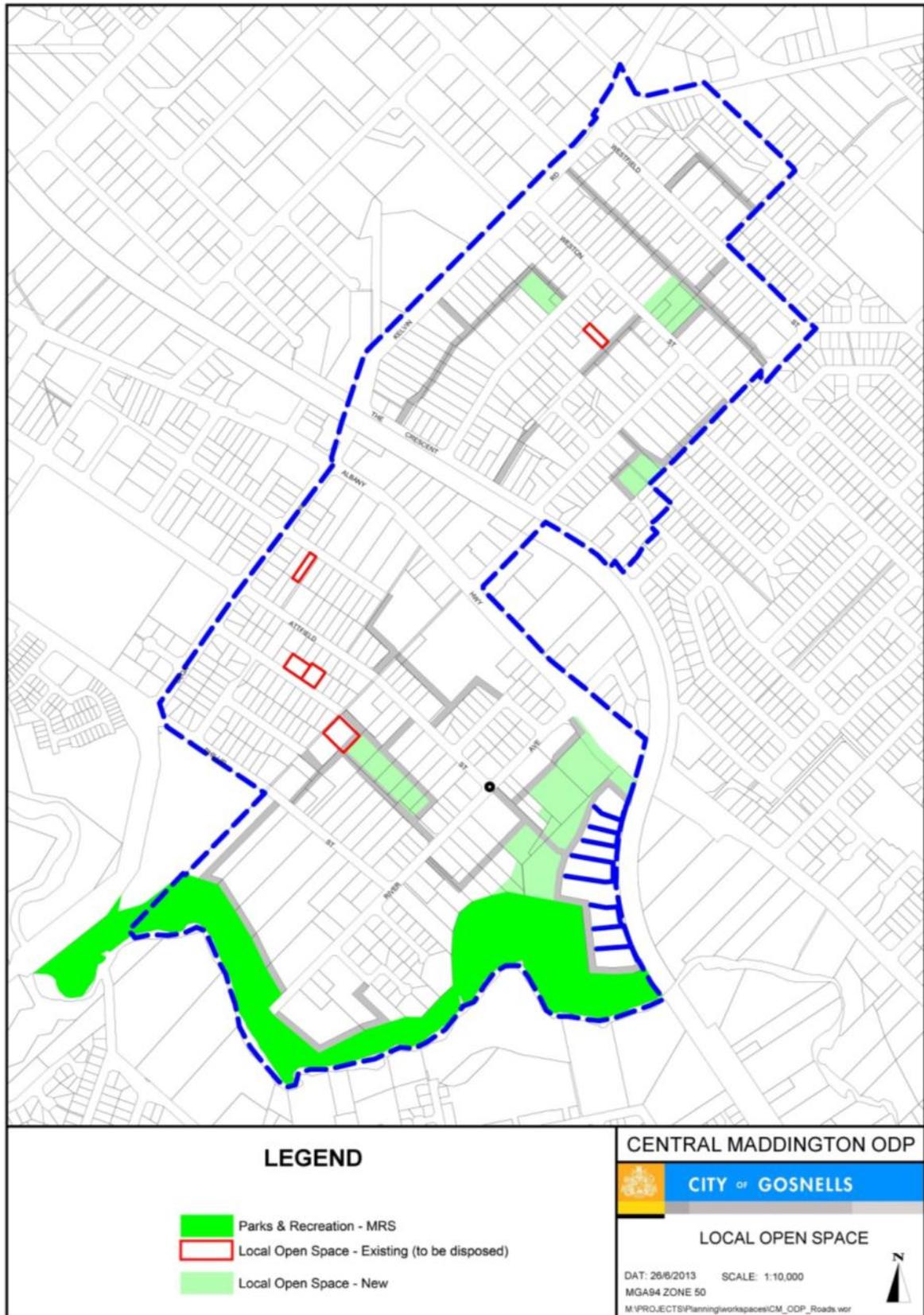
Appendix D – Construction of Shared Paths



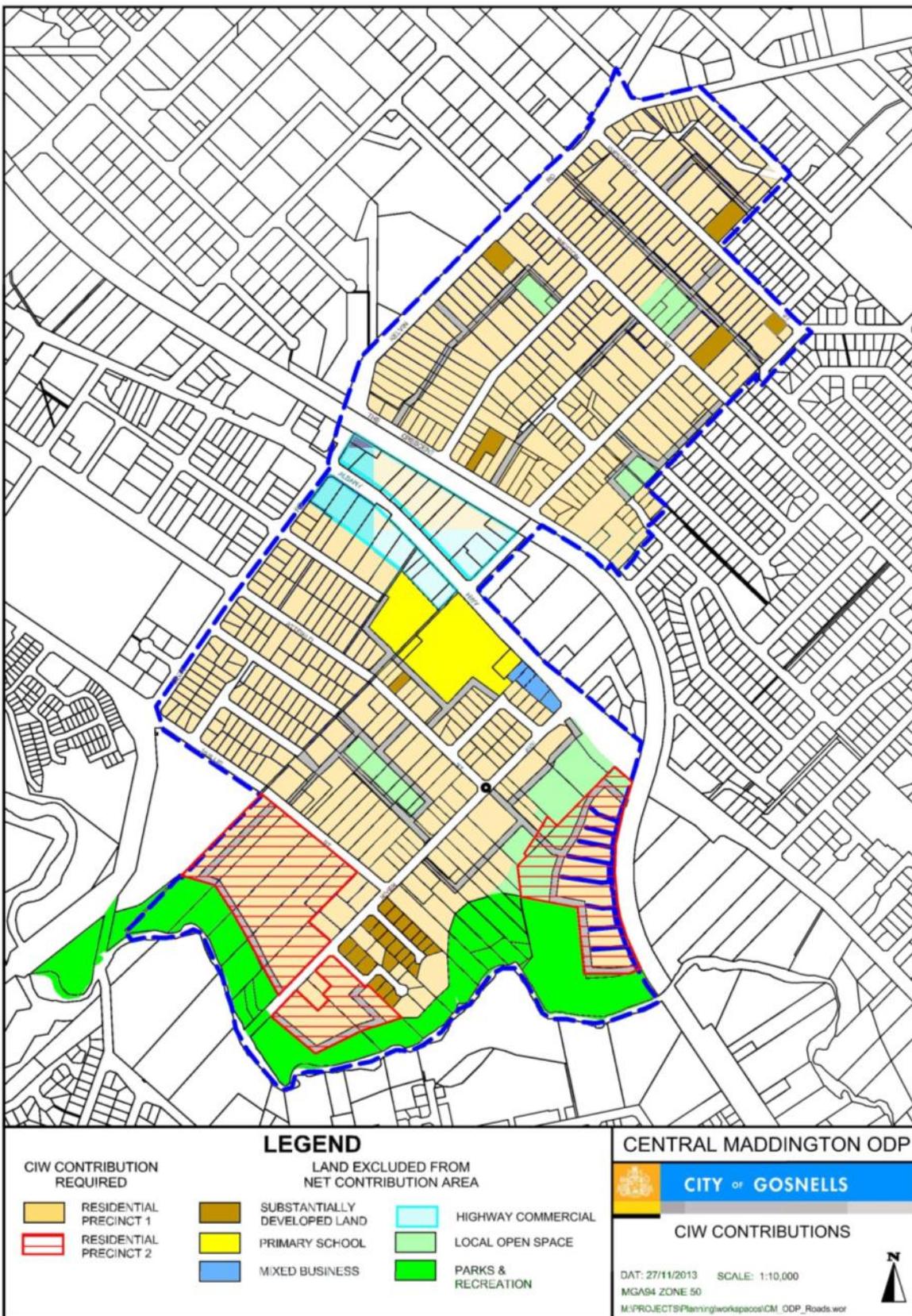
Appendix E – Road Servicing and Traffic Infrastructure Improvements



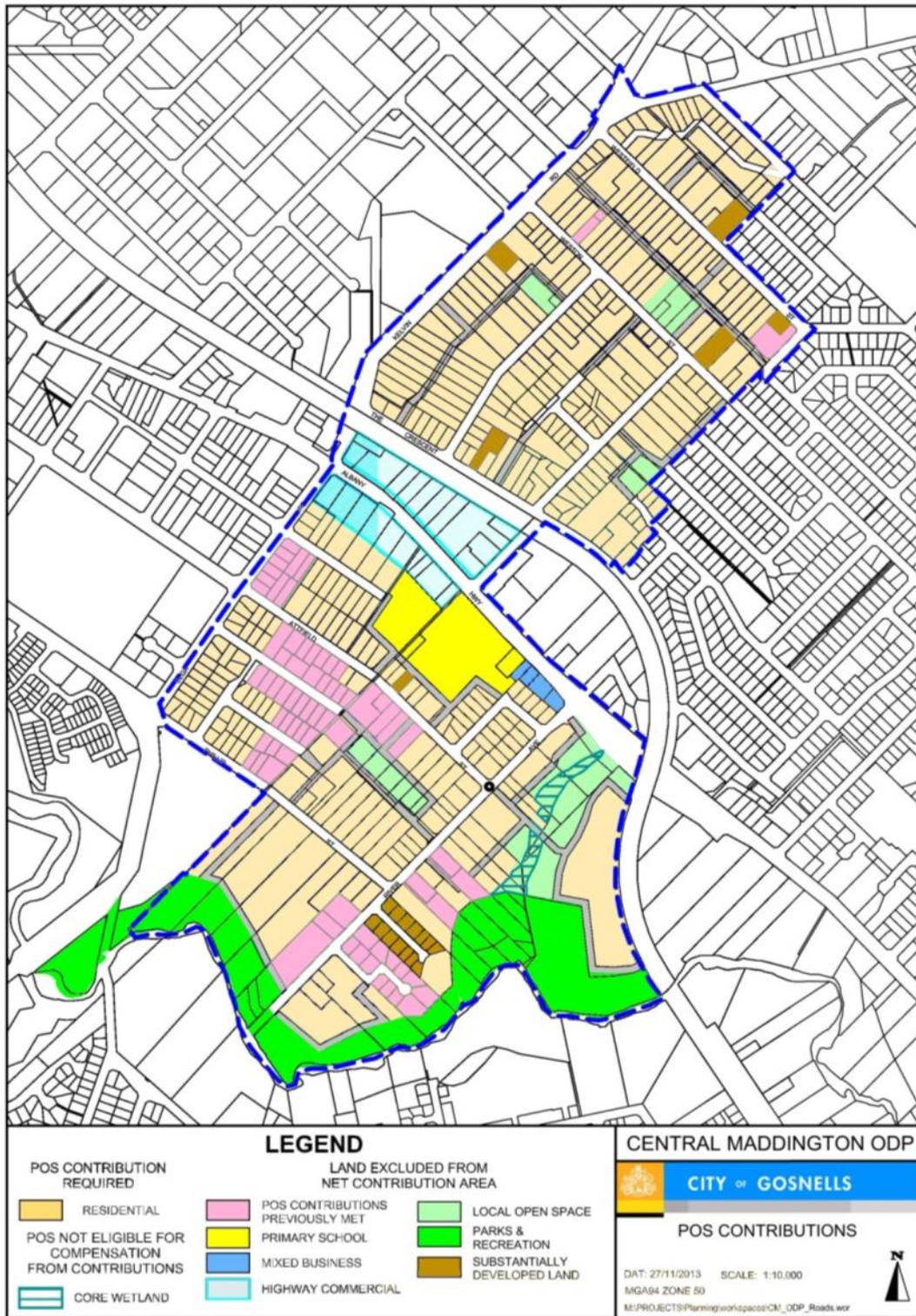
Appendix F – Public Open Space Development (landscaping and reticulation)



Appendix G – Common Infrastructure Works Contribution Plan



Appendix H – Public Open Space Contribution Plan



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