

Infrastructure contributions

fair, consistent, transparent

In Western Australia, the delivery of community infrastructure is a shared responsibility between State and local government and the development industry. A revised **State Planning Policy 3.6 - Infrastructure Contributions (SPP 3.6)** has recently come into effect to improve consistency and transparency in the system.

The careful planning and coordination of infrastructure is fundamental to the economic and social wellbeing of any community. New development and redevelopment needs to ensure the cost-efficient, and appropriately-timed provision of infrastructure and facilities such as roads, paths and cycleways, water supply, sewerage and drainage connections, parks, open spaces, and community facilities.

Development Contribution Plans (DCPs) are specified in planning schemes and are subject to periodic review against delivery.

This revised policy sets out a clear framework for the coordination and delivery of this infrastructure in new and established urban areas.

It provides critical guidance for the development industry and local government alike – and establishes a fairer, more consistent and transparent approach to infrastructure funding.

Core principles

SPP 3.6 remains founded on the eight long-held principles that are the cornerstone of our infrastructure contributions system:



Key amendments

The new policy also introduces a range of amendments to address the concerns of both the development industry and local government, identified through extensive consultation in late 2019.

These amendments include:

- **introducing a cap on contributions for community infrastructure** – a maximum levy for infrastructure of \$5,000 per dwelling will apply. To ensure the policy principles are equitably applied across the State, provisions specify that the cap is not to be regarded as a target. Rather, contributions are to be fully justified and the demand for infrastructure



demonstrated through a Community Infrastructure Plan (CIP), with alternative funding sources obtained where possible. Introducing a cap is an important new measure to limit any impacts on housing affordability.

- **Detailed Expenditure Reports** – a new requirement for a detailed expenditure report, providing greater transparency of estimated costs, priority and timing for the delivery of local amenities, to be advertised for public consultation with a proposed development contribution plan.
- **Prescribed timeframes** – DCPs are to be prepared concurrently with, or within six months following, structure plan approval.
- **Annual reporting** – local governments are to publish an Annual Status Report, providing an overview of progress of the delivery of infrastructure specified in a DCP.
- **Guidance on limitations** – additional guidance is provided on the limitations of SPP 3.6 in an infill context, including on alternative funding mechanisms available in established urban areas.
- **Policy review periods** – SPP 3.6 will be reviewed every five years, as opposed to every three years.
- **Transitional arrangements** – a three-year transition period to amend existing DCPs without a nominated lifespan or review period to include the anticipated lifespan, priority and timing for the delivery of infrastructure.
- **Clarification** – regarding the scope and nature of infrastructure items to be included in a DCP, and the funding mechanisms for important infrastructure that falls outside of the scope of the policy.

Next steps

This is an important first step towards ensuring a timely and equitable system for planning and levying infrastructure contributions.

Work will continue over coming months to facilitate the smooth and seamless application of SPP 3.6 at a local level. This will require, most significantly, amendments to the *Planning and Development (Local Planning Schemes) Regulations 2015* relating to transitional arrangements, terminology, administration, reporting and other areas.

Subject to further consultation with industry and local government, regulatory changes will also:

- provide for review by the State Administrative Tribunal of decisions made by local government in relation to the amount of an infrastructure contribution; and
- specify requirements for making and assessing a local government application for the refund of credits in circumstances where a landowner considers a refund is due.

Related publications

The following documents are available for download at <https://www.dplh.wa.gov.au/spp3-6>:

- **SPP 3.6 Infrastructure Contributions** – the policy that sets out the principles and requirements that apply to the establishment and collection of infrastructure contributions in new and established areas.
- **SPP 3.6 Infrastructure Contributions Guidelines** – which provides guidance on the practical application of the infrastructure contributions system in Western Australia, as well as additional information on aspects established in the new SPP 3.6.

DCP preparation process

