

## Calculation of development Cost Contribution and developer / landowner liabilities

The Cost Contribution per Lot is determined by equitably sharing the cost to provide Common Infrastructure items over the unsubdivided balance of Development Contribution Area No. 3 (DCA No.3).

This information is produced in the Infrastructure Cost Schedule (ICS) for Development Contribution Plan No. 3 (DCP No.3). As per Clause 3.13.1 of DCP No. 3, the City shall review the ICS provided. Such reviews are conducted at least on an annual basis.

### Obligations and triggers for payments of a Development Cost Contribution under DCP No.3

The trigger for when a landowner/developers liability arises under DCP No.3 is included within Part 5A.5 of TPS No.4. The liability for a landowner to pay their Cost Contributions arises on the earlier of the triggers listed thereafter.

Most commonly the Development Cost Contribution amount owing under DCP No.3 is calculated following receipt of a request from a developer/landowner who is preparing a subdivision clearance application.

Other common triggers for calculating the cost contribution arise prior to the Commission endorsing its approval on a relevant plan or deposited plan (Diagram of Survey) of the amalgamation, subdivision, survey strata or strata subdivision, at the time of carrying out any development or commencing any new or extended use or prior to the issue of a Building Permit or Building Approval Certificate (the full list of triggers are contained within Part 5A.5 of TPS No.4).

### Calculation of Development Cost Contribution

The calculation of the Development Cost Contribution owing is detailed under Clause 3.4 of DCP No. 3. Clause 3.4 details the different

calculation treatments for freehold lots, Grouped Dwellings housing, Aged or Dependant Persons Dwellings development, existing house lots, commercial lots and other non-residential uses.

### Freehold Lot Calculation Basis

As per Clause 3.4.2 (b), the Cost Contribution payable by each landowner in the Development Contribution Area is calculated by multiplying the number of freehold lots produced from the owner's holding by the adopted Contribution Cost per Lot.

### Grouped Dwellings, Commercial and other non-residential land uses calculation basis

In addition to the above, where land is identified by the City as having potential or the capability of being developed for Grouped Housing, or Aged or Dependant Persons Dwellings, the Cost Contribution per Lot will be charged on the basis that the lot has residential subdivision potential at the time that lot is created.

- Clause 3.4.3(a) details the calculation for lots with residential development potential equal to 800sqm or greater, being divided by 400sqm units and rounded down to the nearest whole unit, and lots above 5,200sqm being calculated at a rate of 13 lots per ha, rounded up or down to the nearest whole number of lots.
- Commercial land, and other non-residential land uses such as places of worship, office, shop and child care premises, are calculated under Clause 3.4.3(c) by multiplying the area of the lot by the adopted Cost Contribution per Lot and then dividing it by 1000 (rounding is not applied).
- The existing house lot contribution is determined as per the provisions of Clause 3.4.3(d). The justification for the basis of the calculation is to be provided by the landowner/developer.

## Nominal Contributions

Nominal Contributions, are a Cost Contribution in respect of an area of land specified by the City for the exclusive use by a private educational establishment.

The Nominal Contribution under Clause 3.5 is set at a rate of 0.3% of the full value of the educational establishment development approval, being a lesser rate than a residential subdivision and development in acknowledgement that private educational establishments contribute betterment to the Development Contribution Area.

## Request for Calculation of Development Cost Contribution

A request for the calculation of the Development Cost Contribution that are payable should be submitted to the City's Project Manager Contribution Arrangements with the following supporting documentation:

- The request should include the Deposited Plan, Survey-Strata or Development Plan associated with the form of development or subdivision. A preliminary plan provides enough detail for this calculation to be undertaken, although it should be noted that the Development Cost Contribution is formally calculated at the time clearance is issued, development commences or prior to any trigger detailed under Part 5A.5, so any subsequent changes to the plan may result in additional contributions or a reimbursement.
- In order for the Development Cost Contribution amount owing to be formalised, the City will issue a Tax Invoice. At the time of requesting the calculation, the developer/landowner should provide their Company Name, ABN No. and Postal Address for the Tax Invoice to be raised against and issued to.

## Infrastructure Cost Schedule Review Periods

As mentioned above, the City is required to review the Infrastructure Cost Schedule (ICS) on an annual basis.

As the Development Cost Contribution is formally payable and calculated at the time

clearance is issued or development commences, developers should be aware that there is no benefit in requesting the early calculation or undertaking payment of Cost Contribution obligations prior to works being substantially completed on site and/or bonds paid to enable clearance of a subdivision or works scheduled to commence on a development.

The Development Cost Contribution is recalculated at the time of clearance/commencement of development. The Development Cost Contribution per Lot is applicable until the reviewed ICS is adopted by Council following a public advertising period.

## Further Information

The City's Project Manager Contribution Arrangements is available to meet and discuss any provisions of the Development Contribution Plan No.3.

This is particularly beneficial if a landowner or developer is planning to utilise credit reimbursements for Common Infrastructure Works items funded through DCP No.3 to offset Development Cost Contribution obligations.

For further information, refer to the Planning section of the City's website where the following information is available:

- Town Planning Scheme No. 4
- Local Planning Policies
- Information Sheets
- Schedule of Fees and Charges
- Application for Development Approval
- Development Application Checklist

Contact the City's Planning Services for further information.

*Please note the information contained within this brochure is intended as a guide only. It is recommended that advice and assistance of City's Planning Services staff be sought prior to lodgement of a development application. The City of Armadale disclaims any liability for any damages sustained by a person acting on the basis of this information.*