



West Mundijong Industrial DCP Report Revision 5

Revision Schedule:

Report No	Revision Date	Planning Scheme	Amendment	Report Status	Author
1	13/02/2018	TPS2	187	Final	John Ellis
2	1/10/2020	TPS2	187	Final	Sally Murphy
3	18/10/2021	TPS2	187	Final	Sally Murphy
4	17/07/2023	TPS2	209	Final	Sally Murphy
5	10/02/2025	LPS3	209	Draft	Sally Murphy

Table of Contents:

1. Purpose	4
2. Development Contribution Area	4
3. Period of the Plan	4
4. Operation of the DCP	4
5. Application Requirements	4
6. Estimated Costs	4
7. Items Included in the Plan	5
8. Non-Infrastructure Items Included within the DCP	5
9. Land Valuation	6
10. Method of Calculating Contributions	6
11. Payment of Contributions	7
12. DCP Credits	7
13. DCP Reviews	8
14. Cost Review Reconciliation	8
15. Priority and timing of infrastructure delivery	8
16. Reporting	9
17. Figures	10

Appendices

- A - Need and Nexus
- B - Cost Apportionment Schedule
- C - Capital Expenditure Plan
- D - Lots/m2 area to be developed
- E - Cost Reconciliation
- F - Administration costs
- G - Infrastructure Costs
- H - Infrastructure Land
- I - POS/COS/Drainage Land
- J - Infrastructure Designs

1 Purpose

This Development Contribution Plan (DCP) report outlines the framework for applying infrastructure contributions to support new development and upgrade existing infrastructure within the Development Contribution Area (DCA). These contributions are essential to address the increased demand generated by development in the DCA.

The DCP ensures equitable cost sharing among landowners, with contributions reasonably required as a result of subdivision or land development. It also facilitates the timely provision of necessary infrastructure.

Relevant documents guiding infrastructure delivery include:

- Community Infrastructure Implementation Plan
- Corporate Business Plan
- Long Term Financial Plan
- LPS3
- West Mundijong Industrial Local Structure Plan

2 Development Contribution Area

The Development Contribution Area covered by this DCP is **DCA2**, as shown on the scheme map and in "**Figure 1 - DCA Boundary**".

3 Period of the Plan

This DCP operates for 10 years, from **13/02/2018** to **13/02/2028**.

4 Operation of the DCP

The DCP and this accompanying report are prepared in accordance with **State Planning Policy 3.6 - Infrastructure Contributions** (SPP 3.6) and operate under the provisions of LPS3.

5 Application Requirements

For applications involving subdivision, strata subdivision, development, or land use extensions within the DCA, the local government will consider this DCP Report when making recommendations or decisions.

6 Estimated Costs

The costs in this DCP Report are based on the capital investment required for infrastructure necessitated by new development in the DCA. These costs are:

- Initially estimated and reviewed by qualified professionals during each **Major Review**.
- Indexed during **Minor Reviews** using rates from the **WALGA Quarterly Economic Briefing**.

Exclusions from DCP Report costs include:

- Ongoing maintenance.
- Demand generated by the existing population.
- External usage demand.
- Future usage beyond the DCP timeframe.

Where applicable, costs are allocated to specific **Precincts** within the DCA, as shown in "**Figure 2 - Precincts**". A detailed cost breakdown is provided in the Appendices, with secured grants or external funding reflected as deductions in the Cost Apportionment Schedule within the Appendices.

7 Items Included in the Plan

All cost items included for within this DCP Report, and for which contributions will be collected in the DCA, are detailed in the Appendices to this report. These items reflect the provisions of the latest Structure Plan(s) where applicable to the lifespan of the DCP, the need and nexus for inclusion, and the associated scope of each item that the DCP will fund.

Roads

Road infrastructure costs are divided into:

- **Construction:** New or upgraded roads.
- **Land acquisition.**

See "**Figure 4 - Roads**" for details.

Excluded items:

- Landscaping and design enhancements in road reserves.
- Urban amenity improvements such as vegetation, public art, and high-standard design.
- Minor intersections treatments into the adjoining subdivisional road network.

Although some excluded items are noted to enhance the urban environment, they lack a direct nexus to the development's demand for such improvements.

8 Non-Infrastructure Items Included within the DCP

Administration Costs

- Preparation and administration of the DCP.
- Annual review of cost estimates and land development reviews.
- Valuations and professional fees linked to DCP implementation.
- Software/hardware upgrades for DCP preparation.
- Proportional staff salaries and loan interest related to DCP administration.

Land for infrastructure

- Land for road reserves; that exceeds standard requirements (e.g., road widths above 20m).

Land for Public Open Space and Drainage

- Land for drainage only.
- Multiple-use corridors with a dual drainage and recreation function.
- Community public open space.

Excludes:

- Development and maintenance of POS.
- Conservation lands (e.g., Bush Forever sites).
- Drainage works.

Costs associated with land for POS and Drainage are shared equally across the DCA.

9 Land Valuation

Reviewed annually according to market value, excluding marketing costs and based on a land parcel of a regular shaped 5-hectare area typical for the DCA, with no major servicing constraints and no major geotechnical/environmental issues.

Land value is determined having general regard to the International Valuation Standards Committee's definition of market value as adopted by the Australian Property Institute. To account for the direct transfer of land, the fair market value does not include for standard marketing costs such as fees, commissions, and advertising cost.

10 Method of Calculating Contributions

Calculating the developable potential of each Precinct

The total amount of developable land estimated within the DCA is based on the land within the DCA, excluding the Western Power Easement, land identified for roads, drainage, conservation category wetlands and other reserves.

Contribution liability

- Proportional to the remaining developable m2 area within a Precinct:

Formula: ***{Remaining Cost / Remaining m2 area = \$ contribution rate per m2 area}***

Contribution Rate Adjustments

The Contribution Rate is escalated daily based on the days since the last cost review, using a weighted annual escalation rate (ER):

Formula for ER: ***{(%IC/TC x IER) + (%LV/TC x LVER) + (%AC/TC x AER)}*** where IC: Infrastructure Cost, LV: Land Value, AC: Administration Cost.

- Daily Escalation Rate (DER): ***{ER / 365}***
- Adjusted Contribution Rate: ***{Starting Rate x (D x DER) = Escalated Rate}***

The annual escalation rates for Administration and Infrastructure reflect the forecasts in latest WALGA Quarterly Economic Briefing (the LGCI Forecasts table) available at the time the DCP Report is adopted:

- The Administration index reflects the LGCI Component "Employee Costs"
- The Infrastructure index reflects the LGCI Component "Road & Bridge Construction".
- The Land Value index (where applicable) is provided as part of the independent Land Valuation.

The daily indexing of costs described above, means that at any point in time, the Precinct contribution per m2 value will vary according to the number of days since the last Cost Review (the starting date of the latest revision to the DCP Report).

Non-Residential Development Contributions

Based on the size of the lot created (under subdivision) **or** the size of the existing lot being developed upon (under a development application), multiplied by the applicable development contribution rate.

Formula: ***{Square metre rate x square metre size of land parcel = Required development contribution}***

Contributions apply only once per **land footprint** and are based on full development potential. For example, multi-level developments **beyond the first floor** are exempt from additional contributions as the liability is based on the land footprint.

11 Payment of Contributions

Triggers for Payment

The earlier of either:

- Application for subdivision/strata clearance, or
- Application for Building Permit for new development, or change/extension of use.

Clause 36A 6(a) of LPS3 details **specific exemptions** for which a development contribution is not required.

Payment Methods

- Cheque or cash.
- Land transfer.
- Physical infrastructure provision.
- Other methods acceptable to the Shire.

In the case of staged subdivisions, development contributions are payable only for the stages being cleared. Contributions are triggered only once per lot, unless subsequent development creates additional demand beyond the initial trigger.

12 DCP Credits

DCP Credits

Credits for Land and Infrastructure (where included for within the DCP):

- Land ceded for POS/Drainage or Infrastructure based on indexed land value at subdivision clearance.
- Pre-funding infrastructure earns credits based on approved costs verified by the Shire.

Use of Credits:

- Credits offset contributions within the same Development Contribution Area (DCA).
- Credits remain with the landowner unless a legal agreement transfers them upon sale.

Repayment of Credits:

- Credits are repaid when DCP funds are sufficient, or within 90 days of the closure of the DCP.

Pre-Funding of DCP Infrastructure

The Shire supports pre-funding and delivery of infrastructure under the following conditions:

- The works are essential for the progression of an approved subdivision, or
- The Shire is prioritising DCP funds for other works.

The Shire and Developer will confirm via an exchange of letters, the scope, composition, and timing of the infrastructure works to be pre-funded. Once agreed, these works will be designated as *Approved Works*. The Approved Works must be clearly defined to enable accurate quantification of costs and quantities for both completed and remaining works. The value of DCP Credits allocated is exclusive of GST.

Temporary or sacrificial works are not creditable under the DCP.

Repayment of DCP Credit Balance

When a developer or landowner has completed all developments within a DCA and no longer holds any land within that DCA, the credited amount will be held until sufficient funds are available in the DCP fund to cover the balance, taking into account any planned or committed expenditure at that time.

Requests for repayment of credit balances during the operation of the DCP must meet the above conditions and will be determined by Council. Once approved, the value of credits will be reimbursed to the developer or landowner as soon as circumstances allow.

Developers or landowners wishing to request repayment of a credit balance after completing their developments and relinquishing landholdings in the DCA must submit their request in writing to:

developmentcontributions@sjshire.wa.gov.au

All outstanding credit balances will be repaid no later than 90 days after the DCP's closure.

13 DCP Reviews

Major Review (5 Yearly)

- Conducted at least every 5 years (from the date of gazettal).
- Is a "Major Amendment" to the Scheme
- Subject to public consultation and statutory requirements.

Minor Review (Annually)

The DCP Report which accompanies the Plan is updated at least annually. A Minor Review may update infrastructure costs, administrative expenses, developable areas/lot forecasts, and land acquisition costs.

There is no statutory requirement to advertise or seek public comment on minor annual DCP Report updates, however the Shire will consult with the relevant Industry Reference Group(s) at each Annual Review when updates involve:

- Accounting for completed works
- Construction cost adjustments
- Changes in land values
- Revisions to undeveloped lot yields
- Other non-material changes.

14 Cost Review Reconciliation

Cost Review Reconciliation

The Cost Review Reconciliation is an adjustment performed during each DCP revision to account for the current DCP Fund Balance and any outstanding liabilities. Depending on whether liabilities exceed the fund balance, the reconciliation may result in either a surplus or a deficit. This process ensures that the DCP achieves its objective of breaking even by the time it concludes. During each Cost Review, the net balance of contributions received and expenditure incurred will be calculated and incorporated into the Cost Apportionment Schedule.

15 Priority and timing of infrastructure delivery

A Capital Expenditure Plan is included within the Appendices. Timelines are adjusted annually based on the rate of development and available funds.

16 Reporting

Annual Audit Results

SPP 3.6 requires the local government to undertake an external Financial Audit of each DCP. This report must be published on the local government's website within six months of the end of the financial year and is separate from the DCP Report.

The Annual Audit Report, will be available on the Shire's website by no later than December 31st of each financial year.

www.sjshire.wa.gov.au/development-services/planning/infrastructure-contributions/statements-of-income-and-expenditure.aspx

Annual Status Report

SPP 3.6 requires the local government to prepare an Annual Status Report, which provides an overview of the progress in delivering infrastructure specified in the DCP. This report must be published on the local government's website within six months of the end of the financial year and is separate from the DCP Report.

The Annual Status Report for each respective DCP, and the Annual Audit Report for all the Shire's operative DCPs, will be available within the respective DCP page/tile on the Shire's website by no later than December 31st of each financial year.

www.sjshire.wa.gov.au/development-services/planning/infrastructure-contributions

17 Figures

Figure 1: DCA Boundary



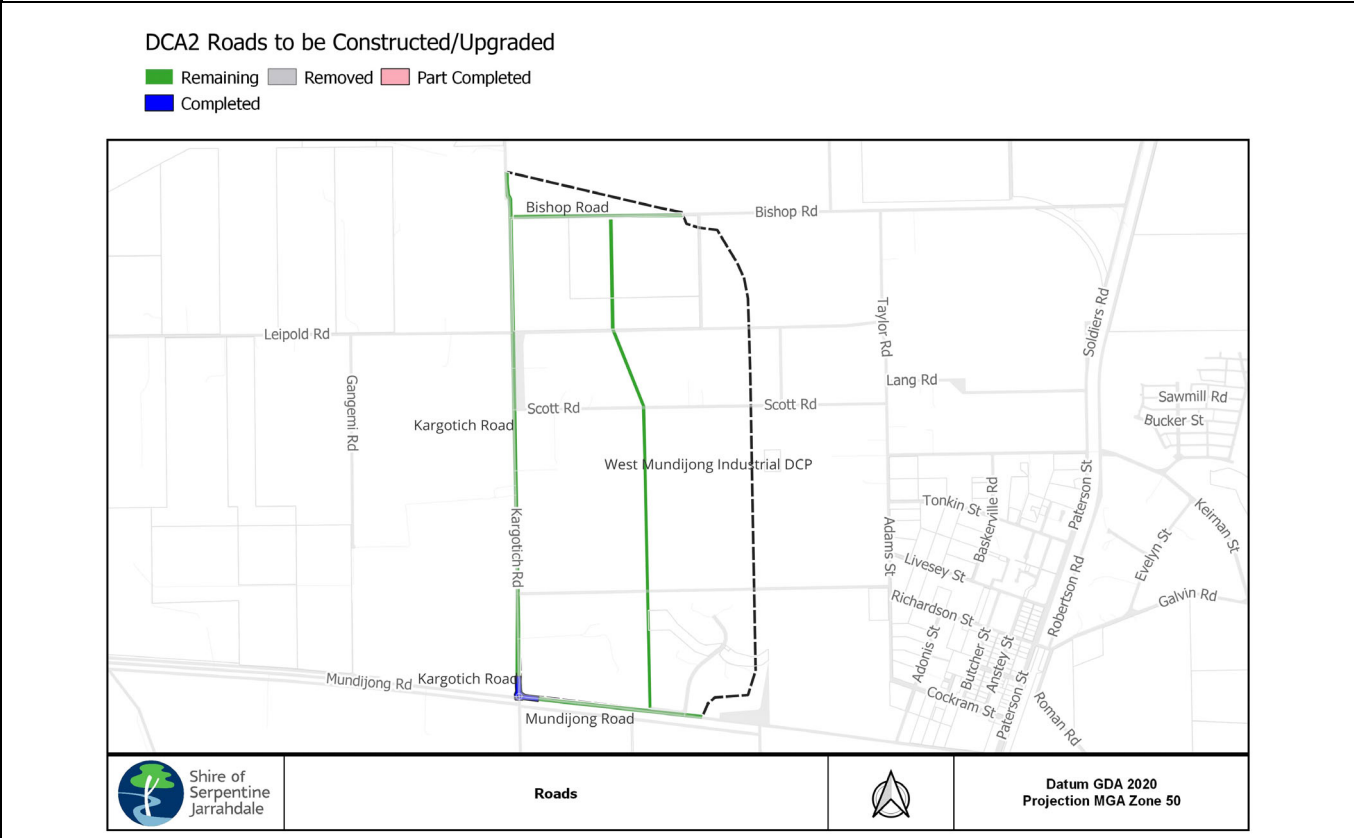
Figure 2: Precincts



Figure 3: N/A



Figure 4: Roads



APPENDICES

Appendix A - Need and Nexus

DCA 2
Revision 5

Bishop Road West

Completed

Integrator B - between Kargotich Road and Tonkin Highway reservation

Bishop Road is in the northern portion of DCA2, running east-west between Kargotich Road and the Tonkin Highway reserve. Bishop Road is a Shire controlled road and is not reserved under the MRS.

The existing state of Bishop Road is rural in nature, with a narrow single carriageway allowing for one lane in either direction. Changes to the alignment of the road are proposed towards Tonkin Highway and the road is proposed to connect into Tonkin Highway. The width of Bishop Road will be 30m.

The following items are included in the West Mundijong Industrial Development Contribution Plan for Bishop Road:

- Land required in excess of a standard 20m reserve, to achieve a 30m wide road reserve
- Land to accommodate channelization and/or roundabout construction at the noted intersections
- Intersection treatments and associated traffic control devices as follows:
 1. Kargotich Road (Priority T junction)
- Earthworks for the whole road reserve
- Complete road construction to a Liveable Neighbourhoods Integrator B standard
- Associated drainage works including water sensitive urban design measures
- Shared paths
- Utility removal, relocation and insertion
- Associated costs including design, administration and management.

Kargotich Road

 Completed

Integrator B - between the freight rail crossing and Mundijong Road

Kargotich Road is located to the west of DCA2, providing a north-south connection. Kargotich Road is a Shire controlled road and is not reserved under the MRS. The existing state of Kargotich Road is rural in nature, with a narrow single carriageway allowing for one lane in either direction. The width of Kargotich Road will be 30m.

The following items are included in the West Mundijong Industrial Development Contribution Plan for Kargotich Road:

- Land required in excess of a standard 20m reserve, to achieve a 30m wide road reserve
- Land to accommodate channelization and/or roundabout construction at the noted intersections
- Intersection treatments and associated traffic control devices as follows:
 1. N/A
- Earthworks for the whole road reserve
- Complete road construction to a Liveable Neighbourhoods Integrator B standard
- Associated drainage works including water sensitive urban design measures
- Shared paths
- Utility removal, relocation and insertion
- Associated costs including design, administration and management.

Mundijong Road West

Completed

Integrator B - between Kargotich Road and the Tonkin Highway reservation

Mundijong Road borders the West Mundijong Industrial DCA to the south. Under the Metropolitan Region Scheme (MRS), the road is reserved as an “Other Regional Road” and is identified as a district distributor. The portion of Mundijong Road abutting DCA2 is under control of the Shire.

The road currently exists, but will require changes in width, alignment and configuration to support development envisaged under the MDSP. The width of the Mundijong Road reserve will be 40m.

The following items are included within the West Mundijong Development Contribution Plan for Mundijong Road:

- Land required in excess of a standard 20m reserve, to achieve a 40m wide road reserve
- Land to accommodate channelization and/or roundabout construction at the noted intersections
- Intersection treatments and associated traffic control devices as follows:
 1. Kargotich Road (Roundabout)
 2. North South Spine Road (RAV7 Roundabout)
- Earthworks for the whole road reserve
- Complete road construction to a Liveable Neighbourhoods Integrator B standard
- Associated drainage works including water sensitive urban design measures
- Shared paths
- Utility removal, relocation and insertion
- Associated costs including design, administration and management.

North South Spine Road

Completed

Integrator B - between Bishop Road and Mundijong Road

The North South Spine Road bisects the developable land between Bishop Road to the north and Mundijong Road to the south. The road will be a Shire road and is not reserved under the MRS. The width of the road will be 30 metres.

The following items are included in the West Mundijong Industrial Development Contribution Plan for North South Spine Road:

- Land required in excess of a standard 20m reserve, to achieve a 30m wide road reserve
- Land to accommodate channelization and/or roundabout construction at the noted intersections
- Intersection treatments and associated traffic control devices as follows:
 1. Bishop Road (RAV7 Roundabout)
 2. Future East/West Spine Road (between Scott Rd/Sparkman Rd (RAV7 Roundabout))
- Earthworks for the whole road reserve
- Complete road construction to a Liveable Neighbourhoods Integrator B standard
- Associated drainage works including water sensitive urban design measures
- Shared paths
- Utility removal, relocation and insertion
- Associated costs including design, administration and management.

Appendix B - Cost Apportionment Schedule

DCA 2		Revision 5				Land Value Res	\$0.00	Area A	Area B	Area C	Area D		
						Land Value Non Res	\$37.16	\$21.99	\$0.00	\$0.00	\$0.00		
								Daily Escalation	\$0.00	\$0.00	\$0.00	\$0.00	
	Precinct	Total Cost	Grants	Shire %	DCP %	Shire Cost	DCP Cost	Shire Remaining	DCP Remaining	Area A	Area B	Area C	Area D
Adjustment 0.00%		\$0	\$0			\$0	-\$726,220	\$0	-\$726,220	-\$0.22	\$0.00	\$0.00	\$0.00
Cost Reconciliation	A	\$0	\$0	0%	100%	\$0	-\$726,220	\$0	-\$726,220	-\$0.22	\$0.00	\$0.00	\$0.00
AER	3.80%	\$386,811	\$0			\$0	\$386,811	\$0	\$63,620	\$0.02	\$0.00	\$0.00	\$0.00
Administration	A	\$386,811	\$0	0%	100%	\$0	\$386,811	\$0	\$63,620	\$0.02	\$0.00	\$0.00	\$0.00
IER	2.00%	\$53,472,987	-\$1,250,000			\$0	\$52,222,987	\$0	\$52,205,418	\$15.54	\$0.00	\$0.00	\$0.00
Bishop Road West	A	\$4,871,559	\$0	0%	100%	\$0	\$4,871,559	\$0	\$4,871,559	\$1.45	\$0.00	\$0.00	\$0.00
Kargotich Road	A	\$23,502,241	\$0	0%	100%	\$0	\$23,502,241	\$0	\$23,484,672	\$6.99	\$0.00	\$0.00	\$0.00
Mundijong Road West	A	\$9,236,205	-\$1,250,000	0%	100%	\$0	\$7,986,205	\$0	\$7,986,205	\$2.38	\$0.00	\$0.00	\$0.00
North South Spine Road	A	\$15,862,983	\$0	0%	100%	\$0	\$15,862,983	\$0	\$15,862,983	\$4.72	\$0.00	\$0.00	\$0.00
LVER	1.00%	\$23,063,586	\$0			\$0	\$23,063,586	\$0	\$22,313,762	\$6.64	\$0.00	\$0.00	\$0.00
Land For Infrastructure	A	\$3,681,241	\$0	0%	100%	\$0	\$3,681,241	\$0	\$3,507,952	\$1.04	\$0.00	\$0.00	\$0.00
Land For POS and Drainage	A	\$19,382,345	\$0	0%	100%	\$0	\$19,382,345	\$0	\$18,805,810	\$5.60	\$0.00	\$0.00	\$0.00
Totals		\$76,923,384	-\$1,250,000			\$0	\$74,947,164	\$0	\$73,856,581	\$21.99	\$0.00	\$0.00	\$0.00

Appendix C - Capital Expenditure Plan

DCA 2
Revision 5

ItemName	Precinct	Start Date	End Date	Delivered by the Shire
North South Spine Road	A	27/07/2027	13/02/2028	<input type="checkbox"/>
Mundijong Road West	A	27/07/2027	13/02/2028	<input checked="" type="checkbox"/>
Kargotich Road	A	27/07/2022	13/02/2028	<input checked="" type="checkbox"/>
Bishop Road West	A	27/07/2027	13/02/2028	<input checked="" type="checkbox"/>

Appendix D - Lots/m2 Area Report

DCA 2 Revision 5

ItemName	Precinct	Parent Lots	Res Lots	Non Res m2	Non Res Lot Equivalent	Total Lots	Total Cleared	Remaining Lots
Mundijong Industrial Area	A	0	0	3,515,419	3,515,419.00	3,515,419	156,662	3,358,757
Totals		0	0	3,515,419	3,515,419.00	3,515,419	156,662	3,358,757

Appendix E - Cost Reconciliation Report

DCA 2

Revision 5

At close of previous revision	Gross Contributions	Interest Credited	Administration Costs	Works Settled	POS/Drainage Land Credited	Infra Land Credited	Cleared Lots	Surplus or Deficit
Cost Reconciliation	\$1,769,341	\$47,462	-\$323,191	-\$17,569	-\$576,535	-\$173,288	156,662	\$726,220

Appendix F - Administration Detail Report

DCA 2

Revision 5

Budget This FY	Legal Expenses	Loan Interest	Consultancy	Wages	Annual Forecast	Years Remaining	Total Future Cost	Completed Cost	Total Cost
Administration	\$4,000	\$0	\$3,000	\$14,136	\$21,136	3.01	\$63,620	\$323,191	\$386,811

Admin Spend to Date

DCAID	Revision	Order Date	Description	Amount
2	1	4/06/2018	Pre-Gazettal Set up costs	-\$265,392.00
2	1	19/09/2019	Administration Costs 2019	-\$3,500.00
2	1	20/09/2020	Administration Costs 2020	-\$3,329.00
2	2	27/07/2021	Annual Administration Fee - Budget	-\$65,491.81
2	2	27/07/2021	Annual Administration Fee - Budget	\$156,038.72
2	3	27/07/2022	Administration	-\$45,812.00
2	3	27/07/2022	Administration	-\$39,689.91
2	3	14/02/2022	Administration costs	-\$12,815.43
2	4	30/06/2024	Administration	-\$17,197.31
2	4	27/07/2023	Administration Costs	-\$13,030.90
2	4	9/02/2025	Estimated costs spent to date this FY	-\$12,971.13
				-\$323,190.77

Appendix G - Infrastructure Cost Detail Report

DCA 2
Revision 5

ItemName	Precinct	Total Cost	Grants	Shire %	DCP %	Shire Cost	DCP Cost	DCP Completed	DCP Remaining
North South Spine Road	A	\$15,862,983	\$0	0%	100%	\$0	\$15,862,983	\$0	\$15,862,983
Mundijong Road West	A	\$9,236,205	-\$1,250,000	0%	100%	\$0	\$7,986,205	\$0	\$7,986,205
Kargotich Road	A	\$23,502,241	\$0	0%	100%	\$0	\$23,502,241	-\$17,569	\$23,484,672
Bishop Road West	A	\$4,871,559	\$0	0%	100%	\$0	\$4,871,559	\$0	\$4,871,559
Totals		\$53,472,987	-\$1,250,000			\$0	\$52,222,987	-\$17,569	\$52,205,418

Appendix H - Infrastructure Land Detail Report

DCA 2
Revision 5

ItemName	Precinct	Res m2 Total	Non Res m2 Total	Res m2 Cleared	Non Res m2 Cleared	Res m2 Remaining	Non Res m2 Remaining	Total Cost Cleared Land	Total Cost Remaining	Total Cost All Land
Bishop Road West	A	0	8,593	0	0.00	0	8,593	\$0	\$319,316	\$319,316
Kargotich Road	A	0	32,666	0	5,327.70	0	27,338	-\$134,308	\$1,015,891	\$1,150,199
Mundijong Road West	A	0	30,400	0	1,187.00	0	29,213	-\$38,980	\$1,085,555	\$1,124,535
North South Spine Road	A	0	29,257	0	0.00	0	29,257	\$0	\$1,087,190	\$1,087,190
Totals		0	100,916	0	6,514.70	0	94,401	-\$173,288	\$3,507,952	\$3,681,241

Appendix I - Public Open Space and Drainage Land Detail Report

DCA		2 Revision		5									
ItemName	Precinct	Res m2 Total	Non Res m2 Total	Res m2 Cleared	Non Res m2 Cleared	Res m2 Remaining	Non Res m2 Remaining	Total Cost Cleared	Total Cost Remaining	Total Cost All Land			
Mundijong Industrial Area	A	0	530,099	0	24,022.30	0	506,077	-\$576,535	\$18,805,810	\$19,382,345			
Totals		0	530,099	0	24,022.30	0	506,077	-\$576,535	\$18,805,810	\$19,382,345			

Appendix J - Infrastructure Designs

To reduce file size, only designs for uncompleted infrastructure projects will be shown, where available.