

13.2.3 ANNUAL REVIEW - DEVELOPMENT CONTRIBUTION PLANS

Director: L Gibson
 Author's Declaration Nil.
 of Interest:
 Previous Ref: OCM 11 September 2018 (Resolutions 293-298)
 Application No: LA19/00007, LA19/00011, LA19/00010, LA19/00005
 Appendices:
 13.2.3A Draft modified Canning Vale Outline Development Plan - Development Contribution Plan Report
 13.2.3B Draft modified Homestead Road Outline Development Plan - Development Contribution Plan Report
 13.2.3C Draft modified Maddington Road Precincts A and B Outline Development Plan - Development Contribution Plan Report
 13.2.3D Draft modified Southern River Precinct 1 Outline Development Plan - Development Contribution Plan Report

PURPOSE OF REPORT

For Council to review the Development Contribution Plan Reports (DCPRs) associated with the Canning Vale, Homestead Road, Maddington Road Precinct A and Precinct B and Southern River Precinct 1 Outline Development Plans (ODP), as required by Part 5 of Town Planning Scheme No. 6 (TPS 6).

BACKGROUND

The City administers Development Contribution Plans (DCPs) for the shared provision of infrastructure and land for public purposes in the Canning Vale, West Canning Vale, Homestead Road, Southern River Precinct 1, Southern River Precinct 2, Maddington Road Precincts A and B and Central Maddington ODP areas, and is required to review the associated DCPRs annually.

It should be noted that the report does not relate to the following DCPRs:

DCPR	Reason
West Canning Vale	All of the parent lots have made contributions and the DCP will be discontinued in the near future.
Southern River Precinct 2	The DCPR was adopted by Council in November 2018 and is now subject to a Valuation Challenge before the State Administrative Tribunal. A review cannot be undertaken until the challenge is resolved.
Central Maddington	The City is undertaking a detailed review of the infrastructure design and costs.

Subsequent reports will be presented to Council on each of the above DCPRs, in due course.

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Each of the DCPs have contribution obligations for Public Open Space (POS) and general infrastructure, with the exception of the Southern River Precinct 1 DCP, which only involves general infrastructure.

A summary of the most recent history of each DCP reviewed in this report follows:

Area	Most recent review	Infrastructure Contribution Rate	Public Open Space Contribution Rate	Adopted Land Valuation
Canning Vale	OCM 11 September 2018	\$62,672/ha	12.74% @ \$1,950,000/ha	\$1,950,000/ha
Homestead Road	OCM 11 September 2018	\$177,000/ha	10.06% @ \$1,150,000/ha	\$1,150,000/ha
Maddington Road Precinct A	OCM 11 September 2018	\$102,300/ha	13.88% @ \$1,100,000/ha	\$1,100,000/ha
Maddington Road Precinct B	OCM 11 September 2018	\$85,200/ha	13.41% @ \$1,100,000/ha	\$1,100,000/ha
Southern River Precinct 1	OCM 11 September 2018	\$90,000/ha	Not Applicable	Not Applicable

DISCUSSION

Public Open Space

Land valuation rates must be set to ensure adequate funds are collected to acquire land identified for POS and to determine the amount of reimbursement payable to landowners for the acquisition of such land.

In 2018, the City engaged McGees Property to provide land valuation reports until 2023. The latest valuations were undertaken in June 2019, with the recommended values being as follows.

Area	June 2019 Land Valuation
Canning Vale	\$2,000,000/ha
Homestead Road	\$1,100,000/ha
Maddington Road A	\$1,050,000/ha
Maddington Road B	\$1,050,000/ha

It is recommended that Council modifies the respective DCPs accordingly.

General Infrastructure

General infrastructure costs are comprised of two elements; land acquisition (being land for drainage, road widening and conservation purposes) and physical infrastructure (including drainage construction, POS development, path construction, road construction, traffic management devices, service relocation and general administration).

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Land

The review of the value of the land components is based on the same valuation information obtained in relation to POS, as above.

Infrastructure

The review of the estimated cost of physical infrastructure is based on either (i) an average of the Building Construction, House Construction and Road/Bridge Construction indices for Western Australia, as provided by the Australian Bureau of Statistics (ABS) or (ii) the annual Consumer Price Index (CPI), whichever is greater. In this case, the CPI of 1.3% was higher than the averaged index of 0.5%.

The use of the CPI and revised land valuation (as discussed above) results in the following changes to the DCPRs.

Area	Previously adopted infrastructure rate	Current recommended infrastructure rate
Canning Vale	\$62,672/ha	\$63,487/ha
Homestead Road	\$177,000/ha	\$188,000/ha
Maddington Road A	\$102,300/ha	\$109,400/ha
Maddington Road B	\$85,200/ha	\$86,300/ha
Southern River Precinct 1	\$90,000/ha	\$91,300/ha

It is recommended that Council modifies the respective DCPRs accordingly.

CONCLUSION

TPS 6 requires Council to review the cost sharing arrangements operating within the district. It is recommended that Council adopts revised Development Contribution Plan Reports with revised contribution rates as contained in Appendices 13.2.3A, 13.2.3B, 13.2.3C and 13.2.3D. It must be noted that the stated appendices are revised DCPRs which contain modified figures and values. These reports should be referred to for details regarding the operational aspects of the relevant DCP.

FINANCIAL IMPLICATIONS

The proposed changes to the contribution rates will have an impact on the contributions payable by developing landowners and the amount of money that can be reimbursed to developing landowners for infrastructure provided.

STATUTORY IMPLICATIONS

Town Planning Scheme No. 6.

VOTING REQUIREMENTS

Simple Majority required.

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STAFF RECOMMENDATION AND COUNCIL RESOLUTION (1 OF 5)

251 Moved Cr D Griffiths Seconded Cr O Searle

That Council adopts a revised Development Contribution Plan Report for the Canning Vale Outline Development Plan, which includes a contribution rate of \$63,487/ha for common infrastructure works and a revised land value of \$2,000,000/ha for public open space contributions and the acquisition of other land, as contained in Appendix 13.2.3A.

CARRIED 8/0

FOR: Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr T Lynes, Cr R Mitchell, Cr O Searle and Cr S Williamson.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 5)

252 Moved Cr D Griffiths Seconded Cr O Searle

That Council adopts a revised Development Contribution Plan Report for the Homestead Road Outline Development Plan, which includes a contribution rate of \$188,000/ha for common infrastructure works and a revised land value of \$1,100,000/ha for public open space contributions and the acquisition of public purpose land, as contained in Appendix 13.2.3B.

CARRIED 8/0

FOR: Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr T Lynes, Cr R Mitchell, Cr O Searle and Cr S Williamson.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (3 OF 5)

253 Moved Cr D Griffiths Seconded Cr O Searle

That Council adopts a revised Development Contribution Plan Report for the Maddington Road Precinct A and Maddington Road Precinct B Outline Development Plans, which includes a contribution rate of \$109,400/ha in Precinct A and \$86,300/ha in Precinct B for common infrastructure works, and revised land values of \$1,050,000 in Precincts A and B for public open space contributions, as contained in Appendix 13.2.3C.

CARRIED 8/0

FOR: Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr T Lynes, Cr R Mitchell, Cr O Searle and Cr S Williamson.

AGAINST: Nil.

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STAFF RECOMMENDATION AND COUNCIL RESOLUTION (4 OF 5)

254 Moved Cr D Griffiths Seconded Cr O Searle

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 1 Outline Development Plan, which includes a contribution rate of \$91,300/ha for common infrastructure works, as contained in Appendix 13.2.3D.

CARRIED 8/0

FOR: Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr T Lynes, Cr R Mitchell, Cr O Searle and Cr S Williamson.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (5 OF 5)

255 Moved Cr D Griffiths Seconded Cr O Searle

That Council notes that (i) staff will advise all landowners with outstanding contribution obligations of the changes to the Development Contribution Plan Reports and (ii) separate reports will be presented to Council in relation to the review of the Development Contribution Plan Reports associated with West Canning Vale, Southern River Precinct 2 and Central Maddington Outline Development Plans.

CARRIED 8/0

FOR: Cr P Abetz, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr T Lynes, Cr R Mitchell, Cr O Searle and Cr S Williamson.

AGAINST: Nil.