

## 13.2 PLANNING AND SUSTAINABILITY

### 13.2.1 ANNUAL REVIEW - DEVELOPMENT CONTRIBUTION PLAN REPORTS

Director: C Terelinck

Author's Declaration Nil.

of Interest:

Application No: LA17/00017, LA17/00018, LA17/00019, LA17/00020

Previous Ref: OCM 13 September 2016 (Resolutions 310-315)

Appendices:

- 13.2.1A Draft modified Canning Vale Outline Development Plan Development Contribution Plan Report
- 13.2.1B Draft modified West Canning Vale Outline Development Plan Development Contribution Plan Report
- 13.2.1C Draft modified Homestead Road Outline Development Plan Development Contribution Plan Report
- 13.2.1D 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 (DCPR's) associated with the Canning Vale, West Canning Vale, Homestead Road, 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 (DCP) for the shared provision of infrastructure and land for public purposes in the Canning Vale, West Canning Vale, Homestead Road, Southern River Precinct 1, 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 include two DCPRs. The Maddington Road Precincts A and B DCPR was reviewed in February 2017, and is largely up to date. The Central Maddington DCPR is undergoing detailed revisions relating to infrastructure design. The outcomes of those two DCPR reviews will be the subject of future reports to Council.

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

## Item 13.2.1 Continued

Area	Most recent Council adoption	Infrastructure Contribution Rate	Public Open Space Contribution Rate	Previously Adopted Land Valuation
Canning Vale	13 September 2016 (review)	\$60,595/ha	12.74% @ \$1,950,000/ha	\$1,950,000/ha
West Canning Vale	13 September 2016 (review)	\$306,800/ha	10.70% @ \$1,950,000/ha	\$1,950,000/ha (residential for POS)  \$575,000/ha (rural for Conservation Category Wetland (CCW))
Homestead Road	13 September 2016 (review)	\$171,000/ha	10.06% @ \$1,250,000/ha	\$1,250,000/ha
Southern River Precinct 1	13 September 2016 (review)	\$93,476/ha	Not Applicable	Not Applicable

**DISCUSSION**

Each of the first three DCPs under review have two separate contribution obligations, as follows:

- Public Open Space (POS), which is payable as part of residential development
- General Infrastructure, which is payable as part of any development.

The Southern River Precinct 1 DCP has an obligation for general infrastructure but does not include an obligation for POS.

These matters are discussed below.

**Public Open Space**

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

Previous POS rates have been adopted on the basis of valuation advice from JLL Mortgage Services Pty Ltd (JLL). JLL was again engaged to provide valuation reports based on current market conditions in the three areas.

The latest JLL valuations were undertaken in June 2017, with the recommended values being as follows.

Area	June 2017 Land Valuation
Canning Vale	\$1,850,000/ha
West Canning Vale (residential for POS)	\$1,850,000/ha
West Canning Vale (rural for Conservation Category Wetland (CCW))	\$550,000/ha
Homestead Road	\$1,175,000/ha

*Item 13.2.1 Continued*

It is recommended that Council modifies the respective DCPRs accordingly.

### **General Infrastructure**

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

Adjustments to the value of the land acquisition is based on the same valuation information as POS and adjustments to the value of the physical infrastructure is determined on the basis of increases to the general construction price index, changes to infrastructure unit cost rates and other inflationary measures.

A recent review of data focussed on civil engineering and residential construction index reports released by the Australian Bureau of Statistics indicates that the cost of providing physical infrastructure (those items not based on a land value component) has increased by an average of 1.50% since the DCPs were last reviewed. The use of those indices and JLL's land valuations (as discussed above) would result in the following changes to the DCPRs.

<b>Area</b>	<b>Previously adopted infrastructure rate</b>	<b>Current recommended infrastructure rate</b>
Canning Vale	\$60,595/ha	\$61,504/ha
West Canning Vale	\$306,800/ha	\$289,100/ha
Homestead Road	\$171,000/ha	\$174,000/ha
Southern River Precinct 1	\$93,476/ha	\$94,600/ha

Previous versions of the Homestead Road and West Canning Vale DCPRs have both noted that the fragmented nature of land ownership associated with the proposed location of POS would mean that the City would likely develop the POS. In both cases, the land required for POS is either currently in the control of the City or is in the process of being surrendered. As a result the City is progressing with plans to develop the POS.

The DCPRs contain allowances to develop the POS in accordance with the Liveable Neighbourhoods definition of "minimum standard" however the City will now undertake the required POS development at a higher standard than the minimum standard, in accordance with Council's Public Open Space Strategy and community expectations.

As the total cost of park development in these DCPRs will exceed the allowance, the text has been amended to note that the allowance will be reimbursed from the DCPR to the City, with the balance of the funding from Municipal funds.

It is recommended that Council modifies the respective DCPRs accordingly.

Item 13.2.1 Continued

## 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 as contained in Appendices 13.2.1A, 13.2.1B, 13.2.1C and 13.2.1D.

## FINANCIAL IMPLICATIONS

The proposed changes to the contributions 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.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (1 OF 6)
--

### 243 Moved Cr L Storer Seconded Cr B Wiffen

That Council adopts a revised Development Contribution Plan Report for the Canning Vale Outline Development Plan, which includes a contribution rate of \$61,504/ha for common infrastructure works and a revised land value of \$1,850,000/ha for public open space contributions and the acquisition of other land, as contained in Appendix 13.2.1A.

CARRIED 10/0

**FOR:** Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr P Griffiths, Cr T Lynes, Cr R Mitchell, Cr L Storer, Cr B Wiffen and Cr O Searle.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 6)
--

### 244 Moved Cr L Storer Seconded Cr B Wiffen

That Council adopts a revised Development Contribution Plan Report for the West Canning Vale Outline Development Plan, which includes a contribution rate of \$289,100/ha for common infrastructure works, a revised land value of \$1,850,000/ha for public open space contributions and \$550,000/ha for the acquisition of Conservation Category Wetland, as contained in Appendix 13.2.1B.

CARRIED 10/0

**FOR:** Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr P Griffiths, Cr T Lynes, Cr R Mitchell, Cr L Storer, Cr B Wiffen and Cr O Searle.

**AGAINST:** Nil.

Item 13.2.1 Continued

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (3 OF 6)

**245 Moved Cr L Storer Seconded Cr B Wiffen**

That Council adopts a revised Development Contribution Plan Report for the Homestead Road Outline Development Plan, which includes a contribution rate of \$174,000/ha for common infrastructure works and a revised land value of \$1,175,000/ha for public open space contributions and the acquisition of public purpose land, as contained in Appendix 13.2.1C.

CARRIED 10/0

**FOR:** Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr P Griffiths, Cr T Lynes, Cr R Mitchell, Cr L Storer, Cr B Wiffen and Cr O Searle.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (4 OF 6)

**246 Moved Cr L Storer Seconded Cr B Wiffen**

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 1 Outline Development Plan, which includes a contribution rate of \$94,600/ha for common infrastructure works, as contained in Appendix 13.2.1D.

CARRIED 10/0

**FOR:** Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr P Griffiths, Cr T Lynes, Cr R Mitchell, Cr L Storer, Cr B Wiffen and Cr O Searle.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (5 OF 6)

**247 Moved Cr L Storer Seconded Cr B Wiffen**

That Council informs all landowners with outstanding contribution obligations within the Canning Vale, West Canning Vale, Homestead Road and Southern River Precinct 1 Outline Development Plan areas, of Council's decision.

CARRIED 10/0

**FOR:** Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr P Griffiths, Cr T Lynes, Cr R Mitchell, Cr L Storer, Cr B Wiffen and Cr O Searle.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (6 OF 6)

**248 Moved Cr L Storer Seconded Cr B Wiffen**

That Council notes that separate reports will be presented to Council in relation to the review of the Development Contribution Plan Reports associated with Maddington Road Precincts A and B and Central Maddington Outline Development Plans.

CARRIED 10/0

**FOR:** Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr P Griffiths, Cr T Lynes, Cr R Mitchell, Cr L Storer, Cr B Wiffen and Cr O Searle.

**AGAINST:** Nil.