

13.5.5 AMENDMENT NO. 108 TO TOWN PLANNING SCHEME NO. 6 - SOUTHERN RIVER PRECINCT 1 - DEVELOPMENT CONTRIBUTION PLAN REPORT - FINALISATION

Author:	C Terelinck
Author's Declaration of Interest:	Nil
Application No:	PF09/00015
Applicant:	City of Gosnells
Owner:	Various
Location:	Southern River Precinct 1
Zoning:	MRS: Urban
TPS No. 6:	Residential Development
Review Rights:	None. However, finalisation of the proposal is subject to the approval of the Minister for Planning.
Previous Ref:	OCM 13 August 2013 (Resolutions 343 and 344)
Appendices:	13.5.5A Schedule of Submissions 13.5.5B Advertised Development Contribution Plan Report 13.5.5C Modified Development Contribution Plan Report 13.5.5D Advertised Attachment H to Schedule 12 to Town Planning Scheme No. 6 13.5.5E Modified Attachment H to Schedule 12 to Town Planning Scheme No. 6 13.5.5F Proposed Scheme Amendment Map 13.5.5G Common Infrastructure Works Plan 13.5.5H Land Requirements Plan

PURPOSE OF REPORT

For Council to consider adopting Amendment No. 108 to Town Planning Scheme No. 6 (TPS 6), subject to modifications to the Developer Contribution Plan (DCP) and the Developer Contribution Plan Report (DCPR).

Should Council decide to adopt the amendment (with changes as discussed in this report), it will be forwarded to the Western Australian Planning Commission (WAPC) and the Minister for Planning for final approval.

BACKGROUND**What is a Developer Contribution Arrangement?**

A developer contribution arrangement is a financial arrangement administered by the City that identifies items of common infrastructure required for an area and provides the means for developers to share the cost of their provision in a proportionate manner.

The developer contribution arrangement consists of two components, the DCP and DCPR, the latter being the Development Contribution Plan Report. Whilst these components are linked their role in the legislative planning framework varies as follows:

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- DCP – establishes the head of power for a developer contribution arrangement via TPS 6. In simple terms it is a table inserted into Schedule 12 of the Scheme that summarises the items of infrastructure that will be funded by the arrangement and the basic formula for calculating contributions. The table in Schedule 12 needs to be supported by a Special Control Area (SCA), illustrated on the Scheme Map which indicates the area the arrangement applies to. The SCA effectively illustrates the extent of the Development Contribution Area (DCA).
- DCPR – This component sits outside of TPS 6. It provides supporting detail for the DCP and includes cost schedules for infrastructure, detailed contribution calculations and the general technical information and operational parameters required to administer a developer contribution arrangement.

The modifications proposed in this report relate to both the DCP and the DCPR. Often a change proposed to the DCPR requires a similar change to the DCP and vice versa although this is not always the case. For ease of the reader, whenever possible, the general term developer contribution arrangement will be referred to in this report. For clarification the specific modifications proposed to the DCP and the DCPR will be summarised in the “Summary of Modifications” section at the end of this report.

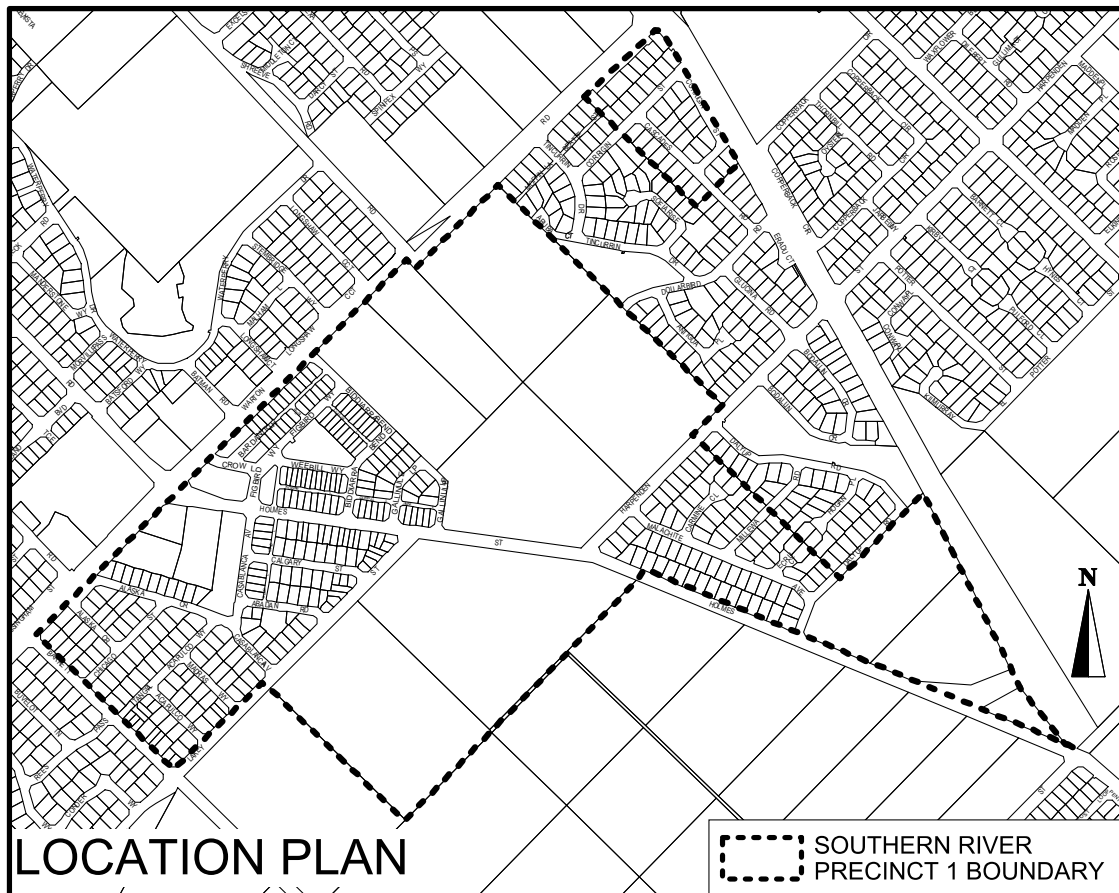
Background to Amendment 108

In the year 2000 it became apparent that a framework for Precinct 1 was required to guide the proper and orderly planning for the area. In response the City commissioned the preparation of an Outline Development Plan (ODP).

On 11 June 2002 Council resolved to support the draft ODP for Precinct 1 and forward it to the Western Australian Planning Commission (WAPC) to seek support for the proposal to be advertised for public comment once a drainage management plan, schedule of common infrastructure works and other supporting documentation had been prepared. Council also resolved to support the Metropolitan Region Scheme and TPS 6 being amended to provide for urban development in Precinct 1.

A location plan showing the extent of Southern River Precinct 1 follows.

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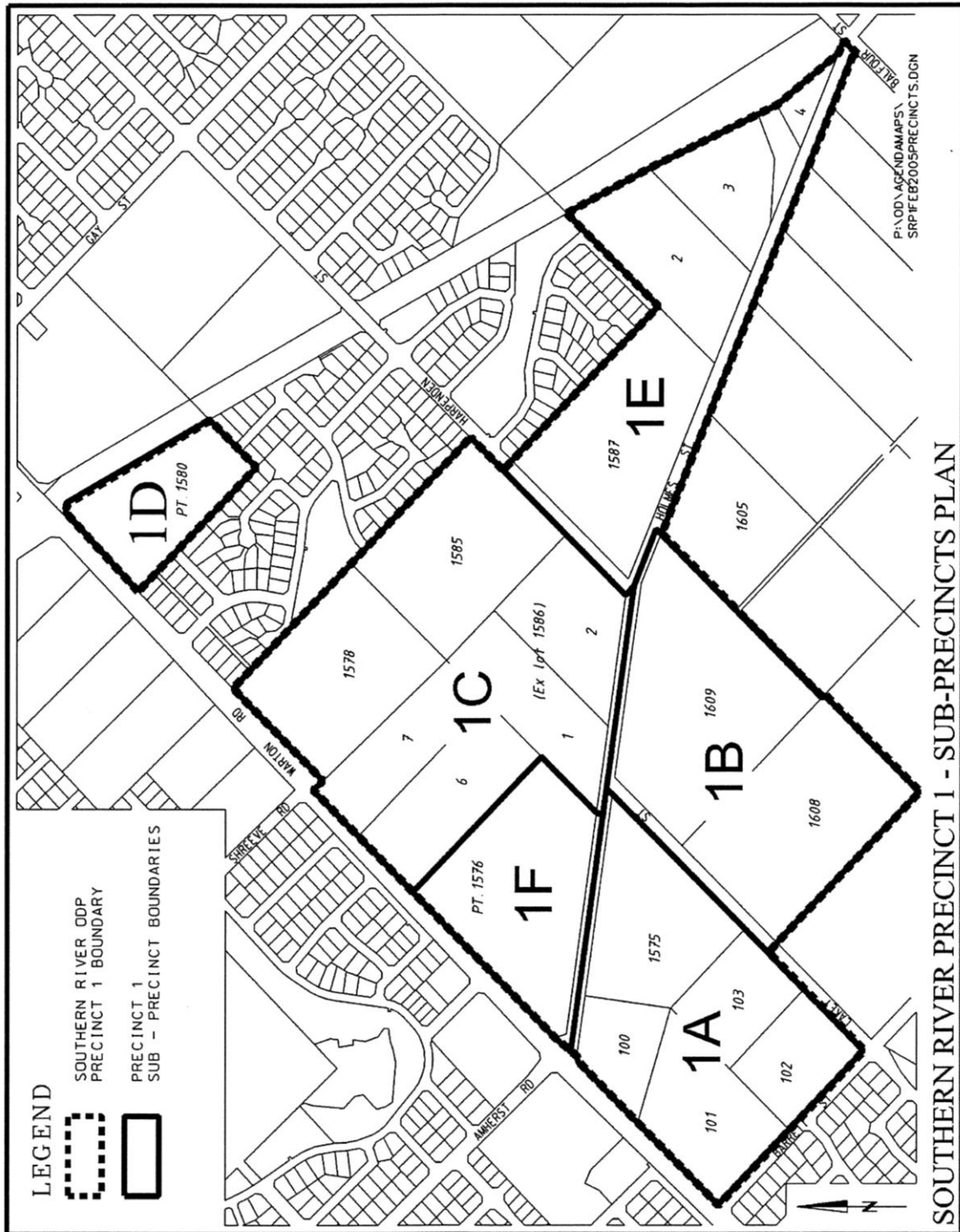


In August 2003 the draft ODP was formally advertised for comment to government agencies and landowners. Issues were raised by many of the stakeholders. The most significant of those related to the extent of land to be set aside for conservation and related compensation arrangements. The draft ODP was not subsequently finalised and remained unresolved until 2005.

On 22 February 2005 Council considered a report that examined these issues and resolved to replace the requirement for a single ODP for the precinct in favour of a number of sub-precinct ODP's. It was thought that the various issues could be addressed within discrete cells to progress the planning for the precinct. The report also recognised that the WAPC had allowed subdivision to occur in parts of Precinct 1 ahead of the broader planning framework being established.

The sub-precinct plan for Southern River Precinct 1 follows.

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Since 2005, ODPs have been approved for five of the six sub-precincts. The developer contribution arrangement however has still not been finalised. Notwithstanding the aforementioned conservation issues, the arrangement has continued to be delayed due to the evolution of the WAPC's policy on developer contributions, resulting in changes to how they are required to be structured and how they are to operate.

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In the absence of a formalised developer contribution arrangement several developers have entered legal agreements with the City for the payment of preliminary (or interim) cost contributions for infrastructure. It was anticipated that the final payment figures would be adjusted once the developer contribution arrangement was finalised.

On 8 November 2011, Council initiated Amendment No. 108. The amendment proposed to:

- Establish a DCP for the provision of Common Infrastructure Works (CIW's) for Southern River Precinct 1
- Introduce a draft DCPR which sets out the intended operation of the DCP.

On 1 July 2013, the WAPC gave its consent for the City to advertise the developer contribution arrangement for Precinct 1 and advertising for public comment commenced soon after.

The following table shows the Common Infrastructure Works (CIW's) required for Southern River Precinct 1 and the associated cost of their provision as advertised. As indicated at the bottom of the table, the total cost of CIW's is to be apportioned across the total amount of developable land in the precinct. This translates to a per hectare rate which is used to calculate individual developer contribution payments as landowners develop their respective properties.

PRECINCT 1 COMMON INFRASTRUCTURE WORKS	
\$567,600	Land Acquisition – Warton Road
\$1,206,700	Upgrade of Warton Road
\$756,200	Construction of Garden Street
\$589,300	Traffic Management
\$100,000	Fauna Underpasses - Holmes Street
\$300,000	Construction of Roundabout - Intersection of Holmes Street and Harpenden Street
\$27,300	Land Acquisition - Intersection of Holmes Street and Harpenden Street
\$300,000	General Administration and Studies
\$3,847,100	Estimated total cost for common infrastructure works for the total net contribution area of 42.3060ha.
\$90,935/ha	Contribution per hectare of net contribution area

The CIWs and costs shown above have since been reviewed and a number of changes have been required which affects the overall cost of CIW's and the per hectare rate used to calculate contribution payments.

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Consultation

Advertising was undertaken during the months of September and October 2013 for a period of 42 days, including:

- Letters to affected landowners
- Advertisements placed in the local newspapers
- Advertising on the City's website
- Public displays at the City's Civic Centre and libraries.

During the advertising period, the City received two written submissions from land owners objecting to the proposal. A summary of submissions received and comments thereon is included in a Schedule of Submissions contained in Appendix 13.5.5A. One landowner also contacted the City but did not make a written submission.

DISCUSSION

Issues Arising from Consultation Summarised

The main issues raised in submissions are as follows:

1. There is insufficient supporting information that demonstrates and quantifies the proportionate demand and costs associated with the provision of CIW's specifically related to development within the precinct.
2. There is insufficient information on the timing and priority of the provision of infrastructure.
3. Request that the proposal be re-advertised subject to a demand analysis being undertaken and subsequent review of costs.
4. The methodology of calculating contributions in respect to cost escalation on infrastructure that has already been provided and potential offsets to final contribution payments.
5. The inclusion of conservation wetlands in contribution arrangements.

Each is discussed below.

Demonstrating Demand for CIW's

It was suggested that the developer contribution arrangement for Precinct 1 is inconsistent with the WAPC's policy that guides the preparation of such proposals, and that the cost of CIWs appears to be excessive. It was also felt that there is insufficient evidence in the arrangement to demonstrate that these costs specifically relate to the development in Precinct 1, particularly the cost of constructing regional roads and associated traffic signals. The submitter asserts that this should be demonstrated by a demand analysis for CIWs.

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The cost of constructing regional roads and associated traffic signals has been determined by the City which has experience in their construction. For Warton Road, which has been constructed, detailed costs are available, and for Garden Street, which is proposed to be constructed in future, the cost has been estimated based on previous road construction projects.

The submitter is correct that developers should only be required to contribute toward CIWs to the extent that they service the specific demand generated by development within Precinct 1. In response it is noted that the approach used to apportion costs to the precinct is consistent with other City administered developer contribution arrangements that have been endorsed by the WAPC.

The methodology proposed in the draft developer contribution arrangement for apportioning costs in Precinct 1 is as follows:

- The cost of constructing regional roads has been apportioned based on half the cost of constructing one additional carriageway and half the cost of earthworks for the second carriageway.
- The cost of constructing traffic lights on regional roads in the developer contribution area has been apportioned based on a percentage of the cost of the works that relate to Precinct 1.

The cost of constructing regional roads and associated traffic lights for Precinct 1 applies only to the length of road that directly abuts the precinct. This is the same approach used for other regional roads and associated traffic lights which have been included in separate contribution arrangements. These roads include Nicholson Road, Southern River Road and Garden Street.

Essentially, just as Precinct 1 is required to contribute to the construction of Warton Road and Garden Street, the areas immediately adjacent to Precinct 1, in Canning Vale and Southern River, which have their own developer contribution arrangements are also required to contribute their proportionate share of the cost of the construction of regional roads and associated traffic signals in a similar manner.

In view of the above, the approach for determining and apportioning costs for CIWs in the developer contribution arrangement for Precinct 1 is considered fair and reasonable.

Timing for the Completion of CIWs

In response to the concerns regarding the lack of information on the timing of undertaking CIWs, the majority of the infrastructure outlined in the draft DCPR has been provided with the exception of the construction of Garden Street and a roundabout on Holmes Street.

The timing of undertaking regional road works is difficult to predict. It depends on a number of factors, the most important being the demand for the road widening as a factor of urban growth and associated vehicle movements. It also depends on the broader priorities for regional road construction throughout the entire district and the availability of funding through state grants, contribution arrangements and other funding sources.

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The construction of Garden Street is unlikely to occur in the short term as the City's current priority is the upgrading of Southern River Road. This means that the completion of Garden Street is likely to be at least five years away, and therefore, it will be recommended that the developer contribution arrangement be modified to indicate that the construction of Garden Street is unlikely to occur within the next five years.

The roundabout on Holmes Street is anticipated to be constructed within the next two years by a private developer as part of subdivision works in this vicinity. This is subject to the final approval of the development contribution arrangement.

For clarification it will be recommended that a new table be inserted under a new sub-section 4.4 in the DCPR titled "Timing on the Completion of CIWs".

Re-advertising the Developer Contribution Arrangement

A number of developers have expressed their desire to have the developer contribution arrangement finalised as soon as possible so that they can satisfy their outstanding financial obligations under legal agreements made with the City.

In respect of the specific issues raised by the submitter seeking re-advertising of the developer contribution arrangement, it is considered that these have been adequately addressed in this report. If developers are still aggrieved by the outcomes of this report they have the opportunity to liaise with the WAPC. The WAPC could request further changes to the developer contribution arrangement and direct the City to re-advertise it.

Implication of Cost Escalation on Common Infrastructure

The submitter has an outstanding legal agreement with the City for the payment of developer contributions once it has been finalised. The submitter is seeking consideration of offsets to their final contribution payments based on the effects of cost escalation on land ceded for the widening of Warton Road and financial contributions previously paid toward the upgrade of the Amherst/Warton Road intersection.

In this regard the following is acknowledged:

- A portion of land with an area of 136m² has been ceded for the widening of Warton Road
- Financial contributions were paid to the City for the upgrading of the Amherst/Warton Road intersection.

Cost escalation is inherent in all developer contribution arrangements as inevitably the cost of providing infrastructure and associated land components increases over time. Provision for the escalation of costs needs to be included in developer contribution arrangements to ensure contribution payments reflect the changing cost of providing CIWs over time. Otherwise, there may be insufficient funds, in the long term, to provide all the required works. The result would be the City having to source these funds elsewhere, such as the municipal fund which would be a cost to the broader community.

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Cost escalation has been applied to the developer contribution arrangement for Precinct 1 and is calculated using a combination of the Consumer Price Index (CPI) and other infrastructure indexes related to the construction industry.

Given the time that has elapsed since development in Precinct 1 began, a significant amount of CIWs have been provided. These include the upgrade of Warton Road and the associated Amherst/Warton Road intersection and the ceding of land for the widening of Warton Road. For those CIWs that have been provided, cost escalation has been applied annually from the time these works were completed up to the current day. The cost of works to be provided in future has been estimated based on previous works.

In respect to the issues raised by the submitter it is agreed that cost escalation should be factored into the final adjusted contribution payment made toward the upgrade of the Amherst/Warton Road intersection and the land provided for the Warton Road widening.

This does not require a change to the developer contribution arrangement, but rather acknowledges the approach the City proposes to take in calculating contributions and finalising the final contribution payment under the terms of the legal agreement.

Conservation Wetlands in Developer Contribution Arrangements

A landowner in Precinct 1 sought clarification as to whether compensation for wetlands and their buffers should be provided for in the developer contribution arrangement. The landowner did not formally respond in writing during the advertising period however the issue of wetlands is pertinent to Precinct 1.

The issue of compensation for wetlands arose in the early years of developing a planning framework for Precinct 1. Due to the presence of significant areas of wetland in Precinct 1 it was realised that the cost of compensating landowners for such areas within a developer contribution arrangement would adversely affect the viability of development in the Precinct.

The inclusion of wetlands in developer contribution arrangements has previously been supported by the WAPC even though this was contrary to its policy at the time. As such the developer contribution arrangements for Canning Vale, West Canning Vale and Southern River Precinct 2 have provided for the acquisition of wetlands and compensation for those landowners required to cede this land.

Since these developer contribution arrangements were prepared, the WAPC has reaffirmed its original policy position on this issue. In September 2009, in its consideration of the Local Structure Plan for Southern River Precinct 3, the WAPC indicated that it would not support the inclusion of compensation costs for wetlands being funded by developers in the Precinct 3 area. As such developer contribution arrangements prepared in recent times do not include wetlands.

Unfortunately for landowners with wetlands on their property, the City cannot provide any clear direction on whether compensation for wetlands is available through other means. Land owners would need to pursue this matter with the WAPC and the Department of Parks and Wildlife (DPaW).

*Item 13.5.5 Continued***Review of Land Valuation and CIW Costs**

Since the developer contribution arrangement was advertised a further review of the cost of CIWs has been undertaken including the englobo land valuation. Due to increasing costs of infrastructure and land over time this has resulted in an overall increase to the total cost of CIWs in the developer contribution arrangement. These are discussed in the following sub-sections.

Review of the Land Valuation

As part of the review, the land valuation incorporated in the DCP report has been updated. The initial valuation report prepared by Propell Valuers proposed an englobo rate of \$130/m² which is the rate applied to the land required for the widening of Warton Road and the land required for a roundabout proposed at the intersection of Holmes Street and Harpenden Street. Propell Valuers have reviewed their valuation report and the englobo rate has now been revised to \$160/m². This will have the effect of increasing the cost of these CIWs outlined in the developer contribution arrangement.

In accordance with TPS 6, the methodology which determined the englobo valuation needs to be explained in the DCPR. The advertised DCPR did not contain this information and therefore it will be recommended that it be modified to include the revised costs associated with these CIWs and include an explanation of the valuation methodology.

Revised Cost Estimates

The cost estimates for CIWs, when they were first determined, were based on the best information available at the time. Since the contribution arrangement was advertised, additional preliminary design work for the Garden Street construction has been undertaken and determined to be higher than first thought. Construction costs have increased primarily due to more extensive earthworking and fill requirements associated with constructing a dual carriageway. To allow for this situation, the cost of constructing Garden Street, in the schedule of CIWs needs to be adjusted.

The table below summarises the CIWs and associated costs advertised in the draft developer contribution arrangement attached at Appendix 13.5.5B.

PRECINCT 1 COMMON INFRASTRUCTURE WORKS	
\$567,600	Land Acquisition – Warton Road
\$1,206,700	Upgrade of Warton Road
\$756,200	Construction of Garden Street
\$589,300	Traffic Management
\$100,000	Fauna Underpasses - Holmes Street
\$300,000	Construction of Roundabout - Holmes/Harpenden
\$27,300	Land Acquisition - Holmes/Harpenden
\$300,000	General Administration and Studies
\$3,847,100	Estimated total cost for CIWSs for the total net contribution area of 42.3060ha.
\$90,935/ha	Contribution per hectare of net contribution area

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The costs have been revised to allow for an additional works associated with Garden Street, an updated land valuation related to the land required for the widening of Warton Road and the roundabout at the Holmes/Harpenden Street intersection, and the escalation of costs associated with the provision of CIWs generally. The table below reflects these revised costs.

PRECINCT 1 COMMON INFRASTRUCTURE WORKS	
\$698,600	Land Acquisition – Warton Road
\$1,737,000	Upgrade of Warton Road
\$1,564,900	Construction of Garden Street
\$859,200	Traffic Management
\$100,000	Fauna Underpasses - Holmes Street
\$400,000	Construction of Roundabout - Holmes/Harpenden
\$33,600	Land Acquisition - Holmes/Harpenden
\$300,000	General Administration and Studies
\$5,693,300	Estimated total cost for CIWs for the total net contribution area of 42.3060ha.
\$134,575/ha	Contribution per hectare of net contribution area

The table above shows the projected total cost of infrastructure has risen by \$1,846,200.

Review of Common Infrastructure Works

Since the developer contribution arrangement was advertised and subsequent to a further review, two additional modifications are proposed to the CIWs. They involve:

- Including additional land required for the widening of Warton Road
- Removing the construction of Garden Street from the arrangement.

These are discussed in the following sections.

Additional Land for Widening Warton Road

To facilitate the construction of Warton Road to a dual carriageway, land in Precinct 1 was required for widening. The majority of this land was ceded free of cost at the time lots were developed with the intention that it be included in the contribution arrangement as a CIW.

Land for the widening of Warton Road has been included in the contribution arrangement as CIW and it is anticipated that those landowners who provided this land will either be reimbursed the proportionate cost of the value of that land or have their final contribution payment offset by this amount.

Land that was formally part of Lots 6 and 7 and required for the widening of Warton Road was purchased by the City as it had not been ceded at the time it was needed to facilitate road construction. This land widening component was inadvertently understated in the draft developer contribution arrangement.

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This increases the land requirement for the Warton Road widening from 0.4366ha to 0.5191ha.

It is recommended that the developer contribution arrangement be revised to include the additional land area required for road widening and reflect the adjusted cost.

Removal of Garden Street Construction

The proposal to remove Garden Street from the DCPR has arisen for a number of reasons.

Firstly, the planning towards establishing a contribution arrangement has been ongoing for the last ten years and even though the majority of CIWs have been provided the arrangement has not yet been finalised. With the construction of Garden Street probably five years away, perhaps even longer, the arrangement may remain in operation for a considerable period of time. With the cost of the Garden Street almost certain to increase over time, and with limited developable land remaining that will contribute toward its provision, this will expose the City to risk in terms of being the authority required to deliver CIWs, even in the event where a shortfall in the collection of contributions occurs. Removing Garden Street from the contribution arrangement will reduce this risk as the operation of the arrangement will be able to be concluded in the very near future.

Secondly, the City may be able to seek some grant funding for the construction of Garden Street which would potentially negate the need for it to be included in the contribution arrangement.

Thirdly, some developers made contributions many years ago, under legal agreements, at a preliminary contribution rate of \$50,000/ha. Based on the draft DCPR advertised, they could have expected their costs to increase to approximately \$90,000/ha. With the cost of CIW provisions increasing, the contribution rate has risen to \$134,000/h and the City may have difficulty in recovering the rising costs of CIW.

The City considered two ways to reduce the overall contributions that developers will be required to make, and effectively reduce their financial obligations after a long waiting period. These involve:

1. Allowing inflation (CPI) cost increases on preliminary contributions already paid which can then be offset against the ultimate contribution amount that is required by the finalised contribution arrangement.
2. The removal of Garden Street from the contribution arrangement which reduces the overall cost of CIWs and subsequent contributions developers will be required to pay.

To clarify how these options would be applied the following examples are tabled below:

OPTION 1				
Final Adjusted Contribution - CPI Included				
Preliminary Contribution	CPI	Contribution Area	Contribution Rate (Amended)	
\$50,000	\$63,604	2ha	\$134,575/ha	
Contribution Area X Contribution Rate – Contribution CPI Added = Final Contribution				
2ha multiplied by \$134,575/ha = \$269,150 minus \$63,604 = \$205,546				

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Under this option, rather than subtracting the \$50,000 preliminary contribution, \$63,000 is deducted to account for inflation.

OPTION 2			
Final Adjusted Contribution – Removal of Garden Street Construction			
Preliminary Contribution	CPI Added	Contribution Area	Contribution Rate
\$50,000	0	2ha	\$100,901/ha
Contribution Area X Contribution Rate – Preliminary Contribution = Final Contribution			
2ha multiplied by \$100,896/ha = \$201,792 minus \$50,000 = \$151,802			

In option 2, the removal of Garden street will reduce the contribution rate from \$134,575/ha to \$100,901/ha. In this example, the contribution required to be paid by the developer would be much less if Garden Street was removed from the contribution arrangement, in fact approximately 25% less.

In view of the above, it is considered that Option 2 is preferred. Whilst it provides some assistance to developers who have waited a long time for the arrangement to be finalised, it is the best option for the City in terms of limiting exposure to risk with the continued operation of the arrangement. As such, it is recommended that Garden Street be removed from the contribution arrangement.

As Option 2 is preferred, it will be recommended that Council formally adopts the position that, when reconciling previously-made preliminary contributions following the formal adoption of the DCPR, it will not allow for the inflationary indexation of those preliminary contributions. Such a position will effectively mean that all previously made contributions will be treated as though they were made at the time the DCPR is formally adopted.

Comparison of Advertised and Revised Developer Contribution Arrangement

The table below summarises the schedule of CIWs and associated costs contained in the developer contribution arrangement advertised for public consultation.

PRECINCT 1 COMMON INFRASTRUCTURE WORKS	
\$567,600	Land Acquisition – Warton Road
\$1,206,700	Upgrade of Warton Road
\$756,200	Construction of Garden Street
\$589,300	Traffic Management
\$100,000	Fauna Underpasses - Holmes Street
\$300,000	Construction of Roundabout - Intersection of Holmes Street and Harpenden Street
\$27,300	Land Acquisition - Intersection of Holmes Street and Harpenden Street
\$300,000	General Administration and Studies
\$3,847,100	Estimated total cost for common infrastructure works for the total net contribution area of 42.3060ha.
\$90,935/ha	Contribution per hectare of net contribution area

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The table that follows reflects a revised schedule of CIWs and associated costs proposed for the developer contribution arrangement. The revisions involve the inclusion of additional land for the widening of Warton Road, the removal of the construction of Garden Street from the contribution arrangement, an updated land valuation applied to the land components of the CIWs, and updated CIWs cost estimates due to the escalation of the cost of providing infrastructure.

PRECINCT 1 COMMON INFRASTRUCTURE WORKS	
\$830,600	Land Acquisition – Warton Road
\$1,737,000	Upgrade of Warton Road
\$859,200	Traffic Management
\$100,000	Fauna Underpasses - Holmes Street
\$400,000	Construction of Roundabout - Intersection of Holmes Street and Harpenden Street
\$33,600	Land Acquisition - Intersection of Holmes Street and Harpenden Street
\$300,000	General Administration and Studies
\$4,260,400	Estimated total cost for common infrastructure works for the total net contribution area of 42.2236ha.
\$100,901/ha	Contribution per hectare of net contribution area

With the updated land valuation and the inclusion of additional land for the widening of Warton Road, the cost of this item has risen from \$567,600 to \$830,600. This has also resulted in the net contribution area changing slightly from 42.3060ha to 42.2236ha.

With all of the revisions proposed, the overall cost of CIWs has increased from \$3,847,100 to \$4,260,400. Subsequently the per hectare contribution rate has increased from \$90,935/ha to \$100,901/ha.

Whilst the costs of CIWs has increased since the contribution arrangement was advertised for public comment, the City has sought to reduce its risk and the impact on developers by removing the construction of Garden Street from the arrangement. This represents a significant reduction in contributions developers would be required to pay as the contribution rate would be much higher at \$134,575/ha if Garden Street remained in the arrangement.

In view of the above it will be recommended that the developer contribution arrangement be revised to reflect these proposed changes, as attached at Appendix 13.5.5C.

Other Minor Modifications

Based on discussions with the DoP regarding its evolving developer contribution policy, it is anticipated that other modifications will be required to the developer contribution arrangement. These modifications will provide more detail and clarification on various components of the arrangement for the reader. They do not involve changes to the financial component of the arrangement and therefore do not affect the contribution amounts for individual properties. These modifications are summarised below:

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Modification to the DCP

The DCP is essentially the Table of CIWs contained in Schedule 12 of TPS 6 which establishes the head of power to operate a developer contribution arrangement. The schedule of CIWs for Precinct 1 is to be contained as “ATTACHMENT H” to TPS 6. The advertised schedule of CIWs is attached at Appendix 13.5.5D.

It is proposed to modify the advertised schedule of CIWs by providing additional detail that quantifies the CIWs and describes how contributions are calculated. Whilst this information is contained in the DCPR, the DoP has requested that it also be included in the DCP. Also, as discussed previously, Garden Street is proposed to be removed from the contribution arrangement and therefore the DCP will need to be modified to reflect this change.

The modified schedule of CIW’s is attached at Appendix 13.5.5E.

The Special Control Area, which defines the DCA on the Scheme map, is unchanged. This is attached at Appendix 13.5.5F.

It will be recommended that Council amends the Scheme text by inserting the revised schedule of CIW’s attached at Appendix 13.5.5E.

Additional Plans to be Included to the DCPR

The DCPR provides all the necessary details to administer the developer contribution arrangement and includes cost schedules for infrastructure, detailed contribution calculations and general technical information and operational parameters.

The DoP has requested that additional plans be prepared and inserted into the DCPR to better illustrate the CIWs required for the area. As such it is proposed to include the attached CIW Plan at Appendix 13.5.5G which illustrates the location of CIWs.

In addition, a “Land Requirement Plan” attached at Appendix 13.5.5H is proposed to be included to define the area of land required for the widening of Warton Road.

It will be recommended that the above plans be inserted into the DCPR.

Summary of Modifications to the Developer Contribution Arrangement

The following sections are summaries of the revisions proposed to the developer contribution arrangement. They have been separated into two categories depending on whether they involve changes to the DCP or DCPR of the arrangement.

Modification to the DCP

The following table summarises the modifications proposed to the DCP as attached at Appendix 13.5.5E.

Proposed Modifications to DCP in attachment “H” in Schedule 12 of TPS 6	
Modifications	Resultant Change
Remove Garden Street construction	Text change involving removal of Garden Street from the DCP as modified at Appendix 13.5.5E.
Add detail quantifying CIWs and describing contribution calculations	Text change providing additional detail to the DCP as modified at Appendix 13.5.5E.

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The modifications tabled above represent text changes. The DCP contains a schedule of CIWs and basic formulae to calculate developer contributions. It does not contain any financial information as this is provided for in the DCPR.

Modification to the DCPR

The following table summarises the modifications proposed to the DCPR as attached at Appendix 13.5.5C.

Proposed Modifications to DCPR – Detailed Operation and Administration	
Modifications	Resultant Change
Remove Garden Street construction.	Remove the Garden Street construction from the CIW table (Table 2, page 7 and 8) of the DCPR and adjust the total CIW costs.
Include additional land to the Warton Road widening land requirement.	Increase the land requirement for the widening of Warton Road in the CIW table (Table 2, page 7 and 8) of the DCPR and adjust the total CIW costs. Modify the Calculation of Contribution Areas table (Table 1, page 6) of the DCPR to reflect an increase in road widening area from 0.4366ha to 0.5191ha, and the subsequent reduction to the NCA from 42.3060ha to 42.2235ha.
Adjust cost of CIWs to allow for cost escalation and preliminary investigations.	Modify the CIW table (Table 2, page 7 and 8) of the DCPR to reflect an increase in costs.
Adjust the land valuation figure from \$130/m ² to the revised figure of \$160/m ² and provide explanatory text detailing the land valuation methodology.	Modify land value and provide explanatory text (page 5) of DCPR. Modify the CIW table (Table 2, page 7 and 8) of the DCPR to reflect an increase in cost of land required for the widening of Warton Road and the land required for the roundabout on Holmes Street.
Include detail on the timing of the completion on CIWs.	Prepare new table indicating the timing for completion on CIW required for the DCPR and insert it into a new sub-section 4.4 of the DCPR.
Modify the DCPR generally in the relevant sections as a result of the modifications to various tables proposed above.	The modifications have been reflected in the modified DCPR attached at Appendix 13.5.5C.
Introduce various plans to provide additional detail on CIWs.	Prepare and insert a CIW plan into the DCPR illustrating the location of CIWs in the DCA, and prepare and insert a Road Widening Plan for Warton Road in the DCPR indicating the individual land requirements associated with individual properties.

Some of the modifications tabled above have financial implications for the DCPR whilst others simply provide additional information such as the proposed new plans. The financial implications are summarised in the revised schedule of CIWs tabled below.

Item 13.5.5 Continued

PRECINCT 1 COMMON INFRASTRUCTURE WORKS	
\$830,600	Land Acquisition – Warton Road
\$1,737,000	Upgrade of Warton Road
\$859,200	Traffic Management
\$100,000	Fauna Underpasses - Holmes Street
\$400,000	Construction of Roundabout - Intersection of Holmes Street and Harpenden Street
\$33,600	Land Acquisition - Intersection of Holmes Street and Harpenden Street
\$300,000	General Administration and Studies
\$4,260,400	Estimated total cost for common infrastructure works for the total net contribution area of 42.2236ha.
\$100,901/ha	Contribution per hectare of net contribution area

The revisions to the DCPR are summarised as follows:

- The construction of Garden Street has been removed from the schedule of CIWs.
- Additional land has been included for the widening of Warton Road which increases the land requirement from 0.4366ha to 0.5191ha.
- Due to more detailed preliminary investigations and general increase in cost of CIW provision, the cost of some individual CIWs have increased including the upgrade of Warton Road, traffic management and the roundabout on Holmes Street.
- Due to an increase in land valuation from \$130/m² to 160/m² the cost of land acquisition for the widening of Warton Road and the roundabout on Holmes Street has increased.
- The overall total cost of CIWs has increased from \$3,847,100 to \$4,260,200.
- The per hectare contribution rate has increased from \$90,935/ha to \$100,901/ha.

CONCLUSION

It is recommended that Council adopts Amendment No. 108 to TPS 6 and the modified draft DCP and the draft DCPR and forwards the amendment to the Western Australian Planning Commission and the Minister for Planning for final approval.

FINANCIAL IMPLICATIONS

The financial integrity of the DCP will to a large extent rely on adjustment of preliminary contributions made under legal agreements and the collection of additional contributions to satisfy these financial obligations. This is to be undertaken once the DCP has been finalised.

Item 13.5.5 Continued

STATUTORY IMPLICATIONS

- *Town Planning Regulations 1967* - Amendments to Local Planning Schemes
- *Environmental Protection Act 1986* - (Section 48) - Scheme Assessments.

VOTING REQUIREMENTS

Simple Majority required.

STAFF RECOMMENDATION (1 OF 6) AND COUNCIL RESOLUTION
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102 Moved Cr R Mitchell Seconded Cr R Hoffman

The Council, pursuant to Regulation 17(1) of the *Town Planning Regulations 1967*, notes the submissions received in response to Amendment No. 108 to Town Planning Scheme No. 6 as contained within this report and in Appendix 13.5.5A.

CARRIED 10/0

FOR: Cr W Barrett, Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

AGAINST: Nil.

STAFF RECOMMENDATION (2 OF 6) AND COUNCIL RESOLUTION
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103 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council, pursuant to Regulation 17(2)(a) of the *Town Planning Scheme Regulations 1967*, adopts Amendment No. 108 to Town Planning Scheme No. 6, which proposes to:

1. Amend the Scheme Text by inserting the modified Attachment H into Schedule 12 of the Scheme contained at Appendix 13.5.5E.
2. Amend the Scheme Map by applying a Special Control Area - Development Contribution Area 8 to the Southern River Precinct 1 area, as depicted on the Scheme Amendment map contained in Appendix 13.5.5F.

CARRIED 10/0

FOR: Cr W Barrett, Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

AGAINST: Nil.

Item 13.5.5 Continued

STAFF RECOMMENDATION (3 OF 6) AND COUNCIL RESOLUTION

104 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council forwards Amendment No. 108 to the Western Australian Planning Commission and the Minister for Planning for final approval.

CARRIED 10/0

FOR: Cr W Barrett, Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

AGAINST: Nil.

STAFF RECOMMENDATION (4 OF 6) AND COUNCIL RESOLUTION

105 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council, pursuant to Section 6.4 of Town Planning Scheme No. 6, adopts the draft modified Development Contribution Plan Report for Southern River Precinct 1 as contained in Appendix 13.5.5C.

CARRIED 10/0

FOR: Cr W Barrett, Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

AGAINST: Nil.

STAFF RECOMMENDATION (5 OF 6) AND COUNCIL RESOLUTION

106 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council informs all affected land owners within the Southern River Precinct 1 of its decision.

CARRIED 10/0

FOR: Cr W Barrett, Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

AGAINST: Nil.

STAFF RECOMMENDATION (6 OF 6) AND COUNCIL RESOLUTION

107 Moved Cr R Mitchell Seconded Cr R Hoffman

That Council adopts the position that, when reconciling previously-made preliminary contributions following the formal adoption of the DCPR, it will not allow for the inflationary indexation of those preliminary contributions.

CARRIED 10/0

FOR: Cr W Barrett, Cr J Brown, Cr G Dewhurst, Cr D Goode, Cr P Griffiths, Cr R Hoffman, Cr R Mitchell, Cr O Searle, Cr P Yang and Cr D Griffiths.

AGAINST: Nil.