

**13.2.3 ANNUAL REVIEW - DEVELOPMENT CONTRIBUTION PLAN REPORTS**

Director: C Terelinck

Author's Declaration Nil.

of Interest:

Application No: LA21/00005, LA21/00006, LA21/00007, LA21/00008,  
LA21/00009, LA21/00010

Previous Ref: OCM 13 October 2020 ( Resolutions 275 – 279)

Appendix:

- 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
- 13.2.3E Draft modified Southern River Precinct 2 Outline Development Plan - Development Contribution Plan Report
- 13.2.3F Draft modified Central Maddington 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 Precincts A and B, Southern River Precinct 1, Southern River Precinct 2 and Central Maddington Outline Development Plans (ODPs), as required by Part 5 of Town Planning Scheme No. 6 (TPS6).

**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 the report does not relate to the West Canning Vale DCPR as all of the parent lots have made contributions, completion of works is underway and the DCP will be finalised once outstanding claims and works have been completed. A subsequent report will be presented to Council when the works are finalised.

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

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It should be noted that different rounding principles have been used in different DCPs over time. This means that there are some minor calculation differences in the summaries provided in the individual DCPRs.

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

<b>Area</b>	<b>Most recent review</b>	<b>Infrastructure Contribution Rate</b>	<b>Adopted Land Valuation</b>
Canning Vale	OCM 13 October 2020	\$64,884/ha	\$1,950,000/ha
Homestead Road	OCM 13 October 2020	\$191,000/ha	\$1,050,000/ha
Maddington Road Precinct A	OCM 13 October 2020	\$111,800/ha	\$1,000,000/ha
Maddington Road Precinct B	OCM 13 October 2020	\$88,200/ha	\$1,000,000/ha
Southern River Precinct 1	OCM 13 October 2020	\$92,100/ha	Not Applicable
Southern River Precinct 2	OCM 13 October 2020	\$103,000/ha	\$1,200,000/ha
Central Maddington Precinct 1	OCM 10 November 2020	R20 - \$255,504/ha R30 - \$383,256/ha R40 - \$511,008/ha R80 - \$1,022,016/ha	R20 - \$105,365/ha R30 - \$158,047/ha R40 - \$210,730/ha R80 - \$421,460/ha
Central Maddington Precinct 2	OCM 10 November 2020	R20 - \$90,019/ha R30 - \$135,028/ha R40 - \$180,038/ha	R20 - \$105,365/ha R30 - \$158,047/ha R40 - \$210,730/ha

## 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 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 2021, with the recommended values being as follows.

<b>Area</b>	<b>June 2021 Land Valuation</b>
Canning Vale	\$2,000,000/ha
Homestead Road	\$1,150,000/ha
Maddington Road A	\$1,100,000/ha
Maddington Road B	\$1,100,000/ha
Southern River Precinct 2	\$1,300,000/ha
Central Maddington Precincts 1 & 2	\$2,600,000/ha

*Item 13.2.3 Continued*

The revised land valuation for Central Maddington results in the following contribution rates for both Precincts 1 and 2 based on density:

Zoning applicable to the land	POS contribution rate/ha
R20	\$112,281.00
R30	\$168,351.50
R40	\$224,562.00
R80	\$449,124.00

Unlike other DCPRs, this ODP establishes different contribution rates for the four R-Codings that apply to land within the arrangement.

It is recommended Council modifies land values in the respective DCPRs to reflect the new land valuations obtained in June 2021.

### **Common Infrastructure**

Common infrastructure costs comprise 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 relocations and general administration).

#### Land

The review of the value of the land components is based on the same valuation information as applied to POS.

#### Infrastructure

A revised State Planning Policy 3.6 – Infrastructure Contributions (SPP 3.6) was gazetted on 30 April 2021 and the City has made minor amendments to the various DCPR texts to better align with SPP 3.6. This has also resulted in an amendment to the method of applying indexation to infrastructure rates under review.

The City previously applied the greater of a group of Australian Bureau of Statistics (ABS) indices or the annual Consumer Price Index (CPI) to infrastructure costs. While the same methodology will continue to apply to outstanding infrastructure works, to better align with SPP 3.6, CPI will now become the default index for completed works and administration. This change recognises that outstanding works are subject to market forces and ensures DCPRs keep pace with the changing cost of outstanding works, while applying CPI to completed works and administration costs reflects the equitable value of contributions over time.

The review of the estimated cost of outstanding 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 ABS or (ii) the annual CPI, whichever is greater. In this case the averaged indexes (2.3%) were higher than CPI (1.1%), so the group of indices value is used to inflate outstanding infrastructure.

Completed works and administration costs are indexed at CPI.

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The indexation and revised land valuation (as discussed above) results in the following changes to the DCPRs:

Area	Previously adopted infrastructure rate	Currently recommended infrastructure rate
Canning Vale	\$64,884/ha	\$65,614/ha
Homestead Road	\$191,000/ha	\$195,000/ha
Maddington Road A	\$111,800/ha	\$114,000/ha
Maddington Road B	\$88,200/ha	\$89,800/ha
Southern River Precinct 1	\$92,100/ha	\$93,100/ha
Southern River Precinct 2	\$103,100/ha	\$104,400/ha
Central Maddington Precinct 1	R20 - \$255,504/ha R30 - \$383,256/ha R40 - \$511,008/ha R80 - \$1,022,016/ha	R20 - \$263,283/ha R30 - \$394,924.50/ha R40 - \$526,566/ha R80 - \$1,053,132/ha
Central Maddington Precinct 2	R20 - \$90,019/ha R30 - \$135,028.50/ha R40 - \$180,038/ha	R20 - \$92,934/ha R30 - \$139,401/ha R40 - \$185,868/ha

It is recommended Council modifies the respective DCPRs accordingly.

## CONCLUSION

TPS6 requires Council to review the cost sharing arrangements operating within the district. It is recommended that Council adopts revised DCPRs with revised contribution rates as contained in Appendices 13.2.3A, 13.2.3B, 13.2.3C, 13.2.3D, 13.2.3E and 13.2.3F.

## 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.

## Notation

7.37pm *Cr T Lynes and Cr S Williamson left the meeting and Cr A Hort took the chair.*

Item 13.2.3 Continued

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (1 OF 6)

**272 Moved Cr G Dewhurst Seconded Cr K McDonald**

That Council adopts a revised Development Contribution Plan Report for the Canning Vale Outline Development Plan, which includes a contribution rate of \$65,614/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 9/0

**FOR:** Cr P Abetz, Cr A Adams, Cr C Baayens, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald and Cr S Patterson.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 6)

**273 Moved Cr G Dewhurst Seconded Cr K McDonald**

That Council adopts a revised Development Contribution Plan Report for the Homestead Road Outline Development Plan, which includes a contribution rate of \$195,000/ha for common infrastructure works and a revised land value of \$1,150,000/ha for public open space contributions and the acquisition of public purpose land, as contained in Appendix 13.2.3B.

CARRIED 9/0

**FOR:** Cr P Abetz, Cr A Adams, Cr C Baayens, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald and Cr S Patterson.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (3 OF 6)

**274 Moved Cr G Dewhurst Seconded Cr K McDonald**

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 \$114,000/ha in Precinct A and \$89,800/ha in Precinct B for common infrastructure works, and revised land values of \$1,100,000 in Precincts A and B for public open space contributions, as contained in Appendix 13.2.3C.

CARRIED 9/0

**FOR:** Cr P Abetz, Cr A Adams, Cr C Baayens, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald and Cr S Patterson.

**AGAINST:** Nil.

Item 13.2.3 Continued

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (4 OF 6)

**275 Moved Cr G Dewhurst Seconded Cr K McDonald**

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 1 Outline Development Plan, which includes a contribution rate of \$93,100/ha for common infrastructure works, as contained in Appendix 13.2.3D.

CARRIED 9/0

**FOR:** Cr P Abetz, Cr A Adams, Cr C Baayens, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald and Cr S Patterson.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (5 OF 6)

**276 Moved Cr G Dewhurst Seconded Cr K McDonald**

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 2 Outline Development Plan, which includes a contribution rate of \$104,400/ha for common infrastructure works and a revised land value of \$1,300,000/ha for public open space contributions and the acquisition of public purpose land, as contained in Appendix 13.2.3E.

CARRIED 9/0

**FOR:** Cr P Abetz, Cr A Adams, Cr C Baayens, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald and Cr S Patterson.

**AGAINST:** Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (6 OF 6)

**277 Moved Cr G Dewhurst Seconded Cr K McDonald**

That Council adopts a revised Development Contribution Plan Report for the Central Maddington Outline Development Plan, which includes a revised land value of \$2,600,000/ha for public open space and common infrastructure contribution and public open space contribution rates for Precinct 1 and Precinct 2 as follows and detailed in Appendix 13.2.3F:

Zoning applicable to land	CIW contribution rate/ha	POS contribution rate/ha
Precinct 1		
R20	\$263,283.00	\$112,281.00
R30	\$394,924.50	\$168,351.50
R40	\$526,566.00	\$224,562.00
R80	\$1,053,132.00	\$449,124.00
Precinct 2		
R20	\$92,934.00	\$112,281.00
R30	\$139,401.00	\$168,351.50
R40	\$185,868.00	\$224,562.00

CARRIED 9/0

**FOR:** Cr P Abetz, Cr A Adams, Cr C Baayens, Cr G Dewhurst, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald and Cr S Patterson.

**AGAINST:** Nil.

Notation

7.38pm      *Cr T Lynes and Cr S Williamson returned to the meeting.*

**13.3      INFRASTRUCTURE**

Nil.

**13.4      COMMUNITY ENGAGEMENT**

Nil.