

13.2.4 REVIEW OF OPERATIONAL DEVELOPMENT CONTRIBUTION PLANS

Director: C Terelinck

Author's Declaration Nil.

of Interest:

Previous Ref: OCM 25 June 2013 (Resolutions 262 and 263) - Canning Vale
OCM 11 June 2013 (Resolutions 224-226) - Homestead Road
OCM 27 November 2012 (Resolutions 583 and 584) - West Canning Vale

Appendices: 13.2.4A Draft modified Canning Vale Outline Development Plan Development Contribution Plan Report
13.2.4B Draft modified West Canning Vale Outline Development Plan Development Contribution Plan Report
13.2.4C Draft modified Homestead Road Outline Development Plan Development Contribution Plan Report

PURPOSE OF REPORT

For Council to review the Development Contribution Plan Reports (DCPR) associated with the Canning Vale, West Canning Vale and Homestead Road Outline Development Plans (ODP), as required by Part 6 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 and Homestead Road ODP areas, and is required to review the associated DCPRs.

A summary of the most recent history of each DCP follows:

Area	Most recent Council adoption	Infrastructure Contribution Rate	Public Open Space Contribution Rate
Canning Vale	8 July 2014 (review)	\$59,049/hectare	12.74% @ \$1,750,000/hectare
West Canning Vale	8 July 2014 (review)	\$292,039/hectare	10.70% @ \$1,750,000/hectare
Homestead Road	8 July 2014 (review)	\$168,000/hectare	10.06% @ \$1,200,000/hectare

DISCUSSION

Each of the three DCPs 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.

These matters are discussed below.

*Item 13.2.4 Continued***Public Open Space**

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

Previous adjustments have been adopted on the basis of valuation advice from Propell National Valuers. Propell was engaged to provide valuation reports based on current market conditions in the three areas.

Propell's latest valuations were undertaken in May 2015, with the recommended values, as at 1 June 2015, being as follows. It should be noted that two values are provided for West Canning Vale. One relates to residential land while the other covers conservation category wetlands (CCWs).

Area	Previously adopted land valuation (2014)	May 2015 land valuation
Canning Vale	\$1,750,000/hectare	\$2,000,000/hectare
West Canning Vale (residential for POS)	\$1,750,000/hectare	\$2,000,000/hectare
West Canning Vale (rural for CCW)	\$600,000/hectare	\$625,000/hectare
Homestead Road	\$1,200,000/hectare	\$1,300,000/hectare

It is recommended that Council modify the respective DCPRs accordingly.

General Infrastructure

General infrastructure costs are effectively comprised of two elements, land infrastructure (being primarily 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).

Adjustments to the value of land infrastructure are based on the same valuation information as is used for POS. Adjustments to the value of physical infrastructure are 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 released by the Australian Bureau of Statistics indicates that an appropriate adjustment for physical infrastructure (those items not based on a land value component) would be an increase of 1.6%. The use of that index and the Propell land valuations (as discussed above) would result in the following changes to the DCPRs.

Area	Previously adopted infrastructure rate	Current recommended infrastructure rate
Canning Vale	\$59,049/hectare	\$60,802/hectare
West Canning Vale	\$292,039/hectare	\$315,300/hectare
Homestead Road	\$168,000/hectare	\$171,000/hectare

It is recommended that Council modifies the respective DCPRs accordingly.

*Item 13.2.4 Continued***CONCLUSION**

TPS 6 requires Council to review the three cost sharing arrangements operating within the district. It is recommended that Council adopts revised Development Contribution Plan Reports as contained in Appendices 13.2.4A, 13.2.4B and 13.2.4C.

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 (1 OF 4) AND COUNCIL RESOLUTION**273 Moved Cr R Lawrence Seconded Cr P Griffiths**

That Council adopts a revised Development Contribution Plan Report for the Canning Vale Outline Development Plan, which includes a contribution rate of \$60,802/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 13.2.4A.

CARRIED 9/0

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

AGAINST: *Nil.*

STAFF RECOMMENDATION (2 OF 4) AND COUNCIL RESOLUTION**274 Moved Cr R Lawrence Seconded Cr P Griffiths**

That Council adopts a revised Development Contribution Plan Report for the West Canning Vale Outline Development Plan, which includes a contribution rate of \$315,300/ha for common infrastructure works and a revised land value of \$2,000,000/ha for public open space contributions and \$625,000/ha for the acquisition of Conservation Category Wetland, as contained in Appendix 13.2.4B.

CARRIED 9/0

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

AGAINST: *Nil.*

Item 13.2.4 Continued

STAFF RECOMMENDATION (3 OF 4) AND COUNCIL RESOLUTION

275 Moved Cr R Lawrence Seconded Cr P Griffiths

That Council adopts a revised Development Contribution Plan Report for the Homestead Road Outline Development Plan, which includes a contribution rate of \$171,000/ha for common infrastructure works and a revised land value of \$1,300,000/ha for public open space contributions and the acquisition of other land, as contained in Appendix 13.2.4C.

CARRIED 9/0

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

AGAINST: *Nil.*

STAFF RECOMMENDATION (4 OF 4) AND COUNCIL RESOLUTION

276 Moved Cr R Lawrence Seconded Cr P Griffiths

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

CARRIED 9/0

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

AGAINST: *Nil.*