

13.2 PLANNING AND DEVELOPMENT

13.2.1 ANNUAL REVIEW - DEVELOPMENT CONTRIBUTION PLAN REPORTS

Director:	C Terelinck
Author's Declaration of Interest:	Nil.
Application No:	LA23/00001
Previous Ref:	OCM 26 July 2022 (Resolutions 162 and 163) OCM 12 September 2023
Appendix:	13.2.1A Draft modified Southern River Precinct 3 Development Contribution Plan Report, including: - Draft Appendix K – Land Requirement Plans - Draft Appendix L – Detailed Costs – Common Infrastructure Works - Draft Appendix M – Contribution areas and plans – by sub-precinct

PURPOSE OF REPORT

For Council to review the Development Contribution Plan Report (DCPR) associated with the Southern River Precinct 3 Outline Development Plan (ODP) as required by Part 5 of Town Planning Scheme No. 6 (TPS 6).

BACKGROUND

The City administers a Development Contribution Plan (DCP) for the shared provision of infrastructure for the Southern River Precinct 3 ODP area and is required to review the associated DCPR annually. The DCPR includes several Sub-Precincts, some of which have specific Common Infrastructure Works (CIW) and/or Public Open Space (POS) obligations. These are in addition to the cost obligations in the wider DCP area.

The Southern River Precinct 3 DCPR was adopted by Council on 26 July 2022 (Resolutions 162 and 163).

DISCUSSION

Public Open Space

Land valuation rates are set to ensure sufficient funds are collected to acquire land identified for POS and to determine the reimbursement payable to landowners for the acquisition.

McGees Property has been engaged to provide annual land valuation reports until 2028. The latest valuations were undertaken in June 2023 as follows:

Valuation type	2022 valuation	2023 Valuation
Englobo Residential Land value	\$1,450,000/ha	\$1,450,000/ha
Englobo Rural Land value	\$280,000/ha	\$290,000/ha
Lot 8 Holmes Street (site specific value)	\$619,300	\$619,300
Lot 1000 Holmes Street (site specific value)	\$517,000	\$407,000

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The Englobo Residential land values remain unchanged while a modest increase has occurred to the Englobo Rural land values. The site-specific value for Lot 8 Holmes Street also remains unchanged, however, upon reconsideration of the combination of valuation factors applying to Lot 1000, the valuer revised the site-specific rate for that property. It is recommended Council adopts the respective land values in accordance with these valuations.

POS costs for sub-precincts 3A (North) and 3E have been reviewed based on a combination of indexation of estimates and the inclusion of actual development costs for several POS sites. POS costs include land acquisition and the development of the land as useable parks.

The indexation of POS costs (which include infrastructure works) results in the following change to the DCPR:

Area	Adopted POS rate	Recommended POS rate
Sub-Precinct 3A (north)	\$256,966.65/ha	\$253,621.05/ha
Sub-Precinct 3E	\$103,142.74/ha	\$97,127.34/ha

Common Infrastructure Works

The CIW's comprise:

1. Land Acquisitions – for drainage, road widening and conservation purposes; and
2. Infrastructure construction – including drainage construction, traffic management devices, service relocation as well as general administration.

Land Acquisitions

The valuation information for land acquisition is consistent with the rates applied to POS acquisition, as determined by McGees.

Infrastructure

Infrastructure rates are indexed annually in accordance with *State Planning Policy 3.6 – Infrastructure Contributions*. The policy requires that DCA rates are kept current, by annual adjustment equivalent to the greater of an averaged group of Australian Bureau of Statistics (ABS) indices (ie, Building Construction, House Construction and Road/Bridge Construction indices for Western Australia), or the annual Consumer Price Index (CPI) being applied to the cost of outstanding infrastructure works.

The CPI is used as the default index for completed works and administration. This approach recognises the cost of outstanding infrastructure being subject to market forces and ensures funds collected keep pace with the changing cost of outstanding works. Applying the CPI to completed works and administration costs reflects the equitable value of contributions over time.

The averaged ABS indices (15.8%) were higher than the CPI (7.0%) and therefore the group of ABS indices value was used to index the cost of outstanding infrastructure.

The review of the Southern River Precinct 3 DCPR was delayed pending the finalisation of several large CIW contributions and associated POS development.

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The finalisation of these claims meant indexed actual costs were able to be factored into this review.

The indexation of the infrastructure works costs results in the following changes to the DCPR:

Area	Adopted infrastructure rate	Recommended infrastructure rate
Precinct 3	\$165,452.61/ha	\$181,438.38/ha
Sub-Precinct 3A (north)	\$15,738.87/ha	\$16,840.59/ha
Sub-Precinct 3A (south)	\$7,801.45/ha	\$8,947.92/ha
Sub-Precinct 3D	\$24,075.72/ha	\$27,613.81/ha
Sub-Precinct 3E	\$7,456.14/ha	\$8,551.86/ha

It is recommended Council modifies the DCPR accordingly.

CONCLUSION

TPS6 requires Council to review cost sharing arrangements annually. It is recommended Council adopts the revised Southern River Precinct 3 DCPR with revised contribution rates as summarised in this report and contained in Appendix 13.2.1A.

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.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (1 OF 5)**19 Moved Cr D Goode Seconded Cr A Hort**

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 3 Outline Development Plan, which includes a contribution rate of \$181,438.38/ha for common infrastructure works, an englobo Residential land valuation rate of \$1,450,000/ha, an englobo Rural land valuation rate of \$290,000/ha, a specific land valuation rate for Lot 8 Holmes Street of \$619,300 and a specific land valuation rate for Lot 1000 Holmes Street of \$407,000, as contained in Appendix 13.2.1A.

CARRIED 13/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr K Dalton, Cr G Dewhurst, Cr D Goode, Cr A Hort, Cr S Islam, Cr D Lloyd, Cr K McDonald, Cr S Williamson, Cr E Zhang and Mayor T Lynes.

AGAINST: Nil.

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STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 5)

20 Moved Cr D Goode Seconded Cr A Hort

That Council adopts revised contribution rates for Sub-Precinct 3A (north) as contained within the Southern River Precinct 3 Development Contribution Plan Report, which includes a contribution rate of \$16,840.59/ha for common infrastructure works and a contribution rate of \$253,621.05/ha for public open space as contained in Appendix 13.2.1A.

CARRIED 13/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr K Dalton, Cr G Dewhurst, Cr D Goode, Cr A Hort, Cr S Islam, Cr D Lloyd, Cr K McDonald, Cr S Williamson, Cr E Zhang and Mayor T Lynes.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (3 OF 5)

21 Moved Cr D Goode Seconded Cr A Hort

That Council adopts revised contribution rates for Sub-Precinct 3A (south) as contained within the Southern River Precinct 3 Development Contribution Plan Report, which includes a contribution rate of \$8,947.92/ha for common infrastructure works as contained in Appendix 13.2.1A.

CARRIED 13/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr K Dalton, Cr G Dewhurst, Cr D Goode, Cr A Hort, Cr S Islam, Cr D Lloyd, Cr K McDonald, Cr S Williamson, Cr E Zhang and Mayor T Lynes.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (4 OF 5)

22 Moved Cr D Goode Seconded Cr A Hort

That Council adopts revised contribution rates for Sub-Precinct 3D as contained within the Southern River Precinct 3 Development Contribution Plan Report, which includes a contribution rate of \$27,613.81/ha for common infrastructure works as contained in Appendix 13.2.1A.

CARRIED 13/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr K Dalton, Cr G Dewhurst, Cr D Goode, Cr A Hort, Cr S Islam, Cr D Lloyd, Cr K McDonald, Cr S Williamson, Cr E Zhang and Mayor T Lynes.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (5 OF 5)

23 Moved Cr D Goode Seconded Cr A Hort

That Council adopts revised contribution rates for Sub-Precinct 3E as contained within the Southern River Precinct 3 Development Contribution Plan Report, which includes a contribution rate of \$8,551.86/ha for common infrastructure works and a contribution rate of \$97,127.34/ha for public open space as contained in Appendix 13.2.1A.

CARRIED 13/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr K Dalton, Cr G Dewhurst, Cr D Goode, Cr A Hort, Cr S Islam, Cr D Lloyd, Cr K McDonald, Cr S Williamson, Cr E Zhang and Mayor T Lynes.

AGAINST: Nil.