

13.2.7 ANNUAL REVIEW - DEVELOPMENT CONTRIBUTION PLANS

Author:	Chris Terelinck
Author's Declaration of Interest:	Nil.
Previous Ref:	OCM 08 August 2017 (Resolutions 243-248)
Application No	LA18/00006, LA18/00009, LA18/00007, LA18/00004
Appendices:	13.2.7A Draft modified Canning Vale Outline Development Plan - Development Contribution Plan Report
	13.2.7B Draft modified Homestead Road Outline Development Plan - Development Contribution Plan Report
	13.2.7C Draft modified Maddington Road Precincts A and B Outline Development Plan - Development Contribution Plan Report
	13.2.7D 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 (DCPRs) associated with the Canning Vale, Homestead Road, Maddington Road Precinct A and Precinct B 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, 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 that the report does not include the following DCPRs:

- The West Canning Vale DCPR was reviewed in August 2017. All of the parent lots have made contributions however some common works and outstanding reimbursements need to be completed;
- The Southern River Precinct 2 DCPR was adopted by Council in August 2016. It was subject to a Valuation Challenge that is currently a matter before the State Administrative Tribunal and a review cannot be undertaken until the challenge is resolved; and
- The Central Maddington DCPR is undergoing a detailed revision relating to infrastructure design and costs.

Following the outcomes of the above matters, these three DCPR reviews will be able to be completed.

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

Area	Most recent Council adoption	Infrastructure Contribution Rate	Public Open Space Contribution Rate	Previously Adopted Land Valuation
Canning Vale	8 August 2017 (review)	\$61,504/ha	12.74% @ \$1,850,000/ha	\$1,850,000/ha
Homestead Road	8 August 2017 (review)	\$174,000/ha	10.06% @ \$1,175,000/ha	\$1,175,000/ha
Maddington Road Precinct A	28 November 2017 (review)	\$100,400/ha	13.88% @ \$1,125,000/ha	\$1,125,000/ha
Maddington Road Precinct B	28 November 2017 (review)	\$82,700/ha	13.41% @ \$1,100,000/ha	\$1,100,000/ha
Southern River Precinct 1	19 December 2017 (review)	\$88,300/ha	Not Applicable	Not Applicable

DISCUSSION

Each of the DCPs under review has two separate contribution obligations, as follows:

- Public Open Space (POS), which is payable as part of residential development; and
- 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 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 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). The City awarded a new contract for this service earlier this year and, for the next 5 years reports will be provided by McGees Property (McGees), who were engaged to provide valuation reports based on current market conditions for the areas included in the above table.

The latest McGees valuations were undertaken in June 2018, with the recommended values being as follows.

Area	June 2018 Land Valuation
Canning Vale	\$1,950,000/ha
Homestead Road	\$1,150,000/ha
Maddington Road A	\$1,100,000/ha
Maddington Road B	\$1,100,000/ha

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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 1.90% since the DCPRs were last reviewed. The data consists of quarterly reports for civil and residential building costs and changes over time. The use of those indices and McGees' 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	\$61,504/ha	\$62,672/ha
Homestead Road	\$174,000/ha	\$177,000/ha
Maddington Road A	\$100,400/ha	\$102,300/ha
Maddington Road B	\$82,700/ha	\$85,200/ha
Southern River Precinct 1	\$88,300/ha	\$90,000/ha

It is recommended that Council modifies the respective DCPRs accordingly.

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 with revised contribution rates as contained in Appendices 13.2.7A, 13.2.7B, 13.2.7C and 13.2.7D.

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.

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Simple Majority required.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (1 OF 6)

293 Moved Cr J Jones Seconded Cr P Abetz

That Council adopts a revised Development Contribution Plan Report for the Canning Vale Outline Development Plan, which includes a contribution rate of \$62,672/ha for common infrastructure works and a revised land value of \$1,950,000/ha for public open space contributions and the acquisition of other land, as contained in Appendix 13.2.7A.

CARRIED 11/0

FOR: Cr P Abetz, Cr C Brett, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr S Williamson and Cr G Dewhurst.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 6)

294 Moved Cr J Jones Seconded Cr P Abetz

That Council adopts a revised Development Contribution Plan Report for the Homestead Road Outline Development Plan, which includes a contribution rate of \$177,000/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 13.2.7B.

CARRIED 11/0

FOR: Cr P Abetz, Cr C Brett, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr S Williamson and Cr G Dewhurst.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (3 OF 6)

295 Moved Cr J Jones Seconded Cr P Abetz

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 \$102,300/ha in Precinct A and \$85,200/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 13.2.7C.

CARRIED 11/0

FOR: Cr P Abetz, Cr C Brett, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr S Williamson and Cr G Dewhurst.

AGAINST: Nil.

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STAFF RECOMMENDATION AND COUNCIL RESOLUTION (4 OF 6)

296 Moved Cr J Jones Seconded Cr P Abetz

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 1 Outline Development Plan, which includes a contribution rate of \$90,000/ha for common infrastructure works, as contained in Appendix 13.2.7D.

CARRIED 11/0

FOR: Cr P Abetz, Cr C Brett, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr S Williamson and Cr G Dewhurst.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (5 OF 6)

297 Moved Cr J Jones Seconded Cr P Abetz

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

CARRIED 11/0

FOR: Cr P Abetz, Cr C Brett, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr S Williamson and Cr G Dewhurst.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (6 OF 6)

298 Moved Cr J Jones Seconded Cr P Abetz

That Council notes that separate reports will be presented to Council in relation to the review of the Development Contribution Plan Reports associated with West Canning Vale, Southern River Precinct 2 and Central Maddington Outline Development Plans.

CARRIED 11/0

FOR: Cr P Abetz, Cr C Brett, Cr J Brown, Cr D Goode, Cr D Griffiths, Cr J Jones, Cr T Lynes, Cr R Mitchell, Cr O Searle, Cr S Williamson and Cr G Dewhurst.

AGAINST: Nil.