

1.1 PLANNING AND DEVELOPMENT

1.1.1 ANNUAL REVIEW - DEVELOPMENT CONTRIBUTION PLAN REPORTS

Director:	C Terelinck
Author's Declaration of Interest:	Nil.
Application No:	LA22/00002, LA22/00003, LA22/00004, LA22/00005, LA22/00006, LA22/00007
OCM Previous Ref:	OCM 23 November 2021 (Resolutions 272 – 277)
Appendix:	13.2.1A Draft modified Canning Vale Outline Development Plan - Development Contribution Plan Report
	13.2.1B Draft modified Homestead Road Outline Development Plan - Development Contribution Plan Report
	13.2.1C Draft modified Maddington Road Precincts A and B Outline Development Plan - Development Contribution Plan Report
	13.2.1D Draft modified Southern River Precinct 1 Outline Development Plan - Development Contribution Plan Report
	13.2.1E Draft modified Southern River Precinct 2 Outline Development Plan - Development Contribution Plan Report
	13.2.1F 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 acquisition of 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 this report does not relate to the West Canning Vale DCPR as developers of all of the parent lots have made contributions, completion of works is near 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:

Area	Most recent review	Infrastructure Contribution Rate	Adopted Land Valuation
Canning Vale	OCM 23 November 2021	\$65,614/ha	\$2,000,000/ha
Homestead Road	OCM 23 November 2021	\$195,000/ha	\$1,150,000/ha
Maddington Road Precinct A	OCM 23 November 2021	\$114,000/ha	\$1,100,000/ha
Maddington Road Precinct B	OCM 23 November 2021	\$89,800/ha	\$1,100,000/ha
Southern River Precinct 1	OCM 23 November 2021	\$93,100/ha	Not Applicable
Southern River Precinct 2	OCM 23 November 2021	\$104,400/ha	\$1,300,000/ha
Central Maddington Precinct 1	OCM 23 November 2021	R20 - \$263,283/ha R30 - \$394,924.50/ha R40 - \$526,566/ha R80 - \$1,053,132/ha	\$2,600,000/ha
Central Maddington Precinct 2	OCM 23 November 2021	R20 - \$92,934/ha R30 - \$139,401/ha R40 - \$185,868/ha	\$2,600,000/ha

Unlike other DCPRs, the CMODP establishes differing contribution rates for land, dependent on its development potential. The adopted land valuation of \$2,600,000/ha results in the proportionate contribution rates shown below.

Central Maddington ODP	
Zoning applicable to the land	POS contribution rate/ha
R20	\$112,281
R30	\$168,351.50
R40	\$224,562
R80	\$449,124

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 2022, with the recommended values being as follows:

Area	June 2022 Land Valuation
Canning Vale	\$2,100,000/ha
Homestead Road	\$1,150,000/ha
Maddington Road A	\$1,100,000/ha

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Maddington Road B	\$1,100,000/ha
Southern River Precinct 2	\$1,400,000/ha
Central Maddington Precincts 1 & 2	\$3,500,000/ha

The significant change in the land valuation for Central Maddington Precincts 1 and 2 reflects increased demand for land in this sector of the market, which has risen disproportionately due to high demand for rental properties.

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

Zoning applicable to the land	POS contribution rate/ha
R20	\$140,488.00
R30	\$210,732.00
R40	\$280,976.00
R80	\$561,952.00

It is recommended Council modifies land values in the respective DCPRs to reflect the new land valuations obtained in June 2022.

Common Infrastructure

Common infrastructure costs (CIWs) 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

The City indexes infrastructure rates under review and, consistent with *State Planning Policy 3.6 – Infrastructure Contributions*, applies the greater of an averaged group of Australian Bureau of Statistics (ABS) indices (ie, the Building Construction, House Construction and Road/Bridge Construction indices for Western Australia) or the annual Consumer Price Index (CPI) to the cost of outstanding infrastructure works. CPI is the default index for completed works and administration. This approach recognises the cost of outstanding infrastructure works are subject to fluctuations in market forces and ensures monies collected under DCPRs keep pace with the changing cost of outstanding works. Applying CPI to completed works and administration costs reflects the equitable value of contributions over time.

In this year's review, the averaged indices (14.0%) was higher than CPI (7.6%) and therefore the group of indices value has been used to index the cost of outstanding infrastructure.

It should be noted that increases to infrastructure contribution rates vary depending on the extent of completed versus outstanding works. For example, in areas where most of the infrastructure has been completed, increases to contribution rates will be lower

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(closer to CPI) whereas in areas where development is still occurring, increases to contribution rates will be higher (closer to 14%). Further, increases to infrastructure contribution rates are also affected by increases to land values.

The indexation of the infrastructure works and the impact of the revised land valuations associated with the acquisition of CIW land results in the following changes to the DCPRs:

Area	Previously adopted infrastructure rate	Currently recommended infrastructure rate
Canning Vale	\$65,614/ha	\$70,695/ha
Homestead Road	\$195,000/ha	\$217,000/ha
Maddington Road A	\$114,000/ha	\$127,900/ha
Maddington Road B	\$89,800/ha	\$100,500/ha
Southern River Precinct 1	\$93,100/ha	\$100,200/ha
Southern River Precinct 2	\$104,400/ha	\$113,000/ha
Central Maddington Precinct 1	R20 - \$263,283/ha R30 - \$394,924.50/ha R40 - \$526,566/ha R80 - \$1,053,132/ha	R20 - \$302,614/ha R30 - \$453,921/ha R40 - \$605,228/ha R80 - \$1,210,456/ha
Central Maddington Precinct 2	R20 - \$92,934/ha R30 - \$139,401/ha R40 - \$185,868/ha	R20 - \$106,312/ha R30 - \$159,468/ha R40 - \$212,624/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 Council adopts the revised DCPRs with revised contribution rates as contained in Appendices 13.2.1A, 13.2.1B, 13.2.1C, 13.2.1D, 13.2.1E and 13.2.1F.

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.

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That Council adopts a revised Development Contribution Plan Report for the Canning Vale Outline Development Plan, which includes a contribution rate of \$70,695/ha for common infrastructure works and a revised land value of \$2,100,000/ha for public open space contributions and the acquisition of other land, as contained in Appendix 13.2.1A.

CARRIED 11/0

FOR: *Cr P Abetz, Cr A Adams, Cr C Baayens, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald, Cr S Patterson, Cr S Williamson, Cr E Zhang and Cr T Lynes.*

AGAINST: *Nil.*

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (2 OF 6)**234 Moved Cr D Goode Seconded Cr A Adams**

That Council adopts a revised Development Contribution Plan Report for the Homestead Road Outline Development Plan, which includes a contribution rate of \$217,000/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 13.2.1B.

CARRIED 11/0

FOR: *Cr P Abetz, Cr A Adams, Cr C Baayens, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald, Cr S Patterson, Cr S Williamson, Cr E Zhang and Cr T Lynes.*

AGAINST: *Nil.*

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (3 OF 6)**235 Moved Cr D Goode Seconded Cr A Adams**

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 \$127,900/ha in Precinct A and \$100,500/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 13.2.1C.

CARRIED 11/0

FOR: *Cr P Abetz, Cr A Adams, Cr C Baayens, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald, Cr S Patterson, Cr S Williamson, Cr E Zhang and Cr T Lynes.*

AGAINST: *Nil.*

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (4 OF 6)**236 Moved Cr D Goode Seconded Cr A Adams**

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 1 Outline Development Plan, which includes a

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contribution rate of \$100,200/ha for common infrastructure works, as contained in Appendix 13.2.1D.

CARRIED 11/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald, Cr S Patterson, Cr S Williamson, Cr E Zhang and Cr T Lynes.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (5 OF 6)

237 Moved Cr D Goode Seconded Cr A Adams

That Council adopts a revised Development Contribution Plan Report for the Southern River Precinct 2 Outline Development Plan, which includes a contribution rate of \$113,000/ha for common infrastructure works and a revised land value of \$1,400,000/ha for public open space contributions and the acquisition of public purpose land, as contained in Appendix 13.2.1E.

CARRIED 11/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald, Cr S Patterson, Cr S Williamson, Cr E Zhang and Cr T Lynes.

AGAINST: Nil.

STAFF RECOMMENDATION AND COUNCIL RESOLUTION (6 OF 6)

238 Moved Cr D Goode Seconded Cr A Adams

That Council adopts a revised Development Contribution Plan Report for the Central Maddington Outline Development Plan, which includes a revised land value of \$3,500,000/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 13.2.1F:

Zoning applicable to land	CIW contribution rate/ha	POS contribution rate/ha
Precinct 1		
R20	\$302,614.00	\$140,488.00
R30	\$453,921.00	\$210,732.00
R40	\$605,228.00	\$280,976.00
R80	\$1,210,456.00	\$561,952.00
Precinct 2		
R20	\$106,312.00	\$140,488.00
R30	\$159,468.00	\$210,732.00
R40	\$212,624.00	\$280,976.00

CARRIED 11/0

FOR: Cr P Abetz, Cr A Adams, Cr C Baayens, Cr D Goode, Cr D Griffiths, Cr A Hort, Cr K McDonald, Cr S Patterson, Cr S Williamson, Cr E Zhang and Cr T Lynes.

AGAINST: Nil.