



DISTRICT PLANNING SCHEME No. 2

Amendment No. 166

Planning and Development Act 2005

**RESOLUTION TO ADOPT AMENDMENT TO
LOCAL PLANNING SCHEME**

CITY OF WANNEROO

DISTRICT PLANNING SCHEME NO. 2 - AMENDMENT NO. 166

RESOLVED that the local government pursuant to section 75 of the *Planning and Development Act 2005*, amend the above local planning scheme by amending Schedule 15 – Yanchep Two Rocks Development Contributions Plan – Community Facilities period of operation from the current 10 years from the date of gazettal to 16 years, as follows:

“16 years from the date of gazettal”

The Amendment is standard under the provisions of the *Planning and Development (Local Planning Schemes) Regulations 2015* for the following reason(s):

- a) The proposed amendment seeks to extend the timeframe of the Yanchep Two Rocks Development Contribution Plan to maintain consistency with the guiding principles for development contribution plans set out in Clause 6.0 of Schedule 14 of *District Planning Scheme No. 2*;
- b) The proposed amendment does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and
- c) The proposed amendment is not a complex or basic amendment;

Date of Council Resolution 1st May 2018

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(Chief Executive Officer)

Dated this day of 20.....

CITY OF WANNEROO

DISTRICT PLANNING SCHEME NO 2 - AMENDMENT NO. 166

SCHEME AMENDMENT REPORT

Background

The Yanchep Two Rocks Development Contribution Plan (DCP) collects funds from developing landowners in Yanchep and Two Rocks for the construction of a number of district level community facilities. The DCP Report and Cost Apportionment Schedule were adopted by Council in April 2015 following gazettal of Amendment No. 122 to District Planning Scheme No. 2 (DPS 2) in September 2014, which introduced the DCP provisions to DPS 2.

The DCP is subject to an annual review process which is required to consider, and update the following:

1. DCP facility construction costs, which may be a construction cost estimate, actual incurred costs, or a combination of both;
2. DCP facility cost indexation;
3. Dwelling estimates, as a result of any changes to market conditions during the previous 12 months; and
4. Cost contribution per dwelling.

The intention behind the annual review process is to ensure that the cost contribution amount is correctly set to ensure the collection of sufficient funds to cover the cost of approved infrastructure items over the life of the DCP.

Detail

DCP Facility Construction Costs

There are three facilities identified in the DCP, as detailed below. A summary of the updated cost estimates for each facility as a result of the annual review is included.

Facility	2016/17 Cost Estimate	2017/18 Cost Estimate	Difference
Yanchep Surf Life Saving Club	\$6,833,289	\$7,961,163	\$1,127,874
Yanchep District Open Space			
- Land	\$6,400,000	\$6,400,000	-
- Oval groundworks	\$2,661,150	\$2,873,996	\$212,846
- Oval landscaping	\$5,801,243	\$5,308,188	- \$493,055
- Pavilion	\$3,400,000	\$3,039,028	- \$360,972
Capricorn Coastal Node Facilities	\$2,233,689	\$2,289,531	\$55,842
TOTAL	\$27,329,371	\$27,871,906	\$542,535

Yanchep Surf Life Saving Club

Dwelling Estimates

The landowners' dwelling projections were accepted by the City in 2015 as the basis for determining the cost contribution amount, despite being higher than the I.D. Forecast projections previously advocated by Administration. This decision was based on advice from the landowners that much of the preliminary subdivision and servicing works had been completed in their development areas to facilitate the creation of lots and dwelling construction and that there were no longer any major constraints to higher dwelling numbers being realised.

As part of the current review, landowners have provided updated dwelling projections for each of their developments for the City's consideration.

The following table compares the actual lots created, landowner estimates and the ID forecasts over the operational period of the DCP.

	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	TOTAL
2016 Estimate	395	172	480	510	703	923	1045	1135	1035	950	7675
2018 Estimate	181	163	159	138	374	497	784	1056	1128	1115	6136
i.d. forecast	181	163	158	138	355	378	423	441	448	455	3682
Actual	181	163	159	130 (to date)	-	-	-	-	-	-	633

As can be seen, the DCP estimates (landowner estimates) are significantly higher than the actual lot creation trend. It is not considered appropriate to continue using these projections as the total lot yield of 9,225 (6,136 under the DCP) is unlikely to be achieved within the next 7 years, thereby diminishing the nexus between the DCP population estimates and the facilities identified. If the more realistic ID Forecast projections are applied over the current 10 year operational period then the total lot yield would decrease to only 6,771 lots (3,682 under the DCP). This means that the cost of the facilities would need to be shared over a lesser number of lots and the DCP contribution rate would need to significantly increase (from \$2,780 to approximately \$5,764). This would effectively mean that the need and nexus between the infrastructure being provided and the population threshold for this infrastructure is being applied over a significantly lesser population catchment.

To ensure that the DCP is based on more realistic lot yield projections, Administration recommends the use of ID Forecast projections, which more closely align with actual lot creation to date. However, it is considered necessary to extend the operating period of the DCP by a further 6 years to September 2030 (16 year operating period). This would ensure that the DCP is consistent with the 'need and nexus' principles of the DCP, which aligns a lot yield of ~10,000 lots (25,000 residents) with the district level infrastructure being provided.

Comment

Having regard to the outcomes of the annual review process, and the feedback and input provided by the Yanchep Two Rocks Technical Advisory Committee (YTRTAC), Administration has identified that aligning the DCP operating period with the ID Forecast methodology of yield projections is necessary to maintain the nexus criteria of 10,000 lots for the infrastructure identified and maintaining an appropriate level of contribution so as not to significantly affect land development costs or housing affordability.

Detail on each of these options is outlined below:

	Option 1 – Use 2018 landowner projections (Noting that these are unlikely to be achieved)	Option 2 – Use i.d. forecast projections (Noting that this will result in a significant increase in contribution rates over the current 10 year operating period)	Option 3 – Use i.d. forecast and extend DCP timeframe (Recommended)
DCP timeframe	10 years	10 years	16 years
Cost contribution methodology	Per dwelling	Per dwelling	Per dwelling
Existing dwellings (at DCP commencement)	3,089	3,089	3,089
Projected new dwellings (at end of DCP term) including interim contributions	6,136	3,682	7,779
Total dwellings	9,225	6,771	10,868
Cost apportionment – City	33.49%	45.62%	28.42%
Cost apportionment – DCP	66.51%	54.38%	71.58%
Number of Facilities	3	3	3
Total cost of facilities (estimated + actual)	\$27,871,906	\$27,871,906	\$27,871,906
Grants and other contributions	\$2,245,333	\$2,245,333	\$2,245,333
City contribution (minus proportion of grants)	\$8,651,954	\$11,486,651	\$7,469,531
Administrative Costs	\$688,713	\$688,713	\$1,111,713
Cost to service loan	\$2,171,429	\$2,171,429	\$4,246,969
Development contribution (minus proportion of grants)	\$16,974,620	\$14,139,922	\$18,157,043
Developer contributions collected + interest	-\$2,543,192	-\$2,543,192	-\$2,543,192
Total DCP Liability	\$17,291,570	\$14,456,872	\$20,972,533
Dwellings left to Contribute	4,962	2,508	6,605
Cost contribution (per dwelling)	\$3,485	\$5,764	\$3,175

Cost Apportionment

The cost of DCP facilities is required by DPS 2 to be equitably apportioned between the City and developing landowners. This apportionment is required to reflect the proportionate contribution of the existing community and new development towards the need for the facilities. This cost apportionment was endorsed by Council in December 2016 and is set out in the DCP Report and Cost Apportionment Schedule as follows:

- Existing community / City contribution - 28.7% of total DCP Cost
- New growth / Development contribution - 71.3% of total DCP Cost

This cost apportionment is directly related to the total dwelling yield estimate, which can only be realistically achieved using the ID Forecasts and the extended operating period of 16 years.

It should also be noted that the cost contribution amount is based on a number of facility construction and administration cost estimates, including the cost to service the loan associated with the early delivery of the Yanchep Active Open Space and Surf Life Saving facilities. While these estimates are as accurate as possible at this point in time, these variables may change as final costs for completed projects are confirmed, and planning progresses for future projects.

PLANNING AND DEVELOPMENT ACT 2005

CITY OF WANNEROO

DISTRICT PLANNING SCHEME NO. 2 - AMENDMENT NO. 166

The City of Wanneroo under and by virtue of the powers conferred upon it in that behalf by the Planning and Development Act 2005 hereby amends the above local planning scheme by modifying “Schedule 15 – Yanchep Two Rocks Development Contributions Plan – Community Facilities” period of operation from the current 10 years from the date of gazettal to 16 years, as follows:

“16 years from the date of gazetta”

COUNCIL ADOPTION

This Standard Amendment was adopted by resolution of the Council of the City of Wanneroo at the Ordinary Meeting of the Council held on the 1st day of May, 2018.

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MAYOR

.....
CHIEF EXECUTIVE OFFICER

COUNCIL RESOLUTION TO ADVERTISE

By resolution of the Council of the City of Wanneroo at the Ordinary Meeting of the Council held on the 1st day of May, 2018, proceed to advertise this amendment.

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MAYOR

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CHIEF EXECUTIVE OFFICER

COUNCIL RECOMMENDATION

This Amendment is recommended for _____ by resolution of the City of Wanneroo at the Ordinary Meeting of the Council held on the _____ day of _____, and the Common Seal of the City of Wanneroo was hereunto affixed by the authority of a resolution of the Council in the presence of:

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MAYOR

.....
CHIEF EXECUTIVE OFFICER

WAPC RECOMMENDATION FOR APPROVAL

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DELEGATED UNDER S.16 OF
PD ACT 2005

DATE

Approval Granted

.....
MINISTER FOR PLANNING, LANDS AND
HERITAGE

DATE