Amended Council Agenda

LATE ITEMS

ORDINARY COUNCIL MEETING
7.00pm, 24 MAY, 2016
Council Chambers, Civic Centre,
Dundebar Road, Wanneroo
Notice is given that the next Ordinary Council Meeting will be held at the Council Chambers, Civic Centre, Dundeebar Road, Wanneroo on Tuesday 24 May, 2016 commencing at 7.00pm.

H Singh
A/Chief Executive Officer
20 May, 2016

CONTENTS

LATE REPORTS 1

CP10-05/16  YANCHEP DISTRICT ACTIVE OPEN SPACE SPORTS AMENITIES BUILDING - PROJECT UPDATE 1

CE01-05/16  VALUE CAPTURE PROPOSAL FOR THE EXTENSION OF THE NORTHERN RAILWAY LINE TO YANCHEP 47
Late Reports

CP10-05/16  Yanchep District Active Open Space Sports Amenities Building - Project Update

File Ref: 6443 – 16/166708
Responsible Officer: Director Community & Place
Disclosure of Interest: Nil
Attachments: 3
Previous Items: CD02-08/14 - Ordinary Council - 19 Aug 2014 7:00pm
CP-04-03/16 - Ordinary Council - 01 Mar 2016 7.00pm

Issue

To consider the current status of the Yanchep District Active Open Space – Sports Amenities Building project and proposed funding model to support the delivery of the project.

Background

At its meeting held on 1 March 2016, Council considered report CP04-03/16 Yanchep District Active Open Space Sports Amenities Building. This report considered an increase in the size of the proposed multi-purpose space within the Yanchep District Active Open Space – Sports Amenities Building (the Building). As a result, Council resolved the following:

“That Council:-

1. SUPPORTS IN PRINCIPLE for inclusion in the draft revised cost apportionment schedule for the Yanchep Two Rocks Development Contribution Plan, the increase from 100m² to 150m² of the multi-purpose room within the Yanchep District Level Active Open Space Sports Amenities Building due to:
   - District function of the active open space
   - Multi-purpose function of the building for both sport and the community
   - Status of Yanchep as a fast growing primary activity centre;

2. NOTES the DCP review process will consider changes in scope to the Sports Amenities Building at YAOS, including both the increase in total building size and increase in multipurpose space; and

3. THANKS the following Clubs:
   - Yanchep Little Athletics Club
   - Yanchep Junior Football Club
   - Yanchep Redhawks Cricket Club
   - Yanchep Redhawks Football Club

for their input during the consultation phase”.

Currently both this project and the Yanchep Active Open Space Playing Field Project are subject to a Community Sport and Recreation Facilities Fund (CSRFF) grant, provided by the Department of Sport and Recreation. The specific grant detail are as follows:
Grant No.  | Project Description                                                                 | Project Cost (1) | Approved Grant | Approved Year |
--- | --- | --- | --- | --- |
C10970/2012/1075 | PR-2072 Yanchep Active Open Space (Playing Fields) 2016/17 Budget | $2,158,815 | $975,000 | 2013 |

Notes
(1) The project cost listed is the total of those elements within the project which are applicable for CSRFF grant funding only.

Administration has been working with the Department of Sport and Recreation in respect to the existing project delays and the impact on the grant. Despite this, there is an increasing risk that further delay to either project may jeopardise the grants, which have already been extended with the Department due to previous project delays.

Administration is due to meet with the Department of Sport and Recreation by Monday 23 May 2016 to provide an update on project timeframes, with a view to secure the grants, given the timeframes for tender and project commitment by Council.

**Detail**

**Sports Amenities Building (PR-2253)**

The confirmed scope of the Building is as per the table below:

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changerooms</td>
<td>4 x Changerooms at 45m² and 2 x Changerooms at 46m²</td>
</tr>
<tr>
<td>Storerooms</td>
<td>1 Chairs Store (10m²), 2 storerooms at 20m², 2 Storerooms at 21m² and 1 Storeroom at 30m²</td>
</tr>
<tr>
<td>First Aid Room</td>
<td>15m² first aid room</td>
</tr>
<tr>
<td>Umpires room</td>
<td>22m² includes 2 showers and toilet facilities</td>
</tr>
<tr>
<td>Male &amp; Female Toilets</td>
<td>Male and female toilets that are separate facilities from changerooms and a separate universal access toilet (45m²). These facilities will service the reserve hirers.</td>
</tr>
<tr>
<td>Multipurpose Room</td>
<td>120m² Multipurpose Room and 30m² Meeting Room. These rooms can be combined to form 1 x 150m² Function Room</td>
</tr>
<tr>
<td>Kiosk</td>
<td>25m²</td>
</tr>
</tbody>
</table>

The scope outlined in the table above differs slightly to that presented to Council at its meeting held on 1 March 2016 (report CP04-03/16), in that the following amendments have been identified as a result of Administration’s design and project cost review. In doing so, it is important to be cognisant of the City’s Draft Community Facility Standards and the community consultation process undertaken and subsequent input into the building design.

<table>
<thead>
<tr>
<th>Design Change</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bin Store</td>
<td>Removal of Bin Store (3m²)</td>
</tr>
<tr>
<td>Kitchen / Kiosk</td>
<td>Removal of Kitchen Store (15m²) and reduction of Kiosk size (less 3m²)</td>
</tr>
<tr>
<td>Roof</td>
<td>Simplification of roof design and reduction in roof size by 901m²</td>
</tr>
<tr>
<td>Retaining Walls and Stairs</td>
<td>Removal and to be placed within landscaping budget (subject to final landowner agreement).</td>
</tr>
<tr>
<td>Concrete paving</td>
<td>Reduction of concrete paving by 565m²</td>
</tr>
</tbody>
</table>
Brick Paving | Removal.
Landscaping | Removal and to be placed within landscaping budget (subject to final landowner agreement).

The reduction/removal of the items identified within the table above is minor in nature and will have nil impact on the overall functionality of the building, and maintain a design which is consistent with facility standards and consultation outcomes.

**Attachment 1** provides a conceptual illustration of the proposed building floor plan, noting that the amendments listed above need to be included within the Concept Plan.

**Yanchep Two Rocks Developer Contribution – Technical Advisory Committee**

Administration met with the Advisory Committee on two occasions since Council’s consideration of report CP04-03/16 at its meeting held on 1 March 2016. A copy of the respective Agenda and Minutes of each meeting are provided within (Attachment 2) and (Attachment 3).

In respect to the discussion of the Sports Amenities Building, the following key points were highlighted:

- Administration noted that the cost of the building was high and that further review of design and costs was required to bring the project down to a reasonable cost for both the City and Landowners (the project cost was estimated at $4.1M prior to the cost review exercise); and
- In doing so, maintaining a functional facility cognisant with the district nature of the playing fields was of paramount importance;

The discussions also noted that:

- The Yanchep Two Rocks Developer Contribution Plan is currently under review:
- Endorsement of the DCP by Council in 2015 included estimated facility costs, which supported the current cost contribution amount; and
- As the estimated costs are projected to increase, this will necessitate consultation with affected landowners prior to revised DCP being adopted.

In respect to the “Remove Retaining Wall & Stairs" and the “Landscaping” items, Administration has proposed to the Advisory Committee that these items be removed from the Building Project and included within the Yanchep Active Open Space Playing Field Project. This is on the basis that both items are considered to be part of the playing field functionality as opposed to the building functionality. This was noted for further consideration by the Advisory Committee.

As a result of Administration’s concept and cost review, the following cost savings were identified based on the design changes noted above.

<table>
<thead>
<tr>
<th>Design Change</th>
<th>Description</th>
<th>Cost Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bin Store</td>
<td>Removal of Bin Store (3m²)</td>
<td>$5,505</td>
</tr>
<tr>
<td>Kitchen / Kiosk</td>
<td>Removal of Kitchen Store (15m²) and reduction of Kiosk size (less 3m²)</td>
<td>$33,030</td>
</tr>
<tr>
<td>Roof</td>
<td>Simplification of roof design and reduction in roof size by 901m²</td>
<td>$350,000</td>
</tr>
<tr>
<td>Retaining Walls and Stairs</td>
<td>Removal and to be placed within landscaping budget (subject to final landowner agreement).</td>
<td>$160,000</td>
</tr>
</tbody>
</table>
Concrete paving | Reduction of concrete paving by 565m² | $80,000
Brick Paving | Removal. | $29,500
Landscaping | Removal and to be placed within landscaping budget (subject to final landowner agreement). | $35,000

| Total | $693,035 |

As a result of the cost savings identified above, the total project cost for the building has been revised down to $3.4M.

In respect to the revised funding model for the project, the following table provides a summary of the original DCP funding model and a proposed Option A and Option B in respect to final funding models. The key difference between the two options is that Option A seeks an increased Developer contribution of $1,959,102 as opposed to Option B that maintains the Developer contribution to the currently agreed level.

<table>
<thead>
<tr>
<th>Original DCP (as at April 2015)</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>$1,930,402</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Developer (loan)</td>
<td>$1,438,149</td>
<td>$1,959,102</td>
</tr>
<tr>
<td>DSR Grant</td>
<td>$0</td>
<td>$770,333</td>
</tr>
<tr>
<td>City of Wanneroo (Municipal)</td>
<td>$492,253</td>
<td>$670,565</td>
</tr>
<tr>
<td>City of Wanneroo (Strategic Reserve)</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Given the position of Landowners at the most recent Advisory Committee meeting held on 13 May 2016, in which they did not support any further increase in Landowner contributions above the agreed 2015 levels, it is the view of Administration that Option B is the most appropriate way forward.

As a result, this report will recommend, amongst other things, an increase in the municipal funding component of the project to $670,565 and the drawing of $520,953 from the Strategic Project Reserve to fund the balance of the project.

Updated Project Schedules

In this respect Administration can advise that the Yanchep Active Open Space (Playing Fields) project (PR-2072) is scheduled to be put to tender on 17 June 2016, with the outcomes to be reported to Council on 16 August 2016.

In respect to the Sports Amenities Building (PR-2253), it is anticipated that the tender for this project will be advertised to the market on 15 June 2016, with a subsequent report to Council on 13 September 2016. It should be noted however that this timeframe is still to be finalised and may be subject to further amendment.

In this respect, the key milestones for the Sports Amenities Building which Administration is aiming to achieve are currently as follows:

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept Design</td>
<td>December 2015 – March 2016</td>
</tr>
<tr>
<td>Tender Advertising and Evaluation</td>
<td>July 2016 – September 2016</td>
</tr>
<tr>
<td>Construction</td>
<td>October 2016 – September 2017</td>
</tr>
<tr>
<td>Practical Completion (Handover)</td>
<td>October 2017</td>
</tr>
</tbody>
</table>
Consultation

Consultation with Landowners has occurred via the Yanchep Two Rocks Developer Contribution – Technical Advisory Committee, as outlined within this report. Consultation also occurred with relevant sporting clubs as outlined within report CP04-03/16.

Comment

The Yanchep Active Open Space is a key facility in meeting the current and future needs of the community within the Yanchep and Two Rocks areas. As such, it is important that the facilities provided meet the overall needs of the community, are provided in a manner consistent with those needs and the City’s facility provision standards, and also take into consideration future provision within the corridor.

As outlined within report CP04-03/16, Administration is of the view that the proposed Sports Amenities Building as per (Attachment 1), and taking into consideration the design changes noted within this report, will adequately meet the needs of the community both now and into the future, and do so on a cost effective basis. Administration is also of the view that any further reduction in the scope of the building or staging of the building to further reduce the project budget are not feasible from both a functional and project delivery perspective.

Statutory Compliance

The Yanchep District Open Space and associated Sports Amenities Building are listed in the City’s District Planning Scheme No. 2 (DPS 2) as infrastructure items to be funded through the Yanchep Two Rocks Development Contribution Plan (DCP). This means that the City can collect financial contributions from developing landowners within Yanchep Two Rocks towards the cost of this facility, in accordance with the cost apportionment schedule endorsed by Council in April 2015.

The cost contribution amount paid by developers is required to be based on estimated construction costs, until such time as actual amounts have been expended towards the construction of the facility. All cost estimates are required to be reviewed on an annual basis as part of a regular review of the DCP.

If the review of estimated costs recommends that the estimated costs be increased (as is currently proposed), the City is required by DPS 2 to notify affected landowners in writing and seek comment on the proposed increase for a period of no less than 28 days. The City is required to consider any submissions received before deciding whether or not to increase the cost estimates.

Administration has engaged with landowners on the annual DCP review through the Yanchep Two Rocks Development Contribution Plan Advisory Committee in April and May 2016 and has discussed the cost estimate for the Building. It is not necessary to formally notify affected landowners at this stage as the final implications on the cost contribution are yet to be determined and are subject to other factors.

Making a decision on the funding model for this facility will inform the DCP review currently being finalised. Should Option ‘B’ be supported by Council, it would not result in an increase to the portion of the project funded by the DCP, and would be consistent with the recommendation of the Yanchep Two Rocks Development Contribution Plan Advisory Committee.
Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2013 – 2023:

“2  Society - Healthy, safe, vibrant and active communities.

2.1 Great Places and Quality Lifestyle - People from different cultures find Wanneroo an exciting place to live with quality facilities and services.”

Risk Management Considerations

The following risks relating to the issue contained within this report have been identified and considered within the City’s Strategic and Corporate risk registers. Action plans have been developed to manage this risk to improve the existing management systems.

<table>
<thead>
<tr>
<th>Risk Title</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-S04 Integrated Infrastructure &amp; Utility Planning</td>
<td>Moderate</td>
</tr>
<tr>
<td>Accountability</td>
<td>Action Planning Option</td>
</tr>
<tr>
<td>Executive Management Team</td>
<td>Manage</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Risk Title</th>
<th>Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>ST-S23 Stakeholder Relationships</td>
<td>Moderate</td>
</tr>
<tr>
<td>Accountability</td>
<td>Action Planning Option</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>Manage</td>
</tr>
</tbody>
</table>

Policy Implications

Consideration of the amenities provided as community infrastructure to support community needs has implications in this case relevant to the Yanchep Two Rocks Development Contribution Plan.

As previously advised in report CP04-03/16, planning for new community infrastructure, in particular in the northern growth corridor, has necessitated a review of the City’s standards for community facility provision, which is currently underway to guide future planning provision.

Consideration of City of Wanneroo Local Planning Policy 4.3 – Public Open Space is also relevant in consideration of this item in respect to public open space provision and development.

Financial Implications

As a result of the cost savings identified above, the total project cost for the building has been revised down to an estimated $3.4M. As a consequence of this and the confirmed position of landowners in respect to maintaining their current level of funding for the project, this report will seek Council’s support for Option B, as outlined below.

<table>
<thead>
<tr>
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</thead>
<tbody>
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</tr>
<tr>
<td>City of Wanneroo (Strategic Project Reserve)</td>
<td>$0</td>
</tr>
</tbody>
</table>
It should be noted that to date $92,232 has been spent on PR-2253 Yanchep District Open Space Sports Amenities Building with the required balance of funding to be listed within the draft 2016/17 Capital Works Budget (PR-2253).

As a consequence, Administration will seek to update the current 2016/17 Capital Works Budget to reflect the revised funding model, taking into consideration funds already spent in the 2014/15 and 2015/16 financial years.

It should also be noted that the Landowners are currently not in a position to contribute their portion of the project cost ($1,438,149) and as a result, and in accordance with Yanchep Two Rocks Development Contribution Plan, the DCP will need to borrow these funds. This will come via a loan negotiated by the City costs of which including on-going interest expense, will be charged to the DCP.

**Voting Requirements**

Simple Majority

**Recommendation**

That Council:-

1. AGREES to the following revised funding model for project PR-2253 Yanchep Active Open Space New Sports Amenities Building (Construction), based on the outcome of consultations with the Yanchep Two Rocks Developer Contribution Technical Advisory Committee:

<table>
<thead>
<tr>
<th>Original DCP (as at April 2015)</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$0</td>
</tr>
<tr>
<td>City of Wanneroo (Municipal)</td>
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</tr>
<tr>
<td>City of Wanneroo (Strategic Project Reserve)</td>
<td>$0</td>
</tr>
</tbody>
</table>

2. NOTES that Administration will amend the current budget listing within the draft 2016/17 Capital Works Budget for project PR-2253 Yanchep Active Open Space New Sports Amenities Building (Construction) to reflect the revised project funding model and taking into consideration funds already spent in the 2014/15 and 2015/16 financial years;

3. SUPPORTS the finalisation of the Yanchep Active Open Space Sports Amenities Building design and tender documentation based on the concept included within Attachment 1, with the following minor design changes included:

<table>
<thead>
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</tr>
</thead>
<tbody>
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<td>Reduction of concrete paving by 565m²</td>
</tr>
<tr>
<td>Brick Paving</td>
<td>Removal.</td>
</tr>
</tbody>
</table>
4. NOTES that Council’s decision in respect to the funding model for this facility as part of Recommendation 1 above will inform the annual review of the Yanchep Two Rocks Development Contribution Plan; and

5. NOTES that Administration will inform relevant user groups of the Council decision.

Attachments:
1. Concept Plan - Yanchep Active Open Space Sports Amenities Building 15/590138 Minuted
2. Agenda and Minutes of Yanchep - Two Rocks Development Contribution Plan Technical Advisory Committee Meeting - 5 April 2016 16/170591
3. Agenda and Minutes of Yanchep - Two Rocks Development Contribution Plan Technical Advisory Committee Meeting - 13 May 2016 16/170596
AGENDA

YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN
TECHNICAL ADVISORY COMMITTEE MEETING
1.00pm, 05 APRIL, 2016
Paperbark room
Notice is given that the next Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting will be held at the Paperbark room on **Tuesday 5 April, 2016** commencing at 1.00pm.

**CONTENTS**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>ATTENDANCES</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITEM 2</td>
<td>APOLOGIES AND LEAVE OF ABSENCE</td>
<td>1</td>
</tr>
<tr>
<td>ITEM 3</td>
<td>CONFIRMATION OF MINUTES</td>
<td>1</td>
</tr>
<tr>
<td>ITEM 4</td>
<td>ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON</td>
<td>1</td>
</tr>
<tr>
<td>ITEM 5</td>
<td>REPORTS</td>
<td>1</td>
</tr>
<tr>
<td>5.1</td>
<td>ANNUAL REVIEW OF YANCHEP TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN</td>
<td>1</td>
</tr>
<tr>
<td>5.2</td>
<td>FINANCIAL STATEMENT - YANCHEP TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN</td>
<td>11</td>
</tr>
<tr>
<td>ITEM 6</td>
<td>DATE OF NEXT MEETING</td>
<td>14</td>
</tr>
<tr>
<td>ITEM 7</td>
<td>CLOSURE</td>
<td>14</td>
</tr>
</tbody>
</table>
AGENDA

Item 1 Attendances

Item 2 Apologies and Leave of Absence

Item 3 Confirmation of Minutes

Item 4 Election of Chairperson and Deputy Chairperson

The term of office for a Committee Chairperson/Deputy Chairperson commences when the person is elected to the position and ends at the start of the first meeting after the next ordinary elections, or if the Chairperson ceases to be a Committee member, or resigns from office. Following the Local Government Elections conducted on 17 October 2015, it is now necessary for the Committee to appoint a Committee Chairperson and Deputy Chairperson in accordance with Section 5.12 of the Local Government Act 1995 (the Act).

The Committee is to elect members to fill the positions of Chairperson and Deputy Chairperson. The election will be conducted by the Chief Executive Officer or his delegate.

Nominations must be submitted on the appropriate form to the CEO or his delegate; nominations can be submitted prior to the meeting or during the meeting prior to the election commencing. Nominations do not require a seconder, but in the event that a Committee member is nominated by another member, then the nominee must confirm (either in writing or verbally) that they are prepared to accept the nomination.

At the close of nominations, the CEO or his delegate will read out the nominations received. If there is only one nomination, then that person will be declared elected to the position of Committee Chairperson or Deputy Chairperson. In the event that two or more nominations are received for the positions, then it will be necessary to conduct an election by secret ballot in accordance with Schedule 2.3: Division 1 of the Act.

Item 5 Reports

Declarations of Interest by Committee Members to be recorded here, including the nature and extent of the interest. Declaration of Interest forms to be completed and handed to the Chief Executive Officer.

5.1 Annual Review of Yanchep Two Rocks Development Contribution Plan

File Ref: 23156 – 16/103848
Responsible Officer: A/Director Planning & Sustainability
Disclosure of Interest: Nil
Attachments: 3

Issue

To consider an update on the annual review of the Yanchep Two Rocks Development Contribution Plan (DCP)
Background

The Yanchep Two Rocks 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 in September 2014, which introduced the DCP to the Scheme.

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

1. DCP facility construction cost estimates resulting from additional planning and design work undertaken over the last 12 months;
2. DCP facility cost indexation;
3. Dwelling estimates, as a result of any changes to market conditions during the previous 12 months; and

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.

Administration has completed an initial review of the above items and the outcomes of the review are detailed below.

Detail

Facility Construction Cost Estimates

There are three facilities identified in the DCP, as outlined below.

Yanchep Surf Life Saving Club

The construction of this facility has been subject to public tender, and Council awarded a tender for the construction of the facility at its meeting on 2 February 2016 (AS06-01/16). The accepted tender price was less than the pre-tender cost estimate and although some contingencies are being retained for unforeseen circumstances, it is recommended that the estimated final cost be reduced from the previous allowance in the DCP.

Yanchep District Open Space

- Land
  A revised land valuation for the acquisition of the land for this facility was obtained in December 2016, and suggests a significantly cheaper land value, potentially as a result of the current downturn in the housing market.

- Ovals/Landscaping

  The City has accepted practical completion of earthworks for the two playing fields. The estimated total cost for oval construction has increased as a result of the following factors:

    - Previous cost estimates for development of the district open space did not incorporate provision for bulk earthworks due to these costs normally being completed as a component of subdivisional works. Council endorsed an
additional cost of $2,211,931 for oval groundworks at its meeting on 26 May 2015 (CR05-05/15); and

- some remedial works have been required due to the presence of significant subsurface rock. An additional cost of $449,219 applies as a result of this variation.

Detailed design for oval landscaping is currently at 85% with progression being subject to the completion of the rock rectification works.

- Pavilion

A site specific concept design has been prepared based on the draft concept used in the 2015 cost estimate, and has been subject to consultation with the sporting clubs in Yanchep. The preliminary pavilion concept is included at Attachment 1, and the revised concept is included at Attachment 2.

The cost estimate for the revised concept plan is more expensive than the previous estimate. Administration will provide an overview of the design and cost implications at the meeting.

Capricorn Coastal Node Facilities

No further planning work has been undertaken on this facility. An updated cost estimate has been obtained, which is slightly cheaper than the 2015 estimate.

Summary

A summary of the current cost estimates for each facility as a result of the above is outlined in the table below.

<table>
<thead>
<tr>
<th>Facility</th>
<th>2015/16 Cost Estimate</th>
<th>2016/17 Cost Estimate</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yanchep Surf Life Saving Club</td>
<td>$7,488,657</td>
<td>$7,032,335</td>
<td>-$456,322</td>
</tr>
<tr>
<td>Yanchep District Open Space</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Land</td>
<td>$8,320,000</td>
<td>$6,400,000</td>
<td>-$1,920,000</td>
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<td>$28,454,527</td>
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DCP Facility Cost Indexation

This has been factored into the updated cost estimates obtained in the process of additional planning for each DCP facility as well as the annual DCP review process.

Dwelling Estimates

Landowners were requested via email in February 2016 to provide updated dwelling projections for the life of the DCP. The feedback received indicates that landowners acknowledge a slowdown in the housing market, but generally still expect the same dwelling yield to be achieved over the 10 year lifespan of the DCP (10,603 dwellings in 2015 compared to 10,588 in 2016). Although some updates are still outstanding, a comparison of the 2015 landowner forecast and the 2016 landowner forecast is outlined below and illustrated in Attachment 3.
Cost Contribution per Dwelling

The preliminary outcomes of the annual DCP review suggest that an increase in the cost contribution amount will be necessary. At the very least, a cost contribution increase would be required to make up for the actual number of dwellings created in year 1 being less than what was estimated in the DCP.

Key considerations in finalising the review process and determining the extent of any cost contribution increase include:

Dwelling projections

The landowners’ dwelling projections were accepted by the City in 2015 on the basis that much of the preparatory work had been completed to facilitate the creation of lots and dwelling construction. However, historic rates of dwelling creation in the DCP area have been less than the adopted projections.

Despite this trend, landowners appear to be confident that the ultimate dwelling yield previously estimated in 2015 can realistically be achieved in the 10 year DCP timeframe. If lower dwelling rates continue, at some point a decision may need to be made to extend the life of the DCP via an amendment to District Planning Scheme No. 2 to reflect the slowdown in the housing market. Alternatively it may need to be determined whether these projections are still realistic, and if not, alternative projections identified.

Facility Cost Estimates

In most cases the cost estimate increases have been unavoidable and a result of more detailed design or unexpected earthwork costs.

However, feedback and input from landowners is required on the cost estimates, in particular for the Yanchep District Open Space pavilion, in order to finalise concept planning and determine a cost estimate for inclusion in the DCP calculations.

Administration will facilitate a discussion on this matter at the meeting.

Facility Timing and Need for Loan Costs

The gazetted of Amendment No. 122 confirmed the inclusion of the Surf Life Saving Club, Capricorn Coastal Node facilities and both the construction and land acquisition costs for the Yanchep District Open Space facility in the DCP. The timing for the delivery of the Surf Life Saving Club and District Open Space in year 3 of the DCP was subsequently adopted by Council in April 2015 following consultation and engagement with landowners. This outcome resulted in expenditure items being listed in the early years of the DCP before sufficient income could be generated through the DCP to pay for these facilities.
Given the proposed early delivery of some of the facilities, it was always going to be necessary to consider loan funding to meet these costs in the short term, with the loan to be repaid over the life of the DCP. The decision by the City to use loan funds to meet these early costs was not made in year 1 as they were not required at that time. However, loans are now required and need to be factored into the DCP costs.

There are a number of options associated with establishing a loan to meet construction costs which are still being investigated, but ultimately the size of the loan will be dependent on the income being generated through the DCP. It will be necessary to charge costs associated with the maintenance of any loan (establishment costs, interest charges) to the DCP as provided for under the ‘Administrative Costs’ heading of the Yanchep Two Rocks DCP contained with Scheduled 18 of DPS 2. This will result in an increase to the cost contribution amount.

Comment

It is necessary for the Committee to consider the outcomes of the preliminary DCP review and provide comment for the City to consider in finalising the review and determining the resultant cost contribution amount.

Once the City has completed the annual review process it must determine whether or not to increase the estimated costs associated with the DCP. If the costs are proposed to increase as a result of the annual review, the City is required by DPS 2 to:

1. formally notify affected landowners of the proposed increase and seek their comments on the proposed increase for a period of not less than 28 days;
2. consider any submissions received and within 90 days decide whether the costs are to be maintained or increased, and if so the degree of that increase.

Statutory Compliance

Nil.

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2013 – 2023:

“2 Society - Healthy, safe, vibrant and active communities.
   2.1 Great Places and Quality Lifestyle - People from different cultures find Wanneroo an exciting place to live with quality facilities and services.”

Risk Management Considerations

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<td>from Development Contribution Schemes</td>
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<tr>
<td>Accountability</td>
<td>Action Planning Option</td>
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<td>Manager Planning implementation</td>
<td>Manage</td>
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</table>

There above risk is identified in the City’s Corporate Risk Register. This risk is managed through regular reviews of the City’s Development Contribution Schemes.
Policy Implications

Nil.

Financial Implications

Nil.

Voting Requirements

Simple Majority

Recommendation

That Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee NOTES the current status of the Yanchep Two Rocks Development Contribution Plan annual review.

Attachments:
1. Attachment 1 - District Open Space Pavilion - Preliminary Concept Plan 16/109353
2. Attachment 2 - District Open Space Pavilion - Draft Concept Plan 15/990138
3. Attachment 3 - Dwelling Projection Comparisons 16/109417
Yanchep Two Rocks DCP - Cumulative Dwelling Projections
2015 Estimate v. 2016 Review
### Yanchep Two Rocks DCP - Annual Dwelling Projections
#### 2015 Estimate vs. 2016 Estimate

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</table>
5.2 Financial Statement - Yanchep Two Rocks Development Contribution Plan

File Ref: 23156 – 16/106727
Responsible Officer: A/ Director Planning & Sustainability
Disclosure of Interest: Nil
Attachments: 1

Issue

To consider a financial statement for the Yanchep Two Rocks Development Contribution Plan.

Background

At each meeting of the Yanchep Two Rocks Development Contribution Plan Technical Advisory Committee it is intended to present a current financial statement for the information of Committee members.

Detail

The financial Statement is included at Attachment 1.

Comment

The Financial Report is submitted for information and discussion. Administration will provide a summary overview of the financial report at the meeting.

Statutory Compliance

Nil

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2013 – 2023:

"2 Society - Healthy, safe, vibrant and active communities.
2.1 Great Places and Quality Lifestyle - People from different cultures find Wanneroo an exciting place to live with quality facilities and services."

Risk Management Considerations

Nil.

Policy Implications

Nil.

Financial Implications

Nil.
CITY OF WANNEROO AGENDA OF YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN TECHNICAL ADVISORY COMMITTEE MEETING 05 APRIL, 2016

Voting Requirements

Simple Majority

Recommendation

That Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee NOTES the Financial Statement included at Attachment 1.

Attachments:
1. Attachment 1 to Yanchep Two Rocks DCP Committee - DCP Financial Reports 2013 to March 2016 16/109431 Minuted
### CITY OF WANNEROO AGENDA OF YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN TECHNICAL ADVISORY COMMITTEE MEETING 05 APRIL, 2016

#### 4.2 – Attachment 1

**CITY OF WANNEROO**

**YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN**

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 30 JUNE**

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<td>302,913</td>
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**CITY OF WANNEROO**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 30 JUNE**

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<td><strong>TOTAL ASSETS</strong></td>
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<td><strong>TOTAL LIABILITIES</strong></td>
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4.2 – Attachment 1
Item 6  Date of Next Meeting

The date of the next Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting is to be determined.

Item 7  Closure
Minutes

UNCONFIRMED

YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN
TECHNICAL ADVISORY COMMITTEE MEETING
1.00pm, 05 APRIL, 2016
Paperbark Room
# City of Wanneroo

UNCONFIRMED MINUTES OF YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN TECHNICAL ADVISORY COMMITTEE MEETING

HELD ON TUESDAY 05 APRIL, 2016

## CONTENTS

<table>
<thead>
<tr>
<th>ITEM</th>
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<tbody>
<tr>
<td>1</td>
<td>ATTENDANCES</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>APOLOGIES AND LEAVE OF ABSENCE</td>
<td>1</td>
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<tr>
<td>3</td>
<td>CONFIRMATION OF MINUTES</td>
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<td>4</td>
<td>ELECTION OF CHAIRPERSON AND DEPUTY CHAIRPERSON</td>
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<td>5</td>
<td>REPORTS</td>
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<td>5.1</td>
<td>ANNUAL REVIEW OF YANCHEP TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN</td>
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<td>FINANCIAL STATEMENT - YANCHEP TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN</td>
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<td>DATE OF NEXT MEETING</td>
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<td>7</td>
<td>CLOSURE</td>
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Please refer to agenda for details of full reports and attachments.

Item 1  Attendances

Officers:
M Dickson  A / Director Planning & Sustainability (non voting member)
N Stawarz  Coordinator Strategic Planning & Environment
S Spinks  Manager Community Facilities
M Hudson  Coordinator Scheme Contributions
J Hafenscher  Scheme Contributions Project Officer

Representatives:
J Crooks  Frasers Property Australia
C Graham  Peet
M Allen  Yanchep Beach Joint Venture
I Ardon  Landcorp
J Rendell  Capricorn Village Joint Venture
M Bower  Fini Group
S Biagioni  Pindan Capital Two Rocks

Item 2  Apologies and Leave of Absence

Nil

Item 3  Confirmation of Minutes

Nil.

Item 4  Election of Chairperson and Deputy Chairperson

M Dickson opened the meeting at 1.00pm and called for nominations for the position of Chairperson. M Allen nominated J Rendell for the position. No additional nominations were forthcoming and nominations were declared closed. M Dickson declared J Rendell as Chairperson.

J Rendell called for nominations for the position of Deputy Chairperson. C Graham nominated M Bower for the position. No additional nominations were forthcoming and nominations were declared closed. J Rendell declared M Bower as Deputy Chairperson.

Item 5  Reports

5.1  Annual Review of Yanchep Two Rocks Development Contribution Plan

File Ref:  23156 – 16/103848
Responsible Officer:  Av/Director Planning & Sustainability
Disclosure of Interest:  Nil
N Stawarz provided an overview of the Development Contribution Plan (DCP) review process. Specific comments and requests were made by the committee on a number of items as outlined below:

**Facility Cost Estimates**

- **Yanchep District Open Space (Land)**
  - Landowner representatives requested a copy of the most up to date land valuation for review.
  - J Rendell queried whether the land could be acquired now, given the lower value of the cost estimate. M Allen advised that the Deed of Agreement between the City of Wanneroo and Yanchep Beach Joint Venture has specific clauses relating to the timing of land acquisition. Landowners requested a copy of the Deed of Agreement.

- **Yanchep District Open Space (sporting pavilion)**
  - S Spinks gave an overview of the planning for the sporting pavilion. More detailed concept planning, involving consultation with sporting clubs, has resulted in construction cost estimates increasing from previous estimates due to the following:
    - Pavilion has been split into two components under one roof to improve circulation and access between playing fields.
    - Change rooms have been reduced from 8 to 6 but due to requirements for unisex design and storage areas the size has increased.
    - Kiosk size has increased slightly to accord with contemporary sporting club operations.
    - 150sqm multipurpose space has been included in the concept (previous concept included a meeting room, new concept adds a main hall area).
  - S Spinks also noted that the current cost estimate is very high and the City is currently reviewing the design and cost estimate to see how these costs can be reduced.
  - Landowners noted that they did not support the current quantum of cost for the facility and were keen to review the concept and estimate in detail and feed input into the City's review of this concept. A copy of the cost estimate report was requested.

- **Yanchep District Open Space (ovals)**
  - Landowners requested a copy of the cost estimate and a comparison of the 2015 and 2016 estimates to identify how costs have changed.

- **DCP Facility Cost indexation**
  - N Stawarz advised that indexation was built into the cost estimates each year as part of the review. Last year this was 2.78%.

- **Dwelling Estimates**
  - Landowners requested that the City provide an updated table of dwelling estimates that lists actual and projected lots/dwellings by project/landowner.
  - It was also requested that the table clearly differentiate between dwellings created under the interim LPP 3.3 and those created under the gazetted DCP.
  - Landowners agreed to re-visit their projections to include only those dwellings that have/will be created under the gazetted DCP and provide this consolidated information to the City. M Dickson advised that there was some pressure to resolve this issue and that a prompt response from the landowners (in relation to his issue and the Yanchep District Open Space pavilion) would be appreciated.
• Facility Timing and Need for Loan Costs
  o The timing of facilities and the need to seek loan funding was discussed. Some concern was raised in relation to charging of interest costs to the DCP and it was noted that any interest costs would be dependent on the timeframe of the DCP and the amount of income generated by new dwellings.
  o S Biajoni queried whether the timing of early facilities could be pushed back in response to the slower rates of development. The ability to push some facilities back was limited by tender commitments (in the case of the Surf Life Saving Club) and the Deed of Agreement (in the case of the District Open Space). C Graham noted that the landowners and the City had been through this issue in detail last year and that because some of the need for the facilities comes from the existing community in addition to new dwelling growth the City is now contributing to the appropriate portion of facility costs.

Recommendation

Moved J Rendell, Seconded M Allen

That Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee NOTES the current status of the Yanchep Two Rocks Development Contribution Plan annual review.

5.2 Financial Statement - Yanchep Two Rocks Development Contribution Plan

<table>
<thead>
<tr>
<th>File Ref:</th>
<th>23156 – 16/108727</th>
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</thead>
<tbody>
<tr>
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<td>A/Director Planning &amp; Sustainability</td>
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<tr>
<td>Disclosure of Interest:</td>
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<td>Attachments:</td>
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Recommendation

Moved J Rendell, Seconded C Graham

That Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee NOTES the Financial Statement included at Attachment 1.

Item 6 Date of Next Meeting

The next Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting will be scheduled for a date to be advised, to be held at the Civic Centre, Dundeebar Road, Wanneroo.

Item 7 Closure

There being no further business, J Rendell closed the meeting at 2.20pm.
AGENDA

YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN
TECHNICAL ADVISORY COMMITTEE MEETING
9:30am, 13 MAY 2016
Eucalyptus Room
Notice is given that the next Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting will be held at the Eucalyptus Room on **Friday 13 May, 2016** commencing at **9:30am**.

### CONTENTS

<table>
<thead>
<tr>
<th>ITEM</th>
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<tbody>
<tr>
<td>ITEM 1</td>
<td>ATTENDANCES</td>
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<td>ITEM 2</td>
<td>APOLOGIES AND LEAVE OF ABSENCE</td>
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<tr>
<td>ITEM 3</td>
<td>CONFIRMATION OF MINUTES</td>
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<td>Update on Review of Yanchep Two Rocks Development Contribution Plan</td>
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<td>ITEM 5</td>
<td>DATE OF NEXT MEETING</td>
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<td>ITEM 6</td>
<td>CLOSURE</td>
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AGENDA

Item 1  Attendances

Item 2  Apologies and Leave of Absence

Item 3  Confirmation of Minutes

That the minutes of Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting held on 5 April 2016 be confirmed.

Item 4  Reports

Declarations of Interest by Committee Members to be recorded here, including the nature and extent of the interest. Declaration of Interest forms to be completed and handed to the Chief Executive Officer.

4.1 Update on Review of Yanchep Two Rocks Development Contribution Plan

File Ref: 23156 – 16/157486
Responsible Officer: AV/ Director Planning & Sustainability
Disclosure of Interest: Nil
Attachments: 1

Issue

To consider an update on the annual review of the Yanchep Two Rocks Development Contribution Plan.

Background

At the meeting of the Yanchep Two Rocks Development Contribution Plan (DCP) Technical Advisory Committee on 5 April 2016, Administration presented a preliminary review of the DCP for consideration and discussion of the Committee.

As an outcome of that meeting, Committee members requested Administration:

1. review the concept plan and cost estimate for the Yanchep District Open Space Sporting Pavilion in detail, with a view to identifying potential cost savings and reducing the cost estimate to more closely resemble that obtained as part of the 2014 DCP cost review.

2. prepare an updated table of dwelling estimates that lists actual and projected lots/dwellings by project/landowner.

3. prepare some cost scenarios for consideration of the Committee that represent possible outcomes of the review process and indicative cost contribution amounts moving forward.

Detail

The outcomes of Administration’s additional work on the DCP review is detailed below.

Yanchep District Open Space Sporting Pavilion
The City’s Community Facilities team have completed an analysis of the building footprint, functionality and cost, which was forwarded to the project quantity surveyor to review and provide a revised cost estimate.

This process has included a review of cost saving options based on a reconsideration of the design and functional area of the following concept plan components:

- Roof structure
- Kiosk store;
- Multi-Purpose Room footprint;
- Lobby footprint;
- External landscaping treatments; and
- Playground provision.

The City is still in the process of finalising the review of project costs for presentation to the Committee, and this will be tabled at the meeting if available.

However, Administration has completed a comparison of the functional areas of each concept plan revision that has been prepared to date. The three versions of the concept that have been compared and the outcomes of the comparison are as follows:

- Original Facility Model – A functional brief was prepared as part of the Northern Coastal Growth Corridor Community Facilities Plan in 2011, which was used as a basis for the cost estimates originally included in the DCP. This model was agreed to by landowners and adopted by Council as part of the Community Facilities Plan.

- 2015 Concept – A preliminary concept plan was prepared by the City for the purposes of applying for grant funding in 2012. In the absence of further planning work for this facility at the time, this concept plan was used as the basis for cost estimates included in the DCP when adopted by Council in April 2015.

- 2016 Concept – the latest concept plan for the facility that was prepared in consultation with the local sporting clubs and adopted by Council at its meeting on 1 March 2016

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As the cost estimate for the original facility model formed part of a larger cost estimate for the entire Yanchep District Open Space, some assumptions have had to be made in relation to the apportionment of servicing costs, fees and contingencies.
Updated Dwelling Estimates

Landowners have provided the City with an update table of dwelling estimates, which is included at Attachment 1 for reference.

Cost Scenarios

Administration has prepared three cost scenarios for discussion, using the estimated costs for each facility as reported to the Committee at its meeting on 5 April 2016. These scenarios are as follows:

- **Scenario 1**
  - Retain 10 year DCP;
  - Reduced dwelling yield;
  - Interest costs added (WATC);
  - Proportionate cost apportionment amended to reflect reduced 10 year dwelling yield (28.4% City contribution, 71.6% development contribution)

- **Scenario 2**
  - 11 year DCP (assumes an additional year is required to meet original dwelling yield estimate);
  - Interest costs added (WATC);
  - Proportionate cost apportionment retained as previously endorsed (25% City contribution, 75% development contribution)

- **Scenario 3**
  - 12 year DCP (assumes 2 additional years are required to meet original dwelling yield estimate);
  - Interest costs added (WATC);
  - Proportionate cost apportionment retained as previously endorsed (25% City contribution, 75% development contribution)

Details of each scenario are outlined below:

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<th></th>
<th>Scenario 1</th>
<th>Scenario 2</th>
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<td>Cost Contribution (per dwelling)</td>
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**Comment**

Yanchep District Open Space Sporting Pavilion
A comparison of the functional area and cost estimates for each concept reveals that the 2016 concept has increased in size from both the 2011 facility model, and the 2015 preliminary concept plan. There has also been a commensurate increase in the cost estimate.

The degree of that cost increase is dependent on which concept it is being compared against. Although the 2015 concept was used to inform the DCP cost review undertaken in 2015, it was arguably not the most appropriate concept on which to base the cost estimate, as its primary function was to support a grant application to the Department of Sport and Recreation. It was not an evolution of the facility model previously supported by the landowner group, nor was it informed by additional planning work or stakeholder consultation.

As a result, the cost allowance in the DCP is insufficient to deliver a contemporary, functional sporting pavilion to service the district open space, and the cost increase now being discussed appears to be more significant that it would be if it was from a baseline of the original facility model.

The following options are available moving forward:

1. **Option 1 - Proceed with the 2015 Concept**

This option will be cheaper and in line with the costs endorsed as part of the 2015 DCP review, however, would result in a facility being delivered that arguably does not meet the needs of the sporting groups that will use the reserve and is not of the necessary standard to support a district level facility;

2. **Option 2 - Proceed with the 2016 Concept**

This option is based on a proper planning process following consultation with sporting user groups, and is considered to represent the best outcome from a functional perspective to support the use of the District Open Space. However, it is significantly more expensive than 2015 Concept and is considered to have some design features that add unnecessary costs to the project.

3. **Option 3 - Proceed with a new/revised concept based on Option 2 that more closely resembles the facility model previously supported by landowners (preferred option)**

Administration considers that the best approach moving forward is for the Committee to consider, and seek to agree on the best outcome for the District Open Space from a functional perspective. Through this process, opportunities to revise the scope without compromising functionality can be addressed with a view to reducing the cost commitment of the DCP.

**Updated Dwelling Estimates**

The revised dwelling estimates provided by the landowner group indicate a reduced number of dwellings to be delivered in the 10 year timeframe of the DCP. In order to maintain a nexus between the dwelling yield and facilities included in the DCP, it is necessary to extend the DCP, so that the original number of dwellings can be delivered within the DCP timeframe.

Any extension to the DCP timeframe would necessitate an Amendment to the City’s District Planning Scheme No. 2.

**Cost Scenarios**
Three scenarios have been prepared based on the landowner dwelling estimates and draft cost estimates. Additionally, all scenarios incorporate interest costs associated with necessary loan funds to provide for the delivery of facilities in the early years of the DCP, prior to sufficient contributions being collected to fund their construction outright.

- Scenario 1 is more for reference purposes as it is not considered to be a viable option moving forward. The reduced dwelling yield would result in an increase in the cost contribution amount by approximately $650/dwelling, and would necessitate a change to the proportionate contribution between new demand and existing demand.

- Scenario 2 is considered to be a viable option, as it retains the endorsed proportionate contribution and original 10 year dwelling yield, although it involves an extension to the DCP timeframe by 1 year to account for the slower than expected rate of dwelling creation. It results in an increase to the cost contribution rate of approximately $387 / dwelling.

- Scenario 3 is the same as scenario 2, with the exception that it involved a two year extension to the DCP timeframe to account for the slower than expected rate of dwelling creation. As there is some uncertainty around the time it will take to create the number of dwelling originally projected (and on which the DCP is constructed) a two year extension may be preferable. Should the current slow rate of development continue longer than expected, it results in an increase to the cost contribution rate of approximately $430 / dwelling.

Statutory Compliance

Nil.

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2013 – 2023:

   2 Society - Healthy, safe, vibrant and active communities.
      2.1 Great Places and Quality Lifestyle - People from different cultures find Wanneroo an exciting place to live with quality facilities and services.”

Risk Management Considerations

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<td>Development Contribution Schemes – Unpredictable revenue from Development Contribution Schemes</td>
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There above risk is identified in the City’s Corporate Risk Register. This risk is managed through regular reviews of the City’s Development Contribution Schemes.

Policy Implications

Nil.
Financial Implications

The increase in facility cost estimates, and slower than expected rate of dwelling creation will ultimately result in an increase to the cost contribution rate. In addition, the inclusion of interest costs to fund facilities in the early years of the DCP will also have an impact. The extent of any increase will depend on which scenario is preferred, and the outcome of the current review into the cost of the Yanchep District open Space Sporting Pavilion.

Voting Requirements

Simple Majority

Recommendation

That Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee:

1. NOTES the current status of the Yanchep Two Rocks Development Contribution Plan annual review.
2. SUPPORTS Option _____ as a basis for finalising the concept plans for the Yanchep District Open Space Sporting Pavilion.
3. SUPPORTS Scenario _____ as a basis for the finalisation of the Yanchep Two Rocks Development Contribution Plan.

Attachments:
1. Attachment 1 - Revised Dwelling Projections 16/163406
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4.1 – Attachment 1
Item 5  Date of Next Meeting

The date of the next Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting has yet to be determined.

Item 6  Closure
Minutes

UNCONFIRMED

YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN TECHNICAL ADVISORY COMMITTEE MEETING
9:30am, 13 MAY 2016
Eucalyptus Room
UNCONFIRMED MINUTES OF YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN TECHNICAL ADVISORY COMMITTEE MEETING

HELD ON FRIDAY 13 MAY, 2016

CONTENTS

ITEM 1 ATTENDANCES 1
ITEM 2 APOLOGIES AND LEAVE OF ABSENCE 1
ITEM 3 CONFIRMATION OF MINUTES 1
3.1 MINUTES OF YANCHEP-TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN TECHNICAL ADVISORY COMMITTEE MEETING HELD ON 5 APRIL 2016 1
ITEM 4 REPORTS 1
4.1 UPDATE ON REVIEW OF YANCHEP TWO ROCKS DEVELOPMENT CONTRIBUTION PLAN 1
ITEM 5 DATE OF NEXT MEETING 4
ITEM 6 CLOSURE 4
M I N U T E S

Please refer to agenda for details of full reports and attachments.

Item 1 Attendances

Officers:
M Dickson A/ Director Planning & Sustainability
(non voting member)
S Spinks Manager Community Facilities
N Stawarz A / Manager City Growth
J Hafenscher Scheme Contributions Project Officer
H Hellberg Principal Specialist Strategic Finance
M Hudson Coordinator Scheme Contributions

Representatives:
J Crooks Frasers Property Australia
M Allen Yanchep Beach Joint Venture
I Ardron Landcorp
M Bower Fini Group
S Biagioni Pindan Capital Two Rocks

Item 2 Apologies and Leave of Absence

J Rendell Capricorn Village Joint Venture
C Graham Peet

Item 3 Confirmation of Minutes

3.1 Minutes of Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting held on 5 April 2016

Recommendation

Moved S Biagioni, Seconded M Bower

That the minutes of the Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting held on 5 April 2016 be confirmed.

Item 4 Reports

4.1 Update on Review of Yanchep Two Rocks Development Contribution Plan

File Ref: 23156 – 16/157486
Responsible Officer: A/Director Planning & Sustainability
Disclosure of Interest: Nil
Attachments: 1
N Stawarz introduced the item and gave a background to the three issues being presented in the report.

Review of Yanchep District Open Space Sporting Pavilion Concept and Costs

N Stawarz summarised the three pavilion concepts that have been compared in the report and noted that at the last meeting the landowners had requested that the current concept be reviewed to reduce the cost to more closely resemble the 2015 cost estimate. Administration has completed this exercise and N Stawarz noted that no specific input was received from the landowner group on specific elements of the concept that should be reviewed.

S Spinks then provided an overview of the work undertaken by Administration to reduce the cost:

- Review of functional elements
  - Kiosk size reduced, kitchen store removed, lobby removed, decrease the size of the multipurpose room to 100m2
  - Potential saving of ~$190,000

- Review of roof design
  - Simplify design
  - Decrease overhang from 8m to 3m on western side and 1.5m on eastern side
  - Potential saving of ~$350,000

- Limestone seating & retaining works
  - Addresses the change in levels between playing fields
  - Remove building works into oval landscaping works
  - Potential saving of $160,000

- Landscaping works on southern side of pavilion
  - Could be removed from building works and treated separately
  - Potential saving of $35,000

- Concrete and brick paving surrounding the building
  - Area of treatment could be reduced
  - Potential saving of $110,000

Additional options were considered (staging of facility, reduction in number of changerooms) but these were ruled out due to adverse impact on functionality.

Assuming $195,000 of retaining/landscaping works are moved to oval landscaping works project, cost could potentially be reduced to $3.4 million.

S Spinks noted that two grants from the Department of Sport and Recreation apply to this facility totalling $1.745 million. Sufficient progress on the pavilion and oval works need to be demonstrated or the grants may be taken back by Treasury. The City has a meeting with the Department of Sport and Recreation on 23 May 2016.

S Spinks sought comment from the Committee on whether they would support using the current concept (including potential cost savings) as a basis for DCP cost.

M Bower stated that his preference was for the 2015 concept be used as a basis for DCP funding. S Spinks queried whether the other landowners shared this view or whether the Committee may consider a compromise by using the original Community Facility Plan function model and cost estimate as the basis for DCP funding with any difference in cost between this and the current concept to be met by the City.
All Committee members stated a preference to use the 2015 concept as the basis for determining the DCP contribution. M Bower proposed that the DCP contribution for this facility be capped at the ~$1.9m plus CPI rather than negotiating specific elements of the final concept design with the City. The City can then proceed with whatever design is deemed functional with a clear understanding of the landowner contribution on the basis of All committee member supported this proposal.

M Bower queried how the grants were currently treated in the DCP and scenarios. N Stawarz advised that the grants originally came off the bottom line facility cost, but when the cost apportionment schedule was approved with a proportionate split of the total cost between the City and the DCP, the grant was taken off the City’s contribution. M Bower stated a preference for the grants to be apportioned between the City and the DCP.

Cost Scenarios

It was noted that the discussion around the funding model for the district open space pavilion would alter the scenarios as presented in the agenda.

There was some discussion around the approach to determining interest costs. M Bower stated that it was his view and that of some other landowners that he was aware of, that the DCP should not be paying for any interest at all and that the City should consider pre-funding the developer’s share of the facility cost as an alternative option.

J Ardon queried why the facilities could not be pushed back as a result of the slower than expected dwelling growth to avoid the need to loan funds and pay interest. M Hudson commented that the Surf Life Saving Club had already been to tender and construction has commenced. The Yanchep District Open Space project is subject to a Deed of Agreement that locks the City into delivery of the facilities in the early years.

M Dickson and N Stawarz added that the landowner group were aware of the timing for the delivery of the facilities, as it was advertised as part of Amendment No. 122 and subsequently when the cost apportionment schedule and DCP Report were advertised for comment following the gazettal of Amendment No. 122. J Crooks agreed but noted that it was not explicitly connected to the need to access a loan and charge interest. M Dickson responded by commenting that it was discussed with landowners previously, they were aware of the likelihood of a loan being required and the scheme provides for interest to be put to the DCP, it is just exacerbated by the slower development rates.

J Crooks commented that the landowners’ situation had changed drastically in terms of market strength, and the proposed interest charges now make up a significant portion of the DCP cost. It therefore needs to be considered carefully.

J Hafenscher added that the interest costs will also be determined by the timeframe of the DCP and the accuracy of the dwelling projections provided by the landowners. M Bower stated that it may be an item for discussion at a later date, but his preference was for the DCP timeframe to remain at 10 years, despite the higher increase in cost contribution associated with this option.

The Committee requested that the City update the cost scenarios based on the outcomes of the meeting, and circulate to the landowner group along with some additional information on cashflow and interest calculation. This will assist with further considering the preferred DCP scenario to use in finalising the DCP review. The Committee agreed to consider this information outside of a formal meeting and provide feedback to the City directly.
Recommendation

Moved J Crooks, Seconded M Bower.

That Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee:

1. NOTES the current status of the Yanchep Two Rocks Development Contribution Plan annual review;

2. SUPPORTS the 2015 Concept as a basis for finalising the funding model for the Yanchep District Open Space Sporting Pavilion, with the development contribution capped at $1,930,402 plus CPI;

3. NOTES that the landscaping and retaining works for the Yanchep District Open Space Sporting Pavilion should be accommodated within the cost cap mentioned in 2. above, unless they were not originally included in the cost estimate for the 2015 Concept;

4. SUPPORTS a proportionate split of all grant funding applicable to DCP projects in accordance with the cost apportionment schedule; and

5. REQUESTS update scenario models and additional details on interest and cashflow, to allow a more detailed consideration of the options for finalisation of the DCP review moving forward.

Item 5  Date of Next Meeting

The next Yanchep-Two Rocks Development Contribution Plan Technical Advisory Committee Meeting will be scheduled on a date to be advised, to be held at the Civic Centre, Dundebar Road, Wanneroo.

Item 6  Closure

There being no further business, M Bower closed the meeting at 10.55am.
Issue

To consider supporting and advocating a value capture proposal to secure the timely provision of rail to Yanchep.

Background

The City of Wanneroo is one of the fastest growing metropolitan corridors in Australia with population projections for the North West coastal corridor (Tamala Park to Two Rocks) indicating that by 2020 at least 95,000 residents will be residing in the corridor alone and by 2031 it is estimated that the population will reach 150,000. Not only is the population growth significant but the geographical area of this coastal corridor being 135 km² which equates to 128% the size of City of Stirling and 136% the size of City of Joondalup. Yanchep is identified as a Strategic Metropolitan Centre in the northern corridor, and is located 48 km from Perth CBD.

Yanchep Structure Planning

The importance of major transport infrastructure to Yanchep as a future City centre was recognised through the Saint Andrews Strategic Cooperation Agreement between the State Government of Western Australia, Tokyu Corporation, Western Australian Planning Commission, Yanchep Sun City Pty Ltd and the City of Wanneroo.

This agreement sought to deliver around 55,000 serviced residential lots with a population of some 148,000 with a regional strategic commercial centre that created significant employment. The agreement recommended that the development should proceed in a manner which:

- Is environmentally, socially and economically sustainable;
- Recognises and uses world best practice in urban design wherever possible;
- Accords with relevant State and Local Government policies; and
- Places a high priority on the encouragement of public transport use.

Administration anticipates that the draft Yanchep City Centre Structure Plan will be presented to Council for consideration in mid-2016. The Yanchep City Centre Activity Centre Structure Plan covers 106 hectares of land. It will provide for the extension of the underground rail line through the City Centre with a centrally located station which will form an integral transport connection for the catchment area and for the future centres to the north and south. It will incorporate a bus interchange and potentially light rail. The draft Yanchep City Centre Structure Plan consists of four precincts accommodating a diverse mix of land uses. These are city centre core; business mixed use and education precinct; tertiary education precinct and a sport and health precinct.

Council’s Advocacy Position

Council at its Ordinary Council Meeting on the 22 July 2014 adopted the City’s Advocacy Plan with a primary objective to advocate for and promote key strategic priorities and projects within the City of Wanneroo and the North Metropolitan Sub-Region to the State and Federal Governments, government agencies and stakeholders to:
The adopted Advocacy Plan included the Advocacy Statement, Advocacy Strategy and four position statements, one of which was the Position Statement: Expansion of the Northern Suburb Rail Network, asking the State Government to commit to expanding the heavy and light passenger rail network in Perth's North-West Sub-Region.

As a result of the above, the Mayor and Chief Executive Officer (CEO) have been proactive in advocating at a State and Federal level with both government and key stakeholders for the needs of our community across several key projects including:

- Provision of rail to Yanchep by 2020
- Extension of the Mitchell Freeway to Romeo Road
- Purchase of regional active open space land acquisition by the State Government
- Investment in employment generating infrastructure and activities.

The level of intensity of the advocacy campaign by the Mayor and CEO has increased significantly in the past 6 months such that the awareness of City of Wanneroo requirements are now well understood by relevant Ministers in both State and Federal governments.

State and Federal Government Positions
Recently there has been policy development within both State and Federal Government about the need for partnerships between governments and the private sector to deliver infrastructure sooner and within budget constraints.

The Australian Government through its Smart Cities Plan highlights that for cities to succeed in the 21st century economy our cities need to be productive and accessible, but they also need to be livable with a clear focus on serving their citizens. Smart Investment that enables partnerships between governments and the private sector will deliver better infrastructure sooner, and within budget constraints.

Contained within the Smart Cities plan is the concept of City Deals which as indicated in the plan may include:

- Targeted initiatives to strengthen existing or emerging economic hubs
- Transport infrastructure funding or financing
- Housing supply and planning changes
- Changes to regulatory and zoning arrangements
- Investment that improve environmental outcomes
- Maximising benefits from underutilised State and Commonwealth land
- Integrating environmental criteria into decision making

This plan in turn, has generated interest within the landowner group at Yanchep and Alkimos/Eglington and has created an opportunity for the Yanchep Beach Joint Venture (YBJV) to represent to government a business case for the extension of the rail to Yanchep.

Detail
As a result of the level of interest expressed by the landowner group, the Mayor and the CEO arranged a meeting of key stakeholders including the key landowners together with the Director General of the Department of Transport at the Urban Development Institute of Australia (UDIA) on 13 May 2016.
The landowner group has established a strong interest to work together to facilitate the early provision of rail to Yanchep through the development of a value capture model. During the meeting YBJV representatives provided a high level overview of the proposal they had previously submitted to government and provided options on how the remaining landowner group could be included in their proposal. The land owner group agreed they would explore a funding model based on a broad principle of the estimated cost of the rail extension being shared one third by the State Government, one third by the Federal Government and one third by the landowner group (based on a fair and equitable sharing of costs in regards to this proportion).

According to correspondence dated 17 September 2013 (refer to Attachment 1), Yanchep Beach Joint Venture (YBJV) presented a proposal (titled Proposal 1) to the Public Transport Authority (PTA) outlining an offer from that entity of a $120 million cash and in-kind offer. The proposal also states that, based on value capture principles, YBJV will deliver an undergrounded Yanchep Station and a range of supporting infrastructure including car parking. It further states that land was previously ceded to the PTA in addition to the $120M offer cited. The offer was also made conditional on there being no intervening stations between Butler and Yanchep for a minimum period of five years. The rationale behind including this time period is that it will allow the best chance to deliver strong economic development and employment outcomes in Yanchep.

As a result of the 13 May 2016 discussion between landowners and key government agencies, a new proposal (titled Proposal 2) was also presented in the YBJV letter to the City of Wanneroo (Attachment 1). This proposal acknowledges that despite potential challenges and shortcomings, working with land developers in Alkimos and Eglinton on a joint proposal is also an option worthy of consideration. The proposal acknowledges the possibility of every developer working toward, and agreeing, a model underpinned by an equal three-way contribution split between the WA State Government, the Australian Federal Government and all of the northern corridor landowners including YBJV.

In a separate letter dated May 20 (refer to Attachment 2), 2016 addressed to the City of Wanneroo, the ‘Participating Northern Corridor Landowners’ group including Landcorp, Eglinton Estates and PEET registered their support to work together with the appropriate levels of government to fund the extension of Perth’s northern rail to Yanchep through value capture. The group agrees with the view that the accelerated delivery of rail through to Yanchep including stations at Alkimos, Eglinton and Yanchep could ensure the development of vital and viable centres as cited in the West Australian Planning Commission’s (WAPC) Perth and Peel @ 3.5Million framework plan. They acknowledge the hierarchy of centres within the northern corridor and the link of infrastructure provision to economic activation and employment generation. The northern corridor landowners provide in principle support for a public private funding model and acknowledge that this requires further investigation and stakeholder clarification.

The three Alkimos Eglinton Landowners have all resolved to participate with both State and Federal Governments to consider value capture proposal for this extension. The landowners understand that this concept requires detailed analysis to be undertaken by the key stakeholders in good faith to ensure that the final agreement to extend the rail is fair and equitable to all parties.

The landowners are committed to building the initial work previously undertaken by the PTA by promoting, with the help of the City, how a value capture proposition may be used to facilitate the delivery of this key piece of infrastructure on an accelerated timeframe in partnership with the State and Federal Governments.
In the first instance, the landowners request that the City facilitate a meeting with the State Minister for Transport, with representation from the landowners to further consider how this proposal may progress.

**Consultation**

The Mayor and Chief Executive Officer have been in consultation with Federal and State Government to promote the City’s Advocacy Plan. The City has also met with key landowners in the coastal growth corridor. As referred to above they also arranged a meeting with key stakeholders at the UDIA’s offices on the 13 May.

**Comment**

Yanchep is identified as a Strategic Metropolitan Activity Centre in State Planning Policy 4.2 – Activity Centres for Perth and Peel. The other centres in this higher order category are Rockingham, Armadale, Morley, Fremantle, Mandurah, Joondalup, Midland, Cannington and Stirling. Unlike the Yanchep rail extension, other potential State Government heavy rail proposals, including the proposed Cockburn to Thornlie rail link, will not deliver rail to a new Strategic Metropolitan Centre.

Alkimos is identified as a Secondary Centre and Eglington is identified as a District Centre in State Planning Policy 4.2.

Early delivery of rail to Yanchep will deliver a number of benefits:

- The economic development activation of the first stage city centre of Yanchep due to a heavy rail extension from Butler to Yanchep, including a station at Yanchep, will catalyse significant opportunities for the City of Wanneroo. As the designated highest order centre for Wanneroo, delivery of passenger rail will allow the first stages of tertiary and technical trades education, commercial development including regional and district scale retail, public and private hospital facilities, civic facilities including libraries, museums and performing arts, and coastal recreation and tourism opportunities. It will also provide certainty for the structure planning requirements for transit oriented development. The broadening of the Wanneroo economy and strengthening of the local supply chain will assist local people looking to work locally.

- With the growing communities in the Alkimos/Eglington and Yanchep/Two Rocks regions, it is vital that demand for public transport increase mode share from 9% to 15% causing a decrease in car usage for journey to work options. Behaviour modification in the movement economy will also stimulate new and innovative transport modes in the Yanchep city centre. Certain key principles to assist in the delivery of 50,000 jobs in Yanchep over time include supportive transit friendly built form and main street developments. The creation of activated piazzas and opportunities for day and night activation will provide the best opportunity for a truly mixed use and integrated city centre capable of delivering a sustainable range of employment for local people.

- Provision of an incentive and catalyst for developers of land near to the proposed stations to plan and deliver more intensive and diverse land uses, to support local employment and create vibrant, high density residential areas. Without such early construction of the railway, there is a risk of continuation of low to medium density residential suburbs being developed in the future station precinct areas.

- Provision of an incentive for international investment to activate the early stages of the planned Yanchep City Centre, and for joint venture finance to bring on economic activities in the proposed Alkimos and Eglington centres.
This will assist achievement of early job targets which will in turn reduce congestion on the sub-region’s transport systems by reducing commuter movements to jobs to the south.

- Incentive to increase the supply of developed housing land in an area which can be regarded as ‘well-located’ through the provision of the railway. This increase in supply should in turn reduce residential land prices and consequently improve housing affordability.  
  \((\text{Ref: speech by Philip Lowe, Deputy Governor of the RBA, 54R Shann Memorial Lecture, UWA, 12 August 2015})\).
Eglington and Yanchep. Administration recommends that this be encouraged and will work the relevant stakeholders to assist.

The City also acknowledges and appreciates all landowners’ commitment to the northern coastal corridor and working with the City on a shared vision.

In addition to our advocacy role it is also recommended that Council review the timing and provision of local government community infrastructure within the corridor as a result of the delivery of rail to support the City Centre development, community attractiveness and activation. This review will be part of the ongoing review of the City’s Long Term Financial Plan.

**Statutory Compliance**

Nil

**Strategic Implications**

The proposal aligns with the following objective within the Strategic Community Plan 2013 – 2023:

> “4 Civic Leadership - Working with others to ensure the best use of our resources.

> 4.2 Working With Others - The community is a desirable place to live and work as the City works with others to deliver the most appropriate outcomes.”

**Risk Management Considerations**

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<th>Risk Rating</th>
<th>Accountability</th>
<th>Action Planning</th>
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<td>Stakeholder relationship</td>
<td>Moderate</td>
<td>Chief Executive Officer</td>
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<td>Accountability</td>
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<td>Integrated Infrastructure and Utility Planning</td>
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<td>Executive Leadership Team</td>
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The above risks relating to this issue is identified and considered within the City’s existing Strategic Risk Register. The City’s risk in regard to either of the above is limited as the City’s role is to advocate only.

**Policy Implications**

The provision of rail to Yanchep is embedded in the City’s Advocacy Strategy and is aligned to both State and Federal Government strategy and policy relating to public transport and city development.

**Financial Implications**

Council has allocated funds to support its advocacy campaign.

As part of the City’s long term financial plan consideration will be given for timely provision of infrastructure in the coastal growth corridor.

There are no other costs to the City in advocating this proposal and the City does not need to be involved in negotiations of the cost sharing.
Voting Requirements

Simple Majority

Recommendation

That Council:

1. SUPPORTS the value capture model Business Case by Yanchep Beach Joint Venture Proposal 1 to bring rail to Yanchep as detailed in the letter included at Attachment 1 and incorporate this in to the City’s Advocacy Campaign at this point in time;

2. ENCOURAGES the Yanchep Beach Joint Venture and the Alkimos/Eglinton landowners to continue to work together towards a fair and equitable distribution of cost to provide rail to Yanchep, including stations at Alkimos, Eglinton and Yanchep; and review the City’s advocacy position when this concluded; and

3. SUPPORTS the Mayor and Chief Executive Officer to advocate at both State and Federal level including meeting with relevant Ministers in Perth and Canberra, to secure support for Proposal 1.

Attachments:
1. YBJV-COW Railway Proposal Final 190516 16/173396 Minuted
2. Letter of Intent to Mayor Roberts 20 5 2016 Signed to CoW - Alkimos Eglinton Land Owners 16/174584
19 May 2016

Mr. Daniel Simms
Chief Executive Officer
City of Wanneroo
Locked Bag 1
WANNEROO WA 6946

Without Prejudice

Dear Daniel,

Further to YBJV’s meeting with the City on Monday 16th May 2016, I confirm our position and intentions in relation to extension of the Northern Suburbs Railway to Yanchep.

The City through its District Structure Plan (DSP) has placed much of its economic development and employment generation expectations on the Yanchep Project. By way of illustration, the City’s DSP has established a target of 55,000 jobs at 75% employment self-sustainability for the project. Therefore it could be reasonably argued that the economic success of Yanchep is not only essential for the region but also for future Perth. From an economic perspective if Yanchep fails, so too does the region.

Arguably, the single most critical determinant of Yanchep’s success as an employment generator, is the timely provision of rail to the locality.

Notably, the City is not the only government body to recognise the strategic role Yanchep play in state development. For example,

- Yanchep is a Smart City and is a Strategic Metropolitan Centre under the Policy Directions 2031 and beyond and the recent Green Growth Plan for Perth and Peel to deliver jobs, making sure that the North West Corridor is not dysfunctional. Note that Infrastructure Australia has identified Perth’s northern corridor as the most congested corridor in Australia with Mitchell Freeway as the worst freeway due to the traffic volumes and jams.

- Yanchep has major project facilitation status that the City can leverage off in your advocacy with the Commonwealth Government.

- There was an MOU signed with the City to deliver employment with the intent to collaborate in strategic projects.

- There is a Strategic Cooperation Agreement signed in 1999 involving the State government and the WAPC.

To facilitate the early delivery of rail to Yanchep, YBJV has been working to develop a proposal suitable to State and Commonwealth governments since 2011. We outline our proposals below.

Yanchep beach joint venture
Proposal 1
Based on Without Prejudice Proposal to PTA
Dated 17 September 2015

As discussed, to bring rail to Yanchep by 2020, YBJV submitted a detailed "Without Prejudice" offer to the State Government.

It is worth noting that this option has substantially progressed since it was first made. YBJV has ceded land required for the rail reserve and station. In addition, the PTA has completed its preliminary business case (inclusive of a benefit cost analysis) and the majority to the technical design work is either completed or nearing completion. However, there is still no firm commitment from government in relation to funding and timing.

At the heart of YBJV’s original proposal to the State, is approximately a $120M cash and in kind offer. Based on value capture principles this proposal will see YBJV deliver an undergrounded Yanchep Station and a range of supporting infrastructure. YBJV’s proposal also offers generous commercial arrangements for a range of other related infrastructure such as car parking.

The land, which has already been ceded to the PTA, is in addition to the $120M offer cited above. Consequently, the true value of YBJV’s offer is much higher than that of the $120M headline figure.

Importantly, the offer is made conditional on there being no intervening stations between Butler and Yanchep for a minimum of five years.

It is YBJV’s contention that not only does this proposal meet government’s value capture expectations, but will also deliver the best public policy outcome.

Without intervening stations, the Yanchep project will have the best chance to deliver strong economic development and employment outcomes.

Proposal 2
Based on discussion with Landholder at UDIA
Friday 13th May, 2016

YBJV recognizes, that although Proposal 1 meets both value capture expectations, and provides the best public policy outcome, from a political perspective, it could be beneficial to work with land developers in Alkimos and Eglinton on a joint proposal.

Since the meeting organised by the City at the UDIA on Friday 13th May 2016, an option has evolved that could see the project proceed on a 1/3 State Government, 1/3 Federal Government and 1/3 developer contribution basis.

Provided that the 1/3 developer contribution was split on a fair and equitable basis, YBJV would be prepared to consider participating on such a basis.

Relevantly, this option is not without the potential of adverse consequences for jobs and economic development. Furthermore, from YBJV’s perspective, the fragmented nature of land ownership in the Alkimos-Eglinton area in conjunction with respective business models and financial positions, appear to have led to difficulties in moving forward on this issue.

Conclusion

Whilst YBJV is willing to consider Proposal 2, we remain concerned that the Alkimos-Eglinton Land developers will not be able to commit to funding in time to meet with deadlines. This opportunity should not be missed if YBJV and the City wish to see this essential piece of infrastructure delivered to the community.
Timing is now critical and YBJV contends that the community and regional development should not suffer. It is important to note the Allimos Eglinton Land owners group have been approached several times since 2011 to be involved developing a joint submission on the early extension of the railway.

Unlike neighbouring landholders, YBJV not only as an implementation plan for regional economic development but is actively developing enabling infrastructure. This includes but is not limited to,

- YBJV has taken the leadership in the absence of developers contribution for the rail from 5 years ago proposing a contribution of $120M excluding the land value for the rail reserve.
- YBJV pre-funded the earth works for the Yanchep Ovals and showed leadership in committing to the developer contribution plan before it was gazetted to the tune of approximately $1.5M for the ovals
- YBJV showed leadership in retaining the Police Station in Yanchep at the expense of $4M in receivables and capital expenditure which is now the subject of expansion by providing a peppercorn lease.
- YBJV funded the optic fiber redundancy to Yanchep to facilitate smart jobs.
- YBJV is working with the high school to provide vocational training for students after Year 12
- YBJV has been instrumental in bringing 120 students from TCU to ECU in an international exchange program with a view to locate them in Yanchep.
- YBJV was instrumental in bringing gas to the corridor form Brighton to Yanchep with Alco gas
- TKK through its subsidiary, YSC with CIG prefunded Marmion Avenue to Yanchep opening up the whole corridor north of Brighton in 2009.

Consequently, in the event that the Allimos and Eglinton landowners care unable to adopt a fair and equitable position by the next Ordinary Meeting of Council we ask that the City of Wanneroo joins YBJV in supporting Proposal 1.

Yours sincerely,

[Signature]

Gim-Wah Ang
Chief Executive Officer
Yanchep Beach Joint Venture
The Honourable Mayor Tracey Roberts
City of Wanneroo
23 Dundebar Road
Wanneroo WA 6065

Dear Mayor Roberts

FUNDING THE EXTENSION OF PERTH’S NORTHERN RAIL TO YANCHEP THROUGH VALUE CAPTURE

We refer to the meeting held on Friday 13 May 2016 to discuss the timing of the proposed Northern Suburbs Rail Extension. As the Department of Transport and PTA representatives advised there is no funding commitment in place and the extension is one of several ‘Tranche 1’ rail projects for potential funding by 2031.

Accordingly, the major landowners in Perth’s northern coastal corridor have come together to propose the joint investigation of the early delivery of an extension of Perth’s northern rail line from Butler to Yanchep (around 14 km) by funding through an innovative public-private Value Capture model.

With a purported cost of up to $500 million (although we understand the delivery of the rail extension could be significantly less than this estimate), an ultimate catchment in excess of 200,000 residents across the three proposed new stations at Alkimos, Eglin and Yanchep and relatively few landowners this project may be an ideal ‘pilot’ proposition and could demonstrate how capturing an equitable share of direct and indirect benefits can contribute to the funding of the project.

It seems to be the unanimous view of all parties that this extension configuration to Yanchep will deliver the greatest outcomes for the north-west corridor.

The accelerated delivery of rail through to Yanchep including stations at Alkimos, Eglin and Yanchep could ensure the development of vital and viable centres in line with the optimum residential and employment densities envisioned by the Western Australian Planning Commission’s [WAPC] Perth and Peel @ 3.5 Million framework plan.

Importantly the hierarchy of centres within the northern corridor is:

I. Yanchep as a Strategic Metropolitan Centre;
II. Alkimos as a Secondary Centre; and
III. Eglin as a District Centre

The undersigned landowners consider that with the railway in place by 2020 (or as close as possible to this date) these centres could be coherently planned to promote and activate economic development and much needed employment generation within this corridor to meet long-term self-sufficiency workforce targets as set by the WAPC. With early delivery of this railway extension it is possible that a greater diversity of housing choice could be delivered, if, however the delivery of this railway extension is significantly delayed, the undersigned landowners consider that this delay may
result in a ‘business as usual’ lower density suburban roll-out and sub-optimal employment outcomes.

We understand that a funding model based on contributions from the State Government, the Federal Government and the private sector would be viewed positively and whilst there is in-principle support for this type of approach through deployment of the Value Capture concept this requires further investigation and clarification from the key stakeholders.

The undersigned landowners have all resolved to participate with State and Federal Governments to consider a Value Capture proposal for this extension. We understand that this concept requires detailed analysis to be undertaken by the key stakeholders in good faith to ensure that the final agreement to extend the rail is fair and equitable to all parties.

The undersigned landowners are committed to building on the initial work previously undertaken by the PTA by promoting, with the help of the City, how a Value Capture proposition may be used to facilitate the delivery of this key piece of infrastructure on an accelerated timeframe in partnership with the State and Federal Governments.

In the first instance we request that the City facilitate a meeting with the State Minister for Transport, with representation from the undersigned landowners, to further consider how this proposal may progress.

Yours Sincerely

Tesio Colis
Director
20 May 2016

Endorsed by the Alkimos Eglinton Landowners:

LandCorp

Eglinton Estates Pty Ltd

Peet Alkimos Pty Ltd

Cc Mr Reece Waldock, Department of Transport