



Shire of
Serpentine
Jarrahdale

Special Council Meeting Minutes

**Thursday, 11 May 2017
6.00pm**

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Minutes of the Special Council Meeting of the Shire of Serpentine Jarrahdale held on Thursday, 11 May 2017 in the Council Chambers, Civic Centre, 6 Paterson Street, Mundijong. The Shire President declared the meeting open at 6.00 pm and welcomed Councillors, Staff and members of the gallery and acknowledged that the meeting was being held on the traditional land of the Noongar People and paid his respects to their Elders past and present.

1. Attendances and Apologies (including Leave of Absence):

In Attendance:

Councillors: J Erren Presiding Member
D Atwell
K Ellis
D Gossage
S Hawkins
S Piipponen
J See
M Rich

Officers: Mr K Donohoe Chief Executive Officer
Mr D Van der Linde..... Executive Manager Strategic Planning
Mr D Elkins Director Engineering
Mr P Kocian Acting Director Corporate and Community
Ms K Cornish Governance Advisor
Ms A Liersch..... Minutes and Governance Officer (Minute Taker)

Leave of Absence: Nil

Apologies: Mr A Schonfeldt (Director Planning)

Observers: Ms K Bartley (Manager Corporate Services)
Ms K Hayward (Manager Finance)

Members of the Public - 1
Members of the Press - Nil

2. Public Question Time:

Nil

3. Public Statement Time:

Nil

4. Petitions and Deputations:

Nil

5. Declaration of Councillors and Officers Interest:

Nil

6. Receipts of Minutes or Reports and Consideration for Recommendations:

6.1 Reports for Consideration:

SCM002/05/17	Rating Strategy 2017/18 – Differential General Rates and General Minimum Payments
Author:	Peter Kocian – Acting Director Corporate and Community
Senior Officer/s:	Kenn Donohoe – Chief Executive Officer
Date of Report:	04 May 2017
Disclosure of Officers Interest:	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i>

Introduction

This report recommends that Council receives the Rating Review Report and approves the proposed Differential General Rates and General Minimum Payments (as published in the Statement of Rating Objectives and Reasons) for public comment, as required by section 6.36 of the *Local Government Act 1995*.

Background

Rate revenue is a substantial source of discretionary revenue for the Shire of Serpentine Jarrahdale, accounting for approximately two thirds of operating revenue in the 2016/17 Budget. The *Local Government Act 1995* (the Act) empowers Local Governments to impose general rates and minimum payments on rateable land. Local Governments can impose either uniform general rates or differential general rates.

Uniform general rates are where a Local Government sets a single general rate in the dollar for each valuation category (Gross Rental Value and Unimproved Value) being a uniform general rate in the valuation dollar and applied to all properties within a valuation category regardless of their location or land use.

As an alternative to adopting a uniform general rate, a Local Government may apply different rates in the dollar within each valuation category. A differential rate may be applied using the following characteristics, or combination thereof:

- The zoning of the land;
- The predominant use (as determined by the Local Government);
- If the land is vacant or not; and
- Any characteristics prescribed (currently only relevant to amalgamations)

The Shire of Serpentine Jarrahdale has adopted differential general rates for a number of years, although there has been some rationalization in the number of general rate categories in recent years. The Shire has applied differential rates based on the predominant land use as opposed to zoning. The imposition of differential rates represents a deliberate decision by a Council to distribute the rate burden in its district by imposing a higher impost on some ratepayers and lower impost on others.

In 2016/17, the Shire imposed the following differential general rates and general minimum payments:

General Rate Category	Rate in the Dollar (expressed as cents in \$)	Minimum Payment
GRV Residential Improved	9.1413	\$1,102
GRV Residential Vacant	15.0615	\$1,160
GRV Commercial/Industrial	8.6906	\$1,301
UV Rural	0.3480	\$1,301
UV Rural Living	0.3480	\$1,301
UV Intensive Farming	1.1117	\$1,301

Under the Act, the Minister for Local Government is required to approve the following in relation to rates:

- The imposition of a differential general rate which is twice the lowest differential general rate imposed by a Local Government;
- A minimum payment on vacant land that does not comply with legislative provisions;
- Changes in the method of valuation of land; and
- Land exempt from rates.

Under the current model, the Shire is required to apply for Ministerial approval as:

- (i) The rate in the dollar for UV intensive farming is more than twice the lowest UV rate in the dollar;
- (ii) More than 50% of properties in the GRV Residential Vacant categories are on the minimum rate.

The Shire recently engaged Moore Stephens to prepare a Rating Review, presented as attachment SCM002.1/05/17. This Strategy contemplates a number of alternative rating model scenarios, which will inform the basis for recommendations contained within this report. The Rating Review was presented and discussed with Elected Members at the Policy Concept Forum on 1 May 2017.

Relevant Previous Decisions of Council

OCM082/05/16 – Council last considered its Rating Strategy at the April 2016 Ordinary Council Meeting.

Community / Stakeholder Consultation

Pursuant to section 6.36 of the *Local Government Act 1995*, Local Governments are required to give a minimum period of 21 days' local notice of the proposed differential general rates and minimum payments and to consider any submissions received. The proposed differential general rates and minimum payments can then be imposed, with or without modifications.

The Department of Local Government and Communities has developed a 'Rating policy – Giving Notice' that must be adhered:

- The public notice process should commence on 1 May or shortly thereafter (cannot be prior);
- Every differential general rate and or minimum payment that is intended to be imposed must be stated in the notice;
- A document must be prepared which states the objectives of, and reasons for, each rate and minimum payment;

- The minimum period that ratepayers have to make submissions is 21 days; submissions received must be considered by Council;
- Ministerial approval must be obtained prior to rates being imposed otherwise the budget is invalid and rates imposed are not recoverable.

Comment

The overall objective of a rating model is to provide for the net funding requirements of the Shire's services, activities, financing costs and the current and future capital requirements of the Shire as outlined in the Strategic Community Plan, Corporate Business Plan and Long Term Financial Plan. However, before discussing the level of rates, this report will first consider the structure of the Shire's rating model, to ensure that it aligns to the five established property-rating principles of objectivity, fairness and equity, consistency, transparency, and administrative efficiency.

The following recommendations have fallen out of the Rating Review prepared by Moore Stephens. The Shire requested Moore Stephens to model various scenarios to assess the impact of the changes on the relevant groups of ratepayers. These scenarios are summarised on page 6 of the Rating Review.

Recommendation Number	Recommendation	Reasons for Recommendation (as per Rate Review Report)
1.	That the Residential Improved and Commercial/Industrial general rate categories be consolidated into a single category.	<ul style="list-style-type: none"> • This is the key recommendation within the Rate Review Report. • Serpentine Jarrahdale has one of the lowest yields from Commercial/Industrial properties compared to neighbouring Local Governments (average rates of \$7,157 compared to regional average yield of \$11,767). • Where a differential rate is applied to Commercial/Industrial properties, the Shire of Serpentine Jarrahdale is one of very few Local Governments to rate these properties at less than the Residential rate in the dollar. • Where a Local Government in the comparison group has imposed a differential rate for Commercial/Industrial, it is in every case higher than the Residential Improved rate in the dollar.
2.	That the Shire retain the GRV Residential Vacant general rate category, but re-categorise this to GRV Vacant to include vacant Commercial and Industrial properties.	<ul style="list-style-type: none"> • This is a deliberate policy objective to discourage owners to land bank vacant land. • The Department of Local Government and Communities have generally not questioned this Policy objective. • The level of the GRV Residential Vacant rate is comparable with the group and the yield is the highest across the comparison group (\$3,784 compared to average of \$3,068).
3.	That a uniform UV Rate be applied for all unimproved value properties.	<ul style="list-style-type: none"> • The level of differential rate applied to Intensive Farming when compared to Rural (including Rural Living) is difficult to substantiate and justify as it is not supported by financial information quantifying the level of additional expenditure claimed to be incurred because of this activity (220% differential). • Due to the difference in the rate applied to Rural and Intensive Farming Properties, the Shire is required to seek Ministerial approval and provide justification for the extent of the difference in the rate in the dollar applied. • The Shire of Serpentine Jarrahdale is the only Local Government in the comparison group to

		specifically rate intensive farming practices with a separate differential rate.
4.	That the current concession scheme for farmland and conservation properties be retained in accordance with Council Policy.	<ul style="list-style-type: none"> • Council provides two concessions to UV properties in the UV Rural category: <ol style="list-style-type: none"> 1. Farmland Concession – a 31% concession is provided to Farmland properties (163 properties) where properties meet the Council Farmland Concession Policy criteria. The budgeted cost of providing the concession for 16/17 was \$257,693. 2. Conservation Concession – a 50% concession is provided to Conservation properties (12 properties) where properties meet the eligibility criteria. The budgeted cost of providing the concession for 16/17 was \$4,137.
5.	That Council impose a uniform minimum rate, with the exception of GRV Improved properties.	<ul style="list-style-type: none"> • As detailed on page 15 of the Rate Review report, the minimum rate has increased very little since 2013/14. • A uniform minimum rate ensure that all ratepayers are making an equitable contribution to the rate yield. • As there are nearly 2000 rateable properties receiving the minimum rate, flexibility exists to raise the minimum rate to offset other recommendations.

Based on the Rating Review Report, it is recommended that the Shire reduce the number of differential general rate categories from the current six (6) categories, to three (3) categories being GRV Improved, GRV Vacant, and UV General. This would reduce the requirement for Ministerial approval, with approval only required for the GRV Vacant category, with more than 50% of these properties on the minimum rate.

Level of Rates

As discussed previously, the Shire's principal source of income is from rates. Section 6.32 (1) of the *Local Government Act 1995* states that when adopting the annual budget a Local Government, in order to make up the budget deficiency, is to impose a general rate and minimum payment on rateable land. That is, Local Governments are rating entities, and the annual budget is underwritten by the rating powers conferred to Local Government under the Act.

In adopting its annual budget, the Council must also consider its Strategic Community Plan (SCP) and Corporate Business Plan (CBP) under section 5.56 of the Act. Presently, a full review of the SCP and CBP is being completed. Staff have concurrently developed a draft Long-Term Financial Plan (LTFP) over the last 3 months. The draft LTFP is underpinned by key assumptions, including proposed rate increases over a ten-year period. One of the LTFP scenarios modelled by staff indicates an increase in rate yield of 2% for the 2017/18 financial year (compared to year to date 16/17 actual rate yield). The basis for this proposed increase is as follows:

- Rate increases imposed by the Shire of Serpentine Jarrahdale have historically exceeded the rate of inflation (consumer price index) due to growing population demands on the provision of services and infrastructure. The new Local Government administration and Council is committed to peg the rate increase to the consumer price index/Local Government cost index for 2017/18 financial year, plus an additional 1.0% dedicated wholly to asset management initiatives (to improve the Shire's Asset Sustainability ratio). This will require a commitment to cost restraint, and the identification of operational efficiencies.

- The Perth CPI for the full year to December 2016 was 1.5%.
- The Local Government Cost Index (LGCI) for the full year to December 2016 was 1.0%. The LGCI grew by 0.3% during the December quarter, marking the seventh straight quarter of growth. Cost pressures for Local Government is therefore starting to pick up with the major cost drivers being:
 - Cost of machinery and equipment (up 1.7%)
 - Wages (up 1.4%)
 - Road construction (up 0.7%)
 - Electricity (up 3.1%)

Rates do represent a high proportion of the Shire's annual income, and our annual planning processes will continue to assess the community's capacity and willingness to pay rates. The Council will require some reliability and control over future rate increases to provide some level of certainty to the LTFFP. As part of this strategy, Council's objective will be to achieve a stable rating price path for our community. Where new major projects or initiatives are likely to place an increased burden on ratepayers beyond the price path of the LTFFP, increase community consultation, and demonstrated community support for such increases must be achieved. However the Shire will always first seek to maximize alternative revenue streams such as grant funding, and user pays fees and charges.

Impact of Revaluation

Landgate Valuation Services value land in Western Australia. Two types of values are calculated – Gross Rental Value (GRV) which generally applies for urban areas; and Unimproved Value (UV) which generally applies for rural land. GRV general valuations are carried out on a triennial basis in the Perth Metropolitan area. UV's are determined annually.

The Valuer General fixes the date of valuation in relation to a general valuation. Values are then determined relative to sales and rentals that are negotiated in the marketplace at or close to the date of valuation, which is set at 1 August. The date of valuation is not the same as the date that the GRV comes into force. The date in force is the date from which the values must be used by the rating and taxing authority, being the 1 July the following year.

The Shire of Serpentine Jarrahdale was included in Landgate's General Valuation program for 2016/17 with new valuations coming into effect on 1 July 2017.

GRV means the gross annual rental that the land might reasonably be expected to realise if let on a tenancy from year to year upon condition that the property owner was liable for rates, taxes and other charges thereon and the insurance and other outgoings necessary to maintain the value of the land. The GRV normally represents the annual equivalent of a fair weekly rental. For instance, a GRV of \$26,000 represents a weekly rental of \$500.

Given the strong nexus between GRV and rental, property owners may be exposed to the potential for large variations in land values from one valuation cycle to the next. It is very important for both ratepayers and Council to recognize that changes in land values do not automatically drive changes to rates englobe. In seeking to achieve a stable rates revenue path, the Shire will amend its rates in the dollar, and review the relative rates burden, to ensure that rating principles are met.

The General Valuation Summary for the Shire of Serpentine Jarrahdale (GRV) 2017 is as follows:

Date of Valuation:	1 August 2016
Date of Coming into Force:	1 July 2017

Category	% Inc/Dec	# of Assessments	Previous Aggregate Value	New Aggregate Value
Residential	6.03	6893	121,926,709	129,283,410
Commercial	10.39	134	11,513,597	12,709,392
Industrial	15.62	52	2,457,275	2,841,164
Vacant Land	16.28	1060	8,138,382	9,463,410
Miscellaneous	7.22	15	796,260	853,720
TOTALS	7.12	8154	144,832,223	155,151,096

Valuations for all GRV properties have increased by an average of 7.12%, with Residential properties slightly below the average at 6.03% and Commercial and Industrial properties above the average at 10.39% and 15.62% respectively.

Landgate provided the above summary to the Shire on the 3 May 2017. However, the valuation roll provided by Landgate on the 11 April 2017 indicated a total GRV aggregate value of \$147,386,399. Shire staff have made contact with Landgate to enquire about the variance between the two values; as there may well be outstanding valuations that need to be uploaded into the rating system. This may have an impact on the final rates model that could result in a reduction in the advertised rates in the dollar to achieve the same rate yield.

2017/18 Budget Proposal

The following are the proposed Differential General Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2017/18 financial year, to be effective from 1 July 2017.

Rate Category	Rate in Dollar (expressed as cents in \$)	Minimum Payment
GRV IMPROVED	8.7569	1,200
GRV VACANT	13.4169	1,300
UV GENERAL	0.3628	1,300

The above rate model will yield approximately \$20,860,828 in net rate revenue, which is a 2.34% increase on current year to date actual net rate revenue of \$20,383,558. Whilst a 2.34% increase in total rate yield has been applied, the percentage change in rates payable will vary across all ratepayers due to the impact of the general valuation and the consolidation of the GRV Improved and UV general rate categories. The following is a summary of average yields and average percentage change in rates for each of the existing land use categories (with comparative rates payable for all assessments provided in the rates modelling attachment):

All Assessments	No. Rateable Assessments 16/17 Base	Average Valuation 16/17 Base	Average Rates 16/17 Base (includes Minimums)	No. Rateable Assessments	Average Valuation 17/18	Average Rates 17/18 (includes Minimums)	% Change in Average Rates
GRV							
Residential Improved	6,697	17,894	1,637	6,697	18,991	1,668	1.89%
Residential Vacant	994	7,283	1,499	994	8,679	1,597	6.51%
Commercial/Industrial	118	85,811	7,530	118	96,766	8,805	16.93%
UV							
Rural Living	1,695	446,488	1,577	1,695	447,100	1,636	3.74%
Rural	1,439	713,159	2,567	1,439	684,796	2,566	-0.05%
Farmland	161	1,410,466	3,423	161	1,300,994	3,293	-3.82%
Conservation	12	472,917	1,301	12	470,417	1,306	-0.42%
Intensive Farming	18	866,111	9,629	18	796,389	2,889	-69.99%
	11,134			11,134			

Subject to endorsement of the proposed rates model by Council, the proposed differential general rates and general minimum payments will be advertised in the Comment local paper,

and on the Shire's website and noticeboards, on Tuesday 16 May 2017 inviting public submissions to close on 7 June 2017. This will meet the mandatory minimum 21 day advertising period. The Rating Review document and Statement of Rating Objectives and Reasons will also accompany the notice of intention to impose differential general rates.

Attachments

- [SCM002.1/05/17](#) – Rating Review Report (E17/3408)
- [SCM002.2/05/17](#) – Statement of Rating Objectives and Reasons for 2017/18 (E17/3446)
- [SCM002.3/05/17](#) – Copy of Local Public Notice (E17/3445)
- [SCM002.4/05/17](#) – Rates Modelling 2017-2018 Detailed Workings (E17/3492)

Alignment with our Strategic Community Plan

Objective 2.1	Responsible Management
Key Action 2.1.1	Undertake Best Practice Financial and Asset Management

Statutory Environment

The following sections of the *Local Government Act 1995* are relevant:

Section 6.33 – Differential General Rates

Section 6.35 – Minimum Payments

Section 6.36 – Giving Notice

The Department of Local Government and Communities has prepared four (4) Rating Policies that Local Governments must consider and comply:

1. Rating Policy- Giving Notice (section 6.36 of the Local Government Act 1995) August 2013. The public notice process should start on 1 May or shortly thereafter (cannot be prior); every differential general rate and or minimum payment that is intended to be imposed must be stated in the notice; a document must be prepared which states the objects of, and reasons for, each rate and minimum payment; the minimum period that ratepayers have to make submissions is 21 days; submissions received must be considered by Council; Ministerial approval must be obtained prior to rates being imposed otherwise the budget is invalid and rates imposed are not recoverable.
2. Rating Policy - Minimum Payments (section 6.35 of the Local Government Act 1995) August 2013. A minimum payment can be separately applied to GRV properties, UV properties or each differential rating category where differential rates are imposed. This is known as the general minimum for each category. Ministerial approval is required when a differential general rate is applied to land because it is vacant in the following circumstances: where the minimum payment is to be imposed on more than 50% of the UV or GRV properties in the district or on more than 50% of the properties in any differential rating category, unless the minimum is no more than \$ 200. If the land subject to the minimum is not vacant, there is no ministerial discretion to approve a Local Government imposing a minimum that applies to more than half of the properties.
3. Rating Policy - Differential Rates (section 6.33 of the Local Government Act 1995) August 2013. A differential rate occurs when categories of property within the UV or GRV land valuation methods are rated differently. A local government may impose differential general rates according to any, or a combination, of the following characteristics – the purpose for which the land is zoned, a purpose for which the land is held or used as determined by the Local Government, whether or

not the land is vacant land. In imposing a differential general rate a Local Government is not to, without the approval of the Minister, impose a differential general rate which is more than twice the lowest differential general rate imposed by it.

4. Rating Policy - Rateable Land (section 6.26 of the Local Government Act 1995) August 2013.

Financial Implications

The proposed differential general rates and minimum payments is expected to yield a total rate revenue of approximately \$20,860,828 in 2017/18. This is an increase in yield of 2.34% from 2016/17 actual rates year to date of \$20,383,558. Preliminary budget modelling indicates that the proposed rate yield of \$20,860,828 will be adequate to fund the budget deficiency.

Voting Requirements: Simple Majority

SCM002/05/17 COUNCIL DECISION / Officer Recommendation:

Moved Cr Hawkins, Seconded Cr Ellis

That Council:

1. Receives the Rating Review Report prepared by Moore Stephens as provided as SCM002.1/05/17;
2. Endorses the Statement of Rating Objectives and Reasons as provided as SCM002.2/05/17;
3. Endorses a 2.34% increase in the total rate yield for 2017/18 budget purposes, which will derive \$20,860,828 in rate revenue.
4. Endorses the following proposed Differential General Rates and Minimum Payments for the Shire of Serpentine Jarrahdale for the 2017/18 rating year, subject to the finalisation of the 2017/18 draft budget:

Rate Category	Rate in the \$	Minimum Payment
GRV Improved	8.7569	\$1,200
GRV Vacant	13.4169	\$1,300
UV General	0.3628	\$1,300

5. Advertises for public comment, the Differential General Rates and the Minimum Payments stated above, as per the requirements of section 6.36 of the *Local Government Act 1995*;
6. Notes that following the public comment period, a final report will be presented to Council considering ratepayer submissions, and that Ministerial approval will be required to impose the general minimum payment on the GRV Vacant general rate category as more than 50% of properties will receive the minimum rate.

CARRIED UNANIMOUSLY

SCM003/05/17	Byford Traditional Infrastructure Development Contribution Report No.4 (SJ1842)
Author:	Rob Casella – Senior Strategic Planner
Senior Officer/s:	Andre Schonfeldt – Director Planning
Date of Report:	31 March 2017
Disclosure of Officers Interest:	No officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i>

Introduction

The purpose of this report is for Council to endorse the Byford Traditional Infrastructure Contribution Plan Report No.4 for the purposes of public advertising.

The Shire of Serpentine Jarrahdale Town Planning Scheme No.2 (TPS2 Appendix 16A – Byford Development Contribution Area – Scheme Development Contribution requires that “A *Cost Review is to be undertaken at least annually at which time the Contribution Rate will be established...*”.

The Byford Traditional Infrastructure Contribution Plan requires that “*The DCP Report, incorporating cost estimates and cost escalators, will be reviewed at least annually, allowing for more frequent reviews to be completed on an as-required basis having regard to cost volatility and development priorities.*”

This item presents the annual review that complies with this requirement to Council. Officers do not have delegated authority to determine whether the report is deemed satisfactory for advertising and therefore the item is presented to Council for determination.

Officers recommend that the Byford Traditional Infrastructure Contribution Plan Report No.4 be adopted for the purpose of public advertising.

Background

The amendment to include the Byford Traditional Infrastructure Development Contribution Plan (DCP) within the Town Planning Scheme No.2 (TPS2) was initiated in 2005. This initiation allowed the Western Australian Planning Commission (WAPC) to place the obligation to pay a DCP contribution on subdivision approvals. This obligation was secured through an Interim Development Deed that required the subdivider to provide security in the form of cash, bank guarantee or security over land.

On 21 January 2014, the DCP was gazetted. The gazettal of Amendment 168 that inserted the Byford DCP into TPS2 as Appendix 16A mandated the DCP. It also established the area known as DCA 1 over which the DCP operates. Following the gazettal of the DCP, Council was required to adopt a DCP Report (and cost apportionment schedule) within 90 days (State Planning Policy 3.6 s.6.3.10). In anticipation of the gazettal of the DCP, Council adopted the DCP Report No.1 on 9 December 2013 (OCM09/12/13). The DCP Report No.1 had previously been adopted for advertising in August 2013 (OCM021/08/13).

The DCP Report and the associated cost apportionment schedule sets out in detail, including the calculation base of the cost contribution for each owner, in accordance with the methodology shown in the DCP. The DCP Report needs to be a dynamic document to maintain the currency of the cost apportionment and contribution liability. The DCP Report does not form part of the TPS2, but once adopted by Council, is required to be reviewed at least annually. The previous reviews took place as indicated below:

- DCP Report No.1 enabled the contribution liability for each development to be calculated as at 21 January 2014.
- DCP Report No.2 enabled the contribution liability for each development to be calculated as at 30 June 2014.
- DCP Report No.3 enabled the contribution liability for each development to be calculated as at 30 June 2015. DCP Report No.3 was endorsed by Council for final adoption and has been in operation since June 2016.

Appendix 16A of TPS2 under the heading of “Review Process” also requires that *“The development contribution plan will be reviewed when considered appropriate, having regard to the rate of subsequent development in the area since the last review and the degree of development potential still existing, but not exceeding a period of 5 years.”* The next Byford Development Contribution Plan Report No. 5 will be this five-year full review.

Relevant Previous Decisions of Council

SCM008/06/16 – Final Approval – Byford Traditional Infrastructure DCP Report No.3.

Community / Stakeholder Consultation

There is no statutory obligation for the Shire to seek comment on the review of a DCP report. There is also no prescribed period for which Report No.4 needs to be advertised.

The DCP itself however, requires that the view of the Byford Industry Reference Group (BIRG) will be sought when revising the cost estimates. BIRG has been supportive in the framing of the Byford Traditional Infrastructure DCP, and it is therefore proposed to provide a 30 day comment period for BIRG. BIRG comprises the major landowners and representatives from the Department of Planning. Officers hold quarterly meetings with BIRG and they are aware that Report No.4 is being presented to Council and will be advertised for public comment.

Comment

The DCP Report No.4 is necessary to bring to account the development of 4,601 lots created since the Byford DCP becoming operable upon the gazettal on 21 February 2014. DCP Report No. 3 was approved on 9 June 2016, and provided development information up to 30 June 2015. It is therefore necessary to complete DCP Report No.4 to bring development information up to 28 February 2017.

At each DCP Report review, all factors contributing to the calculation of the per lot contribution amount must be reviewed. The significant factors reviewed in this report are:

1. Remaining estimated lot yield;
2. Land yet to be acquired;
3. Works outstanding;
4. Main Roads WA grants;
5. Water Monitoring;
6. Future administration costs; and
7. Net surplus/deficit of the DCP account.

As part of the review process, the Shire appointed Aurecon to manage the preparation of land valuations for residential and non-residential land value rates. They also approached a quantity surveyor to review the cost estimates for remaining infrastructure items within the DCP.

The outcomes of the investigations are contained within the attachment. All the tables have been updated to reflect the current circumstances as on 28 February 2017. Additionally,

textual amendments have been made in red to reflect new inclusions and have been struck-through to illustrate text to be removed from Report No.4.

The submissions received through the advertising process will be considered once the process has concluded. If required modifications will be discussed and made in the subsequent report that will be presented to Council for final adoption. Byford Traditional Infrastructure DCP Report No.4 will then become the operable DCP.

Conclusion

The Byford Traditional Infrastructure Contribution Plan Report No.4 has been updated to reflect the necessary changes to account for changes during the preceding financial period. The report is presented to Council to consider and endorse for public advertising.

Attachments

- [SCM003.1/05/17](#) – Byford Traditional Infrastructure DCP Report No.4 (E17/2762)

Alignment with our Strategic Community Plan

Objective 1.1	Strong Leadership
Key Action 1.1.2	Facilitate cooperation between the Shire and its stakeholders while also considering community values.

Statutory Environment

- *Planning and Development Act 2005*
- Shire of Serpentine Jarrahdale Town Planning Scheme No.2
- State Planning Policy 3.6 – Development Contributions for Infrastructure

Financial Implications

The operation of the DCP presents a major administrative responsibility for the Shire. While the DCP is self-funded, the Shire has an implicit obligation to efficiently and effectively manage the revenues and works. The remaining lots to be developed are reliant on the DCP to provide the necessary hard infrastructure. In particular, the timely provision of roads, drainage and open space development is critical as most developers rely on these district level improvements.

Voting Requirements: Simple Majority

SCM003/05/17 COUNCIL DECISION / Officer Recommendation:

Moved Cr Hawkins, Seconded Cr See

That Council:

1. Endorses the Byford Traditional Infrastructure Development Contribution Plan Report as contained in attachment SCM003.1/05/17 for public advertising as required in the Shire of Serpentine Jarrahdale Town Planning Scheme No. 2 Appendix 16A – Byford Development Contribution Area – Scheme Development Contribution for a period of not less than 30 days.
2. Requires that the Byford Traditional Infrastructure Development Contribution Plan Report No. 5 in the 2017/2018 financial year be a full five-year review as required in the Shire of Serpentine Jarrahdale Town Planning Scheme No. 2 Appendix 16A.

CARRIED UNANIMOUSLY

7. Motions of Which Notice has been Given:

Nil

8. Urgent Business:

Nil

9. Closure:

There being no further business the Presiding Member declared the meeting closed at 6.12pm.

I certify that these minutes were confirmed at the
Ordinary Council Meeting held on 22 May 2017

.....
Presiding Member

.....
Date