

TOWN PLANNING SCHEME NO 4A

BUSINESS PLAN

1 JULY 2000

to

30 JUNE 2005

INTRODUCTORY STATEMENT

The new Local Government Act came into force on 1 July 1996. The new Act requires all Local Governments to prepare a business plan prior to commencing a major trading undertaking or entering into a major land transaction. (*Section 3.59*).

The Act prescribes that the business plan is to include details of:

- (a) its expected effect on the provision of facilities and services by the local government;
- (b) its expected effect on other persons providing facilities and services in the district;
- (c) its expected financial effect on the local government;
- (d) its expected effect on matters referred to in the Town of Bassendean Principal Activity Plan; and

- (e) the ability of the local government to manage the undertaking or the performance of the transaction.

The information contained in the following business plan satisfies the requirements of the Act listed above. Members of the public are encouraged to make submissions on Council's proposal at any time up until the close of business on Monday, 17 September 2001.

Mr Graeme Mackenzie
Chief Executive Officer

CONTENTS

EXECUTIVE SUMMARY

1.0 PROJECT BACKGROUND AND HISTORY

2.0 THE EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES

3.0 THE EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES

4.0 THE EXPECTED FINANCIAL EFFECT ON THE TOWN OF BASSENDEAN

5.0 THE EXPECTED EFFECT ON THE TOWN OF BASSENDEAN'S FORWARD PLAN

6.0 THE ABILITY OF THE TOWN OF BASSENDEAN TO MANAGE THE UNDERTAKING

APPENDICES

Anticipated Income and Expenditure 2000 – 2005.

The Chief Executive Officer's report to the Finance & General Services Committee Meeting of 15 December 1998, dealing with the consolidated financial position of the Scheme, is attached to this document.

EXECUTIVE SUMMARY

The Town of Bassendean, is committed to fulfilling its obligations to the Town Planning Scheme No 4A over a five year period, and to this end has prepared this Business Plan (the Plan) as required by the Local Government Act 1995.

It is estimated that Council's total commitments to the Scheme will cost in the order of \$694,670, which will be funded primarily by the sale of land zoned for residential purposes and owned by Council. This land has an estimated value of \$1,357,000.

Overall, it is anticipated that the implementation of the Plan will generate an income beyond expenditure of approximately \$753,250.

1.0 PROJECT BACKGROUND AND HISTORY

Town Planning Scheme 4A (the Scheme) is a guided resumptive development scheme relating to Ashfield Flats, Bindaring/Pickering Park and a number of smaller areas in the Town of Bassendean.

The Scheme has been operating since 20 January 1981 and has recently been reviewed which has led to Council undertaking a major amendment to the Scheme, Amendment No 16, which became operational on the 6 February 2001.

The Scheme has two major functions:

- To guide and facilitate the subdivision of large vacant land parcels for ultimate residential development; and
- To acquire land in private ownership that is flood prone as local public open space, and provide a mechanism to finance this.

The Scheme divides the areas into 5 distinct categories as shown below:

Area A The Scheme gives Council the power to acquire land within the area and to subdivide the land in accordance with the Scheme Map. Council has never used this clause and instead owners, as allowed for by the Scheme, have developed the land.

Area B The Scheme gives the Council power to resume or otherwise acquire the land within Area B for open space purposes.

Area C Land owners within Area C may develop their land for housing but are required to pay a Unit Development Contribution which is used towards the costs of the Scheme, including the acquisition of open space in the area.

Area D Land within Area D was acquired and developed by Council prior to the Scheme becoming operational. The net proceeds of the sale of the land and the development costs have been added to the Scheme.

Area E The land within Area E is reserved by the Western Australian Planning Commission for Parks and Recreation, under the Metropolitan Region Scheme. The acquisition of land within this area is the responsibility of the Commission rather than Council.

Council is committed to completing its commitments to the Scheme over the next five years, and as part of this commitment, has prepared this Business Plan (the Plan) which shows the likely expenditure and income from the Scheme over that period.

2.0 THE EXPECTED EFFECT ON THE PROVISION OF FACILITIES AND SERVICES

The Plan has been prepared to assist Council to meet its commitments to the Scheme and also to advise the general community on how these commitments will be achieved.

At the end of the day, Council will acquire land for public open space, will sell land to fund this, and will also provide some infrastructure within the Scheme Area.

Council will have more land in the form of parks and will have more infrastructure to maintain. Provision will need to be made within annual budgets in terms of recurrent expenditure to maintain these facilities.

3.0 THE EXPECTED EFFECT ON OTHER PERSONS PROVIDING FACILITIES AND SERVICES

The only external impact of this undertaking identified is that of land supply. By and large, large-scale subdivision does not occur within the Town of Bassendean.

Whilst there are a number of housing lots available within the Town, some of which are owned by Council, it is considered that selling the number of residential lots as proposed by this Plan will not have a negative effect on other persons selling land.

Indeed, Council's sale of this land will increase housing choice within the Town.

4.0 THE EXPECTED FINANCIAL EFFECT ON THE TOWN OF BASSENDEAN

The financial summary forming part of this document has costed Council's likely expenditure and income towards the implementation of Town Planning Scheme No 4A.

The five-year period referred to in the Plan, includes the current financial year for two reasons. Firstly, to capture expenditure that has occurred up to this point as part of Council's commitment to the Scheme, and secondly, in the interests of transparency.

The effect of this will be that Council will need to meet its commitments to the Scheme over the next four rather than five years.

The Plan attempts to identify all expenditure and income that is likely to be generated by the Scheme, and this is discussed in more detail below.

LAND AQUISITION

Council is committed to resuming or acquiring the following properties:

- Lot 278 Hamilton Street
- Lot 280 Hamilton Street
- Lot 211 Carnegie Street
- Pt Lot 206 Hyland Street
- Pt Lot 130 Anstey Road
- Pt Lot 113 Harcourt Street

In addition, Council has acquired Part Lot 10 Hyland Street during the current financial year.

Council has had each of the above properties independently valued, which will result in a total expenditure of \$520,500 over the life of the Plan in terms of land acquisitions.

The valuation for Lot 206 Hyland Street relates to the whole land rather than the portion zoned for open space. This has been done to give the owner a certain amount of flexibility. Council may not use Scheme funds to purchase the additional land and therefore an allowance is made by way of a Council contribution under potential income to the Scheme.

Whilst \$21,500 has been expended in the current year, the remainder is planned to be spent over the period 2002-2004, with the maximum expenditure occurring in 2001/2002, with expenditure of \$ 280,000.

An allowance has also been made to obtain up-to-date valuations and for costs associated with the purchase of the land.

SCHEME WORKS

Council is committed to carrying out the following Scheme Works:

- Extension of Harcourt Street
- Construction of footway - Hatton Court to Bridson Street
- Construction of footways adjoining Lots 663 and 3 Hardy Road
- Acquisition of a portion of Lots 5, 6 & 7 Kenny Street & construction of portion Hatton Court
- Acquisition of part Lot 103 Kenny Street to take account of the current road alignment

Council's commitments to the Scheme in terms of Scheme Works have been costed at \$106,000. Of this figure, \$22,500 has been spent in the extension of Hatton Court during the last financial year.

In terms of the extension of Harcourt Street, the original Scheme showed access to the lots on the northern side of the street, that is, Lots 81 and 82 Harcourt Street being served off an access place from Carnegie Street to the west.

As part of Amendment No 16 to the Scheme, this accessway was deleted. The Amendment did canvass the extension of Harcourt Street to provide access to the above properties. The community heavily rejected the concept of extending Harcourt Street through a bituminised road. The Scheme Map was not altered to show this access however, and it is not intended that the road reserve be closed. Therefore, the Plan includes a brick paved accessway to serve the above lots forming an extension to Harcourt Street.

Whilst an amount of \$45,000 is included to cover the cost of the brick paved accessway, it is by no means certain that the money will be spent in this way as Council is committed to finding alternative ways of accessing those lots, as expressed through Amendment No 16 to the Scheme.

INCOME FROM SALE OF LAND

Council owns the following land that is available for sale:

- Lot 271 Hamilton Street (a)
- Lot 271 Hamilton Street (b)
- Lot 271 Hamilton Street (c)
- Lot 162 Anstey Road
- Lot 163 Anstey Road

Lot 100 Reid Street
Lot 101 Iveson Place
Lot 103 Iveson Place
Lot 104 Iveson Place
Lot 113 Iveson Place
Part Lot 202 & Part Lot 203 Hyland Street

The value of land in Council's ownership, which may be made available for development, has been assessed at \$1,357,000. The Plan indicates that all the land with the exception of part Lots 202 & 203 Hyland Street will be sold during the years 2001-2002.

With respect to part lots 202 & 203 Hyland Street, the Scheme indicates that those lots could be amalgamated with the Pt Lot 10 and Pt Lot 206 Hyland Street, to offer a consolidated housing site. The current owner of Pt Lot 10 has indicated no desire to gain control of the land in Council ownership, and therefore this land is shown as being sold in the years 2004/2005. This will allow any future owner of Pt Lot 10 the option to consider a coordinated redevelopment of the land in private and Council ownership. However, the income from the sale of the land should not be relied upon.

It is suggested that Lot 271 Hamilton Street be subdivided into three lots and an allowance of \$24,670 has been made to allow the land to be subdivided.

UNIT DEVELOPMENT CONTRIBUTION

It is estimated that approximately \$43,000 will be generated in unit development contributions during the life of the Plan. This has been calculated on the estimated level of building activity within the area, and increases in the unit development contribution set by the Town Planning Scheme.

CONCLUSION

A surplus of approximately \$750,000 will be generated over the life of the Plan.

It has therefore been demonstrated that implementation of the Plan will not have a negative effect on the Town of Bassendean.

It should be noted, however, that overall the Scheme is in deficit by somewhere close to \$160,000*, depending on the value attributed to recreation land previously acquired by the Scheme.

It is considered that the surplus funds generated over the next five years, should ultimately be retained by Council for use generally within the Town. In defence of this position, the implementation of the Scheme to date has generally fallen on ratepayers of the Town.

(A copy of the Chief Executive Officer's report to the Finance & General Services Committee Meeting of 15 December 1998 dealing with the consolidated financial position of the Scheme is attached to this Plan as an appendix.)*

5.0 THE EXPECTED EFFECT ON THE TOWN OF BASSENDEAN'S FORWARD PLAN

This Business Plan demonstrates that over the period of the Plan, Council's total income less its Total expenditure is likely to be in the order of \$750,000. Council's current draft Principal Activity Plan indicates that Council's involvement in the Scheme will be cost neutral.

Therefore it is concluded that the implementation of the Business Plan can only have a positive effect on Council's Forward Plan.

6.0 THE ABILITY OF THE TOWN OF BASSENDEAN TO MANAGE THE UNDERTAKING

It is considered that the implementation of the Plan will not be onerous over the period proposed.

Council's Chief Executive Officer, Director Infrastructure Services and the Manager Development Services as appropriate will implement the Plan.

Council will continue to use external expertise in terms of skills not available within Council, such as surveyors, valuers, settlement agents and solicitors.

TOWN PLANNING SCHEME 4A BUSINESS PLAN - JUNE 2001 TO JUNE 2005							

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL	
	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005		
Land Acquisition							
Lot 278 Hamilton Street							
Lot 280 Hamilton Street							
Lot 211 Carnegie Street							
Pt Lot 206 Hyland Street							
Pt Lot 130 Anstey Road							
Pt Lot 113 Harcourt Street							
Pt Lot 10 Hyland Street							
TOTAL LAND ACQUISITION	(21,500)	(280,000)	(117,000)	(102,000)	-	(520,500)	
TOTAL VALUATIONS	(4,500)	(3,000)	(3,000)	(3,000)		(13,500)	
Scheme Works							
Extension of Harcourt Street					(45,000)	(45,000)	
Construction of footway - Hatton Court to Bridson Street				(13,000)		(13,000)	
Construction of footways adjoining Lots 663 and 3 Hardy Road					(18,000)	(18,000)	
Acquisition of a portion of Lots 5, 6 & 7 Kenny Street & construction of portion Hatton Court	(22,500)	(2,500)				(25,000)	
Acquisition of part Lot 103 Kenny Street				(5,000)		(5,000)	
TOTAL SCHEME WORKS	(22,500)	(2,500)		(18,000)	(63,000)	(106,000)	
Works Required Prior to Lot 271 Hamilton Street							
Subdivision Lot 271 Hamilton Street		(1,170)				(1,170)	
Connection to Sewer - Lot 271 Hamilton Street		(18,500)				(18,500)	*
Survey and legal costs		(5,000)				(5,000)	
TOTAL WORKS - LOT 271 HAMILTON STREET		(24,670)				(24,670)	
Incidental Costs							
Sale and Settlement Fees	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(25,000)	
Legal Costs	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(5,000)	
TOTAL INCIDENTAL COSTS	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)	(30,000)	
TOTAL EXPENDITURE	(54,500)	(316,170)	(171,000)	(129,000)	(24,000)	(694,670)	

Income - Sale of Land							
------------------------------	--	--	--	--	--	--	--

Lot 271 Hamilton Street (a)								
Lot 271 Hamilton Street (b)								
Lot 271 Hamilton Street (c)								
Lot 162 Anstey Road								
Lot 163 Anstey Road								
Lot 100 Reid Street								
Lot 101 Iveson Place								
Lot 103 Iveson Place								
lot 104 Iveson Place								
Lot 113 Iveson place								
Part Lot 202 & 203 Hyland Street								
TOTAL INCOME - SALE OF LAND		1,355,000			2,000	1,357,000		
Other Income								
Unit Development Contribution	7,960	5,980	7,980	9,600	12,400	43,920		
Council contribution to Acquisition of Pt Lot 206 Hyland Street			47,000			47,000		
TOTAL OTHER INCOME	7,960	5,980	54,980	9,600	12,400	90,920		
TOTAL INCOME	7,960	1,360,980	54,980	9,600	14,400	1,445,920	1,447,920	
TOTAL INCOME LESS TOTAL EXPENDITURE	(46,540)	1,044,810	(116,020)	(119,400)	(9,600)		753,250	