

PS04-12/20 Alkimos-Eglinton Development Contribution Plan - Annual Review of Costs (2020)

File Ref: 23155V02 – 20/489067
Responsible Officer: Director Planning and Sustainability
Disclosure of Interest: Nil
Attachments: 6

Issue

For Council to the revised cost estimates as part of the Annual Review for the Alkimos-Eglinton Development Contribution Plan (**DCP**) and the Five Year Fundamental Review of the DCP report, assumptions and infrastructure prioritisation.

Background

Amendment No. 122 to District Planning Scheme No. 2 (**DPS 2**) was *gazetted* in September 2014, and introduced the DCP provisions into DPS 2. In April 2015, Council adopted the Alkimos-Eglinton DCP Report and Cost Apportionment Schedule.

The DCP identifies various community infrastructure and provides estimates on the cost, estimated contributions and the timing for the delivery of infrastructure within Alkimos and Eglinton. The infrastructure costs include planning, design, project management, construction and land acquisition costs associated with the following infrastructure:

- Surf Life Saving Club;
- Public Open Space (x2);
- Multipurpose Hard Courts (x2);
- Community Centre (x2);
- Library (x2); and
- Indoor Recreation Centres (x2).

In accordance with DPS 2, the DCP has an operation period of 25 years and during this time period the City is required to review the various elements of the DCP at one and five year intervals as per the following:

- *Annually* - DCP cost estimates, DCP cost indexation, contributing land area, and cost per hectare.
- *Five Yearly* - Community Facility Plan (**CFP**) assumptions and recommendations, and full DCP review.

The DCP utilises the 'per hectare' model of calculating development contributions, which involves the levy of a contribution based on the total area of developable land subject to a subdivision application, rather than the number of lots or dwellings proposed to be created as a result of that subdivision.

The per hectare model uses a Net Contributing Area (**NCA**) rather than a gross area in recognition of the fact that the NCA best represents the area of land that will contribute to the need for community facilities by excluding most non-residential uses (refer Detail section for specific NCA exclusions).

A landowner's liability to make a cost contribution arises in accordance with provisions of DPS 2 and will be calculated using the Council-adopted contribution rate (currently \$9.91 per sqm). There is approximately \$14.9 million in the DCP Account that has been collected from contributing landowners, which represents the total contributions received since the last

Annual Review to 30 June 2020. The original DCP net developable area was 630.56 hectares, with the estimated remaining developable area of 587.68 hectares. The DCP has an operating period of 25 years from the date of *gazettal* of Amendment 122 (expiry of operating period is 2039).

This report is considering the Annual Review requirements of the DCP to ensure that the cost contribution amount is correctly set to ensure the collection of sufficient funds to cover the cost of approved infrastructure and includes a Five Year Fundamental Review of the DCP report, assumptions and infrastructure prioritisation, which has been based on the recommendations of the revised CFP approved at the Ordinary Council Meeting on 17 November 2020 (CP01-11/20), by Council.

It is anticipated that the State Government will finalise the draft State Planning Policy (**SPP 3.6**) in early 2021 and it is likely this policy will have implications on existing DCP's and the preparation of future DCP's within the City.

Administration will consider the implications of a new SPP3.6 when this is finalised.

Detail

The DCP's Cost Apportionment Schedule (**CAS**) has been revised to reflect the latest cost estimates (refer **Attachment 1**). The following provides the outcomes of each infrastructure cost element of the Annual Review:

Net Contributing Area (NCA)

The NCA is calculated by deducting non-residential uses such as regional reserves, future roads, commercial uses, POS and schools from the gross land area of the DCP.

In addition, amendments to the various structure plans and reservations under the Metropolitan Region Scheme and DPS 2 will have an impact on the NCA, and areas within the DCP that have already contributed are required to be deducted.

Since the DCP was adopted, the NCA has reduced by approximately 43 hectares from the original DCP area of 630.56 hectares (2015), with the estimated remaining developable area now being 587.68 hectares (as at June 2020). The remaining NCA is used to apply the remaining costs of completing the required infrastructure works and acquisition of land.

Facility Costs

A summary of the updated cost estimates for each facility is detailed in **Attachment 1**. To date no infrastructure has been provided and further investigation and detailed planning is required to deliver the facilities in consultation with the landowners.

In accordance with DPS 2, the City must have the estimated costs independently certified by appropriate qualified persons and must provide an independent certification to an owner when requested to do so. In this regard, all cost estimates should include the best and latest information available, until the expenditure on the relevant item of infrastructure or administrative costs has occurred. The City engaged Donald Cant Watts and Corke to provide updated information on the facility costs (refer **Attachment 2**), which has resulted in an overall increase in the total cost of the facilities from \$70,977,989 to \$72,028,705.

Land Acquisition Valuation

The revised cost estimates includes land acquisition costs where relevant. The valuation estimates are required to be reviewed annually and Brian Zucal and Associates was engaged to undertake this work, which has retained the same valuation as 2019 at \$101 per m² (**Attachment 3**).

Administration Costs

In accordance with Schedule 15 of DPS 2, the following administration costs are charged to the DCP.

- *“Costs to prepare and administer the plan during the period of operation;*
- *Costs to prepare and review estimates;*
- *Costs to prepare the cost apportionment schedule;*
- *Valuation costs; and*
- *Costs to service loans established by Council to fund early provision of facilities.”*

The City has continued to utilise the original cost estimate for administering the DCP of \$76,500 per annum, which is generally consistent with the previous year's actual expenditure.

The administration costs are estimated for the remaining operational period of the DCP from 1 July 2020 to 8 September 2039, which equates to a remaining estimated cost of \$1,644,778. It should be noted that only actual administration costs incurred are being charged to the DCP and these costs are publically disclosed as part of the City's Annual Financial Statements.

Cost Contribution

The contribution cost amount is calculated by estimating the total cost of the infrastructure (including administration costs), and then subtracting any contributions received and interest generated on the scheme accounts. The remaining estimated cost is then apportioned over the remaining Net Contributing Area. Only minimal expenditure has been incurred for this DCP, which includes consultant costs for the revision of construction costs and land valuations associated with the Annual Reviews.

The Annual Review is depicted in **Attachment 1** and results in an increase in the contribution amount from \$9.91 to \$10.13 per square metre, which is a reflection of the minor increase in costs identified in the revised facility cost estimates.

Community Facility Plan (Re-Prioritisation of Facility Provision)

In 2010, Administration started the preparation a Community Facilities Plan (**CFP**) for the Alkimos-Eglinton and Yanchep-Two Rocks District Structure Plan areas that comprise the Northern Coastal Growth Corridor (**NCGC**). The CFP identified the required level of community facility provision and the proposed location and staging of these facilities within the NCGC in response to projected population growth.

The CFP was adopted by Council in February 2012 (PS02-02/12) and has since served as the guiding document for facility provision in the NCGC and informed the DCP's for Alkimos-Eglinton and Yanchep-Two Rocks, which were approved by Council in April 2015 (PS07-04/15).

Administration commenced a review of the existing CFP in March 2019, with the intention of informing the five year review of the DCP.

Not all the facilities included in the CFP will be funded through the DCP's. Regional facilities are excluded from the DCP.

Council approved a new CFP on 17 November 2020 (CP01-11/20) and this has formed the basis of the Five Year Fundamental Review of the DCP.

The five year review of the CFP and DCP provides an opportunity to consider the reprioritisation of community facilities in the DCP to best serve the needs of the growing community. The Annual Review and the Five Year Fundamental Review do not amend the scope of infrastructure, which is defined in DPS 2 and would otherwise require an amendment to the scheme. Notwithstanding, there will be an ongoing need to consider,

review and consult with affected landowners to refine the site specific design of the facilities, cost estimates and consideration for amending DPS 2 to ensure the DCP aligns with the district level facilities defined in the revised CFP.

In terms of the 2020 CFP, the priorities have been amended to reflect the availability of land and community needs. There is no change to the scope of the infrastructure items as defined in DPS2, however, the Five Year Fundamental Review of the CFP has reprioritised the timing of the infrastructure provision, as follows and as depicted in **Attachment 4**:

1. Alkimos Indoor Recreation Centre (provided as a part of the Alkimos Aquatic and Recreation Centre);
2. Alkimos Regional Community Centre and Library (district library provision to be captured within proposed regional library);
3. Alkimos District Community Centre;
4. North Eglinton Indoor Recreation Centre; and
5. Alkimos Surf Life Saving Club.

The timeframe for provision of the North Eglinton Indoor Recreation Centre and the Alkimos Surf Life Saving Club have been amended based on the expected land development timeframes for the availability and delivery of the land. The landowners have advised that the availability of the Surf Life Saving Club site will be dependent on the Water Corporation's timeframe for the development of their land to the west of the wastewater treatment plant, which abuts the future Surf Life Saving Club site.

Administration has been advised that Surf Life Saving WA are working with the Alkimos Surf Life Saving Club, Lend Lease and Development WA to consider further upgrades to the existing temporary facilities to accommodate the Club until the permanent facility is able to be provided, however, this cost cannot be covered by the DCP.

Consultation

In accordance with Schedule 14 of DPS 2, the local government's review of estimated costs shall recommend that the estimated costs are to be maintained, reduced or increased.

In accordance with DPS 2, where the review of estimated costs recommends those costs be increased, then the City will in writing invite comment for a period of not less than 28 days, prior to making any decision to increase the estimated costs. As the overall estimated costs have increased, advertising is in accordance with the above will be required.

Administration will extend the statutory advertising period by 14 days to allow for landowners adequate time for landowners to respond due to the Christmas closure period.

The consultation period will provide landowners with the opportunity to comment on the recommendations of the Annual Review and the Five Year Fundamental Review and associated infrastructure priorities. This is in addition to the consultation undertaken as part of the CFP review.

The draft revised cost estimates have been circulated to the Alkimos-Eglinton DCP Technical Advisory Committee (consisting of landowners and representatives from the City) and the landowners' representative has confirmed that there is no current need for the Committee to meet and that any comments will be provided through the formal consultation process if required.

Comment

The purpose of the Annual Review is to ensure that sufficient funds continue to be collected from developing landowners to meet the cost of delivering the required infrastructure.

Administration has worked with landowners' representatives in the revision of the infrastructure prioritisation, which is affected by population growth, the availability of land, subdivision staging and project planning. The facility timing developed has informed the Annual Review and the CFP update.

It is proposed that the Annual Review will be presented to Council in December 2020 to agree to advertising and Administration will report all submissions to Council for consideration in early 2021.

There is an overall increase in the total facility costs of \$1,050,716, which translates into a minor increase in the contribution rate from \$9.91 to \$10.13 or 0.22 cents per square metre.

The external auditing of the review recommendations has been completed to demonstrate compliance with DPS 2 and the accuracy of the calculations. The audit opinion concluded that the DCP costs incurred, estimates for remaining development works and proposed cost per hectare rate of \$101,267.77 (or \$10.13 per square metre) were fairly stated and in compliance to DPS 2 and SPP 3.6.

The Five Year Fundamental Review of the CFP provides the strategic framework to guide the fundamental five year review of the DCP. The Annual Review is recommending various cost estimates for the specific infrastructure defined in DPS 2 and the CFP re-prioritisation has been included into DCP revised Capital Expenditure Plan (**CEP**) to reflect the CFP recommendations. A fundamental review of the DCP Report (adopted by Council in April 2015) document has now been completed and incorporates the revised cost estimates and facility timing as depicted in the revised CFP (refer **Attachment 5**).

Statutory Compliance

In terms of DPS 2, the City must annually review the DCP. The Annual Review process, including consultation requirements, is outlined in DPS 2. In line with this, landowners may object to the amount of a cost contribution and request a review by an independent expert. If this does not result in the cost contribution being acceptable to the landowners then landowners can request that the cost contribution be determined through a process of arbitration. A similar right exists for the process of determining the value of any land to be acquired through the DCP.

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2017 – 2027:

“4 Civic Leadership

4.2 Good Governance

4.2.1 Provide transparent and accountable governance and leadership”

Risk Management Considerations

Risk Title	Risk Rating
ST-G09 Long Term Financial Plan	Moderate
Accountability	Action Planning Option
Director Corporate Strategy & Performance	Manage

Risk Title	Risk Rating
ST-S23 Stakeholder Relationships	Moderate
Accountability	Action Planning Option

CEO	Manage
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The above risks relating to the issue contained within this report have been identified and considered within the City's Strategic Risk Registers. The Annual Review of the DCP assists in addressing the impacts of the strategic risk relating to Long Term Financial Planning as it ensures that appropriate budget monitoring, timing and provisions are considered. In addition, the strategic risk relating to Stakeholder Relationships applies as a key element in the DCP review process is maintaining effective engagement with relevant stakeholders.

Policy Implications

Nil

Financial Implications

The proposed revision of costs for the 2020/2021 period recommends an increase in the total costs by \$1,050,716 to \$72,028,705 and the associated contribution rate increasing from \$9.91 to \$10.13 per square metre.

External auditing of the review recommendations has been completed to demonstrate compliance with the methodology of DPS 2 and the accuracy of the calculations (refer **Attachment 6**).

The Annual Review is recommending various cost estimates for the specific infrastructure defined in DPS 2 and the CFP re-prioritisation has been included into DCP revised CEP to reflect the CFP recommendations. A fundamental review of the DCP Report document has now been completed and incorporates the revised cost estimates and facility timing as depicted in the revised CFP. The infrastructure facility costs and timing for delivery is subject to change in future reviews and will be used to inform the City's Capital Works Program, Annual Budget and the Long Term Financial Plan.

Voting Requirements

Simple Majority

Recommendation

That Council:-

1. **NOTES** the outcome of the Annual Review of the Alkimos Eglinton Development Contribution Plan, as depicted in Attachment 1;
2. **NOTES** the outcome of the 5-Year Fundamental Review of the Alkimos Eglinton Development Contribution Plan;
3. **ENDORSES** the revised Alkimos-Eglinton Development Contribution Plan cost estimates in accordance with Schedule 14 of *District Planning Scheme No. 2* as outlined in Attachment 1, including:-
 - a) Developer Contribution Plan facility cost estimate of \$72,028,705;
 - b) Net contributing land area remaining – 587.68 hectares; and
 - c) Cost per hectare - \$101,267.77 (or \$10.13 per square metre).
4. **ENDORSES** the revised Alkimos-Eglinton Development Contribution Plan Report as depicted in Attachment 5; and

- 5. Pursuant to Clause 11.6 of Schedule 14 of District Planning Scheme No. 2, NOTIFIES affected landowners of the recommendations of the Annual Review and INVITES comment in writing from those landowners for a period of 42 days.**

Attachments:

- | | | |
|---|-----------|---------|
| 1. Attachment 1 - Alkimos-Eglinton DCP Cost Review (2020/2021) | 20/520070 | Minuted |
| 2. Attachment 2 - NCGC Community Facilities Cost Report - Alkimos - Eglinton DCP (2020 Annual Review) | 20/475619 | |
| 3. Attachment 3 - Valuation Report of Proposed Community Sites - Alkimos and Eglinton Annual Review (2020) | 20/475628 | |
| 4. Attachment 4 -Developer Contribution Plan Requirements for Northern Coastal Growth Corridor CFP | 20/423193 | |
| 5. Attachment 5 - Alkimos Eglinton Development Contribution Plan Report (Revised October 2020) - Fundamental Review | 20/475571 | Minuted |
| 6. Attachment 6 - Audit Report - Alkimos Eglinton Annual Cost Review Audit Report (2020) | 20/475645 | |

ALKIMOS EGLINTON DCP - FACILITY COST APPORTIONMENT (2020)						
Infrastructure Item	Annual Review 2019 (\$)	Inc/Exp LTD to June 2020	Annual Review Updated Cost 2020 (\$)	Updated Developable Area (ha)	Cost per Hectare	% Change
ALKIMOS EGLINTON DCP						
Surf Life Saving Club, Alkimos South Coastal Village	\$ 4,830,686		\$ 4,909,113	587.68	\$ 8,353.37	1.6%
Public Open Space (Active), Alkimos Parks and Recreation Reserve	\$ 6,753,353		\$ 6,862,996	587.68	\$ 11,678.10	1.6%
Multipurpose Hard Courts, Alkimos Parks and Recreation Reserve	\$ 2,907,779		\$ 2,954,988	587.68	\$ 5,028.22	1.6%
Library, Alkimos Secondary Centre	\$ 7,253,863		\$ 7,358,419	587.68	\$ 12,521.12	1.4%
Community Centre, Alkimos Secondary Centre	\$ 5,560,100		\$ 5,637,158	587.68	\$ 9,592.21	1.4%
Indoor Recreation Centre, Alkimos Secondary Centre	\$ 10,427,475		\$ 10,572,376	587.68	\$ 17,990.00	1.4%
Public Open Space (Active), Eglinton District Centre	\$ 6,753,353		\$ 6,862,996	587.68	\$ 11,678.10	1.6%
Multipurpose Hard Courts, Eglinton District Centre	\$ 2,907,779		\$ 2,954,988	587.68	\$ 5,028.22	1.6%
Indoor Recreation Centre, Eglinton District Centre	\$ 10,769,638		\$ 10,920,094	587.68	\$ 18,581.68	1.4%
Community Centre, Eglinton District Centre	\$ 5,560,100		\$ 5,637,158	587.68	\$ 9,592.21	1.4%
Library, Eglinton District Centre	\$ 7,253,863		\$ 7,358,419	587.68	\$ 12,521.12	1.4%
Estimated Facility Cost	\$ 70,977,989		\$ 72,028,705.00			
Shortfall in contributions to be made up by interest (remaining)	-\$ 2,448,830	\$ 1,765,224	-\$ 683,605.95	587.68	-\$ 1,163.23	
Collected contributions	-\$ 12,765,623	\$ 13,476,764.94	-\$ 13,476,764.94	587.68	-\$ 22,932.12	
Funding Accounted (Deducted from Cost)	-\$ 15,214,453	\$ 15,241,989	-\$ 14,160,371		\$ 98,469.01	
Confirmed Administration Costs (Preparation of DCP, Cost estimates)	\$ 47,501	-\$ 47,501	-\$ 0	587.68	-\$ 0.00	
Confirmed Administration Costs (Alkimos Eglinton Specific)	\$ 20,000	-\$ 20,000	\$ -	587.68	\$ -	
Estimated Administration Costs (Administer the DCP) (\$76,500 p.a. x 25 years)	\$ 1,912,500	-\$ 267,721.51	\$ 1,644,778	587.68	\$ 2,798.76	
Sub Total Administrative Costs	\$ 1,980,001	-\$ 335,222	\$ 1,644,778		\$ 2,798.76	
TOTAL	\$ 57,743,537	\$ 14,906,767	\$ 59,513,112.60		\$ 101,267.77	

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Community Facilities at Alkimos - Eglinton & Yanchep Two Rocks - Development Contribution Plans 2020 Updated Estimates

June 2020

CONFIDENTIAL

Client:	City of Wanneroo
DCWC Project No.	W19098

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Contents

EXECUTIVE SUMMARY	I
BASIS OF COST PLAN	2
COST PLAN SUMMARY	3
COST RISKS AND DEGREE OF UNCERTAINTY	4
ATTACHMENTS	5

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Executive Summary

All costs in this report exclude GST unless stated otherwise.

The City of Wanneroo prepared a Community Facilities Plan (CFP) in 2011 for the Northern Coastal Growth Corridor (incorporating the Alkimos - Eglinton and Yanchep – Two Rocks district areas) which identified the need for provision of community facilities of varying type and scale.

DCWC has been commissioned to review and update the previously issued estimates dated 25th September 2019. The update is predicated on a desktop update only of the escalation allowances with all design information assumed unchanged from that which was previously issued.

Furthermore, the relevant land valuations received from Brian Zucal & Associates have been included at the same rates as 2019.

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Basis of Cost Plan

Schedule of Input Information

The following information was used in the preparation of the indicative elemental cost plan:

- City of Wanneroo email correspondence dated 14th May 2020;
- Land valuation(s) received by email dated 8th June; and
- For the purposes of the escalation update the Australian Institute of Quantity Surveyors Construction Cost Index Forecast (CCIF) Perth, WA has been utilised (1st Quarter 2020)

Methodology

The indicative cost estimates are based on escalation up to June 2021. The escalation will need to be reviewed upon the development of the programme for delivering the facilities which will take place over a significant period.

Exclusions

The following costs are excluded:

- GST.
- Government and Local Authority Charges (except for the Development Application fee).
- Government apprentice training scheme contribution.
- City of Wanneroo costs and consultant's fees associated with the preparation of the Development Contribution Plan and programme delivery.
- Loose furniture and equipment.
- Public art.
- Unforeseen ground conditions.
- Land costs for the Multipurpose Hardcourts, Public Open Spaces for Alkimos, Eglinton and Alkimos Surf Life Saving Club.
- Financing costs.

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Cost Plan Summary

Facilities Located in Alkimos Eglinton & Two Rocks

Ref	Facility	GFA (m2)	Rate (\$/m2)	Total (\$)	Comments
	<i>Eglinton District Centre</i>				
1	Library District	1,547	4,757	7,358,419	Land cost Included
2	Community Centre District	1,449	3,890	5,637,158	Land cost Included
3a	Public Open Space District Pavilion	1,005	2,486	2,498,361	Land cost Excluded
3b	Public Open Space District Oval			4,364,635	Land cost Excluded
4	Indoor Recreation Centre District	3,116	3,505	10,920,094	Land cost Included
5	Multipurpose Hard Courts District			2,954,988	Land cost Excluded
	<i>Alkimos</i>				
6	Multipurpose Hard Courts District			2,954,988	Land cost Excluded
7	Indoor Recreation Centre District	3,116	3,393	10,572,376	Land cost Included
8	Surf Life Saving Club	1,166	4,210	4,909,113	Land cost Excluded
9a	Public Open Space District Pavilion	1,005	2,486	2,498,361	Land cost Excluded
9b	Public Open Space District Oval			4,364,635	Land cost Excluded
10	Community Secondary Centre	1,449	3,890	5,637,158	Land cost Included
11	Library Secondary Centre	1,547	4,757	7,358,419	Land cost Included
	<i>Yanchep Two Rocks</i>				
12	Beach Activity Community Facilities			2,193,923	Land cost Excluded

The cost plan summary is included in attachment 1

Cost Risks and Degree of Uncertainty

The indicative cost estimates for some of the facilities are based on previously issued conceptual drawings and a design brief, for other facilities, cost plans were developed from the required functional areas within the Design Model with no specific design information other than for the reference scheme. There is therefore an inherent level of cost uncertainty involved in utilising these indicative cost plans during any negotiations with developers to assess their contributions towards the DCP.

The main cost risks in using the indicative cost plans to arrive at the developers cost contributions include the following:

COST RISK	MITIGATION
The building areas exceed the area assumed in the Design Model	A planning contingency of 5% has been included in the where no concept design is in place.
The building form and type of construction differs from the assumptions used to determine the building costs	A design contingency of 10% has been included in the cost plan for this risk.
The external works areas exceed the assumptions used to determine the external works costs	A planning and design contingency of 5% respectively has been included in the cost plan for Multipurpose Hardcourts and Alkimos SLS Club
Existing site conditions result in high costs of site preparation	Allowance will need to be made for this risk during negotiations with the developers otherwise the construction contingency will need to be sufficient enough.
Land costs exceeding the indicative 2020 land valuations	The purpose of providing land costs is for the apportionment of costs between the developers therefore they retain the risk.
Escalation in building costs after June 2021	Allowance will need to be made for this risk during negotiations with the developers.
Uncompetitive tender market at time of tender	Allowance will need to be made for this risk during negotiations with the developers.
Project delays, particularly in obtaining funding and approval to proceed	Allowance will need to be made for this risk during negotiations with the developers
Change in Building regulations to more stringent requirements resulting in construction cost increases	A design contingency of 10% has been included in the cost plan for this risk.

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Attachments

List of attachments

1. Cost Plan Summaries

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CITY OF WANNEROO
COMMUNITY FACILITIES

	Library District		Community Centre District		Indoor Recreation Centre District Alkimos		Indoor Recreation Centre District Eglinton		Multipurpose Hard Courts District		Public Open Space District - Alkimos Eglinton				Alkimos Surf Life Saving Club		Beach Activity Community Facilities	
Description	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Rate	Total	Pavilion		Oval		Rate	Total	Rate	Total
Substructure Subtotal	115.85	179,225	103.24	149,600	102.57	319,600	102.57	319,600	0.00	0	106.57	107,100	0.00	0	39.82	46,425	0.00	0
Superstructure Subtotal	907.74	1,404,270	670.74	971,905	702.65	2,189,465	702.65	2,189,465	0.00	0	706.77	710,305	0.00	0	860.69	1,003,565	0.00	0
Finishes Subtotal	382.77	592,140	269.61	390,669	280.08	872,723	280.08	872,723	0.00	0	247.84	249,080	0.00	0	214.03	249,560	0.00	0
Fittings Subtotal	234.32	362,500	97.65	141,500	178.20	555,260	178.20	555,260	0.00	0	202.59	203,600	0.00	0	80.33	93,660	0.00	0
Services Subtotal	645.25	998,206	534.59	774,619	379.06	1,181,137	379.06	1,181,137	0.00	0	464.51	466,832	0.00	0	564.46	658,158	0.00	0
BUILDING COST	2,285.93	3,536,341	1,675.84	2,428,293	1,642.55	5,118,185	1,642.55	5,118,185	0.00	0	1,728.28	1,736,917	0.00	0	1,759.32	2,051,368	0.00	0
External Works Subtotal	345.38	534,296	331.99	481,052	206.51	643,472	228.08	710,684	0.00	1,734,439	0.00	0	0.00	2,775,778	619.21	722,000	0.00	1,091,523
External Services Subtotal	194.18	300,400	214.82	311,268	95.40	297,261	148.61	463,077	0.00	200,492	15.67	15,750	0.00	286,650	298.35	347,876	0.00	336,730
SUB TOTAL	2,825.49	4,371,037	2,222.65	3,220,613	1,944.45	6,058,918	2,019.24	6,291,946	0.00	1,934,931	1,743.95	1,752,667	0.00	3,062,428	2,676.88	3,121,244	0.00	1,428,253
NET PROJECT COST	3,265.31	5,051,433	2,568.62	3,721,933	2,247.13	7,002,048	2,333.55	7,271,349	0.00	2,170,992	1,956.71	1,966,493	0.00	3,436,044	3,093.56	3,607,096	0.00	1,610,355
GROSS PROJECT COST	4,232.86	6,548,237	3,330.59	4,826,024	2,912.38	9,074,990	3,024.04	9,422,900	0.00	2,956,621	2,487.31	2,499,742	0.00	4,367,048	4,212.54	4,911,827	0.00	2,195,136
ESTIMATED TOTAL COMMITMENT	4,230.52	6,544,619	3,328.75	4,823,358	2,910.78	9,069,976	3,022.37	9,417,694	0.00	2,954,988	2,485.93	2,498,361	0.00	4,364,635	4,210.22	4,909,113	0.00	2,193,923
ESTIMATED TOTAL COMMITMENT (INCL. LAND COSTS IF APPLICABLE) - ALK IMOS EGLINTON	4,756.57	7,358,419	3,890.38	5,637,158	3,392.93	10,572,376	3,504.52	10,920,094	0.00	2,954,988	2,485.93	2,498,361	0.00	4,364,635	4,210.22	4,909,113	0.00	2,193,923

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Brian Zucal and Associates

Valuation CalculationsAlkimos Community Site(s)31,000 m² @ \$101.00/m²: \$3,130,000Eglinton Community Site(s)31,000 m² @ \$101.00/m²: \$3,130,000

We comment that we so no difference in values for a Community Site in Alkimos and that of a Community Site in Eglinton.

DATE OF INSPECTION: 20 May 2020

DATE OF VALUATION: 20 May 2020

VALUATION

We assess the value of the subject Community Sites at Eglinton and Alkimos in accordance with the detail within this report and as at the date of valuation to be:

ALKIMOS COMMUNITY SITE(S)

THREE MILLION, ONE HUNDRED AND THIRTY THOUSAND DOLLARS (\$3,130,000)

EGLINTON COMMUNITY SITE(S)

THREE MILLION, ONE HUNDRED AND THIRTY THOUSAND DOLLARS (\$3,130,000)

Our adopted valuations are exclusive of GST

Yours faithfully



B. E. ZUCAL
CERTIFIED PRACTISING VALUER
LICENSED VALUER NO. 100
FOR THE STATE OF WESTERN AUSTRALIA

Alkimos / Eglinton**DRAFT - Comparative Summary - 2012 DCP Facility Provision against Recommended 2020 Facility Provision**

Current DCP (2012)			Recommendations (2020 Community Facilities Plan)				Notes
Alkimos	Priority	Timing	New Facility as per Review	Priority	Proposed Commencement Date (1)	Proposed Completion Date (1)	
Surf Life Saving Club	1	2017/2018	Surf Life Saving Club	5	2025	2030	No Change
Community Centre (Alkimos Secondary Centre)	2	2020/2021	Alkimos District Community Centre	3	2024	2029	No Change
Library (Alkimos Secondary Centre)	2	2020/2021	Alkimos Regional Community Centre / Library	2	2022	2027	Proposed to include regional library as a part of the regional community centre. Existing district library provision to form part of proposed regional library.
Public Open Space (Alkimos Parks and Recreation Reserve)	4	2030/2031	Alkimos District Open Space	6	2025	2030	No Change
Multipurpose Hard Courts (Alkimos Parks and Recreation Reserve)	4	2030/2031	Alkimos District Open Space	6	2025	2030	Proposed to include these hard courts in the Alkimos District Open Space.
Indoor Recreation Centre (Alkimos Secondary Centre)	6	2035/2036	Alkimos Aquatic and Recreation Centre	1	2021	2025	Proposed to combine the Alkimos Indoor Recreation Centre with the Alkimos Aquatic Centre as an Aquatic and Recreation Centre.
Eglinton							
Public Open Space (Active) (North Eglinton)	3	2025/2026	Eglinton District Open Space	7	2031	2036	No Change
Multipurpose Hard Courts (North Eglinton)	3	2025/2026	Eglinton Hard Courts (Tennis)	7	2031	2036	Proposed to be captured as the Eglinton Tennis Courts (Club). Can also be included within the Eglinton District Open Space.
Indoor Recreation Centre (Eglinton District Centre)	5	2032/2033	North Eglinton Indoor Recreation Centre	4	2025	2029	No Change
Community Centre (Eglinton District Centre)	7	2037/2038	Eglinton District Community Centre / Library	8	2028	2032	No Change
Library (Eglinton District Centre)	7	2037/2038	Eglinton District Community Centre / Library	8	2028	2032	Incorporated into Eglinton District Community Centre

Note (1) - Proposed Commencement and Completion Date is subject to land development timeframes for Alkimos/Eglinton



ALKIMOS- EGLINTON DEVELOPMENT CONTRIBUTION PLAN REPORT

This Development Contribution Plan (DCP) Report has been prepared in accordance with State Planning Policy 3.6: Development Contributions for Infrastructure (SPP 3.6). It sets out in detail the calculation of the Cost Contribution in the Development Contribution Area based on the methodology provided in the DCP and Schedules 14 and 15 of District Planning Scheme No. 2, and provides all relevant information in support of the DCP.

1. Development Contribution Area (DCA)

The DCA is defined as the Alkimos Eglinton locality, which forms part of the Northern Coastal Growth Corridor (NCGC) of the City of Wannon.

This area has been subject to a district structure planning process which identified the need for contribution arrangements to be put in place to share the costs of significant community facilities.

The DCA is consistent with the boundaries of the Alkimos Eglinton District Structure Plan and consists of all land within the Alkimos Eglinton district area capable of being developed to accommodate residential dwellings that will contribute towards the need for future community facilities.

The Alkimos Eglinton DCA is shown on the Scheme map as DCA 1.

2. Purpose

The purpose of this DCP Report is to:

- a) enable the application of development contributions for the development of new, and the upgrade of existing infrastructure, which is required as a result of increased demand generated in the development contribution area;
- b) provide for the equitable sharing of the costs of infrastructure and administrative items between owners;
- c) ensure that cost contributions are reasonably required as a result of the subdivision and development of land in the development contribution area; and
- d) coordinate the timely provision of infrastructure.

3. Period of the Plan

25 years from 9 September 2014 to 8 September 2039.



4. Operation of the Development Contribution Plan

The Alkimos Eglinton DCP has been prepared in accordance with *State Planning Policy 3.6: Development Contributions for Infrastructure (SPP 3.6)*. It came into effect as of Tuesday, 9 September 2014, being the date that Amendment No. 122 to District Planning Scheme No. 2 (DPS 2) was published in the Government Gazette.

5. Application requirements

Where a subdivision, strata subdivision or development application or an extension of land use is lodged which relates to land to which this plan applies, Council shall take the provisions of the plan into account in making a recommendation on or determining that application.

6. Principles

Development contributions will be applied in accordance with the following principles:

1.1. Need and the nexus

The Northern Coastal Growth Corridor Community Facilities Plan (CFP) details the facilities required as a result of projected development within the DCA. As the DCA was largely void of existing residential development at the commencement of the DCP's operation, the nexus between required facilities and projected development has been clearly established.

1.2. Transparency

The method for calculating the development contribution amount and the manner in which it is applied has been the subject of extensive consultation with landowners and developers in the DCA. Further, as the mechanism for determining the development contribution has been incorporated into DPS 2 through an amendment to that Scheme, it has been subject to public assessment and scrutiny through the statutory public advertising process.

1.3. Equity

The DCP applies to all developable land within the DCA, with contributions to be levied based on a relative contribution to need. Contributions within the DCA are limited to district facilities within that area. Regional facilities, where the catchment extends across the district boundary or outside of the northern coastal growth corridor, are not included in the DCP. Their provision will be outside of any formal, scheme enforced cost sharing arrangement.

1.4. Certainty

The DCP clearly outlines the facilities for which contributions are to be collected and the timeframe for their delivery. Information pertaining to the review and indexation of costs also forms part of the DCP.



1.5. Efficiency

Development contributions are sought for up-front capital costs only and not for ongoing maintenance and/or operating costs of the facilities once they are constructed. Ongoing maintenance and operational costs for the life of the facilities will be primarily met by the City of Wannon.

1.6. Consistency

Development contributions are proposed to be applied uniformly across the DCA, based on the methodology outlined in the DCP and this DCP report.

1.7. Right of consultation and arbitration

The DCP has been prepared in full consultation with landowners and developers in the DCA. All planning methodologies and cost estimates have been made available for review by stakeholders at all stages of their preparation. Further opportunity for review will be made available as part of the review process outlined in the DCP.

1.8. Accountable

The City is accountable for both the determination and expenditure of development contributions under the provisions of the Scheme.

7. Process for Determining Development Contributions

The Alkimos-Eglinton DCP utilises the *Per Hectare* model of calculating development contributions, which involves the levy of a contribution based on the total area of developable land subject to a subdivision application, rather than the number of lots or dwellings proposed to be created as a result of that subdivision.

This model subsidises higher density development at the expense of lower density and is considered appropriate for use in the DCA as there is limited existing development and an underlying objective in the district structure plan to achieve higher residential densities than what has previously been delivered in the North West Corridor.

The *Per Hectare* model utilises 'net contributing area' rather than 'gross contributing area' as the contributing area in recognition of the fact that 'net contributing area' best represents the area of land that will contribute to the need for community facilities.

Determination of Contributing Area

'Net contributing area' is calculated as follows:

- i. Gross land area, less the area of:
 - o existing development or land with valid subdivision approvals not conditional on the payment of development contributions;
 - o land reserved under the Metropolitan Region Scheme for Parks and Recreation;
 - o land reserved under the Metropolitan Region Scheme for Public Purpose;
 - o land designated under the Metropolitan Region Scheme as 'Primary Regional Roads', 'Other Regional Roads' or 'Railways'; and
 - o land designated under the Metropolitan Region Scheme as 'industrial'.



- ii. A deduction of the following non-developable land uses identified in Local Structure Plans from the total area determined in point (i):
 - Local Roads;
 - Public Open Space;
 - Primary Schools;
 - Service Commercial;
 - Business Enterprise; and
 - Retail (including retail core of Regional, District and Neighbourhood Activity Centres)
- iii. A deduction of the following percentage of the total area for land zoned Mixed Use:
 - 75% for Mixed Use located in land designated as 'Regional & District Activity Centres' in the Local Structure Plan (25% of the area is included in the net contributing area)
 - 30% for Mixed Use located in land designated as 'Coastal Village Activity Centres' in the Local Structure Plan (70% of the area is included in the net contributing area); and
 - 10% for Mixed Use located in land designated as 'Urban' in the Local Structure Plan (90% of the area is included in the net contributing area).

Maps illustrating the extent of contributing area within the DCA are included at **Attachment 1**.

Determination of Cost Contribution

The methodology for determining a landowner's cost contribution is in accordance with the following formula:

- $CPH = TC / NCA$
- $CC = CPH \times GSA$

Where:

CC = Landowner's Cost Contribution Amount (\$)
 CPH = Cost per hectare (\$/ha)
 TC = Total cost of delivering community facilities + Total administrative costs (\$)
 NCA = Net contributing area (ha)
 CC = Cost Contribution Amount (\$)
 GSA = Gross area of proposed subdivision (ha)

The Cost Apportionment Schedule, included at **Attachment 3**, outlines in detail the distribution of costs for the DCA.



7.1. Supporting Information

In accordance with Clause 5.5 of SPP 3.6 the following information is provided in support of the methodology used to determine development contributions.

Catchment Areas

The DCA is considered to be a district catchment and it is generally consistent with the boundary of the Alkimos-Eglinton District Structure Plan.

The district catchment translates to the provision of District level facilities, which are higher order facilities that serve multiple neighbourhoods and local catchments, but are not likely to have the wider draw from other district areas. Accordingly, the DCP only seeks to collect contributions for district level community facilities.

Facilities with local and regional catchments are not proposed to be funded through this DCP.

Cost of Infrastructure Items

It has not been possible to determine the exact scope of facilities required, as their final location and nature has not yet been determined. This detail will be identified as more detailed planning is undertaken within the development area.

Consequently, the approach to facility provision has focussed on delivering broad multipurpose facilities that can adapt to changing future uses and avoid costly duplication of purpose built facilities. Inherent in this approach is the use of co-location and integration, the creation of community hubs and the acknowledgement of the role that community facilities play in anchoring development within an activity centre or community focal point.

This approach has required the City to develop standard models for each of the facilities identified in the DCP that represent the City's requirements for community use. These models have been developed using existing facility examples with various elements modified to represent best practice or to resolve management issues inherent in those facilities used as a basis for model development. These models were used by a Quantity Surveyor as a basis for determining the cost estimates incorporated into this DCP Report.

The final cost estimate for each facility is inclusive of a construction cost estimate, external works and services, plus allowances for planning, design and construction contingencies. Land costs, where applicable, have been the subject of a separate valuation process.

The cost estimates will be reviewed and refined as more detailed planning is undertaken on the location, level of co-location and integration, and ultimate design of individual facilities.

A scheduled review of the cost estimates will occur annually. Cost estimates will be adjusted to reflect changes in funding, revenue sources and advances in detailed planning and subsequently indexed based on the Building Cost Index or other appropriate index as approved by the qualified person undertaking the certification of costs referred to in Clause 11.3 of Schedule 14 of DPS 2.

Community Infrastructure Plan

The City prepared the CFP which details the need for community facilities resulting from projected population growth. This plan has been approved by Council and has been subject to public comment and consultation with key stakeholders.



Capital Infrastructure Plan

The DCP has been designed to relate directly to the *City of Wanneroo Long Term Financial Plan* such that the facilities identified in the DCP are reflected in the Financial Management Plan. Furthermore, the review period proposed for the DCP will coincide with the annual review of the Financial Plan to ensure that new facilities required to be delivered under the DCP are identified in the Financial Management Plan and the City's Capital Works Program.

This will also provide a mechanism for alternate funding sources to be considered and incorporated into the funding model for each facility where possible.

An overview of the capital expenditure resulting from the operation of the DCP that will need to be reflected in the City's Long Term Financial Management Plan is included at **Attachment 2**, noting that these figures will be subject to ongoing review.

Methodology for Determining Proportion of Cost to be Attributed to Future Growth vs. Existing Areas

The methodology for calculating cost contributions set out in the Alkimos-Eglinton DCP contained in Schedule 18 of DPS 2 requires that the cost contributions be calculated on a proportionate basis relative to the need generated by new dwelling growth. Accordingly, the total cost on which the cost contribution is based has excluded the proportion of costs associated with the following:

- *demand for a facility that is generated by the current population;*
- *demand created by external usage – the proportion of use drawn from outside of the main catchment area; and*
- *future usage – the proportion of usage that will be generated by future development outside of the development contribution plan timeframe.*

The DCA was void of existing residential development or population at the commencement of DCP preparation. Lots that have been developed within the DCA since this time have made an interim contribution under *Local Planning Policy 3.3: Northern Coastal Growth Corridor Development Contributions*.

No additional need for the facilities is considered to be generated from population outside of Alkimos and Eglinton and there are no regional level facilities included in the DCP for which the catchment would extend beyond the DCP area.

Accordingly, the DCP requires 100% of the cost of delivering the necessary facilities be met by future growth. Further rationale behind this approach is as follows:

- None of the facilities identified in the Northern Coastal Growth Corridor Community Facilities Plan would be delivered if the new residential growth did not occur. It can therefore be clearly stated that the need for new facilities arises directly as a result of current and projected residential growth.
- The catchment of each of the district facilities proposed in the Alkimos-Eglinton DCP is confined to the district in which it is located.



- The need for the facilities has been determined following analysis of the projected population within the DCA only. Any additional need resulting from residential areas outside the DCA is considered to be inconsequential.
- None of the facilities proposed to be delivered through DCP are considered necessary to support community activity in existing developed areas. Current demand in these areas is already met through the existing provision of district facilities within the coastal ward of the City of Wanneroo and regional level facilities in the greater City of Wanneroo and the City of Joondalup.

The 100% funding liability may be offset by external grants or other funding sources in order to reduce the contribution amount required under the DCP, however other contributions have not been included in the funding model as part of the DCP as their successful application cannot be guaranteed or assumed until more detail is known of the nature, scale and location of the facilities proposed.

It is expected that the inclusion of grant funding would form part of an ongoing review of the DCP. In this regard, Council has established a Consultative Committee for the DCA comprising of landowners, City Administration and Council representatives and any other persons considered appropriate by Council to make recommendations to Council in respect to the timing and arrangements of DCP works. A key role of this Committee is to identify and pursue additional funding sources.

8. Items Included in the Plan

The DCP applies only to district level facilities needed within the DCA as determined by the *Northern Coastal Growth Corridor Community Facilities Plan*.

8.1. Infrastructure Elements

Alkimos Eglinton Development Contribution Area – DCA (1)

Alkimos South Coastal Village
Surf Life Saving Club
Alkimos Regional Parks and Recreation Reserve
Public Open Space (Active)
Multipurpose Hard Courts
Alkimos Secondary Centre
Community Centre
Library
Indoor Recreation Centre
Eglinton District Centre
Indoor Recreation Centre
Community Centre
Library
Public Open Space (Active)
Multipurpose Hard Courts

Full details of the facility cost estimates can be seen at **Attachment 3**.



8.2. Administrative Elements

Under Development Contribution Plan No.2, "Administrative Items" include:

- i. preparation, administration and review of the Development Contribution Plan;
- ii. preparation and review of the Development Contribution Plan and Costs Apportionment Schedule;
- iii. any arbitration and valuation with respect to this Plan; and
- iv. advice and representation with respect to this Plan including legal, accounting, planning, engineering and other professional advice and representation.

Both incurred and recurring administrative costs shall be shared equally between the Alkimos Eglinton and Yanchep Two Rocks DCPs. Full details of Administration costs can be seen in the Cost Apportionment Table (**Attachment 3**), which reflects the actual administration costs incurred and estimated remaining costs for the operation period of the DCP.

9. Review

Various elements of the DCP are subject to ongoing review, as a result of both the general operation of the DCPs and the requirements of SPP 3.6. It is proposed that the DCP and associated CFP be reviewed (at a minimum) in accordance with the following schedule:

- Annually
 - DCP Cost Estimates;
 - DCP Cost Indexation;
 - Contributing Land Area;
 - Cost per Hectare; and
- 5-yearly
 - CFP Assumptions and Recommendations
 - Full DCP Review.

Cost Estimates & Indexation

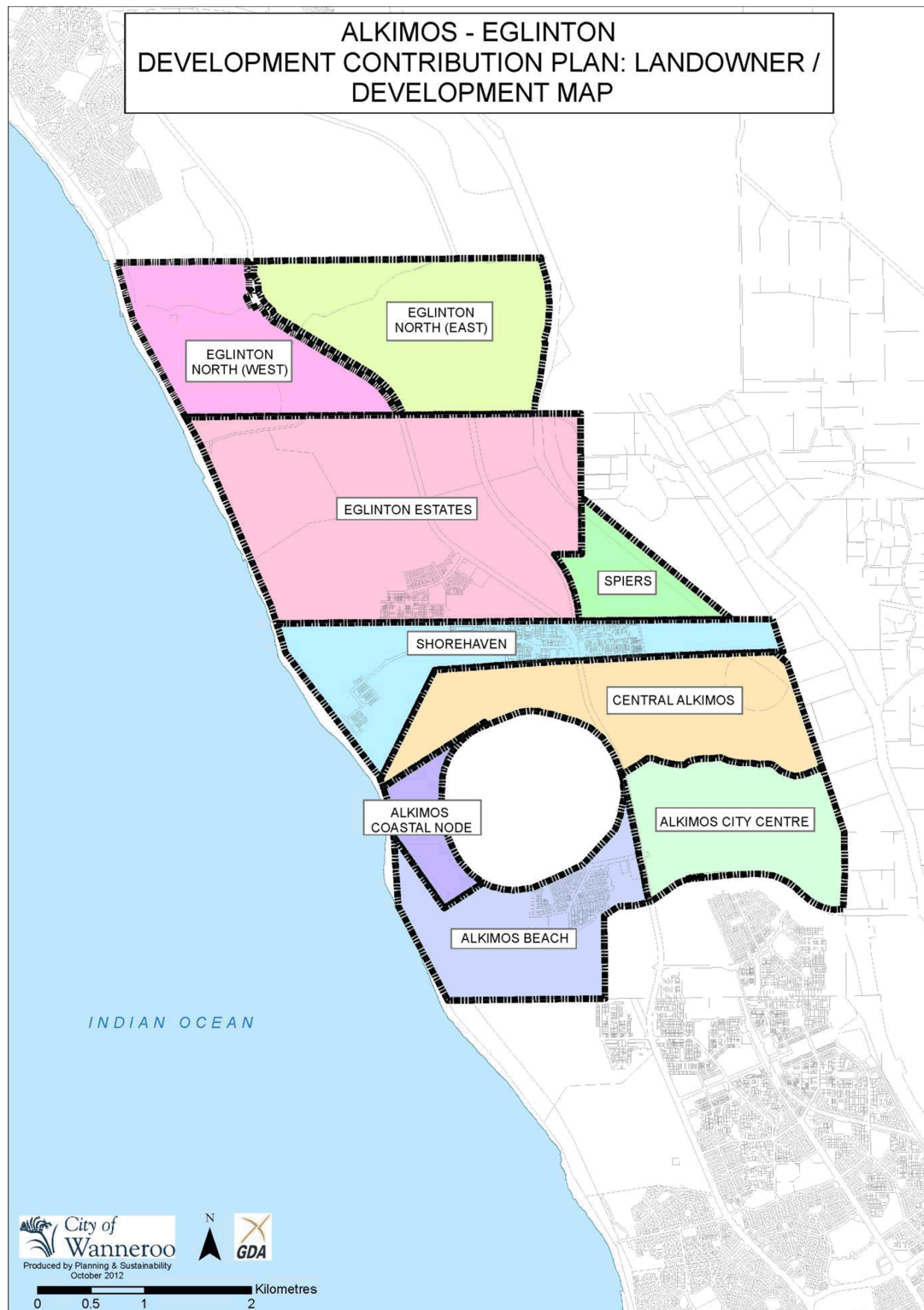
The estimated infrastructure costs shown in **Attachments 2 and 3** of this report will be reviewed at least annually to reflect changes in funding and revenue sources and indexed based on the Building Cost Index or other appropriate index as approved by the qualified person undertaking the certification of costs referred to in Clause 11.3 of Schedule 14 of DPS 2 and made available to affected landowners as part of each annual review.

Contributing Land Area

The 'contributing land area' is determined by deducting various land uses from the overall developable area, as outlined in Section 7 of this report. The area of most of these land uses is fixed by the Metropolitan Regional Scheme (however this may change from time to time as a result of gazetted amendments) with the exception of the area of existing development which will change as land is progressively developed. The contributing land area will therefore need to be regularly reviewed to reflect the current level of development and any gazetted changes made to the Metropolitan Region Scheme.

Contribution Amount

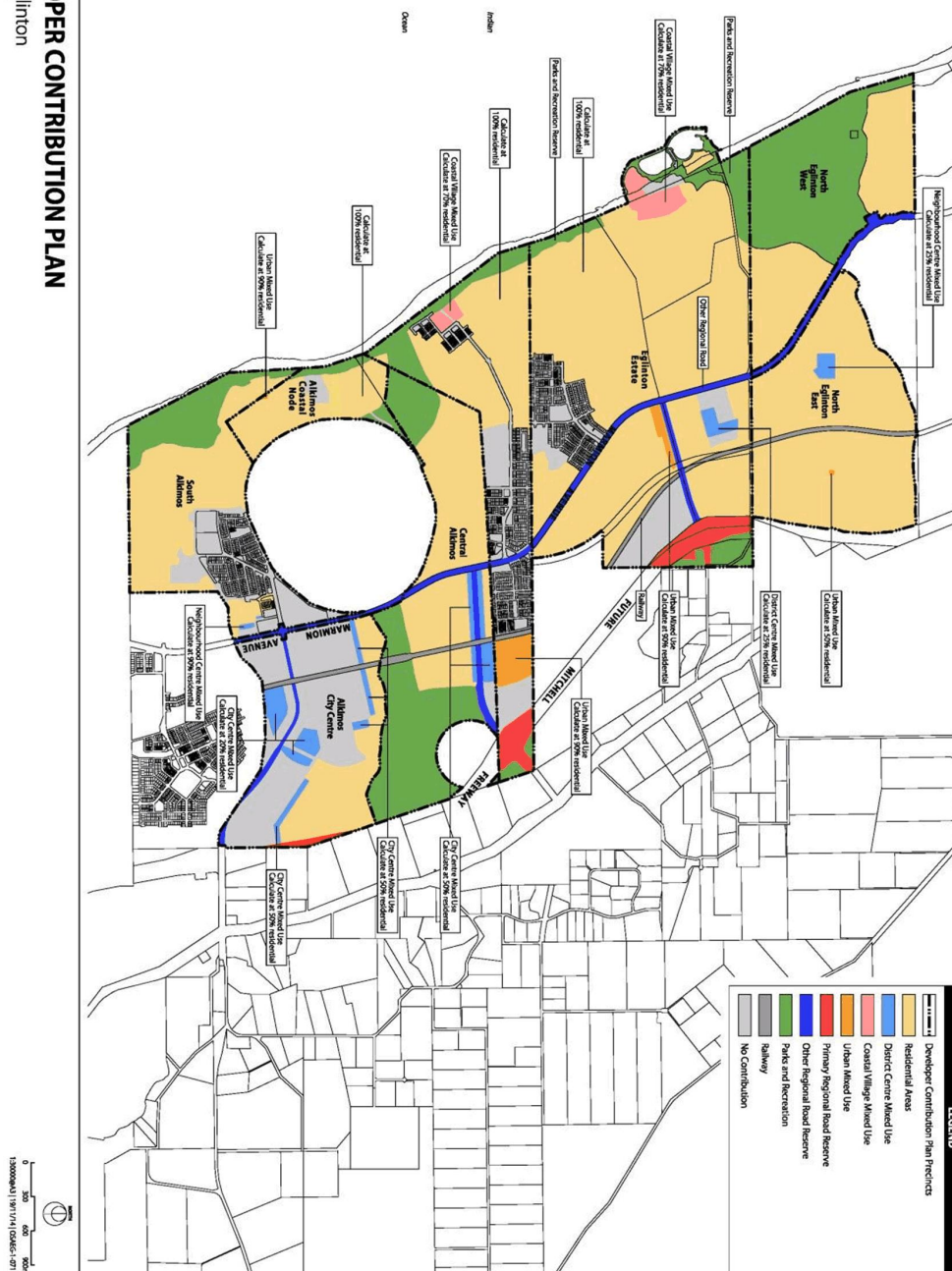
The cost per hectare on which each landowner's contribution amount is based will be reviewed annually (or as required) as a result of the above changes to the costs and contribution area and defined in the Cost Apportionment Schedule.

ATTACHMENT 1 – DETERMINATION OF CONTRIBUTING AREA



**Alkimos Eglinton
Development Contribution Plan**

DEVELOPER CONTRIBUTION PLAN
Alkimos Eglington





**Alkimos Eglinton
Development Contribution Plan**

ATTACHMENT 2 - CAPITAL EXPENDITURE PLAN

ALKIMOS EGLINTON DEVELOPMENT CONTRIBUTIONS PLAN

Infrastructure Item	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2039	Annual Review Cost Estimate (2020)
ALKIMOS																			
Alkimos Surf Life Saving Club					Commencement -----> Completion														\$ 4,909,113
Alkimos District Community Centre				Commencement -----> Completion															\$ 5,637,158
Alkimos Regional Community Centre (Library)		Commencement -----> Completion																	\$ 7,358,420
Alkimos District Open Space (Open Space)					Commencement -----> Completion														\$ 6,862,996
Alkimos District Open Space (Multipurpose Hardcourts)					Commencement -----> Completion														\$ 2,954,988
Alkimos Aquatic and Recreation Centre (Indoor Recreation Centre)	Commencement > Completion																		\$ 10,572,376
EGLINTON																			
Eglinton District Open Space											Commencement -----> Completion								\$ 6,862,996
Eglinton Hard Courts (Tennis)											Commencement -----> Completion								\$ 2,954,988
North Eglinton Indoor Recreation Centre					Commencement > Completion														\$ 10,920,094
Eglinton District Community Centre (Community)								Commencement > Completion											\$ 5,637,158
Eglinton District Community Centre (Library)								Commencement > Completion											\$ 7,358,419
TOTAL																			\$ 72,028,706



**Alkimos Eglinton
Development Contribution Plan**

ATTACHMENT 3 - COST APPORTIONMENT SCHEDULE

ALKIMOS EGLINTON DCP - FACILITY COST APPORTIONMENT (2020)						
Infrastructure Item	Annual Review 2019 (\$)	Inc/Exp LTD to June 2020	Annual Review Updated Cost 2020 (\$)	Updated Developable Area (ha)	Cost per Hectare	% Change
ALKIMOS						
Alkimos Surf Life Saving Club	\$ 4,830,686		\$ 4,909,113	587.68	\$ 8,353.37	2%
Alkimos District Community Centre	\$ 5,560,100		\$ 5,637,158	587.68	\$ 9,592.21	1%
Alkimos Regional Community Centre (Library)	\$ 7,253,863		\$ 7,358,419	587.68	\$ 12,521.12	1%
Public Open Space (Active), Alkimos Parks and Recreation Reserve	\$ 6,753,353		\$ 6,862,996	587.68	\$ 11,678.10	2%
Alkimos District Open Space - Multipurpose Hard Courts	\$ 2,907,779		\$ 2,954,988	587.68	\$ 5,028.22	2%
Indoor Recreation Centre, Alkimos Secondary Centre	\$ 10,427,475		\$ 10,572,376	587.68	\$ 17,990.00	1%
EGLINTON						
Eglinton District Open Space	\$ 6,753,353		\$ 6,862,996	587.68	\$ 11,678.10	2%
Multipurpose Hard Courts (Tennis Courts)	\$ 2,907,779		\$ 2,954,988	587.68	\$ 5,028.22	2%
North Eglinton Indoor Recreation Centre	\$ 10,769,638		\$ 10,920,094	587.68	\$ 18,581.68	1%
District Community Centre (Community)	\$ 5,560,100		\$ 5,637,158	587.68	\$ 9,592.21	1%
District Community Centre (Library)	\$ 7,253,863		\$ 7,358,419	587.68	\$ 12,521.12	1%
Estimated Facility Cost	\$ 70,977,989		\$ 72,028,705.00			
<i>Shortfall in contributions to be made up by interest (remaining)</i>	-\$ 2,448,830	\$ 1,765,224	-\$ 683,606.00	587.68	-\$ 1,163.23	
<i>Collected contributions</i>	-\$ 12,765,623	\$ 13,476,764.94	-\$ 13,476,764.94	587.68	-\$ 22,932.12	
Funding Accounted (Deducted from Cost)	-\$ 15,214,453	\$ 15,241,989	-\$ 14,160,371		\$ 98,469.01	
Confirmed Administration Costs (Preparation of DCP, Cost estimates)	\$ 47,501	-\$ 47,501	-\$ 0	587.68	-\$ 0.00	
Confirmed Administration Costs (Alkimos Eglinton Specific)	\$ 20,000	-\$ 20,000	\$ -	587.68	\$ -	
Estimated Administration Costs (Administer the DCP) (\$76,500 p.a. x 25 years)	\$ 1,912,500	-\$ 267,721.51	\$ 1,644,778	587.68	\$ 2,798.76	
Sub Total Administrative Costs	\$ 1,980,001	-\$ 335,222	\$ 1,644,778		\$ 2,798.76	
TOTAL	\$ 57,743,537	\$ 14,906,767	\$ 59,513,112.55		\$ 101,267.77	



Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Alkimos-Eglinton Development Contribution Plan

Scope

We have performed an audit of the Annual Cost Review of Alkimos-Eglinton Development Contribution Plan ("DCP") and reviewed the methodology used in calculating and estimating the costs for the remaining DCP works, to establish the accuracy of the draft Annual Cost Review of Alkimos-Eglinton DCP as per the requirement under the District Planning Scheme No. 2 ("DPS 2") and the State Planning Policy 3.6 ("SPP 3.6") and provide independent certification of such costs. Our agreed scope of work relied on third party for verification of the square meters ("M²") used to calculate the developer contributions. Our audit of annual costs covered transactions from 1 July 2019 to 30 June 2020, while ascertaining that the actual expenditure incurred gives a true and fair view and ensure that the assumptions used in the estimations of DCP costs are in accordance with the DPS 2 and SPP3.6.

The City's Responsibilities

The City is responsible for ensuring that the DCP costs incurred, estimated and the Cost Per Hectare ("CPH") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all DCP cost records are free of misstatements and omissions, and establish adequate internal controls for DCP cost incurring, estimating and the calculation of CPH rates, and ensure that adequate financial records have been maintained. The City is responsible for providing all financial records and related data, other information, explanations and assistance necessary for the conduct of the audit of the DCP cost reviews.

Compliance with Independence and Other Ethical Requirements

We have complied with the relevant independence and other ethical requirements relating to assurance engagements, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Auditor's Responsibilities

Our responsibility is to express an opinion on the reasonability of the methodology used, in calculating and estimating costs for the remaining works, and assess the documentation provided to certify that the costs are incurred and estimated as per the DPS 2. We conducted our audit in accordance with Auditing Standards. These Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the methodology used in forming the basis of cost incurring, CPH rate calculation and estimation is free from material misstatement.

ACCOUNTANTS & ADVISORS

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An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of DCP costs incurred and estimations made for the remaining DCP development works.

The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the methodology used. In making those risk assessments, the auditor considers internal control relevant to the City's preparation of the methodology used in forming the basis of cost incurring and DCP cost estimations in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the City, as well as the City's alignment to DPS 2 and SPP 3.6.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Limitation on the scope

- We have not performed any market evaluation for estimated costs and relied on the third-party reports of Donald Cant Watts Corke for validating the reliability of estimated cost of works.
- We have relied on the M² as outlined on the individual Landgate Deposited Plan ("DP") maps as provided by the City to determine each DP total M².

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the DCP costs incurred, estimated for remaining development works, and proposed CPH rate of \$101,267.77 (as per DPS 2 CPH formula) were fairly stated and in compliance to DPS 2 and SPP 3.6.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Schedule 15 Developer Contribution Plan of DPS 2, which describes the basis of funding, method of calculating contribution and the CPH rate, for the purpose of reporting to the City. As a result, the methodology used in forming the basis of this may not be suitable for another purpose. Our report is intended solely for the City and should not be distributed or used by other parties' other than the City. The Audit Report is not to be used by any other party for any purpose nor should any other party seek to rely on the opinions, advices or any information contained within this Audit Report.



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William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124

A handwritten signature in black ink, appearing to be "C Manifis", written over a faint horizontal line.

Conley Manifis
Director
Dated this 19 day of August 2020