
**PS04-10/22 East Wanneroo Cells 1-9 Developer Contribution Arrangement
Annual Review of Costs (2022-2023)**

File Ref: 5734V08 – 22/348676
Responsible Officer: Director Planning and Sustainability
Attachments: 21

Issue

To consider the 2022-2023 Annual Review of the Cell Costs for the East Wanneroo Cells 1-9 Development Contribution Plans.

Background

The City's District Planning Scheme No. 2 (DPS 2) provides the statutory basis for the administration and management of developer contributions, including general and specific works delivered by the City using funds collected through the Developer Contributions Plans (DCPs). The Cell Work expenditure may also include a component of other funding sources, including municipal funding and State/Federal grants.

The East Wanneroo Cells include the areas of Wanneroo, Ashby, Tapping, Hocking, Pearsall, Landsdale, Darch, Madeley and Wangara (refer **Attachment 1**). The provisions of DPS2 provide Council with the discretion to either increase, decrease or maintain the current Infrastructure Cost Per Lot (ICPL) rates through the Annual Review process in accordance with Clause 9.11.2 of DPS 2.

The Annual Reviews must have regard to the actual lots being produced in each cell since the last review, actual expenditure, the remaining estimated Cell Works, remaining Estimated Lot Yield (ELY) and any other factor the Council considers relevant.

The last Annual Review for Cells 1-9 was approved by Council on 7 December 2021 (PS03-12/21), where the following ICPL rates and land valuations were approved for the 2021-2022 review period. The below ICPL rates and land valuation will remain current until such time as Council adopts an annual review for the next period.

- Cell 1 - ICPL rate of \$18,019 and Land Valuation of \$1,870,000;
- Cell 2 - ICPL rate of \$24,880 and Land Valuation of \$1,870,000;
- Cell 3 - ICPL rate of \$18,083 and Land Valuation of \$1,880,000;
- Cell 4 - ICPL rate of \$23,328 and Land Valuation of \$1,930,000;
- Cell 5 - ICPL rate of \$30,909 and Land Valuation of \$2,010,000;
- Cell 6 - ICPL rate of \$24,678 and Land Valuation of \$2,070,000;
- Cell 7 - \$11.12 per/m² and Land Valuation of \$2,140,000;
- Cell 8 - \$31.54 per/m² and Land Valuation of \$2,040,000; and
- Cell 9 - ICPL rate of \$29,947 and Land Valuation of \$2,010,000.

Various factors have been considered as part of the Annual Review, including the actual contributions received, expenditure to date, revised estimates for remaining Cell Works, the Internal Transactional Review findings and the operational and reporting requirements of State Planning Policy 3.6 (SPP3.6). With consideration for these factors, Council is required to determine whether adequate funds are likely to be obtained to complete the Cell Works and consider increasing, decreasing or retaining the current ICPL.

Detail

The following provides a recommended position on each Cell based on the findings of the Annual Review (refer **Attachment 2-10**).

Land Valuation

In accordance with DPS 2, if it is necessary for any reason to ascertain the value of any land within a contribution scheme area, then the City is required to appoint a valuation panel to arrive at a consensus value, advertise the proposed value and refer submissions to the Valuation Panel for comment. Accordingly, the City engaged a valuation panel and received a consensus agreement on land value for each cell. The following table reflects the valuation recommended by the valuation panel and the change in value since the last Annual Review.

East Wanneroo Cell	Current Agreed Land Valuation (2021-2022) \$/ha		Proposed Land Valuation (2022-2023) \$/ha		Change in Land Valuation \$/ha
	CONSENSUS VALUE	CONSENSUS VALUE PLUS 10% SOLATIUM	CONSENSUS VALUE	CONSENSUS VALUE PLUS 10% SOLATIUM	Percentage Increase
1 (Ashby/Tapping)	\$ 1,870,000	\$ 2,057,000.00	\$ 1,980,000	\$2,178,000	6%
2 (Sinagra)	\$ 1,870,000	\$ 2,057,000.00	\$ 1,980,000	\$2,178,000	6%
3 (Wanneroo)	\$ 1,880,000	\$ 2,068,000.00	\$ 1,980,000	\$2,178,000	5%
4 (Pearsall/Hocking)	\$ 1,930,000	\$ 2,123,000.00	\$ 2,040,000	\$2,244,000	6%
5 (Landsdale)	\$ 2,010,000	\$ 2,211,000.00	\$ 2,170,000	\$2,387,000	8%
6 (Madeley/Darch)	\$ 2,070,000	\$ 2,277,000.00	\$ 2,200,000	\$2,420,000	6%
7 (Wangara)	\$ 2,140,000	\$ 2,354,000.00	\$ 2,450,000	\$2,695,000	14%
8 (Wangara)	\$ 2,040,000	\$ 2,244,000.00	\$ 2,250,000	\$2,475,000	10%
9 (Landsdale)	\$ 2,010,000	\$ 2,211,000.00	\$ 2,170,000	\$2,387,000	8%

The recommended change to land values has been included into the Annual Review for each of the Cells (1-9).

Cell 1 (Ashby/ Tapping)

The Cell is predominately developed with only 3% (94 lots @ ELY) estimated to be remaining. Cell Works are predominately complete with exception of POS compensation of approximately \$1.9 million (plus estimated remaining administration costs of \$96k). In June 2019, Council agreed to return estimated excess funds to all landowners that paid contributions prior to June 2019 and Administration is nearing finalisation of these payments.

The Cell 1 DCP is now at an acceptable level of accuracy, where income and expenditure amounts are generally in alignment. The detailed revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 2**.

Recommendation - Administration recommends that the Cell 1 ICPL rate be retained at \$18,018.64 to ensure contribution rates are set at an appropriate level to ensure adequate funds are received to complete the remaining Cell Works.

Cell 2 (Sinagra)

A large portion of Cell 2 is currently undeveloped with 42% remaining.

Amendment 200 to DPS2 is currently with the WAPC for final approval and it is anticipated that a decision will be made by the Minister for Planning by the end of the year to utilise a lower ELY.

The Annual Review of costs reflects a minor increase in land value and road construction costs for the Cell, resulting in a minor increase in the proposed ICPL rate from \$24,880 to \$26,805.

The detailed revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 3**.

Recommendation - Administration is recommending that the current ICPL rate of \$24,880 be increased to \$26,805 to reflect the findings of the Annual Review of costs and ensure that adequate funds will be received to complete the remaining Cell Works.

Cell 3 (Wanneroo)

Cell 3 is predominately developed with only 9% of the land yet to be subdivided.

All POS areas have been acquired with the exception of a small area of Historic POS Credit (credit for POS previously provided, which forms part of the 10% POS provision for the Cell).

The Dundobar Road widening and duplication project is the most significant remaining work for this Cell and is currently scheduled for design and construction in between 2022 and 2025. The proposed increase in the ICPL rate from \$18,083 to 22,275 is required to reflect the increase in acquisition and construction costs for Dundobar Road.

The detailed revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 4**.

Recommendation - Administration is recommending an increase in the ICPL rate from \$18,083 to 22,275 to ensure that adequate funds will be received.

Cell 4 (Hocking/ Pearsall)

Cell 4 is predominately developed with only 4% (200 lots) of the remaining land undeveloped.

There is a reduction in the estimated excess funds for this cell since the last annual from \$9.5 million to \$6.1 million at full development. Whilst excess funds are likely at full development, the extent of these is dependent upon a number of factors, including the escalation of costs for remaining works.

There are two significant land acquisitions yet to be determined for this cell, including POS (Lots 1 and 8 Wanneroo Road) and Lenore Road Reserve (land) from Lot 3 Mary Street.

The annual review has reflected a significantly higher cost for land acquisition due to the current claim for compensation (compulsory taking process for Lot 3 Mary Street). The amount was included to reflect the additional amount that may be required, however it should be noted that only the actual amount (when known) will be charged to the Cell and reflected in the next annual review.

The detailed revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 5**.

Recommendation - Administration is not recommending a return of excess funds until greater certainty can be established on the final costs and remaining income. The current ICPL rate of \$23,328 is recommended to be retained to reflect the findings of the Annual Review of costs

and to ensure that adequate funds will be received and retained to mitigate any potential cost variations for remaining Cell Works.

Cell 5 (Landsdale - West)

This Cell is predominately developed with only 5% (estimated 151 lots) remaining land undeveloped.

The remaining historic POS payments are likely to be finalised in the 2022-2023 financial year period, which will complete the remaining Cell Works for Cell 5.

The revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 6**.

Recommendation - The current ICPL rate of \$30,909 is recommended to be retained to reflect the findings of the Annual Review and to ensure adequate funds received, prior to finalisation of the Cell.

Cell 6 (Madeley/Darch)

This cell is predominately developed with only 10% remaining (estimated 536 lots).

The timing for the acquisition of a 4.8 hectare future POS site will occur in due course and represents the most significant remaining Cell Work (\$11.6 million) and the remaining historic POS payments (\$1.05 million) are likely to be finalised in the 2022-2023 financial year period.

The remaining capital works relate to the realignment of Gngangara Road (shared 50% with Cell 7), and relates to the section between Hartman Drive and Wanneroo Road. The total estimated excess funds of \$14.8 million, includes the remaining estimated (outstanding) contributions of \$13 million predominately from the Driver Road Landfill Site (Parcel Property), which is pending geotechnical and environmental clearances. The City will need to finalise the remaining Cell Works and secure arrangements with the remaining landowners for the outstanding contributions before a return of the estimated excess funds be considered.

The revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 7**.

Recommendation - Administration is not recommending a return of excess funds until greater certainty can be established on the final costs and remaining income. The current ICPL rate of \$24,678 is recommended to be retained to reflect the findings of the Annual Review of costs and ensure that adequate funds will be received (and potential excess funds reconciled) to ensure all landowners contribute prior to finalisation of the Cell.

Cell 7 (Wangara Industrial - West)

This cell is significantly developed with only 27% remaining (27 hectares remaining).

The remaining capital works primarily relate to the realignment of Gngangara Road (shared 50% with Cell 6), which includes one major land acquisition to be completed to facilitate the construction of Gngangara Road between Hartman Drive and Wanneroo Road. Administration is currently in discussions with the landowner to progress the acquisition in a timely manner.

There has been a minor reduction in the contribution rate from \$11.12 to \$9.81 per square metre, which is mainly due to a slightly lower Gngangara Road construction cost estimate from approximately \$4.3 million to \$4.0 million (50% share of total cost). This reduction is a result of a detailed review of the cost elements by Administration, which applied the proper interpretation of Cell Works to the detailed schedule of works. In addition, a future drainage

sump along Hartman Drive has been deleted and the drainage requirements accommodated within an existing sump, thereby reducing the costs by approximately \$230,000.

The revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 8**.

Recommendation - The Cell contribution rate be reduced from \$11.12 to \$9.81 per square metre to reflect the findings of the annual review.

Cell 8 (Wangara Industrial – East)

This cell is significantly developed with only 20% remaining (38 hectares remaining).

The remaining capital works relate to the upgrade and construction of Gngangara Road (Hartman to Mirrabooka). There are several land acquisitions to be completed to facilitate the construction of this section and Administration is currently in discussions with several landowners to progress the acquisition in a timely manner.

Gngangara Road construction costs were previously based on a dual carriageway, however a dual carriageway is not required until 2041, and as such (on the grounds of need and nexus) the cost estimate has now been reduced to reflect a single carriageway construction cost.

The revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 9**.

Recommendation - The Cell contribution rate be reduced from \$31.54 to \$25.51 per square metre to reflect the findings from the annual review.

Cell 9 (Landsdale – East)

This Cell is predominately developed with only 12% remaining (309 lots estimated remaining).

The Cell has over \$25 million in remaining expenditure, including POS acquisition and development of a new community facility building (land and building).

In the previous annual review a potential excess in funds was identified to occur at full development of the Cell. The estimated excess was based on future estimated income being received and the cost of completing the Cell Works being fixed. An estimated excess of \$4.6 million was identified last year, however this has reduced to a potential excess of \$2.9 million. The reduction is due to an increase in construction costs for the remaining Cell Works. The potential excess is also dependent upon a further \$9.2 million in contributions being received from remaining landowners, and as such, excess funds do not currently exist in this Cell and any potential excess funds will be subject to variations in remaining costs and estimated income.

The revised cost estimates for the remaining Cell Works, including the salient aspects of the Annual Review are depicted in **Attachment 10**.

Recommendation – The ICPL rate of \$29,947 should be retained to reflect the findings of the Annual Review and ensure that adequate funds will be received.

Internal Transactional Review

The City has previously completed and reported on the Internal Transactional Review findings as part of the Annual Review process. The review analysed all project expenditure to ensure the costs charged were consistent with the proper interpretation of Cell Works as defined by DPS 2. At this time, the review excluded some expenditure items that should potentially be

charged to some Cell accounts due to lack of information. Administration has now reviewed the outstanding items by scrutinising individual project task numbers and descriptions. The Internal Transactional Review is now recommending that the following cost elements be recouped from the relevant Cell accounts, plus interest (refer **Attachment 11** for details):

- Minor cost elements previously excluded from (PR1768) – Hepburn Ave dual carriageway from Motivation Dr to Alexander Dr to Cells 5, 6 and 9 (\$21,286.48).
- Cost elements (such as additional kerbing) that were previously excluded from (PR1067) - Dual Carriageway from Ocean Reef Road to Motivation Dr to Cells 7 and 8 (\$108,137.31)
- Minor cost elements previously excluded from (PR1066) - Alexander Drive Dual Carriageway to Cell 9 (\$2,419.14)

The Internal Transactional Review still has one matter remaining, which relates to Cell Works that were prefunded by developers. In this regard, additional works may have been funded by subdividers that were not reimbursed from the Cell account under the proper interpretation of Cell Works. This aspect will be further investigated and included into the next annual review process.

Gnangara Road Realignment and Construction (Wanneroo Road to Mirrabooka Avenue)

- In December 2021, Council adopted the Capital Expenditure Plans (CEP) for the relevant Cells, which refers to the construction for Gnangara Road (western section) by 2028 and Gnangara Road (east) by 2026. In March 2022 (report AS01-03/22), Council approved a revised construction schedule, which refers to a dual carriageway not being required until 2031 (west section) and 2041 (eastern section). The extended timeframes were based on traffic modelling and included a range of options relating to timing and scope of the required works.

With regard to the above, the DCP funding needs to consider the extent of works that can be reasonably charged to Cell 8 in accordance with principle of need and nexus. This is particularly relevant given the dual carriageway works for the eastern section will now not be required until 2041, which is 10 years after the anticipated operational period of Cell 8 (2031). The construction cost estimates in the annual review have been revised to reflect only a single carriageway cost estimate for Cell 8 (eastern section of Gnangara Road). This has resulted in a reduction in the cost estimate for this section of road, as reflected in the annual review. The CEP has also been revised to reflect a construction date by 2031 for the first carriageway, with the second carriageway listed in the LTFP for 2041.

- Administration has prepared a revised design for the eastern section of Gnangara Road, which includes additional road widening areas (refer **Attachment 12**). The additional areas have been included into the revised cost estimates for Cell 8. It is noted that the Cell 8 DCP is still responsible (under DPS2) to acquire all the land, earthworks and service relocation costs required to accommodate a dual carriage, as shown in the land requirement plan.
- Administration has identified that the MRS Reservations (east and west sections) do not reflect the land requirements or the latest design plans for Gnangara Road. This has occurred due to the ongoing revision of the road designs and associated land requirements over the last 20 years. To reconcile the MRS with the actual land requirements, it is recommended that Council request the Minister for Planning to reflect the revised land requirement plans for Gnangara Road in a future Omnibus Amendment to the MRS.

Outstanding Developer Balances

The East Wanneroo Cost sharing arrangements date back over 25 years. Financial transactions associated with land contributions are recorded within the City's financial accounting systems as income and expenditure; and within the DCP financial record system, which contains detailed subdivision information on contributing landowners.

Developer Balances were noted and included in the Annual Reviews in 2019 and were reported to Council. The balances related to over 40 landowner transactions (all prior to 2006), where a particular landowner has either a surplus or shortfall in contributions. On 7 December 2021 Council (report PS02-12/21) approved a range of actions to finalise the outstanding balances, including:

- *Return \$228,500 (plus interest) from the relevant DCP accounts to those landowners defined in Attachment 1 that paid more than the required contribution;*
- *Retain balances of \$648,799 within Cells 3, 4, 5 and 6 pending closure, at which time the outstanding balance shall be offset against the landowner's return of excess funds; and*
- *Utilise the East Wanneroo Cell 5 ICPL contribution rate approved by the Minister of Planning to reconcile the outstanding balance of \$320,298.*

In relation to the above actions, Administration has contacted all landowners entitled to a return and is progressively making the returns, subject to verification and validation of entitlement. Retained balances are now being accrued in the DCP financial system and will be offset against the landowners excess returns upon finalisation of the Cell; and the Cell 5 balances has now been reconciled by using the Ministers appeal determination values for the relevant landowners.

Historic POS Payments

At the meeting of Council on 7 December 2021 (PS01-12/21), Council resolved to pay landowners (subject to verification of land ownership) the remaining Historic POS Credits for the East Wanneroo Cells 1, 3, 5 and 6. The historic POS credit would normally be offset against a landowner's contributions towards the required infrastructure at the time of subdivision, however Council has now approved the finalisation of the credits to be made as a payment; rather than awaiting the landowner to subdivide. The purpose of the payment is to prioritise and where possible finalise the outstanding Cell Works obligations, which will enable the City to progress the timely closure of each cell.

Administration has contacted relevant landowners and the majority of entitled landowners have entered into agreements with the City to receive payment for the historic POS credit. The City will continue to liaise with landowners and it is anticipated that all payments will be finalised within the 2022-2023 financial year period. All payments for historic POS made prior to 30 June 2022 are included in the audited expenditure to date and any remaining payments identified in the annual review as a remaining expenditure in the Cell Work Cost.

State Planning Policy 3.6 Annual Status Report

SPP 3.6 requires the City to apply additional monitoring and reporting requirements, including an annual status report. An annual status reports is prepared by the City for each DCP and provides an overview of the progress on the delivery of infrastructure specified in the DCP.

Specifically, the status report is required to include:

- The timing and estimated percentage delivery of an infrastructure item against that stated in the DCP, arising from review of the local government's Capital Expenditure Plan.
- The financial position of the DCP, including interest that has been accrued; and

- A summary of the review of the estimated costs in the CAS, including any changes in funding and revenue sources, and any relevant indexation.

The City commenced publishing of annual status reports in 2021, which are prepared and published as soon as possible after the final adoption of the annual review.

The status report reflects the progress of the infrastructure provision against the Capital Expenditure Plan (CEP), which now forms part of the Annual Review requirements for each Cell. This enables reporting to occur in relation to the delivery timeframes of the infrastructure against those defined in the DCP.

The CEP reflects the City's Capital Works programme and Long Term Financial Plan, which includes reasonable assumptions on the timing for landowner development.

Auditing

To support the Annual Review, William Buck was engaged to perform audits to ensure the accuracies of the calculated ICPL rates. The relevant audit reports were finalised and delivered to the City in August 2022. The audit reports are set out in **Attachments 13 to 21**.

Consultation

DPS 2 requires the proposed land values to be advertised for a period of 28 days and the revision of Cell Costs for a period of 42 days respectively. Advertising will be carried out by means of advertisements in newspapers, letters sent to affected landowners and on the City's website.

Comment

The purpose of the annual DCP review process is to ensure that sufficient funds continue to be collected from developing landowners to meet the cost of delivering the infrastructure by the DCP.

Based on the interpretation and approach outlined in the Detail section of this report, it is recommended that Council notes the background, process, timing and recommendations, including the Annual Review of all cells as follows:

- Cell 1 - ICPL rate of \$18,019 and Land Valuation of \$1,980,000;
- Cell 2 - ICPL rate of \$26,805 and Land Valuation of \$1,980,000;
- Cell 3 - ICPL rate of \$22,275 and Land Valuation of \$1,980,000;
- Cell 4 - ICPL rate of \$23,328 and Land Valuation of \$2,040,000;
- Cell 5 - ICPL rate of \$30,909 and Land Valuation of \$2,170,000;
- Cell 6 - ICPL rate of \$24,678 and Land Valuation of \$2,200,000;
- Cell 7 - Contribution rate of \$9.81 per/m² and Land Valuation of \$2,450,000;
- Cell 8 - Contribution rate of \$25.51 per/m² and Land Valuation of \$2,250,000; and
- Cell 9 - ICPL rate of \$29,947 and Land Valuation of \$2,170,000.

The audit reports (refer **Attachments 13-21**) have confirmed that the adjusted contribution rates associated with Cells 2, 3, 7 and 8 are fairly stated and in compliance with DPS 2.

The Audit findings for Cells 1, 4, 5, 6 and 9 reflect a low or negative contribution rate, which is a consequence of the potential excess funds in these Cells. Given these cells are predominately developed, Council has previously determined that the ICPL rates should be retained at the current rate pending finalisation of the remaining Cell Works; and the collection of outstanding contributions from remaining landowners.

Administration is prioritising the completion of the remaining Cell Works and will make recommendations to Council on closing a cell, including a methodology to secure remaining contributions from landowners yet to contribute and reconciling the cell accounts in accordance with the requirements of DPS2 (e.g. return of any excess funds). This is the same approach that was agreed in the previous years Annual Review.

It should also be noted that potential excess funds do not currently exist in most cells and are dependent upon the collection of outstanding contributions from the remaining landowners. Further, as these Cells have outstanding Cell Works, there is a risk that the remaining costs could increase or remaining income not be received.

Upon completion of the Cell Works and arrangements made with the remaining landowners to secure their contributions, the City will initiate closure of the Cells and return of any excess funds to contributing landowners in accordance with the requirements of DPS2. In this regard, it should be noted that in accordance with the provisions in DPS2, excess funds in a Cell are not required to be returned until all the land in the Cell has been developed and contributions received.

Statutory Compliance

In line with DPS 2, the completion of the Annual Review as outlined in this report will satisfy the City's statutory obligations to complete Annual Reviews for the 2022/2023 financial year.

External auditing of the DCP accounts has been completed and the City complies with the provisions of the Local Government (Financial Management) Regulations 1996.

Strategic Implications

The proposal aligns with the following objective within the Strategic Community Plan 2021 – 2031:

5 ~ A well planned, safe and resilient City that is easy to travel around and provides a connection between people and places

5.1 - Develop to meet current need and future growth

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

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 will assist in addressing the impacts of the strategic risk relating to Long Term Financial Planning as it will ensure that appropriate budget monitoring, timing and provisions are considered. In addition, the strategic risk relating to Stakeholder Relationships will apply as a key element in the DCP review process to maintain effective engagement with relevant stakeholders.

Policy Implications

Nil

Financial Implications

The East Wanneroo Cell 1-9 developer contribution arrangements are subject to an Annual Review process to ensure that the cost contribution amount is correctly set to ensure the collection of sufficient funds to cover the cost of infrastructure items.

To support the Annual Review (Cells 1-9), William Buck was engaged to perform audit to ensure the accuracies of the calculated ICPL rate. The relevant audit reports were finalised and delivered to the City in August 2022 (refer **Attachments 13 to 21**).

As supported by the Audit, Administration has reviewed the City's position in relation to DCPs and recommends that some infrastructure which has previously been funded through City's municipal accounts can now be funded by the relevant DCP account, resulting in \$199,142.78 (including interest) of municipal recoupment for the 2021-2022 financial year (refer **Attachment 11**).

Subject to the agreement of Council to the recommendations of the Audit and the revision of costs, it may be necessary for Administration to make adjustments to the Long Term Financial Plan to reflect the revised DCP funding allocations.

Voting Requirements

Simple Majority

Recommendation

That Council, as recommended to by the Audit and Risk Committee:-

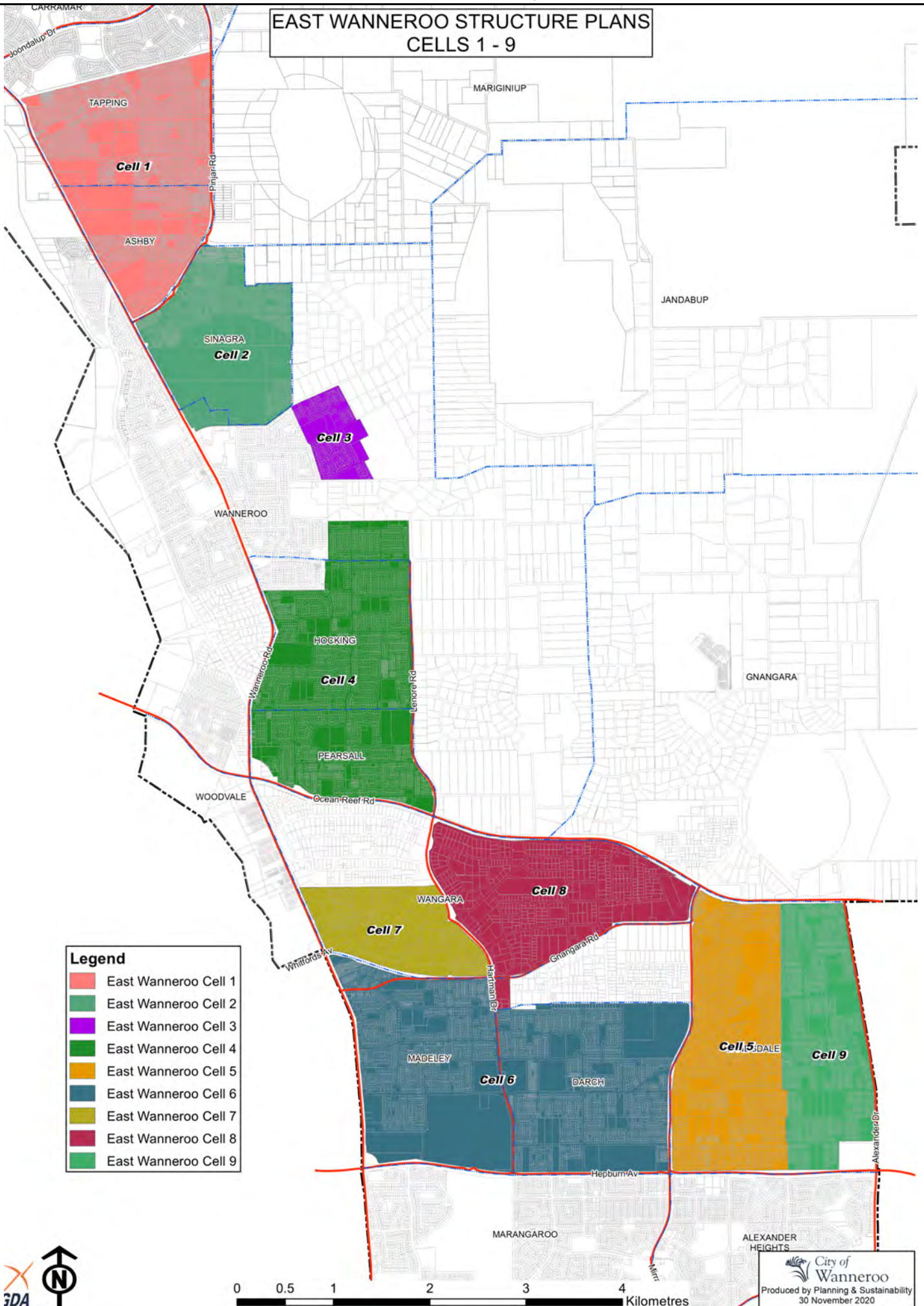
1. **NOTES the outcome of the 2022/23 Annual Review of Cells 1 to 9 as depicted in Attachment 2 to 10;**
2. **ADVERTISES the Revised Cost Estimates and the Estimated Infrastructure Cost Per Lot for the East Wanneroo Cell 1-9 for a period of 42 days in accordance with District Planning Scheme No. 2, as depicted in Attachments 2-10 and depicted below:**
 - a) **Cell 1 - ICPL rate of \$18,019 and Land Valuation of \$1,980,000;**
 - b) **Cell 2 - ICPL rate of \$26,805 and Land Valuation of \$1,980,000;**
 - c) **Cell 3 - ICPL rate of \$22,275 and Land Valuation of \$1,980,000;**
 - d) **Cell 4 - ICPL rate of \$23,328 and Land Valuation of \$2,040,000;**
 - e) **Cell 5 - ICPL rate of \$30,909 and Land Valuation of \$2,170,000;**
 - f) **Cell 6 - ICPL rate of \$24,678 and Land Valuation of \$2,200,000;**
 - g) **Cell 7 - Contribution rate of \$9.81 per/m² and Land Valuation of \$2,450,000;**
 - h) **Cell 8 - Contribution rate of \$25.51 per/m² and Land Valuation of \$2,250,000; and**
 - i) **Cell 9 - ICPL rate of \$29,947 and Land Valuation of \$2,170,000.**
3. **ADVERTISES the revised average englobo values (including solatium) per hectare for the East Wanneroo Cell 1-9 for a period of 28 days in accordance with District Planning Scheme No. 2.**
4. **REQUEST the Minister for Planning to include the revised Gngangara Road Land Requirement Plans as depicted in Attachment 12 into an MRS Omnibus Amendment.**

5. **NOTES that DCP Status Reports will be prepared and published on the City's website upon final approval of the Annual Reviews to comply with the operational requirements of State Planning Policy 3.6; and**
6. **NOTES the findings of the 2022/23 Annual Review's Internal Transactional Review for Cells 1-9 as corrected for the Cells for the 2021/2022 financial year to action the municipal recoupment of \$199,142.78 (including interest) from the relevant East Wimmeroo Cell accounts, as depicted in Attachment 11.**

Attachments:

1	<i>Attachment 1 - Cells 1-9 Consolidated Location Plan</i>	19/162679
2	<i>Attachment 2 - Cell 1 Income & Expenditure (2022-2023)</i>	22/321631
3	<i>Attachment 3 - Cell 2 Income & Expenditure (2022-2023)</i>	22/321634
4	<i>Attachment 4 - Cell 3 Income & Expenditure (2022-2023)</i>	22/330578
5	<i>Attachment 5 - Cell 4 Income and Expenditure (2022-2023)</i>	22/321637
6	<i>Attachment 6 - Cell 5 Income and Expenditure (2022-2023)</i>	22/321639
7	<i>Attachment 7 - Cell 6 Income & Expenditure (2022-2023)</i>	22/321642
8	<i>Attachment 8 - Cell 7 Income & Expenditure (2022-2023)</i>	22/321643
9	<i>Attachment 9 - Cell 8 Income & Expenditure (2022-2023)</i>	22/321645
10	<i>Attachment 10 - Cell 9 Income & Expenditure (2022-2023)</i>	22/321648
11	<i>Attachment 11 - Internal Transactional Review Findings</i>	22/356271
12	<i>Attachment 12 - Gngangara Road Land Requirement Plan (Revised)</i>	22/342337
13	<i>Attachment 13 - Final Cell 1_Annual Cost Review_Audit Report 2022</i>	22/324689
14	<i>Attachment 14 - Final Cell 2_Annual Cost Review_Audit Report 2022</i>	22/324692
15	<i>Attachment 15 - Final Cell 3_Annual Cost Review_Audit Report 2022</i>	22/324696
16	<i>Attachment 16 - Final Cell 4_Annual Cost Review_Audit Report 2022</i>	22/324700
17	<i>Attachment 17 - Final Cell 5_Annual Cost Review_Audit Report 2022</i>	22/324701
18	<i>Attachment 18 - Final Cell 6_Annual Cost Review_Audit Report 2022</i>	22/324704
19	<i>Attachment 19 - Final Cell 7_Annual Cost Review_Audit Report 2022</i>	22/324707
20	<i>Attachment 20 - Final Cell 8_Annual Cost Review_Audit Report 2022</i>	22/324709
21	<i>Attachment 21 - Final Cell 9_Annual Cost Review_Audit Report 2022</i>	22/324713

EAST WANNEROO STRUCTURE PLANS CELLS 1 - 9



- Legend**
- East Wanneroo Cell 1
 - East Wanneroo Cell 2
 - East Wanneroo Cell 3
 - East Wanneroo Cell 4
 - East Wanneroo Cell 5
 - East Wanneroo Cell 6
 - East Wanneroo Cell 7
 - East Wanneroo Cell 8
 - East Wanneroo Cell 9

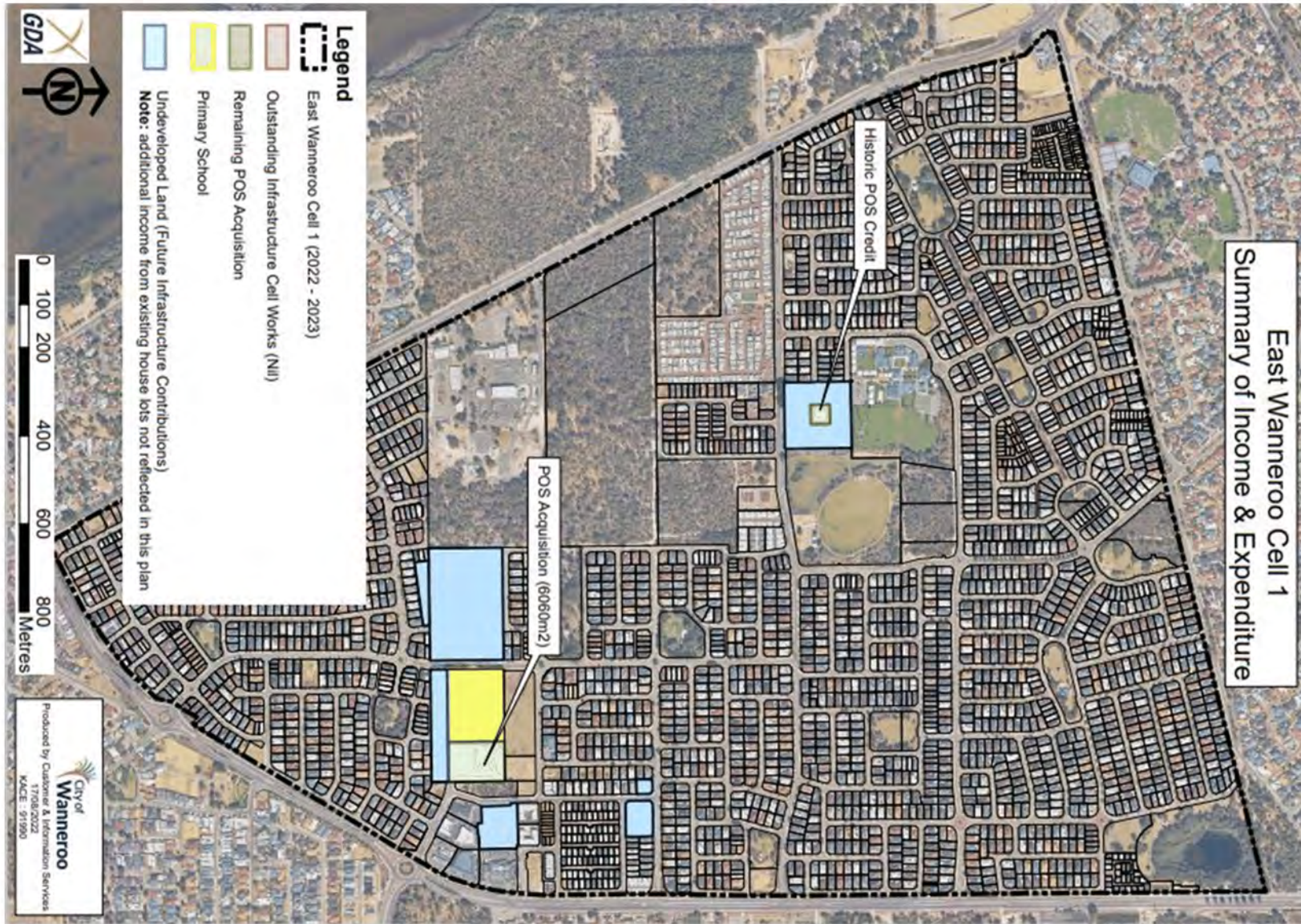


0 0.5 1 2 3 4 Kilometres

City of Wanneroo
Produced by Planning & Sustainability
30 November 2020

EAST WANNEROO CELL 1 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
Total	\$	59,377,657	
Total	\$	2,034,832	
Total Expenditure/Costs (Gross Costs)	\$	61,412,489	
Income			
	-\$	61,242,098	
	-\$	1,675,767	
Total Estimated Income	-\$	62,917,865	
Estimated Cell Balance at Full Development			
Net Excess/Shortfall at Current ICPL (\$18,018)	-\$	1,505,377	
Revised ICPL Rate			
Current Infrastructure Cost Per Lot	\$	18,019.00	
Proposed Infrastructure Cost Per lot	\$	18,019.00	

CELL 1 - CAPITAL EXPENDITURE PLAN (CEP) 2022-2023				
Land	Area	2022/23	2023/24	Total
Outstanding POS Acquisition				
TOTAL	0.6060	\$ -	\$ 1,319,868.00	\$ 1,319,868.00
Outstanding Historical POS Acquisition				
TOTAL		\$ 590,436.00		\$ 590,436.00
Assessed Value Including 10% Solatium	Lot Yield Summary from Cell 1 ELY (whole Cell)			12,384,013



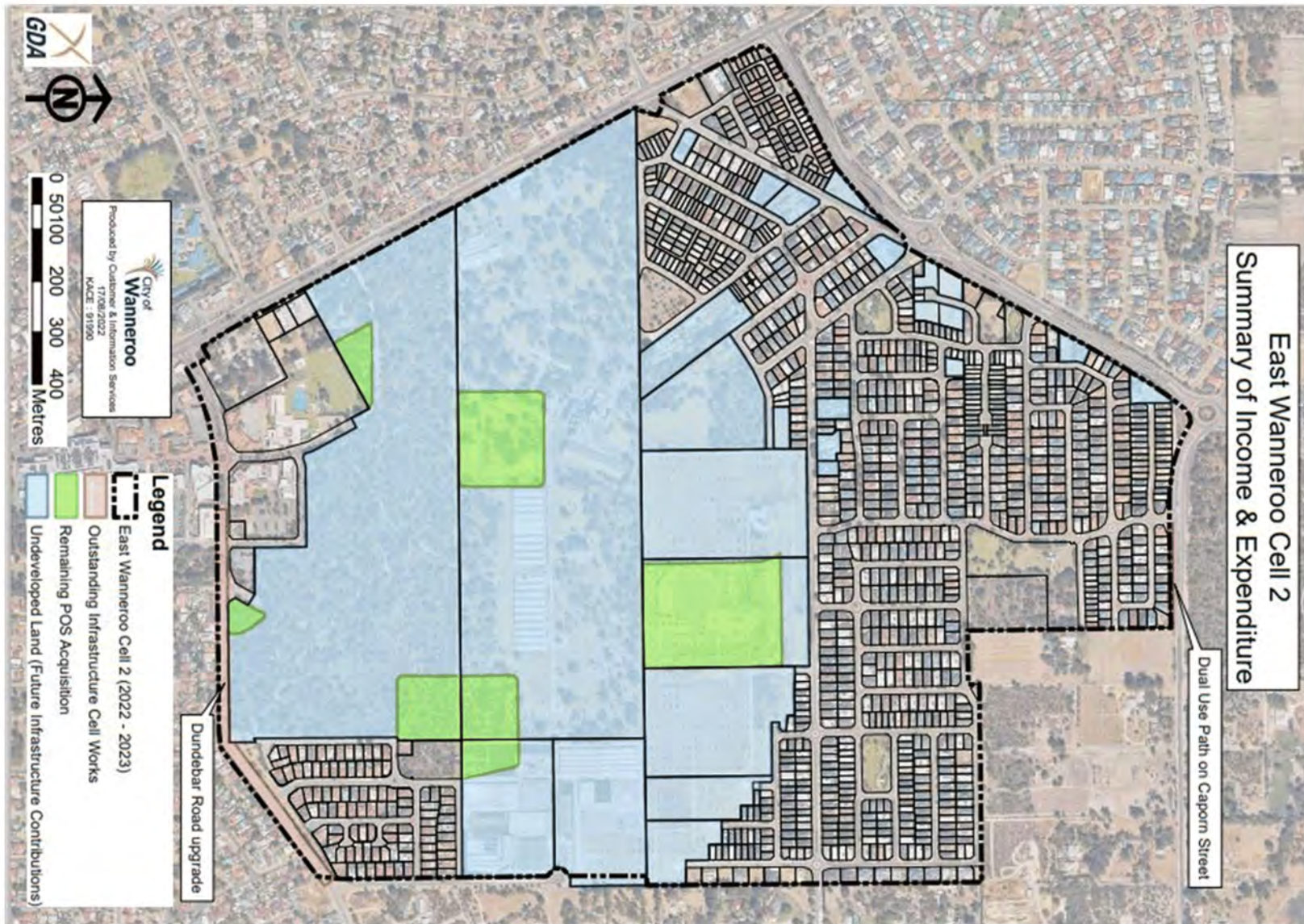
Cell 1 – Salient Issues (Ashby/ Tapping)

- The Cell is predominately developed with only 3% (94 lots @ ELY) estimated to be remaining.
- The City has completed all construction works and the only outstanding expenditure relates to POS compensation of approximately \$1.9 million (plus estimated remaining administration costs of \$96k).
- Only two remaining landowners are affected by POS compensation, which consists of a historic POS credit of approximately \$590k (credit for POS previously provided and forms part of the Cell 1 POS provision) and a POS acquisition of 6,060 m2 with an estimated acquisition value of \$1,319,858 (subject to adoption of the revised land valuation).
- In June 2019, Council identified that an estimated excess of contributions would occur at full development of Cell 1 (\$26,772,872) and agreed to return a portion (88%) of the estimated excess funds to all landowners that paid contributions prior to June 2019. Landowners that contributed after this date received a benefit through a reduced contribution rate. In February 2022, Council resolved to return the remaining portion of the estimated excess funds (12%) and Administration is now finalising these payments, subject to the completion of an acceptance and acknowledgement agreement and landowner verification of identity and entitlement check.
- The Cell 1 DCP is now at an acceptable level of accuracy, where income and expenditure amounts are generally in alignment. In this regard, the Cell 1 balance (as at June 2022) was \$1,864,442 and the remaining expenditure is estimated to be \$1,910,304.
- There is an estimated remaining income of approx. \$1,675,767 for Cell 1 based on the ELY. Upon completion of the remaining Cell Work and reconciling of the accounts, any additional excess funds will be returned to the landowners as part of the closure of the cell. The finalisation and closure will also require the City to secure any remaining contribution payments from landowners that are yet to subdivide their property.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022.
- The detailed revised cost estimates for the remaining Cell Works are depicted in **Attachment 2**.

Recommendation - Administration recommends that the Cell 1 ICPL rate be retained at \$18,018.64 to ensure contribution rates are set at an appropriate level to ensure adequate funds are received to complete the remaining Cell Works.

EAST WANNEROO CELL 2 - ANNUAL REVIEW 2022	Amounts (\$)	COMMENTS
Expenditure		
Expenditure to Date (Actuals)		
Public Open Space (10%)	\$ 6,135,611	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$ 6,749,233	Land Acquisition and Construction Costs
Administration Costs	\$ 530,932	Salary Recoupment, Legal Fees, Consultants
Total	\$ 13,415,776	
Remaining Expenditure (Estimated) - Annual Review		
Public Open Space (10%)	\$ 28,510,891	Approx 13.1 ha
District Distributor Roads	\$ 5,296,966	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$ 169,820	Estimated for 4 years
Total	\$ 33,977,678	
Total Expenditure/Costs (Gross Costs)	\$ 47,393,453	
Income		
Payments Made to Date		
Contributions and Interest	-\$ 23,215,195	All Income (funds) Received (includes interest)
Total	-\$ 23,215,195	
Gross Estimated Remaining Income		
Estimated Contributions at Current ICPL of \$24,880 at ELY of 902	-\$ 22,441,760	902 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$ 45,656,955	
Estimated Cell Balance at Full Development		
Total Combined Expenditure/Costs (Gross Costs)	\$ 47,393,453	
Total Combined Estimated Income	-\$ 45,656,955	
Net Excess/Shortfall at Current ICPL (\$24,880)	-\$ 1,736,498	Shortfall resulting in an increase in the ICPL from \$24,880 to \$26,805
Revised ICPL Rate		
Current Infrastructure Cost Per Lot	\$ 24,880	
Proposed Decrease in ICPL Required to Achieve adequate funds to Deliver the Cell Works	\$ 1,925	
Proposed Infrastructure Cost Per lot	\$ 26,805	

CELL 2 - CAPITAL EXPENDITURE PLAN (CEP) 2022-2023						
Land	Area	2022/23	2023/24	2024/25	2025/26	Total
Outstanding POS Acquisition						
Lot 19 (80) Vincent Rd	51772		11275941.6			
Lot 1665 (1040) Wanneroo rd	30404	\$ 6,621,991.20				
Lot 1665 (1040) Wanneroo rd	11362		\$ 2,474,643.60			
Lot 13 (39) Griffith Rd	6974			1518937.2		
Lot 9000 (1000) Wanneroo Road	30392			\$ 6,619,377.60		
TOTAL	130904	\$ 6,621,991.20	\$ 13,750,585.20	\$ 8,138,314.80		\$ 28,510,891.20
Outstanding DDR Widening						
Lot 1657 Dundobar Road	2948	\$ 642,074.40				
24 Dundobar Rd	85	\$ 18,513.00				
TOTAL	3033	\$ 660,587.40				\$ 660,587.40
Outstanding Capital Works - Internal Audit						
Dundobar Road single carriageway from Civic/Friars Drv to Griffiths Road including Path Civic Drive to Griffiths Road		\$ 169,000.00		\$ 1,725,060.00	\$ 2,686,260.00	
New pathway on Caporn St, Sinagra - San Teodoro Ave to eastern cell boundary				\$ 10,000.00	\$ 46,059.00	
TOTAL		\$ 169,000.00	\$ -	\$ 1,735,060.00	\$ 2,732,319.00	\$ 4,636,379.00
Assessed Value	\$ 1,980,000.00	Lot Yield Summary from Cell 2 ELY (whole Cell)			Actual	1222
Including 10% Solatium	\$ 2,178,000.00	Total Area of Cell	214.07	Remaining ELY (9 per/ha)	902	
2021 Contribution Rate	\$ 24,880	Deductions	33.73	Interest Received to date	2,290,600	
2022 Contribution Rate	\$ 26,805	Net Area	180.34	Remaining Area	42%	
		ELY	1623			



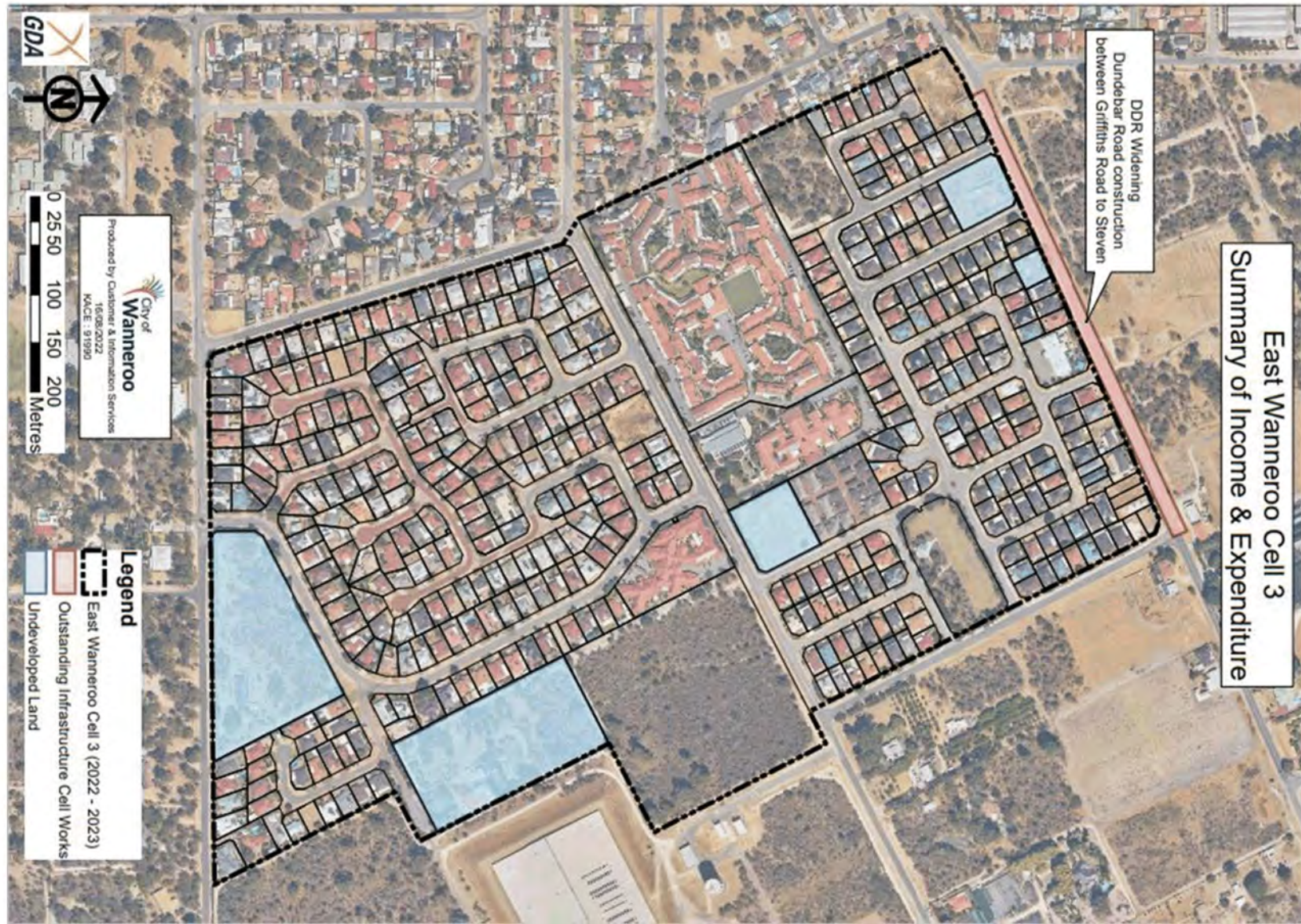
Cell 2 – Salient Issues (Sinagra)

- A large portion of Cell 2 is currently undeveloped with 42% remaining. This is mainly due to the Ingham's Poultry Farm Buffer (applied through the Cell 2 Agreed Structure Plan), which sterilised land within 500 metres of the poultry operation from being subdivided or developed for residential use.
- An amendment to the Agreed Structure was lodged on behalf of Stockland to formally remove the buffer (Amendment 19 to ASP 3), which was approved by the WAPC on 13 May 2022.
- It is anticipated that Cell 2 will develop rapidly in the coming years due to the removal of the Poultry Farm Buffer and due to most major landholdings having obtained subdivision approval from the WAPC.
- The City recently received an application to amend DPS2 (Amendment 200) to introduce a higher estimated lot yield from 9 lots per hectare to 15 lots per hectare for Cell 2. The estimated lot yield forms the basis for the calculation of the Infrastructure Contribution Rate (ICPL) for this Cell. At the meeting of Council on 14 June 2022 (PS01/06/22), Council considered public submissions and resolved to support the amendment. The amendment is currently with the WAPC for final approval and it is anticipated that a decision will be made by the Minister for Planning by the end of the year. Consideration for the higher ELY and associated contribution rates will occur upon final approval of Amendment 200. In this regard, Council will need to consider a reduced contribution rate for remaining landowners and a potential return of funds to previous contributors that paid on a contribution rate that was calculated using the lower ELY.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022.
- The Annual Review of costs reflects a minor increase in land value and road construction costs. The cost factors translate into an increase in the remaining Cell Works costs from \$31,865,748 to \$33,977,678.
- The detailed revised cost estimates for the remaining Cell Works are depicted in **Attachment 3**.

Recommendation - Administration is recommending that the current ICPL rate of \$24,880 be increased to \$26,805 to reflect the findings of the Annual Review of costs and ensure that adequate funds will be received to complete the remaining Cell Works.

EAST WANNEROO CELL 3 - ANNUAL REVIEW 2022	Amounts (\$)	COMMENTS
Expenditure		
Expenditure to Date (Actuals)		
Public Open Space (10%)	\$ 706,898	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$ 423,676	Land Acquisition and Construction Costs
Administration Costs	\$ 340,750	Salary Recoupment, Legal Fees, Consultants
Total	\$ 1,471,325	
Remaining Expenditure (Estimated) - Annual Review		
Public Open Space (10%)	\$ 76,428	Approx 386m2
District Distributor Roads	\$ 1,499,688	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$ 76,911	Estimated for 3 years
Total	\$ 1,653,027	
Total Expenditure/Costs (Gross Costs)	\$ 3,124,352	
Income		
Payments Made to Date		
Contributions and Interest	-\$ 2,121,959	All Income (funds) Received (includes interest)
Total	-\$ 2,121,959	
Gross Estimated Remaining Income		
Estimated Contributions at Current ICPL of \$18,083 at ELY of 45	-\$ 813,735	45 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$ 2,935,694	
Estimated Cell Balance at Full Development		
Total Combined Expenditure/Costs (Gross Costs)	\$ 3,124,352	
Total Combined Estimated Income	-\$ 2,935,694	
Net Excess/Shortfall at Current ICPL (\$18,083)	-\$ 188,658	Shortfall resulting in an increase in the ICPL rate from \$18,083 to \$22,275
Revised ICPL Rate		
Current Infrastructure Cost Per Lot	\$ 18,083	
Proposed Increase in ICPL Required to Achieve adequate funds to Deliver	\$ 4,192	
Proposed Infrastructure Cost Per lot	\$ 22,275	

CELL 3 - CAPITAL EXPENDITURE PLAN (CEP) 2022-2023					
Land	Area	2022/23	2023/24	2024/25	Total
Outstanding Historical POS Acquisition					
Lot 68 (71) High Road	386	\$ 76,428.00			
Total	386	\$ 76,428.00	\$ -		\$ 76,428.00
Outstanding DDR Acquisition					
Lot 91 (173) Dundebur Rd	631	\$ 68,715.90			
Lot 92 (161) Dundebur Rd	639	\$ 69,587.10			
Lot 93 (143) Dundebur Rd	492	\$ 53,578.80			
Lot 94 (133) Dundebur Rd	546	\$ 59,459.40			
Lot 95 (113) Dundebur Rd	1224	\$ 133,293.60			
Total	3532	\$ 384,634.80	\$ -	\$ -	\$ 384,634.80
Outstanding Capital Works - Internal Audit					
Dundebur Road single carriageway from Griffiths Road to Steven Street incl of streetlights at intersections		\$ 32,495.00	\$ 416,783.00	\$ 665,775.00	
TOTAL		\$ 32,495.00	\$ 416,783.00	\$ 665,775.00	\$ 1,115,053.00
Assessed Value	\$ 1,980,000.00	Lot Yield Summary from Cell 3 ELY (whole Cell)			
Including 10% Solatium	\$ 2,178,000.00	Total Area of Cell	48.916	Actual	458
2021 Contribution Rate	\$ 18,083.00	Deductions	10.23	Remaining ELY (9 per/ha)	45
2022 Contribution Rate	\$ 22,275.00	Net Area	38.686	Interest Received to date	\$ 757,740.11
		ELY	348	Remaining Land	9.83%



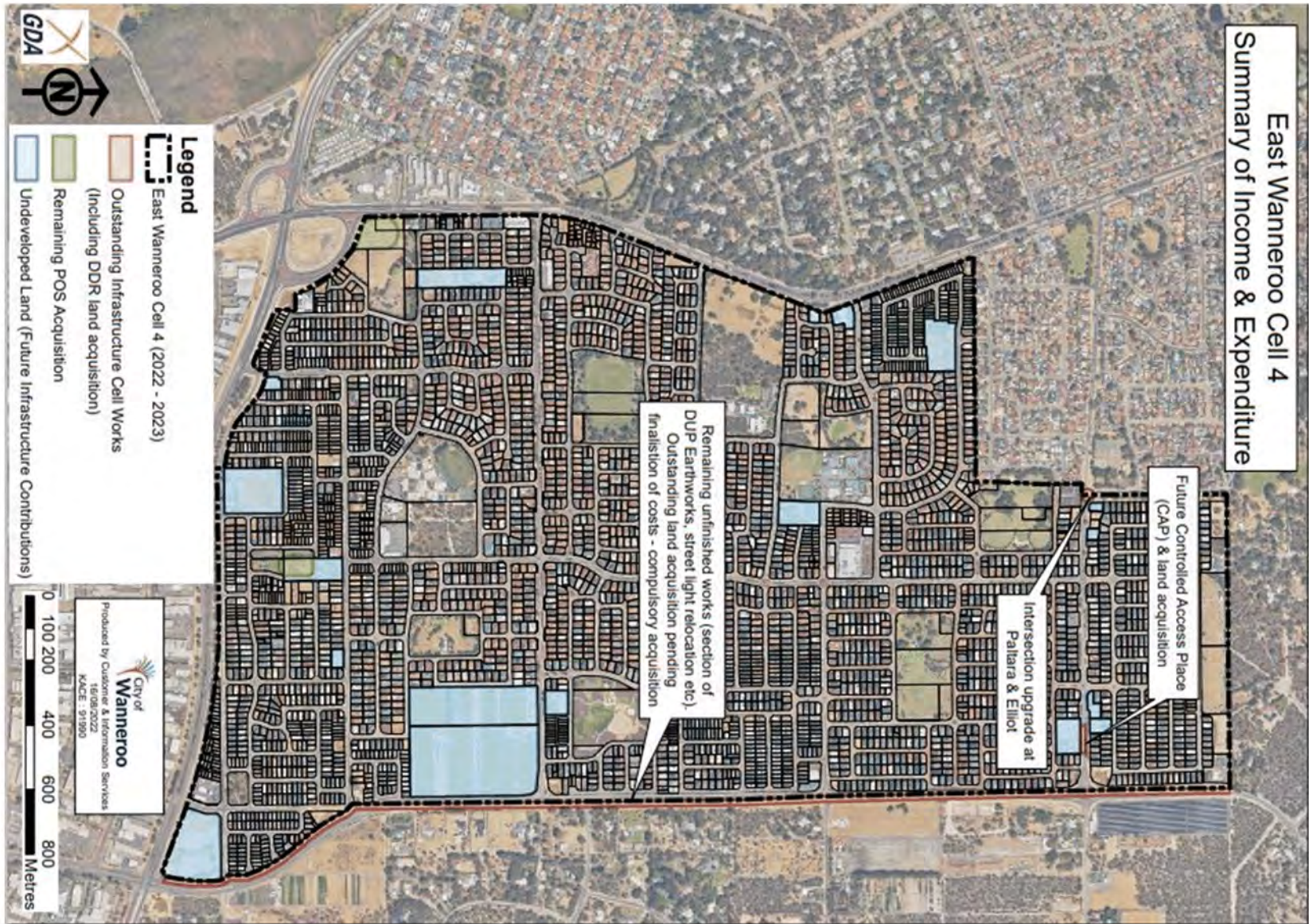
Cell 3- Salient Issues (Wanneroo)

- Cell 3 is predominately developed with only 9% of the land yet to be subdivided.
- All POS areas have been acquired with the exception of a small area of Historic POS Credit (credit for POS previously provided, which forms part of the 10% POS provision for the Cell). The City is currently liaising with the affected landowners to make payment. On 30 June 2022 there was one outstanding payment that is reflected in the Cell 3 annual review as remaining POS expenditure.
- The Dundebur Road widening and duplication project is the most significant remaining cost for this Cell, which is currently scheduled for design and construction in between 2022 and 2025. However, the construction of this road will be dependent upon land acquisition from the northern side of Dundebur Road, which was recently zoned Urban Deferred in the Metropolitan Region Scheme. In this regard, Cell 3 has a 50% obligation towards the acquisition and construction of the abutting section of Dundebur Road with the additional funding to be obtained through the implementation of a new DCP associated with the East Wanneroo District Structure Plan for the land on the northern side of Dundebur Road. It may be necessary for the City to seek contributions from these landowners through conditions of subdivision or other arrangement if a DCP has not been prepared. Alternatively, the City could consider pre-funding the costs (currently estimated at \$1.5 million for land and construction) and seek reimbursement from the Urban Deferred landowners for this work in the future.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022
- The detailed revised cost estimates for the remaining Cell Works are depicted in **Attachment 4**.

Recommendation - Administration is recommending an increase in the ICPL rate from \$18,083 to 22,275 to reflect the findings of the Annual Review of costs and ensure that adequate funds will be received.

EAST WANNEROO CELL 4 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	24,215,966	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	30,826,978	Land Acquisition and Construction Costs
Administration Costs	\$	2,513,330	Salary Recoupment, Legal Fees, Consultants
Total	\$	57,556,274	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	3,806,991	Approx 1.4 ha (Additional Cost Estimated for Compulsory Taking)
District Distributor Roads	\$	6,261,628	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	501,932	Estimated for 4 years
Total	\$	10,570,550	
Total Expenditure/Costs (Gross Costs)	\$	68,126,824	
Income			
Payments Made to Date			
Contributions and Interest	-\$	69,529,598	All Income (funds) Received (includes interest)
Total	-\$	69,529,598	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$23,328 at ELY of 200	-\$	4,665,600	200 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$	74,195,198	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	68,126,824	
Total Combined Estimated Income	-\$	74,195,198	
Net Excess/Shortfall at Current ICPL (\$23,328)	\$	6,068,374	Potential Excess (includes future contributions of \$6.1 million). Retain ICPL to enable an appropriate level of contributions to be charged and a level of fairness in the return of excess to contributing landowners.
Revised ICPL Rate			
Current Infrastructure Cost Per Lot	\$	23,328	
Proposed Infrastructure Cost Per lot	\$	23,328	

CELL 4 - CAPITAL EXPENDITURE PLAN (CEP) 2022-2023							
Land	Area	2022/23	2023/24	2024/25	2025/26	Total	
Outstanding POS Acquisition							
Pt Lot 1 Wanneroo Road	3189	\$ 858,733.92					
Pt Lot 8 Wanneroo Road	8077	\$ 2,174,974.56					
Lot 10 Kemp Street	3446		\$ 773,282.40				
TOTAL	14712	\$ 3,033,708.48	\$ 773,282.40				\$ 3,806,990.88
Outstanding DDR Acquisition							
Lot 1001 (154) Elliot Road EHL	419			\$ 94,023.60			
Lot 3 (185) Mary Street Final payment for land compensation - Lenore Road		\$ 4,620,000.00					
Total	419	\$ 4,620,000.00	\$ -	\$ 94,023.60	\$ -		\$ 4,714,023.60
Outstanding Capital Works							
Elliot Road - Intersection works at Paltara Way/Elliot Road and CAPS		\$ 16,000.00	\$ 454,000.00				
Lenore Road - Unfinished earthworks, streetlight relocations and DUP on Lenore Road				\$ 949,286.33			
Lenore Road - Elliot Rd to northern bdry Cell 4 (actually Stockholm Rd) Dual Use Path		\$ 5,000.00	\$ 65,746.00				
Environmental Offset costs up to end of operational period		\$ 27,789.25	\$ 29,782.32				
TOTAL		\$ 48,789.25	\$ 549,528.32	\$ 949,286.33	\$ -		\$ 1,547,603.90
Assessed Value							
Assessed Value	\$ 2,040,000	Lot Yield Summary from Cell 4 ELY (whole Cell)					
Including 10%	\$ 2,244,000	Total Area of Cell	393.72	Actual	4337		
Solatium		Deductions	17.09	Remaining ELY (9 per/ha)	200		
Current Contribution Rate	\$ 23,328	Net Area	376.63	Interest Received to date	\$ 8,512,406.77		
		ELY	3390	Remaining Land	4.61%		



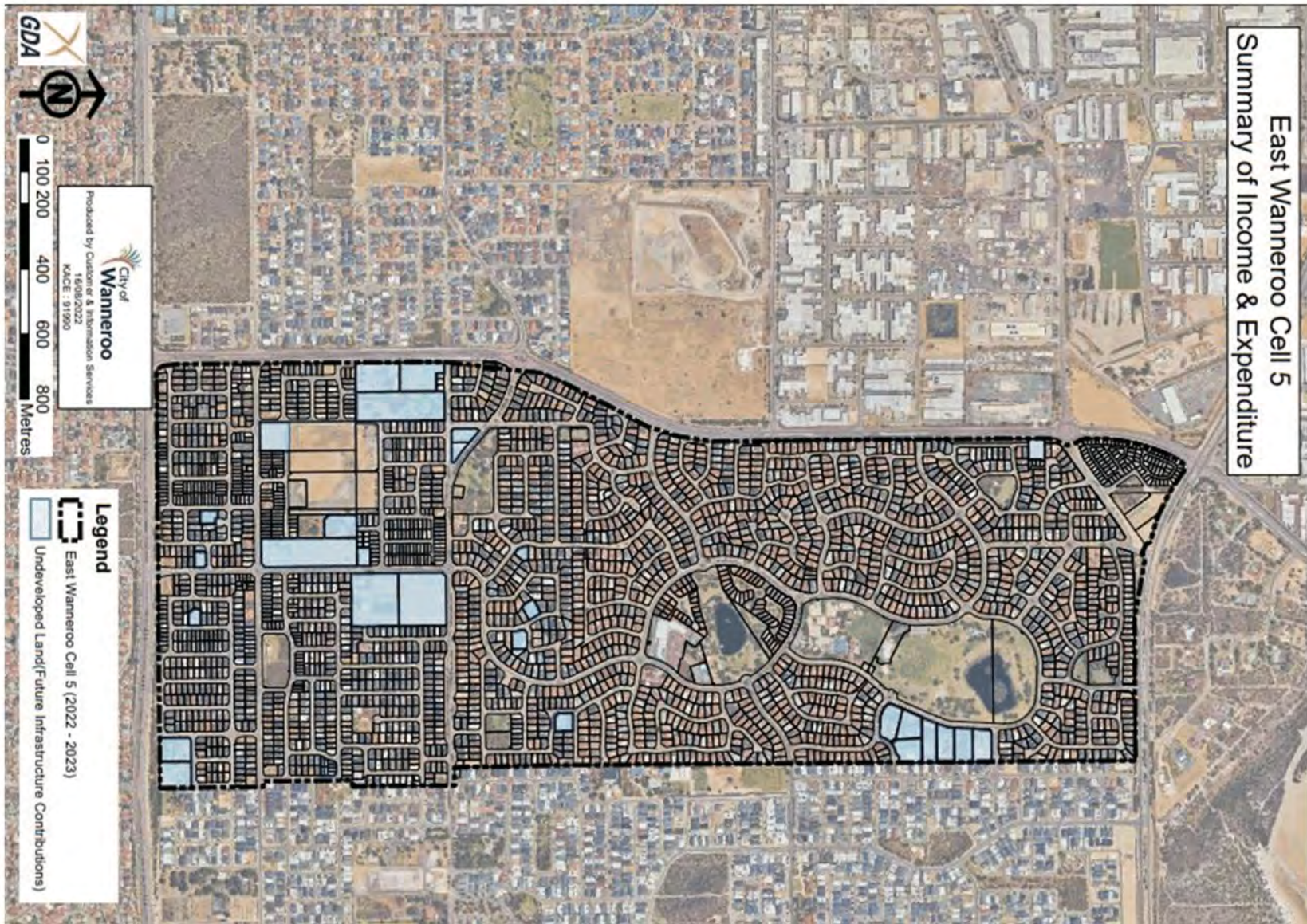
Cell 4 Salient Issues (Hocking/ Pearsall)

- Cell 4 is predominately developed with only 4% (200 lots) of the remaining land undeveloped.
- There is a significant reduction in the estimated excess funds for this cell since the last annual from \$9.5 million to \$6.1 million at full development. Whilst excess funds are likely at full development, the extent of these is dependent upon a number of factors, including the escalation of costs for remaining works.
- There are two significant land acquisitions yet to be determined for this cell, including POS (Lots 1 and 8 Wanneroo Road) and Lenore Road Reserve (land) from Lot 3 Mary Street. Lots 1 and 8 were compulsorily acquired by MRWA as part of the regional road acquisition for the intersection of Ocean Reef Road/Wanneroo Road. The MRWA is yet to advise the City of the final costs associated with this acquisition and therefore the assessed value, plus 20% has been utilised for this estimated cost until the value has been finalised and agreed. The acquisition for Lenore Road is occurring under the *Land Administration Act 1997* (legal process for acquisition). There is a significant risk of variation to these estimated acquisition costs. In this regard, the acquisition value will be determined by negotiation or court proceedings and is not limited by the land valuation approved in the Annual Review process. The compensation and legal costs can be higher and the timeframe for resolution of the final costs protracted.
- The annual review has reflected a significantly higher cost for land acquisition due to the current claim for compensation (compulsory taking process for Lot 3 Mary Street). The revised amount is approximately \$2.6 million higher than that previously included and reflects the remaining claim amount, as advised by the City's solicitors (Castledine Gregory). The amount was included to reflect the additional amount that may be required, however it should be noted that only the actual amount (when known) will be charged to the Cell and reflected in the next annual review.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022
- The detailed revised cost estimates for the remaining Cell Works are depicted in **Attachment 5**.

Recommendation - Administration is not recommending a return of excess funds until greater certainty can be established on the final costs and remaining income. The current ICPL rate of \$23,328 is recommended to be retained to reflect the findings of the Annual Review of costs and to ensure that adequate funds will be received and retained to mitigate any potential cost variations for remaining Cell Works.

EAST WANNEROO CELL 5 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	19,543,346	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	18,838,289	Land Acquisition and Construction Costs
Administration Costs	\$	2,037,848	Salary Recoupment, Legal Fees, Consultants
Total	\$	40,419,484	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	854,980	Approx .4 ha
District Distributor Roads	\$	-	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	99,566	Estimated for 2 years
Total	\$	954,546	
Total Expenditure/Costs (Gross Costs)	\$	41,374,030	
Income			
Payments Made to Date			
Contributions and Interest	-\$	44,464,206	All Income (funds) Received (includes interest)
Total	-\$	44,464,206	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$30,909 at ELY of 151	-\$	4,667,259	151 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$	49,131,465	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	41,374,030	
Total Combined Estimated Income	-\$	49,131,465	
Net Excess/Shortfall at Current ICPL (\$30,909)	\$	7,757,435	Potential Excess. Retain ICPL to enable an appropriate level of contributions to be charged and a level of fairness in the return of excess to contributing landowners
Revised ICPL Rate			
Current Infrastructure Cost Per Lot	\$	30,909	
Proposed Infrastructure Cost Per lot	\$	30,909	

CELL 5 - CAPITAL EXPENDITURE PLAN (CEP) 2022-2023					
Land	Area	2022/23	2023/24	Total	
Outstanding Historical POS Acquisition					
Lot 120 (19) Rangeview	991	\$ 215,047.00			
Lot 58 (187) Landsdale Rd	1494	\$ 324,198.00			
Lot 62 (28) Rangeview	1455	\$ 315,735.00			
Total	3940	\$ 854,980.00		\$	854,980.00
Assessed Value \$ 2,170,000.00					
Including 10% Solatium \$ 2,387,000.00					
Current Contribution \$ 30,909.00					
Lot Yield Summary from Cell 5 ELY (whole Cell)					
Total Area of Cell		288.17	Actual	2908	
Deductions		13.8	Remaining ELY (9 per/ha)	151	
Net Area		274.37	Interest Received to date	\$	4,801,512.54
ELY		2469	Remaining Land	5%	



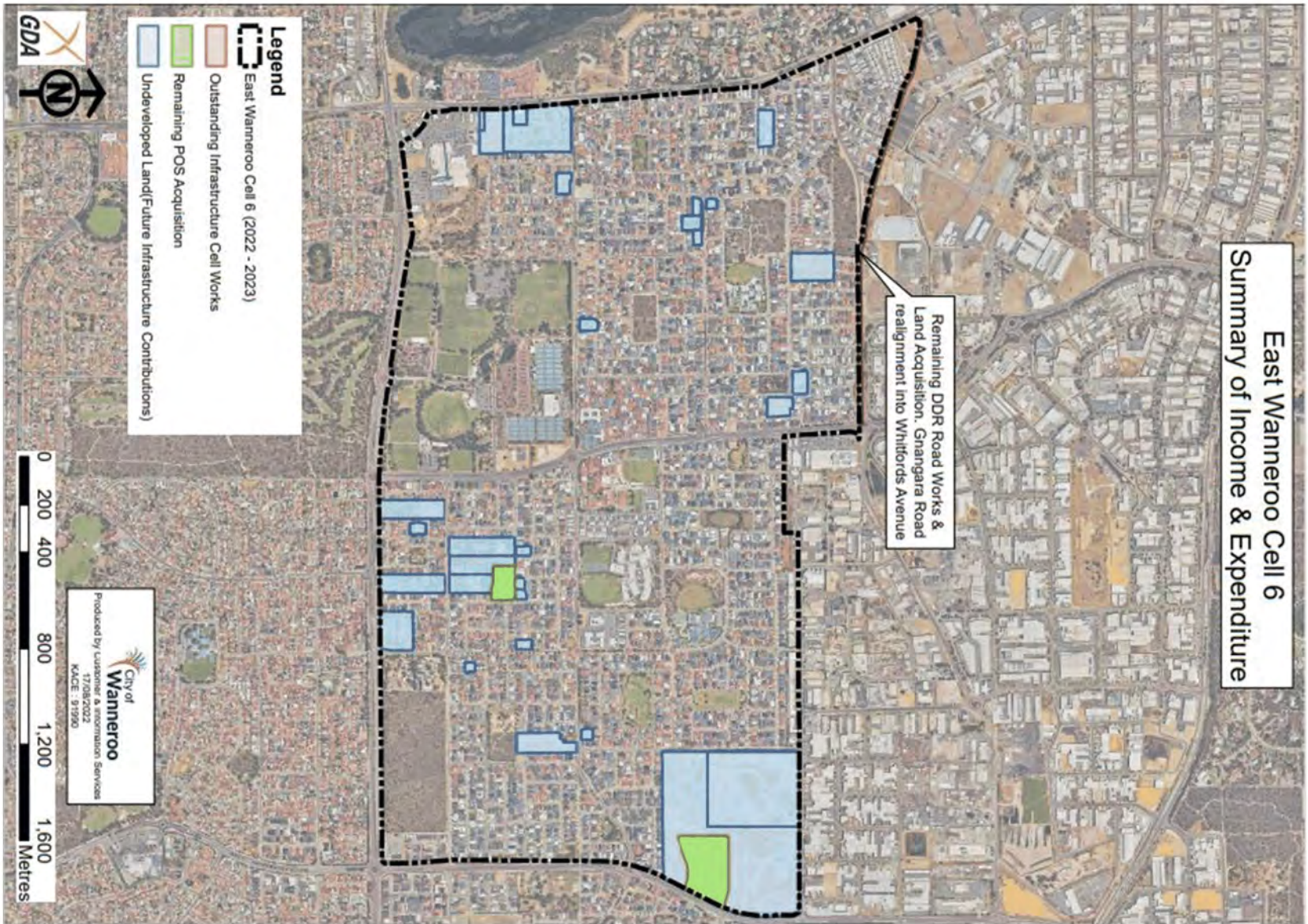
Cell 5 – Salient Issues (Landsdale - West)

- This cell is predominately developed with only 5% (estimated 151 lots) remaining land undeveloped.
- Excess funds are likely at full development, the extent of the excess is dependent upon the final costs associated with the remaining payments for Historic POS and receipt of remaining contributions from remaining landholdings.
- The remaining historic POS payments are likely to be finalised in the 2022-2023 financial year period, which will complete the remaining Cell Works for Cell 5.
- The total estimated excess funds of \$7.7 million, includes the remaining estimated (outstanding) contributions of \$4.7 million. These contributions are yet to be received and cannot be included into any potential return of excess funds. The City will need to pursue and secure arrangements with the remaining landowners for the remaining contributions before a return of the estimated excess funds can be progressed.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022
- The revised cost estimates for the remaining Cell Works are depicted in **Attachment 6**.

Recommendation - Administration is not recommending a return of excess funds until the remaining Cell Works have been completed and greater certainty can be established for the remaining income. The current ICPL rate of \$30,909 is recommended to be retained to reflect the findings of the Annual Review and to ensure adequate funds received (and potential excess funds reconciled) to ensure all landowners contribute prior to finalisation of the Cell.

EAST WANNEROO CELL 6 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	29,202,332	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	26,257,519	Land Acquisition and Construction Costs
Administration Costs	\$	1,196,097	Salary Recoupment, Legal Fees, Consultants
Total	\$	56,655,948	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	15,898,124	Approx 6.6 ha
District Distributor Roads	\$	4,739,224	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	467,397	Estimated for 9 years
Total	\$	21,104,745	
Total Expenditure/Costs (Gross Costs)	\$	77,760,692	
Income			
Payments Made to Date			
Contributions and Interest	-\$	79,619,203	All Income (funds) Received (includes interest)
Total	-\$	79,619,203	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$24,678 at ELY of 526	-\$	12,980,628	526 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$	92,599,831	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	77,760,692	
Total Combined Estimated Income	-\$	92,599,831	
Net Excess/Shortfall at Current ICPL (\$24,678)	\$	14,839,139	Potential Excess. Retain ICPL to enable an appropriate level of contributions to be charged and a level of fairness in the return of excess to contributing landowners.
Revised ICPL Rate			
Current Infrastructure Cost Per Lot	\$	24,678	
Proposed Infrastructure Cost Per lot	\$	24,678	

CELL 6 - CAPITAL EXPENDITURE PLAN (CEP) 2022-2023											
Land	Area	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/2030	2031/31	Total
Outstanding POS Acquisition											
Lot 2 (26) Driver Road	48142	\$ 11,650,364.00									
Lot 31 Landsdale Road	2770			\$ 670,340.00							
Lot 32 Landsdale Road	7790			\$ 1,885,180.00							
Lot 9500 (264) Kingsway - Previously Lot 13	2670	\$ 646,140.00									
TOTAL	61372	\$ 12,296,504.00	\$ -	\$ 2,555,520.00							\$ 14,852,024.00
Outstanding Historical POS Acquisition											
Lot 37 EVANDALE ROAD	1463	\$ 321,860.00									
Lot 13 KINGSWAY	1221	\$ 268,620.00									
Lot 13 KINGSWAY	174	\$ 38,280.00									
Lot 820 LANDSDALE ROAD	802	\$ 176,440.00									
Lot 47 WANNEROO ROAD	1095	\$ 240,900.00									
Total	4755	\$ 1,046,100.00									\$ 1,046,100.00
Outstanding DDR Acquisition											
Lot 16 Windsor RD	6137		\$ 742,577.00								
Total	6457		\$ 742,577.00								\$ 742,577.00
Outstanding Capital Works - Internal Audit											
Ghangara Road - New Realignment between Wanneroo Rd to Hartman Drive		\$ 150,000.00							\$ 2,044,000.00	\$ 1,802,646.50	
TOTAL		\$ 150,000.00	\$ -	\$ -	\$ -				\$ 2,044,000.00	\$ 1,802,646.50	\$ 3,996,646.50
Assessed Value	\$ 2,200,000.00	Lot Yield Summary from Cell 6 ELY (whole Cell)									
Including 10%	\$ 2,420,000.00	Total Area of Cell	598.35	Actual	4634						
Solutium		Deductions	151.31	Remaining ELY (9 per/ha)	526						
Contribution Rate	\$ 24,678.00	Net Area	-447.04	Interest Received to date	\$ 11,692,912.52						
		ELY	4023	Remaining Land	30.19%						



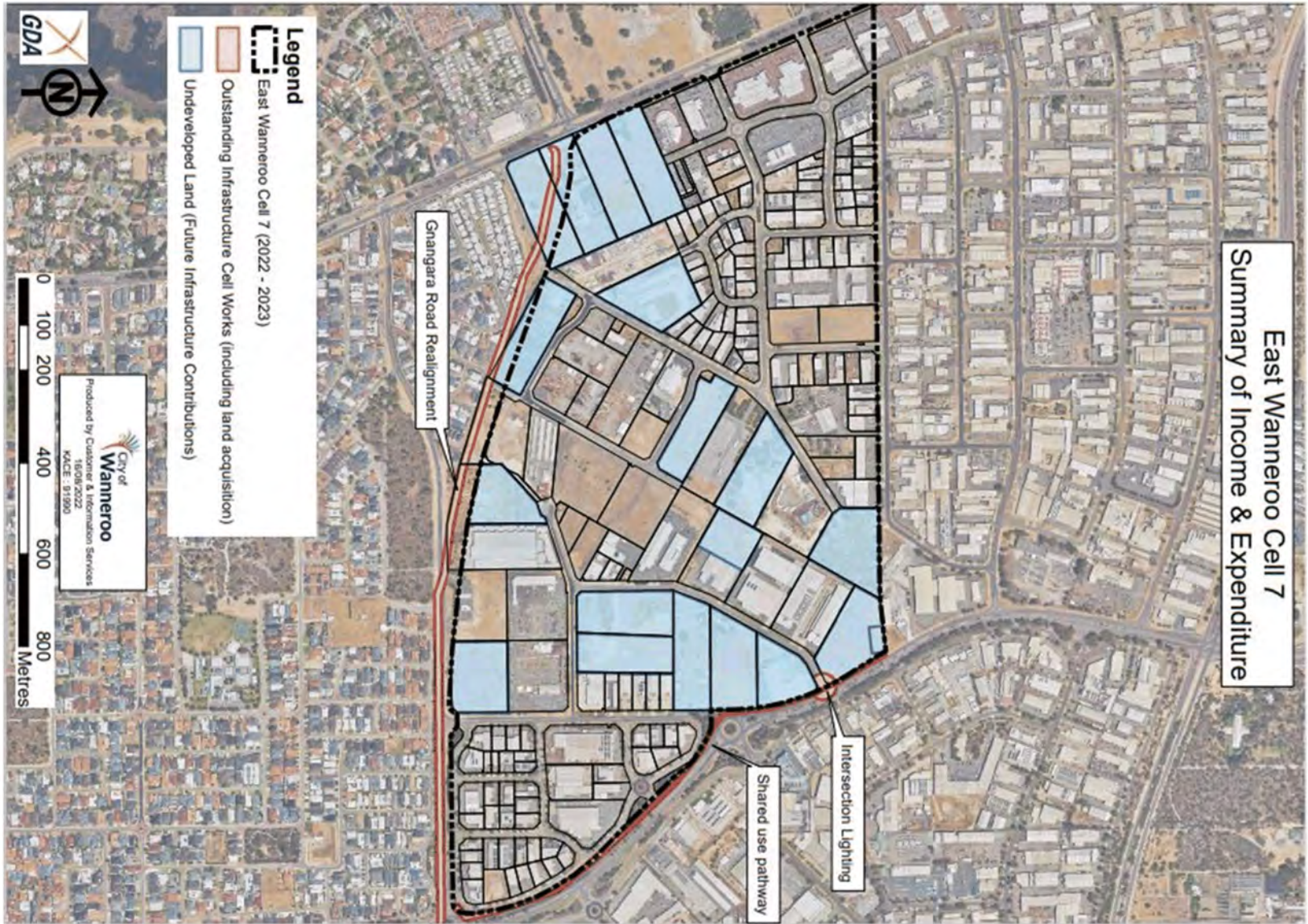
Cell 6 – Salient Issues (Madeley/Darch)

- This cell is predominately developed with only 10% remaining (estimated 536 lots).
- The Darch landfill precinct, Kingsway Caravan Park and Landsdale Plant Nursery are the largest remaining landholdings in this Cell.
- The Kingsway Caravan Park and Landsdale Plant Nursery are ongoing historical land uses and Landfill Precinct is being remediated and progressively subdivided in accordance with conditions imposed by DWER as part of the subdivision process
- Greater certainty in relation to future income is required due to the existence of the historical land uses.
- The timing for the acquisition of a 4.8 hectare future POS site will occur in due course represents the most significant remaining Cell Work (\$11.6 million).
- The remaining historic POS payments (\$1.05 million) are likely to be finalised in the 2022-2023 financial year period.
- The remaining capital works relate to the realignment of Gnangara Road (shared 50% with Cell 7), which has one remaining land acquisition to be completed to facilitate the construction of this section road (between Hartman Drive and Wanneroo Road) by 2031. Also refer the Gnangara Road heading in this section of the report.
- The total estimated excess funds of \$14.8 million, includes the remaining estimated (outstanding) contributions of \$13 million. These contributions are yet to be received and relate to landholdings that currently have operational land uses (historic) and therefore cannot be included into any potential return of excess funds. The City will need to finalise the remaining Cell Works and secure arrangements with the remaining landowners for the outstanding contributions before a return of the estimated excess funds can be considered.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022.
- The Annual Review for Cell 6 is included as **Attachment 7**.

Recommendation - Administration is not recommending a return of excess funds until greater certainty can be established on the final costs and remaining income. The current ICPL rate of \$24,678 is recommended to be retained to reflect the findings of the Annual Review of costs and ensure that adequate funds will be received (and potential excess funds reconciled) to ensure all landowners contribute prior to finalisation of the Cell.

EAST WANNEROO CELL 7 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
<i>Expenditure to Date (Actuals)</i>			
Public Open Space (10%)	\$	528,500	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	4,064,415	Land Acquisition and Construction Costs
Administration Costs	\$	753,953	Salary Recoupment, Legal Fees, Consultants
Total	\$	5,346,868	
<i>Remaining Expenditure (Estimated) - Annual Review</i>			
Public Open Space (10%)	\$	-	
District Distributor Roads	\$	5,093,377	Remaining construction and acquisition costs
Administration Costs	\$	561,555	Estimated for 9 years
Total	\$	5,654,932	
Total Expenditure/Costs (Gross Costs)	\$	11,001,800	
Income			
<i>Payments Made to Date</i>			
Contributions and Interest	-\$	8,311,339	All Income (funds) Received (includes interest)
Total	-\$	8,311,339	
<i>Gross Estimated Remaining Income</i>			
Estimated Contributions at Current ICPL of \$11.12 per ha of 27.64	-\$	3,073,268	27.64 ha
Total Estimated Income	-\$	11,384,607	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	11,001,800	
Total Combined Estimated Income	-\$	11,384,607	
Net Excess/Shortfall at Current ICPL (\$11.12)	\$	382,807	Excess resulting in a reduction in the ICPL rate
Revised ICPL Rate			
Current Infrastructure Cost Per m2	\$	11.12	
Proposed Decrease in ICPL per m2 Required to Deliver the Cell Works	-\$	1.39	
Proposed Infrastructure Cost Per m2	\$	9.73	

CELL 7 - CAPITAL EXPENDITURE PLAN (CEP)											
Land	Area	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/2030	2031/31	Total
Outstanding DDR Acquisition											
Lot 16 Windsor RD	6137		\$ 826,960.75								
Lot 111 (17) Luisini Road	572		\$ 77,077.00								
Total	6709		\$ 904,037.75								\$ 904,037.75
Outstanding Capital Works - Internal Audit											
Gnangara Road - New Realignment between Wanneroo Rd to Hartman Drive		\$ 150,000.00							\$ 2,044,000.00	\$ 1,802,646.50	\$ 3,996,646.50
New shared pathway ORR to Gnangara Rd				\$ 167,692.50							\$ 167,692.50
Sump construction on Hartman Drive		\$ 25,000.00	\$ -								\$ 25,000.00
TOTAL		\$ 175,000.00		\$ 167,692.50					\$ 2,044,000.00	\$ 1,802,646.50	\$ 4,189,339.00
Assessed Value	\$	2,450,000.00	Lot Yield Summary from Cell 7 ELY (whole Cell)								
Including 10%	\$	2,695,000.00	Total Area of Cell	128.8	Actual	73.6842					
Solatium			Deductions	27.48	Remaining ha	27.64					
2021 Contribution Rate	\$	11.12	Net Developable Area	101.32	Interest Received to date	\$ 1,250,169.75					
2022 Contribution rate	\$	-			Land Remaining	27.28%					



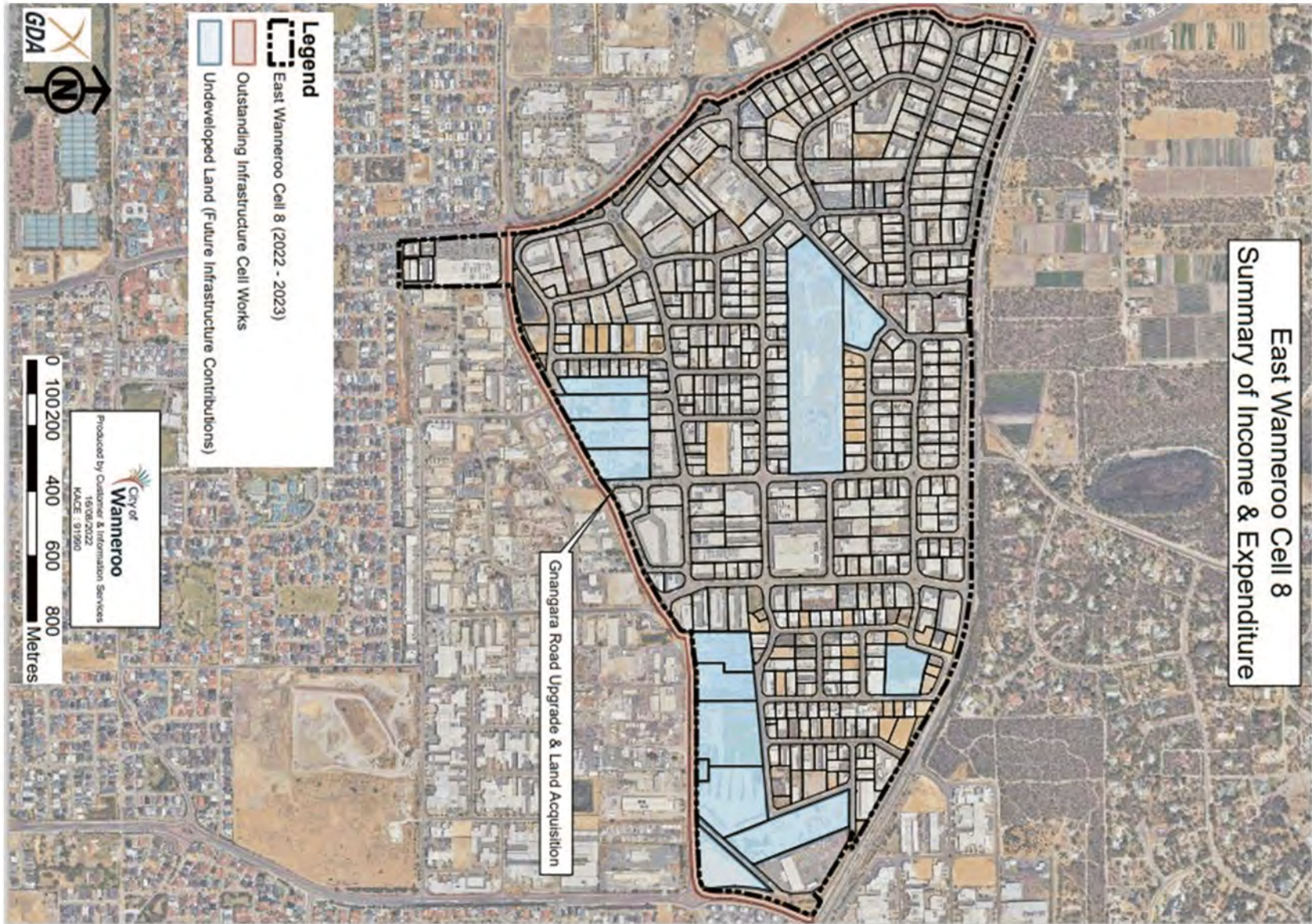
Cell 7 – Salient Issues (Wangara Industrial - West)

- This cell is significantly developed with only 27% remaining (27 hectares remaining).
- The remaining capital works relate to the realignment of Gngangara Road (shared 50% with Cell 6).
- There is one major remaining land acquisition to be completed to facilitate the construction of a section road (between Hartman Drive and Wanneroo Road) by 2031. Administration is currently in discussions with the landowner to progress the acquisition in a timely manner.
- There has been a minor reduction in the contribution rate due to a reduction in the remaining estimated costs for Gngangara Road, due to a further refinement of the construction cost estimates.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022.
- The Annual Review for Cell 7 is included in **Attachment 8**.

Recommendation - The Cell contribution rate be reduced from \$11.12 to \$9.73 per square metre to reflect the findings of the annual review.

EAST WANNEROO CELL 8 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	44,220	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	22,109,776	Land Acquisition and Construction Costs
Administration Costs	\$	2,412,406	Salary Recoupment, Legal Fees, Consultants
Total	\$	24,566,402	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	-	
District Distributor Roads	\$	14,034,407	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	527,850	Estimated for 10 years
Total	\$	14,562,257	
Total Expenditure/Costs (Gross Costs)	\$	39,128,660	
Income			
Payments Made to Date			
Contributions and Interest	-\$	29,409,078	All Income (funds) Received (includes interest)
Total	-\$	29,409,078	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$31.54 per m2	-\$	12,014,879	38 ha
Total Estimated Income	-\$	41,423,957	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	39,128,660	
Total Combined Estimated Income	-\$	41,423,957	
Net Excess/Shortfall at Current ICPL (\$31.54)	\$	2,295,298	Reduction in ICPL Rate
Revised ICPL Rate			
Current Infrastructure Cost Per m2	\$	31.54	
Proposed Increase in ICPL per m2 to Deliver the Cell Works	-\$	6.03	
Proposed Infrastructure Cost Per m2	\$	25.51	

CELL 8 - CAPITAL EXPENDITURE PLAN (CEP)												
Land	Area	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
Outstanding DDR Acquisition												
lot 7 (217) Gngangara RD		1130	\$ 335,610									
lot 16 (229) Gngangara RD		1317	\$ 391,149									
Lot 6 (239) Gngangara Road		1701	\$ 420,998									
lot 111 (17) Luisini Road		572		\$ 70,785								
lot 601 (341) Gngangara Road		228	\$ 28,215									
lot 703 (359) Gngangara Road		45	\$ 5,569									
lot 19 (220) Gngangara Road		89	\$ 11,014									
lot 200 (2) Cowle Street		189	\$ 23,389									
Total		5271	\$ 1,215,943	\$ 70,785								\$ 1,286,728
Outstanding Capital Works - Internal Audit												
Gngangara Road - New Realignment between Hartman Drive to Mirrabooka		\$ 100,000								\$ 5,054,076	\$ 6,952,049	
Sump construction on Hartman Drive		\$ 25,000										
New shared pathway ORR to Gngangara Rd			\$ 448,862	\$ 167,693								
TOTAL			\$ 125,000	\$ 448,862	\$ 167,693					\$ 5,054,076.16	\$ 6,952,048.84	\$ 12,747,680
Assessed Value	\$	7,250,000.00	Lot Yield Summary from Cell 8 ELY (whole Cell)									
Including 10%	\$	7,475,000.00	Total Area of Cell	243.55	Actual	143.6529						
Solatum			Deductions	60.55	Remaining ha	38						
2021 Contribution Rate	\$	31.54	Net Developable Area	183	Interest Received to date	\$ 7,415,193.03						
2022 Contribution Rate	\$	25.51			Remaining Land	21%						



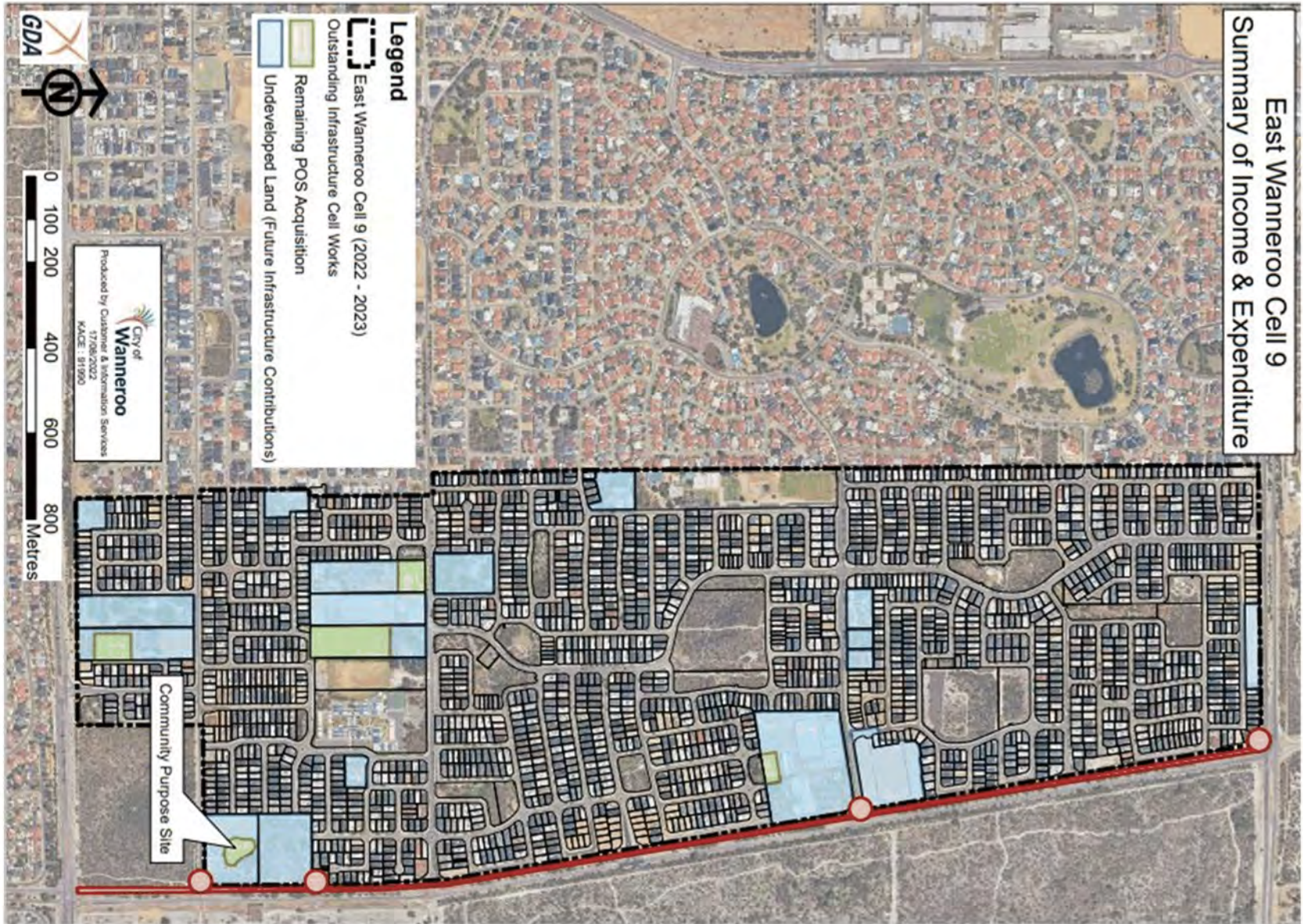
Cell 8 – Salient Issues (Wangara Industrial – East)

- This cell is significantly developed with only 20% remaining (38 hectares remaining).
- The remaining capital works relate to the upgrade and construction of Gngara Road (Hartman to Mirrabooka).
- There are land acquisitions to be completed to facilitate the construction of this section road (between Hartman Drive and Mirrabooka Avenue) by 2031. Administration is currently in discussions with several landowners to progress the acquisition in a timely manner.
- A reduction in the contribution rate from \$31.54 to \$25.51 per/m² is primarily associated with a decrease in the estimated cost for the remaining Cell Works, and in particular, the construction costs for the eastern section of Gngara Road. In this regard, the City has previously applied costs associated with a dual carriageway, however, a recent traffic analysis has indicated that the duplication will not be required until 2041. Administration has therefore reviewed the allocation of the cost to the Cell based on need and nexus (as required by SPP3.6) which resulted in only single carriageway construction costs being applied (full earthworks, service relocation and a single carriageway pavement etc).
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022.
- The Annual Review of the Cell is included in **Attachment 9**.

Recommendation - The Cell contribution rate be reduced from \$31.54 to \$25.51 per square metre to reflect the findings from the annual review.

EAST WANNEROO CELL 9 - ANNUAL REVIEW 2022		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	46,634,888	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	7,753,227	Land Acquisition and Construction Costs
Administration Costs	\$	1,386,025	Salary Recoupment, Legal Fees, Consultants
Total expenditure to date	\$	55,774,140	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	12,502,645	Approx 4.5 ha and POS Development
District Distributor Roads	\$	12,553,662	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	214,612	Estimated for 4 years
Total	\$	25,270,919	
Total Expenditure/Costs (Gross Costs)	\$	81,045,060	
Income			
Payments Made to Date			
Contributions and Interest	-\$	74,705,584	All Income (funds) Received (includes interest)
Total	-\$	74,705,584	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$29,947 at ELY of 309	-\$	9,253,623	309 Lots at Estimated Lot Yield of 13 Per/Ha
Total Estimated Income	-\$	83,959,207	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	81,045,060	
Total Combined Estimated Income	-\$	83,959,207	
Net Excess/Shortfall at Current ICPL (29,947)	\$	2,914,147	Potential Excess. Retain ICPL to enable an appropriate level of contributions to be charged and a level of fairness in the return of excess to contributing landowners.
Revised ICPL Rate			
Current Infrastructure Cost Per Lot	\$	29,947	
Proposed Infrastructure Cost Per lot	\$	29,947	

CELL 9 - CAPITAL EXPENDITURE PLAN (CEP)						
Land	Area	2022/23	2023/24	2024/25	2025/26	Total
Outstanding POS Acquisition						
Lot 58/601 (15) Queensway Road	2271		\$ 542,088			
Lot 163 (460) Kingsway	4842	\$ 1,155,785				
Lot 165 (474) Kingsway	13449			\$ 3,852,332		
Lot 150 (322) Landsdale	4970	\$ 1,186,339				
TOTAL	25532	\$ 2,342,124	\$ 542,088	\$ 3,852,332		\$ 6,736,544
Outstanding POS Development						
POS 5 Lot 58/601 (15) Queensway Road	2271		\$ 223,921			
POS 11 Lot 163 (460) Kingsway	4842	\$ 516,157				
POS 12 Lot 165 (474) Kingsway	13449			\$ 1,382,557		
POS 12 Lot 1/166 (484) Kingsway	19690	\$ 744,926	\$ 1,364,754			
POS 13 Lot 150 (322) Landsdale	4970	\$ 490,042				
POS 1 Kennerton Park		\$ 240,000				
POS 3 Strybing Park		\$ 79,466				
POS 4 Thaxter Park		\$ 50,000				
Total	45222	\$ 2,120,591	\$ 1,588,675	\$ 1,382,557		\$ 5,091,823
Outstanding Buffer land and landscaping						
Lot 56/57 Alexander Drive	784	\$ 33,516				
Lot 56/57 Alexander Drive	900	\$ 253,305				
Lot 601/58 (15) Queensway Road	1200		\$ 337,740			
Lot 60 (475) Alexander Drive	574	\$ 24,539				
Lot 9001/61 (459) Alexander Drive	589	\$ 25,180				
Total	4047	\$ 336,539	\$ 337,740			\$ 674,279
Outstanding DDR Works						
Gnangara Rd/Alexander Dr Intersection			\$ 552,000			
Alexander Drive - east - Drainage Site	1359			\$ 324,393		
Alexander Drive Dual Use Path (2800m)		\$ 1,523,241	\$ 1,526,341			
Alexander Dr/Queensway	465	\$ 110,996				
Alexander Dr/Sedano Glade (extension)	954	\$ 779,720				
Alexander Dr/Landsdale Road	449	\$ 107,176				
Total	3227	\$ 2,521,133	\$ 2,078,341	\$ 324,393		\$ 4,923,867
Outstanding Capital Works						
Community Purpose Building inclusive of land	5000	\$ 1,193,500	\$ 50,000	\$ 250,000	\$ 6,136,295	
Environmental Offset costs up to end of operational period						
TOTAL	5000	\$ 1,193,500	\$ 50,000	\$ 250,000	\$ 6,136,295	\$ 7,629,795
Assessed Value	\$ 2,170,000.00	Lot Yield Summary from Cell 9 ELY (whole Cell)				
Including 10% Solatium	\$ 2,387,000.00	Total Area of Cell	215.55	Actual	2238	
Current Contribution Rate	\$ 29,947.00	Deductions	33.9643	Remaining ELY	309	
		Net Area	181.5857	Interest Received to date	\$ 2,917,560.18	
		ELY	2361	Land Remaining	12%	

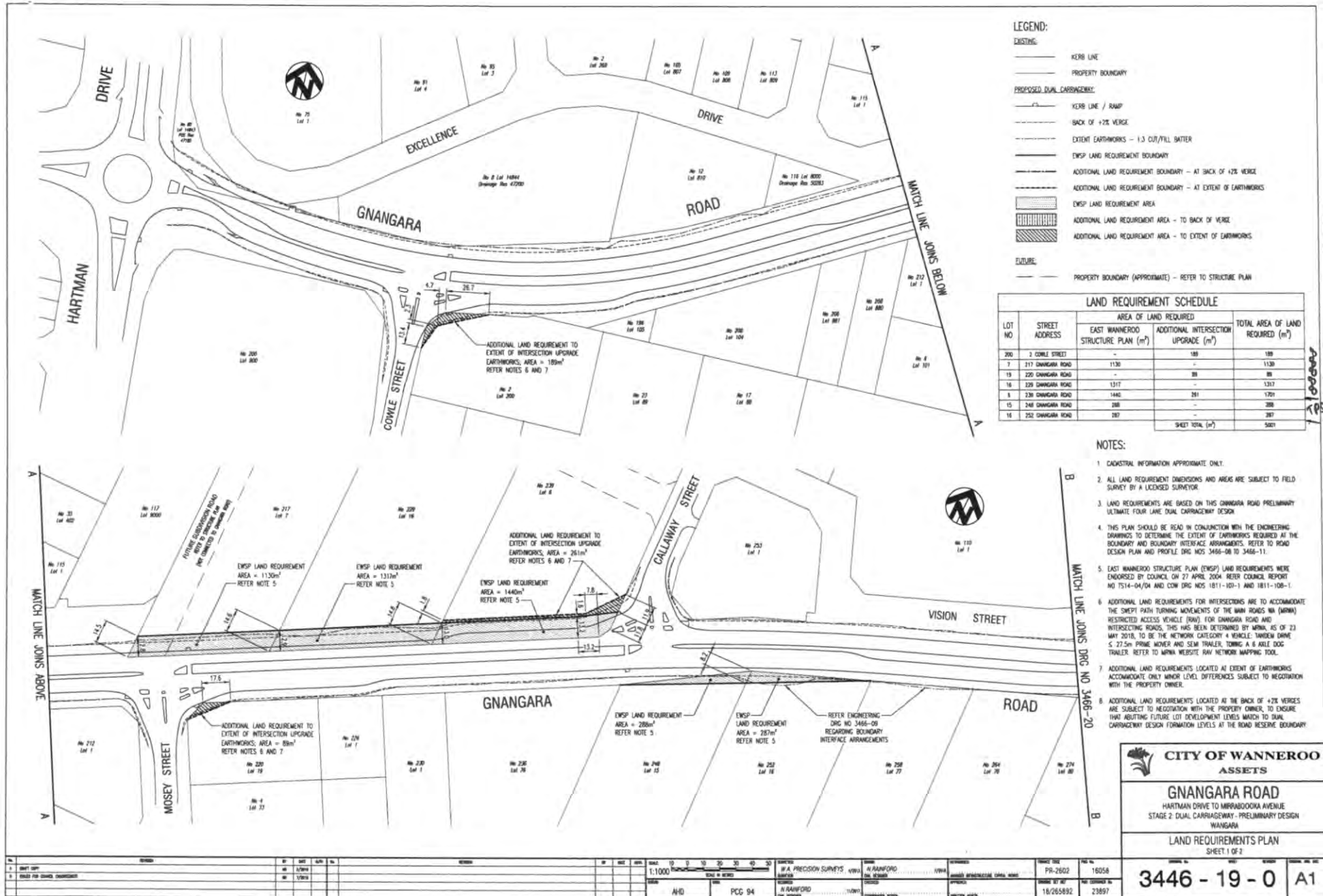


Cell 9 (Landsdale – East)

- This Cell is predominately developed with only 12% remaining (309 lots).
- The Cell has over \$25 million in remaining expenditure, including POS acquisition and development of a new community facility building (land and building).
- In the previous annual review a potential excess in funds was identified to occur at full development of the Cell. The estimated excess was based on future estimated income being received and the cost of completing the Cell Works being fixed (which cannot be guaranteed).
- In this Cell, contribution rates have been retained at \$29,947 pending completion of the works and reconciling of all income and expenditure. In this regard, an estimated excess of \$4.6 million was identified last year, however this has reduced to a potential excess of \$2.9 million. The reduction is due to a significant escalation in construction costs for the remaining Cell Works. The potential excess is also dependent upon a further \$9.2 million in contributions being received from remaining landowners.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2021 and 30 June 2022
- The Annual Review for this Cell is included in **Attachment 10**.

Recommendation - Administration is not recommending a return of excess funds until greater certainty can be established on the final costs and that the current ICPL rate of \$29,947 should be retained to reflect the findings of the Annual Review and ensure that adequate funds will be received.

Internal Transactional Review (Adjustments Actioned into current year Financials – 2021/22)				
Cell	Interpretation of Schedule 6 of DPS 2	Interest Adjustments	Total net recoupment to Municipal	Details of adjustments
5	5,826.47	1,843.91	7,670.38	Hepburn Ave dual carriageway from Motivation Dr to Alexander Dr - previously undefined works
6	11,670.41	3,693.36	15,363.77	Hepburn Ave dual carriageway from Motivation Dr to Alexander Dr - previously undefined works
7	34,398.64	18,700.46	53,099.10	Hartman Drive Wangara - Dual Carriageway from Ocean Reef Road to Motivation Dr - previously undefined works
8	73,738.97	40,087.42	113,826.39	Hartman Drive Wangara - Dual Carriageway from Ocean Reef Road to Motivation Dr - previously undefined works
9	6,208.75	2,974.39	9,183.14	Alexander Drive – Dual Carriageway, Hepburn Ave dual carriageway from Motivation Dr to Alexander Dr - previously undefined works
	131,843.24	67,299.54	199,142.78	



CITY OF WANNEROO ASSETS

GNANGARA ROAD
HARTMAN DRIVE TO MIRRABOONA AVENUE
STAGE 2 DUAL CARRIAGEWAY - PRELIMINARY DESIGN
WANGARA

LAND REQUIREMENTS PLAN
SHEET 1 OF 2

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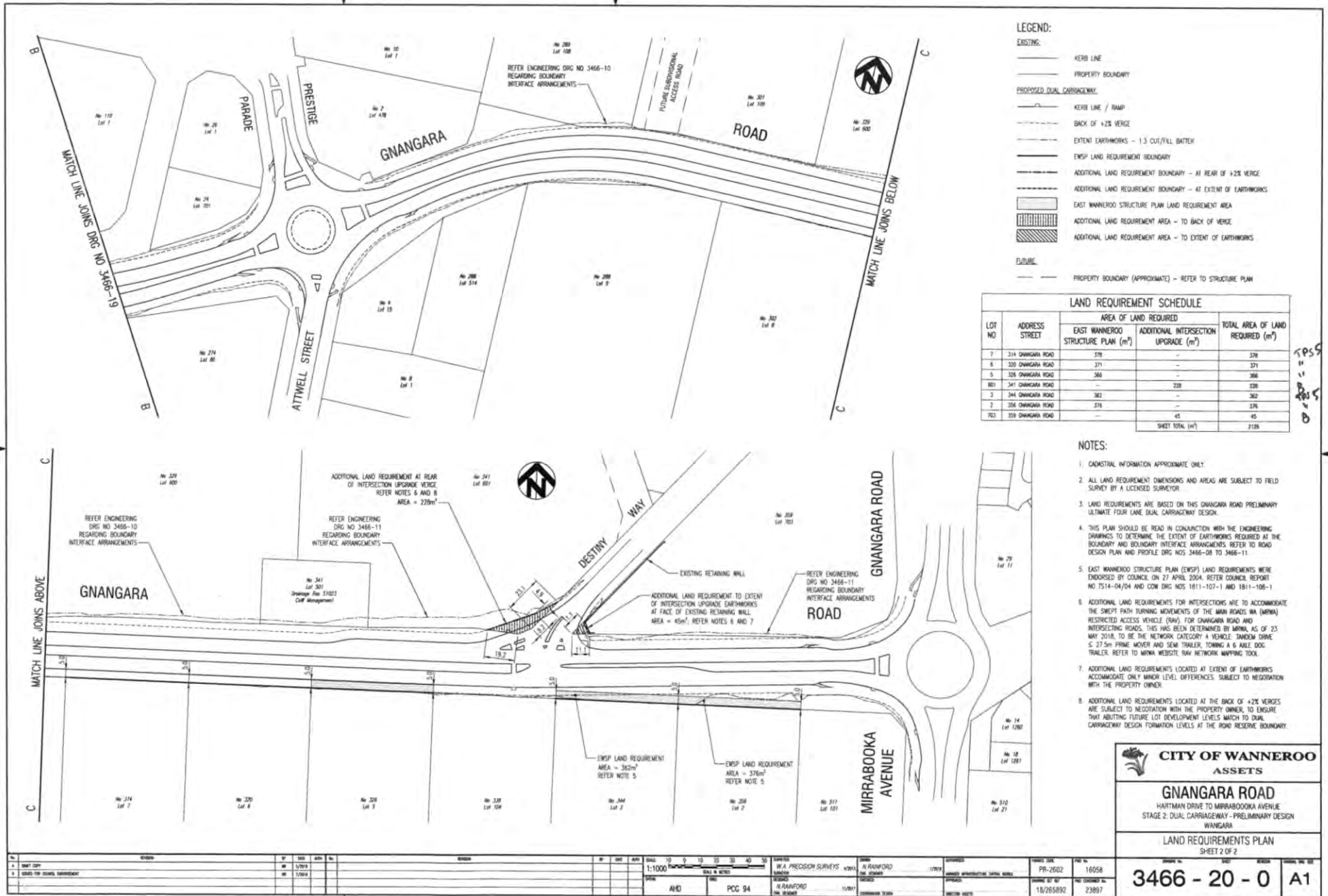
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Scale: 1:1000

Author: A/RANFORD

Client: PCC 94

Project: GNANGARA ROAD



LEGEND:

EXISTING:

- KERB LINE
- PROPERTY BOUNDARY

PROPOSED DUAL CARRIAGEWAY:

- KERB LINE / RAMP
- BACK OF +2% VERGE
- EXTENT EARTHWORKS - 1.3 CUT/FILL BATTER
- EWSP LAND REQUIREMENT BOUNDARY
- ADDITIONAL LAND REQUIREMENT BOUNDARY - AT REAR OF +2% VERGE
- ADDITIONAL LAND REQUIREMENT BOUNDARY - AT EXTENT OF EARTHWORKS
- ▨ EAST WANNEROO STRUCTURE PLAN LAND REQUIREMENT AREA
- ▨ ADDITIONAL LAND REQUIREMENT AREA - TO BACK OF VERGE
- ▨ ADDITIONAL LAND REQUIREMENT AREA - TO EXTENT OF EARTHWORKS

FUTURE:

- PROPERTY BOUNDARY (APPROXIMATE) - REFER TO STRUCTURE PLAN

LAND REQUIREMENT SCHEDULE				
LOT NO.	ADDRESS STREET	AREA OF LAND REQUIRED		TOTAL AREA OF LAND REQUIRED (m ²)
		EAST WANNEROO STRUCTURE PLAN (m ²)	ADDITIONAL INTERSECTION UPGRADE (m ²)	
7	214 GNANGARA ROAD	378	-	378
6	220 GNANGARA ROAD	371	-	371
5	226 GNANGARA ROAD	368	-	368
8B1	241 GNANGARA ROAD	-	228	228
3	244 GNANGARA ROAD	362	-	362
2	256 GNANGARA ROAD	276	-	276
7B3	259 GNANGARA ROAD	-	45	45
SHEET TOTAL (m ²)				2128

- NOTES:**
1. CADASTRAL INFORMATION APPROXIMATE ONLY.
 2. ALL LAND REQUIREMENT DIMENSIONS AND AREAS ARE SUBJECT TO FIELD SURVEY BY A LICENSED SURVEYOR.
 3. LAND REQUIREMENTS ARE BASED ON THIS GNANGARA ROAD PRELIMINARY ULTIMATE FOUR LANE DUAL CARRIAGEWAY DESIGN.
 4. THIS PLAN SHOULD BE READ IN CONJUNCTION WITH THE ENGINEERING DRAWINGS TO DETERMINE THE EXTENT OF EARTHWORKS REQUIRED AT THE BOUNDARY AND BOUNDARY INTERFACE ARRANGEMENTS REFER TO ROAD DESIGN PLAN AND PROFILE DRG NOS 3466-08 TO 3466-11.
 5. EAST WANNEROO STRUCTURE PLAN (EWSP) LAND REQUIREMENTS WERE ENDORSED BY COUNCIL ON 27 APRIL 2004. REFER COUNCIL REPORT NO 7514-04/04 AND COW DRG NOS 1811-107-1 AND 1811-108-1
 6. ADDITIONAL LAND REQUIREMENTS FOR INTERSECTIONS ARE TO ACCOMMODATE THE SWEEP PATH TURNING MOVEMENTS OF THE MAIN ROADS WA (MRWA) RESTRICTED ACCESS VEHICLE (RAV) FOR GNANGARA ROAD AND INTERSECTING ROADS. THIS HAS BEEN DETERMINED BY MRWA AS OF 23 MAY 2018, TO BE THE NETWORK CATEGORY 4 VEHICLE: TANDUM DRIVE ≤ 27.5m PRIME MOVER AND SEMI TRAILER, TOWING A 6 AXLE DOG TRAILER. REFER TO MRWA WEBSITE: RAW NETWORK MAPPING TOOL.
 7. ADDITIONAL LAND REQUIREMENTS LOCATED AT EXTENT OF EARTHWORKS ACCOMMODATE ONLY MINOR LEVEL DIFFERENCES. SUBJECT TO NEGOTIATION WITH THE PROPERTY OWNER.
 8. ADDITIONAL LAND REQUIREMENTS LOCATED AT THE BACK OF +2% VERGES ARE SUBJECT TO NEGOTIATION WITH THE PROPERTY OWNER, TO ENSURE THAT ABUTTING FUTURE LOT DEVELOPMENT LEVELS MATCH TO DUAL CARRIAGEWAY DESIGN FORMATION LEVELS AT THE ROAD RESERVE BOUNDARY.

CITY OF WANNEROO ASSETS

GNANGARA ROAD
 HARTMAN DRIVE TO MIRRABOOKA AVENUE
 STAGE 2: DUAL CARRIAGEWAY - PRELIMINARY DESIGN
 WANNARA

LAND REQUIREMENTS PLAN
 SHEET 2 OF 2

Project No: 3466-20-0
 Date: 18/26/2022
 Drawn By: 23897
 Scale: 1:1000
 Title: AND PCC 94

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 1

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 1 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 1 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022 and estimated costs for future years, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 1, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 1.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of \$1,832.15 from its current calculated ICPL rate of negative \$32,343.34 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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.

William Buck Audit (WA) Pty Ltd disclaim all liability to any party other than the City who choose to rely in any way on the contents of this Audit Report does so at their own risk.

William Buck

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

CM

Conley Maniffs
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 2

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 2 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 2 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022 and estimated costs for future years, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 2, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 2.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of \$26,805.16 from its current calculated ICPL rate of \$24,879.80 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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

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

CM

Conley Manifis
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 3

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 3 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 3 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022 and estimated costs for future years, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 3, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 3.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of \$22,275.39 from its current calculated ICPL rate of \$18,082.90 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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

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

CM

Conley Manifis
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 4

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 4 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 4 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022 and estimated costs for future years, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 4, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 4.
- While DPS 2 allows compulsory undertaking charges, DPS 2 does not specify the value or percentages to be applied, and the City has included a discretionary 20% compulsory undertaking charge of \$505,618.08 for Public Open Space ("POS") land acquisition cost estimation for Lot 1 and Lot 8 Wanneroo Road of Cell 4, based on City's estimate on historical transactions with the landowner of Lot 1 and Lot 8 Wanneroo Road. The City has not included a compulsory undertaking charge for the rest of the Lots of POS land acquisition cost estimation for Cell 4, for which the basis of estimation cannot be reasonably established with the available information. The City recognises that the actual amount payable for all lots subjected to compulsory acquisition may significantly vary depending on the particular circumstances of the land and landowners at the time of acquisition.
- The estimated future costs of the cell include costs associated with the legal dispute arising from land compensation for Lenore Road. We have relied on the cost estimates of \$4,620,000 as provided to the City by the law firm Castledine Gregory and is not independently verified by William Buck.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of negative \$7,013.87 from its current calculated ICPL rate of negative \$22,679.25 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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

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

CM

Conley Manifis
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 5

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 5 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 5 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022, estimated costs for future years, and prior year adjustments affecting cell costs for financial year 2011/12 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 5, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 5.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of negative \$20,464.74 from its current calculated ICPL rate of negative \$15,627.63 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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

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

CM

Conley Manifis
Director
Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 6

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 6 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 6 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022, estimated costs for future years and prior year adjustments affecting cell costs for financial year 2011/12, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

Level 3, 15 Labouchere Road, South Perth WA 6151
PO Box 748, South Perth WA 6951

+61 8 6436 2888

wa.info@williambuck.com
williambuck.com

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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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 6, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 6.
- While DPS 2 allows compulsory undertaking charges, DPS 2 does not specify the value or percentages to be applied, and the City has not included a compulsory undertaking charge for District Distributor Roads ("DDR") land acquisition cost estimation for Cell 6, for which the basis of estimation cannot be reasonably established with the available information. The City recognises that the actual amount payable may significantly vary depending on the particular circumstances of the land and landowners at the time of acquisition.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of negative \$3,533.29 from its current calculated ICPL rate of negative \$3,708.64 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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

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

CM

Conley Manifis
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 7

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 7 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 7 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2008/09, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Square Metre ("ICPM") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPM 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPM rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

Level 3, 15 Labouchere Road, South Perth WA 6151
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+61 8 6436 2888

wa.info@williambuck.com
williambuck.com

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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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 7, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 7.
- While DPS 2 allows compulsory undertaking charges, DPS 2 does not specify the value or percentages to be applied, and the City has not included a compulsory undertaking charge for District Distributor Roads ("DDR") land acquisition cost estimation for Cell 7, for which the basis of estimation cannot be reasonably established with the available information. The City recognises that the actual amount payable may significantly vary depending on the particular circumstances of the land and landowners at the time of acquisition.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPM rate of \$10.81 per square metre from its current calculated ICPM rate of \$11.12 per square metre were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPM 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

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

CM

Conley Manifis
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 8

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 8 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 8 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2008/09, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Square Metre ("ICPM") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPM 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPM rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

Level 3, 15 Labouchere Road, South Perth WA 6151
PO Box 748, South Perth WA 6951

+61 8 6436 2888

wa.info@williambuck.com
williambuck.com

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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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 8, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 8.
- While DPS 2 allows compulsory undertaking charges, DPS 2 does not specify the value or percentages to be applied, and the City has included a discretionary 20% compulsory undertaking charge of \$121,126.50 for District Distributor Roads ("DDR") land acquisition cost estimation for Lot 7 and Lot 16 Gngangara Road of Cell 8, based on City's estimate on historical transactions with the landowner of Lot 7 and Lot 16 Gngangara Road. The City has not included a compulsory undertaking charge for the rest of the Lots of District Distributor Roads ("DDR") land acquisition cost estimation for Cell 8, for which the basis of estimation cannot be reasonably established with the available information. The City recognises that the actual amount payable for all lots subjected to compulsory acquisition may significantly vary depending on the particular circumstances of the land and landowners at the time of acquisition.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPM rate of \$26.18 per square metre from its current calculated ICPM rate of \$31.54 per square metre were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPM 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.

William Buck Audit (WA) Pty Ltd disclaim all liability to any party other than the City who choose to rely in any way on the contents of this Audit Report does so at their own risk.

William Buck

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

CM

Conley Manifis
Director

Dated this 23rd day of August 2022

Independent Auditors' Report to the City of Wanneroo ("the City") on the Annual Cost Review for Cell 9

Scope

We have performed an audit of the Annual Cost Review of cell costs for Cell 9 and reviewed the methodology used in calculating and estimating cell costs for the remaining cell works, to establish the accuracy of the Annual Cost Review of Cell 9 as per the District Planning Scheme No. 2 ("DPS 2") and provide independent certification of such costs. Our Annual Review for 2022/23 covered actual transactions from 1 July 2021 to 30 June 2022, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2006/07 and 2011/12, 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.

The City's Responsibilities

The City is responsible for ensuring that the cell costs incurred, estimated and the Infrastructure Cost Per Lot ("ICPL") charged are in accordance with the DPS 2 and related regulations, policies and procedures. The City is responsible for ensuring that all cell cost records are free of misstatements and omissions, and establish adequate internal controls for cell cost incurring, estimating and the calculation of ICPL 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 cell 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 cell costs for the remaining cell works, and assess the documentation provided to certify that the cell 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, ICPL rate calculation and estimation is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the methodology used in forming the basis on the relevance of cell costs incurred and estimations made for the remaining cell 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 cell 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.

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 valuation assessment of lands and relied on third party valuation reports of McGees Property signed by certified practicing valuers, for validating the reliability of land acquisition costs estimated.
- We have not applied any requirements of the State Planning Policy 3.6 ("SPP 3.6") for evaluating the cost review of Cell 9, as there is no such requirement stated in DPS 2 to consider SPP 3.6 for Cell 9.

Audit Opinion

In our opinion, other than stated under the Limitation of Scope Paragraph above, in all material respects, the cell costs incurred, estimated for remaining cell development works, and the calculated ICPL rate of \$20,516.10 from its current calculated ICPL rate of \$15,422.69 were fairly stated and in compliance to DPS 2.

Basis of accounting and restriction of distribution

Without modifying our opinion, we draw your attention to Part 8 Finance and Administration section of the DPS 2, which describes the basis of accounting and the City's methodology and basis used in cell cost incurring, cost estimation of future cell development works and calculating the proposed ICPL 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



Conley Manifis
Director

Dated this 23rd day of August 2022