

PS03-10/23 Consent to Advertise - East Wanneroo Cells 1-9 Developer Contribution Arrangement Annual Review of Costs (2023-2024)

File Ref: 5734V08 – 23/306407
Responsible Officer: Director Planning & Sustainability
Attachments: 19

Issue

To consider the revised cost estimates as part of the 2023-2024 Annual Review for the East Wanneroo Cells 1-9 Development Contribution Plans (DCP) for Councils consent to advertise.

Background

The City's District Planning Scheme No. 2 (DPS 2) provides the statutory basis for the administration and management of developer contributions.

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 set out in DPS2.

The last Annual Review for Cells 1-9 was approved by Council on 21 February 2023 (PS01-02/23), where the following ICPL rates and land valuations were approved for the 2022-2023 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 \$1,980,000;
- 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 - \$11.12 per/m² and Land Valuation of \$2,450,000;
- Cell 8 - \$31.54 per/m² and Land Valuation of \$2,250,000; and
- Cell 9 - ICPL rate of \$29,947 and Land Valuation of \$2,170,000;

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 City's Internal Transactional Review findings (developer pre-funding) 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 rate.

In recent annual reviews it has become necessary to retain previous years' annual review ICPL rates for some cells due to small areas of remaining land that can be developed (e.g. between 3% and 10% for most residential cells), where significant fluctuations in ICPL rates could otherwise occur, pending closure of the cells. Whilst cost fluctuations are inevitable, Council has previously supported the retention of contribution rates to ensure cost contributions are equitable, reasonable and appropriate. In those cells where excess funds are likely to occur, the City will continue to collect contributions and utilise the DPS2 provisions to return any excess funds upon finalisation of the required Cell Works and receipt of remaining income.

Detail

The following reflects the revised cost estimates for the various elements of the Annual Review and a recommended approach for each cell (1-9).

Land Valuation

In accordance with DPS 2, the City engaged a valuation panel (2 different valuers) and received a consensus agreement on land value for each cell. The following table reflects the valuation panel recommendations and the change in value since the last Annual Review.

Agreed Structure Plan Area (DCP)	Current Agreed Land Valuation (2022-2023) \$/ha		Proposed Land Valuation (2023-2024) \$/ha		Percentage Change
	Consensus Value	Consensus Value Plus 10% Solatium	Consensus Value	Consensus Value Plus 10% Solatium	%
Cell 1 (Ashby/Tapping)	\$ 1,980,000	\$ 2,178,000	\$ 1,965,000	\$ 2,161,500	-0.76%
Cell 2 (Sinagra)	\$ 1,980,000	\$ 2,178,000	\$ 1,965,000	\$ 2,161,500	-0.76%
Cell 3 (Wanneroo)	\$ 1,980,000	\$ 2,178,000	\$ 1,965,000	\$ 2,161,500	-0.76%
Cell 4 (Pearsall/Hocking)	\$ 2,040,000	\$ 2,244,000	\$ 2,020,000	\$ 2,222,000	-0.99%
Cell 5 (Landsdale)	\$ 2,170,000	\$ 2,387,000	\$ 2,160,000	\$ 2,376,000	-0.47%
Cell 6 (Madeley/Darch)	\$ 2,200,000	\$ 2,420,000	\$ 2,185,000	\$ 2,403,500	-0.69%
Cell 7 (Wangara)	\$ 2,450,000	\$ 2,695,000	\$ 2,600,000	\$ 2,860,000	6.12%
Cell 8 (Wangara)	\$ 2,250,000	\$ 2,475,000	\$ 2,400,000	\$ 2,640,000	6.66%
Cell 9 (Landsdale)	\$ 2,170,000	\$ 2,387,000	\$ 2,160,000	\$ 2,376,000	-0.47%

The recommended land values have been included into the Annual Review for each of the Cells (1-9). It is noted that the recommended valuations represent a minor decrease for residential land values in Cells 1 to 6 and 9 and an increase for the Industrial land values for Cells 7 and 8, which reflects current market conditions and sales evidence.

Cell 1 (Ashby/ Tapping)

Cell 1 is 97% developed with only 92 lots remaining to be developed. The Cell Works are predominately complete with the exception of POS compensation of approximately \$1.9 million. The City is currently finalising the payment for the remaining POS compensation in consultation with the landowners and it is anticipated that all Cell Works will be completed in this financial year (2023-2024) at which time the City will seek to finalise and close this cell.

Proposed Scheme Amendment 208 was considered by Council in August 2023 (PS01-08/23) and seeks to introduce operational periods for the East Wanneroo Cells (1-9). The Cell 1 operational date is proposed to end on 30 June 2027, however Administration will continue to prioritise cell works and close the cells earlier, where possible.

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 is recommending that the ICPL rate of \$18,019 be retained.

Cell 2 (Sinagra)

Cell 2 is 49% developed with 1388 lots remaining to be developed. This portion of the cell is now developing rapidly due to the relocation of the Inghams poultry farm, which has enabled

Stockland and Quito Pty Ltd (Benara) to obtain subdivision approval and are now developing their respective landholdings quickly.

There is still a significant area (approximately 13 hectares) of POS yet to be acquired, 2 outstanding District Distributor Road (DDR) land acquisitions and the upgrading of Dundobar Road.

The Cell 2 operational date is proposed to end on 30 June 2033, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

In February 2023, Amendment 200 to DPS2 was gazetted and increased the Estimated Lot Yield (ELY) for Cell 2 from 9 lots per hectare to 15 lots per hectare. Amendment 200 was submitted on behalf of Stockland Property Group and Acumen Development Solutions (for Quito Pty Ltd), the two largest landowners in Cell 2, representing 72.25 ha or 64% the remaining developable land in Cell 2.

The introduction of a higher ELY of 15 lots per hectare was considered by Council in June 2022 (report PS01-06/22) and was supported due to the actual lot creation (to date) exceeding the ELY and because higher residential density will likely generate even higher lots yields and therefore additional excess funds. The introduction of a higher ELY enables Administration to apportion the Cell Costs over a greater number of lots and calculate an ICPL that more closely aligns with the total estimated cost of the Cell Works.

Administration has held discussions with the major landowner's representatives to establish a methodology for reconciling the previous contributors estimated excess and to establish a new ICPL rate for remaining landowners. The preferred methodology uses the same method applied to the East Wanneroo Cell 1 and Cell 9, which involved estimating excess funds at full development and apportioning potential excess funds between previous contributors and future contributors. The future contributors estimated excess at full development (estimated to be \$8,269,132) is then applied to reduce the current ICPL rate. The estimated excess funds from previous contributors (estimated to be \$7,983,168) will be identified in the annual review and future consideration for a return will be given when the potential (estimated) excess funds have been generated in the Cell 2 or when the cell is fully developed (or closed) in accordance with DPS2. It should be noted that the excess returns are not guaranteed because future income cannot be guaranteed, and that the City will continue to monitor and adjust ICPL rates as part of future annual reviews.

The proposed decrease in the ICPL rate from \$26,805 to \$20,847 reflects the implementation of Amendment 200 into DPS2 (ELY of 15), thereby lowering the contribution rate per lot. It is also noted that without applying the recommended excess return methodology a significantly lower ICPL rate would apply for remaining landowners. This would be considered an unjust benefit to future contributors by applying all previous contributors' excess funds to the calculation of a new ICPL, resulting in a reduction in the ICPL rate from \$26,805 to \$15,096 (**Attachment 12**). It should be noted that the auditors' findings do not reflect the methodology recommended by Administration in the Annual Review. The Audit findings reflect the calculation of an ICPL rate to fund the required cell works and not the principle of equity, which formed the basis of Amendment 200.

The 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 \$26,805 to be lowered to \$20,847 to reflect Amendment 200 and applies the same methodology that was used in Cell 1 and Cell 9, which involves estimating potential excess returns at full development to calculate and apportion excess funds between the previous and future contributors to facilitate the calculation of a new ICPL rate.

Cell 3 (Wanneroo)

Cell 3 is 91% developed with 46 lots remaining to be developed.

All POS areas have been acquired, however there is outstanding land acquisition associated with the widening of Dundebur Road. This is the most significant remaining capital works project for this Cell and is scheduled for design and construction in 2023-2026. It is also noted that an additional funding source is required towards 50% of the cost of widening and upgrading Dundebur Road. It is anticipated that contributions may be obtained from the future East Wanneroo landowners on the northern side of Dundebur Road (future East Wanneroo Precinct No. 6). However, if funding is not available, then the City may need to consider alternative funding sources to achieve the estimated time frames or choose to delay the construction of this section of road upgrading.

The Cell 3 operational date is proposed to end on 30 June 2032, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

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 that the ICPL rate of \$22,275 be increased to \$25,903.

Cell 4 (Hocking/ Pearsall)

Cell 4 is 94% developed with 251 lots remaining to be developed. There are 4 outstanding POS land acquisitions to be resolved and 2 outstanding DDR acquisitions.

In August 2020, Council (report PS01-08/20) considered Amendment 38 to the Cell 4 Agreed Structure Plan (ASP), which deleted part of the private school site from portion of Lot 594 Ranworth Road, Hocking. This site was originally treated as a deduction in the DCP (no contributions or cell works).

In July 2023, the WAPC granted approval to Amendment 38 to the Cell 4 ASP, which now includes restricted business (along Wanneroo Road), residential, POS to reflect the 10% (0.676 hectares) and part of the site retained as private primary school (existing). An area of 1.164 hectares of POS is depicted in the ASP due to the environmental constraints on the land, including Black Cockatoo foraging vegetation and several significant trees. However, because DPS 2 only provides for DCP contributions to acquire 10% POS in the cell, the additional land being provided (above 10% of the site) cannot be included and is required to be provided free of cost by the subdivider.

The Cell 4 operational date is proposed to end on 30 June 2033, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

The Cell 4 DCP has now been updated to reflect the additional 10% (0.676 hectares) POS that can be acquired using cell funds and the additional estimated income from this site from the estimated additional 51 lots.

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 recommending the ICPL rate of \$23,328 be retained.

Cell 5 (Landsdale - West)

This Cell is 95% developed with 138 lots remaining to be developed.

Only 1 historical POS acquisition payment is outstanding and is expected to be resolved in the 2023-2024 financial year.

The Cell 5 operational date is proposed to end on 30 June 2029, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

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

Recommendation – Administration is recommending that the current ICPL rate of \$30,909 be retained.

Cell 6 (Madeley/Darch)

This cell is 88% developed with 538 lots yet to be developed.

There are 4 POS acquisitions outstanding including a large 4.8ha area located in the old Landfill Precinct along Driver Road, which the landowner (Parcel Property) has advised will be vested in the Crown later this financial year (2023-2024). There are 3 Historical POS payments and 1 remaining land acquisition for the Gngangara Road realignment.

The Gngangara Road realignment and construction (Wanneroo Rd to Hartman Drive) is shared between Cells 6 and 7, however it is not scheduled until 2031. The realignment of Gngangara Road still requires a funding commitment by the State Government towards acquiring and constructing the Whitfords/Gngangara and Wanneroo Road intersection. The City will continue negotiations with the landowner to complete the remaining cell funded land acquisition for Gngangara Road and continue to advocate to the State to provide a funding commitment towards the intersection to achieve the scheduled timeframe.

The Cell 6 operational date is proposed to end on 30 June 2035, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

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 recommending the ICPL rate of \$24,678 to be retained.

Cell 7 (Wangara Industrial - West)

This cell is 75% developed with 25.5 hectares remaining to be developed.

There are 3 DDR acquisitions outstanding and 2 outstanding capital works remaining, including the realignment of Gngangara Road (shared 50% with Cell 6). The Gngangara Road realignment and construction (Wanneroo Rd to Hartman Drive) is shared between Cells 6 and 7, however it is not scheduled until 2031.

The realignment of Gngangara Road still requires a funding commitment by the State Government towards acquiring and constructing the Whitfords/Gngangara and Wanneroo Road intersection, which involves grade separating the existing intersection and creating one four-way intersection. The City will continue negotiations with the landowner to complete the remaining (cell funded) land acquisition for Gngangara Road and continue to advocate to the State to provide a funding commitment towards the intersection to achieve the scheduled timeframe.

The Cell 7 operational date is proposed to end on 30 June 2035, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

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

In the previous review for 2022-2023, Council agreed to retain the ICPL rate for Cell 7 to mitigate potential cost fluctuations in remaining works and to maintain consistency/equity between landowners.

Whilst the annual review reflects a minor decrease in the ICPL rate from \$11.12 to \$10.83 per square metre, Administration is recommending that Council retains the current contribution rates from 2022/23 until greater certainty has been obtained in relation to the remaining cell work costs and future income.

Should costs increase in the future, Council reserves the right to increase the contribution rate as part of the annual review process. If costs reduce in the future, then any excess funds would be returned to contributing landowners.

Recommendation - The Cell contribution rate be retained at \$11.12 per square metre.

Cell 8 (Wangara Industrial – East)

This cell is 81% developed with 35 hectares of land remaining to be developed.

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.

The Cell 8 operational date is proposed to end on 30 June 2036, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

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

In the previous review for 2022-2023, Council agreed to retain the ICPL rate for Cell 7 to mitigate potential cost fluctuations in remaining works and to maintain consistency/equity between landowners.

Whilst the annual review reflects a minor decrease in the ICPL rate from \$31.54 to \$28.10 per square metre, Administration is recommending that Council retains the current contribution rates from 2022/23 until greater certainty has been obtained in relation to the remaining cell work costs and future income.

Should costs increase in the future, Council reserves the right to increase the contribution rate as part of the annual review process. If costs reduce in the future, then any excess funds would be returned to contributing landowners.

Recommendation - The Cell contribution rate be retained at \$31.54 per square metre.

Cell 9 (Landsdale – East)

This Cell is 90% developed with 246 lots remaining to be developed.

There are 3 outstanding POS acquisitions, 5 outstanding POS developments, 5 outstanding buffer land and landscaping, 6 outstanding DDR works remaining and an outstanding acquisition and construction of a local community building.

The Cell 9 operational date is proposed to end on 30 June 2033, however Administration will continue to prioritise cell works and close the cell earlier, where possible.

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

Recommendation – The cell contribution rate of \$29,947 should be retained.

Internal Transactional Review

The City has previously completed and reported on Internal Transactional Review findings as part of the Annual Review process. The previous reviews analysed all project expenditure to ensure the costs charged were consistent with the proper interpretation of Cell Works as defined by DPS 2.

On 11 October 2022, Council (PS04–10/22) considered the Internal Transactional Review findings and advised that a further review will be required into any Cell Works that may have been prefunded by developers that were not reimbursed from the Cell account. In this regard, Administration is applying the same scope of works applied to the previous internal transactional work review.

This primarily involved identifying intersection treatments and DDR road construction and reviewing the subdivision design plans to determine the extent of any works completed by subdividers that could be considered Cell Works and identify the potential cost of these works for reimbursement to the relevant subdivider. Administration has subsequently finalised the review of the prefunding works for all Cells from their inception to financial year 2022/2023 and identified a range of works completed by subdividers at that time that meet the DCP scope of works, including intersection treatments and dual use paths.

The estimated costs are indicative at this stage, pending consultation with the affected landowner, where the City will provide the subdivider/landowner with the opportunity to consider the prefunding payment amount. The prefunding costs have been estimated by the City using construction rates that were applicable at the time of the works, plus interest. Further, DPS2 provides opportunity for commercial arbitration if the value of works cannot be agreed.

The internal transactional review is recommending that (in effect) a payment to developers is required for cell works that were undertaken by a landowner as part of subdivision, where under the proper interpretation of cell works in DPS2, these landowners are entitled to claim these costs (prefunding arrangement), which did not occur at that time.

The following total amounts are reflected in the annual review of costs as expenditure (accrued), pending finalisation of the annual review and subject to acceptance and payment to the relevant landowner/s within each cell.

Internal Transaction Review Recommendation – Payment for Pre-funding Cell Works

- Cell 1 - \$61,336.71 (plus estimated interest of \$30,749.26)
- Cell 2 - \$25,245.00 (plus estimated interest of \$26,541.97)
- Cell 4 - \$98,705.00 (plus estimated interest of \$73,706.29)
- Cell 6 - \$24,150.00 (plus estimated interest of \$24,656.10)
- Cell 8 – 212,120.00 (plus estimated interest of \$74,027.24)

Total prefunding re-imburement estimate is \$421,556.71, plus total interest of \$229,680.86 (total reimbursement for all the above cells is \$651,237.57). All Cells currently contain sufficient funds to reimburse the affected landowners.

The annual reviews have been externally audited since 2019 and have included the comprehensive internal transactional reviews of expenditure, income and the application of DPS2 requirements. At this stage, the need for further internal transactional reviews has not been identified.

State Planning Policy 3.6 Annual Status Report

SPP3.6 requires the City to apply additional monitoring and reporting requirements, including an annual status report. An annual status report is prepared by the local government 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 and are prepared and published as soon as possible after the final adoption of the annual review.

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 on 9 August 2023. The audit reports are set out in **Attachments 11-19**.

The audit reports have confirmed that the revised cost estimates for East Wanneroo Cells 1-9 are fairly stated and in compliance with DPS 2. In some cells, Administration is recommending a different ICPL rate to that of the auditors. In these cells, Administration is recommending that the ICPL rates are either retained, pending full development and closure of the cell or a methodology to ensure equity for all developers in accordance with the requirements of DPS2.

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. All forms of advertisement will be carried out concurrently.

Comment

Schedule 14 of DPS 2 sets out the provisions for the management and implementation of the East Wanneroo Developer Contributions Arrangements. In accordance with these provisions, the City is required to annually review the Cell Costs and Council is required to determine whether to increase, decrease, or maintain the current ICPL rates.

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

- Cell 1 - ICPL rate of \$18,019 (retained) and Land Valuation of \$1,965,000;
- Cell 2 - ICPL rate of \$20,847 (decreased by \$5,958) and Land Valuation of \$1,965,000;
- Cell 3 - ICPL rate of \$25,903 (increased by \$3,628) and Land Valuation of \$1,965,000;
- Cell 4 - ICPL rate of \$23,328 (retained) and Land Valuation of \$2,020,000
- Cell 5 - ICPL rate of \$30,909 (retained) and Land Valuation of \$2,160,000;
- Cell 6 - ICPL rate of \$24,678 (retained) and Land Valuation of \$ 2,185,000;
- Cell 7 - \$11.12 per/m² (retained) and Land Valuation of \$2,600,000;
- Cell 8 - \$31.54 per/m² (retained) and Land Valuation of \$2,400,000; and
- Cell 9 - ICPL rate of \$29,947 (retained) and Land Valuation of \$2,160,000

Amendment 208 was considered by Council in August 2023 (PS01-08/23) to introduce operational periods for the East Wanneroo Cells (1-9) and was approved for public advertising. The Amendment is considered to be a complex scheme amendment under the Planning and Development Act (2005) and therefore requires the approval of the Department of Environment and the WAPC, prior to advertising. It is anticipated that the amendment could be gazetted in early in 2024, subject to approval by the Minister for Planning. Each Cell will have its own specific operational period to reflect the expected dates for completion of the remaining capital works and land acquisitions and the receipt of remaining income (full development as per DPS2).

Administration will continue to prioritise the completion of the remaining Cell Works and will make recommendations to Council to close each Cell as soon as possible. Where landowners have not contributed towards the required infrastructure and the City is seeking to close the cell, the remaining landowner's contributions will need to be received or secured to facilitate the closure. This will likely require financial agreements and caveats between the City and the affected landowner (or payment) and Administration will prepare a procedure to inform this process in due course and in accordance with DPS2.

It is likely that the City will initiate closure of Cells 1 and 5 this financial year given that the remaining land acquisitions are nearing finalisation and are approaching full build-out (subject to securing remaining contributions). All other cells will be closed upon completion of the Cell Works and securing future contributions from hold-out landowners, generally in accordance with the operational periods of Amendment 208.

If Council opted to apply the DCP methodology included in DPS2 it would result in a significant reduction in the ICPL rate for those who are still to contribute compared to those who have previously contributed. Given most Cells are between 80%-97% developed, Council has opted to retain the same ICPL rates to mitigate large fluctuations in the ICPL rates prior to closure of the cells. Any excess funds generated at full development or closure of a cell can be returned to all contributing landowners equitably in accordance with DPS2.

The retention of ICPL rates has already been applied for Cells 1 and 4 to 9. In this regard, Cells 7 to 9 received submissions opposing any significant reduction in the ICPL rates and referred to an unjust benefit for future subdividers, if the rates reduce as a result of cost savings, or where excess income has been received from previous contributors.

It should be noted that should remaining costs significantly increase, then retention of ICPL rates provides a buffer against increasing ICPL rates, however this does not prevent Council from raising rates if required to finalise the Cell Works.

The external audit reports (refer **Attachments 11-19**) have confirmed that the adjusted contribution rates associated with Cells 1-9 are fairly stated and in compliance with DPS 2.

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 2023/2024 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 Appetite Statement

In pursuit of strategic objective goal 5, we will accept a Medium level of risk, extended to High in the areas of Community / Reputation & Financial / Commercial impacts. Shifting transport modes and usage in the City may require short term pain for longer term gain as the City supports the development, maintenance and connection of alternatives to car use (e.g. cycle ways) and the supporting infrastructure.

Risk Management Considerations

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

Risk Title	Risk Rating
ST-S23 Stakeholder Relationships	Medium
Accountability	Action Planning Option
Director Corporate Strategy & Performance	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 on 9 August 2023. The audit reports are set out in **Attachments 11-19**.

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 2023/2024 Annual Review of Cells 1 to 9 as depicted in Attachments 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 Clause 1.11.5 of 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 \$1,965,000;
 - b) Cell 2 - ICPL rate of \$20,847 and Land Valuation of \$1,965,000;
 - c) Cell 3 - ICPL rate of \$25,903 and Land Valuation of \$1,965,000;
 - d) Cell 4 - ICPL rate of \$23,328 and Land Valuation of \$2,020,000;
 - e) Cell 5 - ICPL rate of \$30,909 and Land Valuation of \$2,160,000;
 - f) Cell 6 - ICPL rate of \$24,678 and Land Valuation of \$2,185,000;
 - g) Cell 7 - Contribution rate of \$11.12 per/m² and Land Valuation of \$2,600,000;
 - h) Cell 8 - Contribution rate of \$31.54 per/m² and Land Valuation of \$2,400,000; and
 - i) Cell 9 - ICPL rate of \$29,947 and Land Valuation of \$2,160,000.
3. **NOTES** that a further report will be presented to Council following completion of the advertising period; and
4. **NOTES** that DCP Status Reports will be prepared and published on the City of Wanneroo Website upon final approval of the Annual Reviews to comply with the operational requirements of State Planning Policy 3.6.

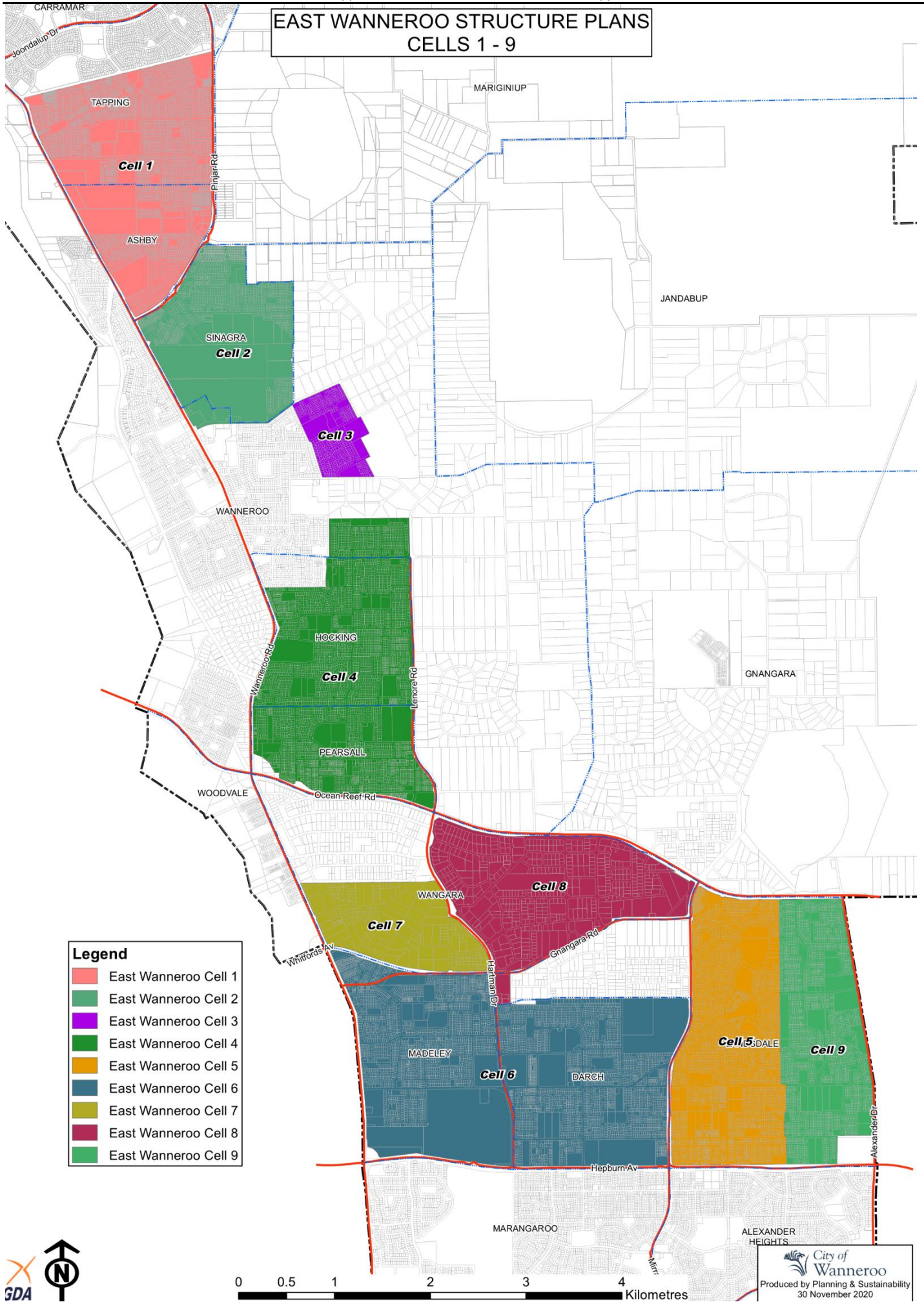
Attachments:

1.	Attachment 1 - Cells 1-9 Consolidated Location Plan	19/162679
2.	Attachment 2 - East Wanneroo Cell 1 Annual Review 2023/2024 Attachment	23/288559
3.	Attachment 3 - East Wanneroo Cell 2 Annual Review 2023/2024 Attachment	23/288564
4.	Attachment 4 - East Wanneroo Cell 3 Annual Review 2023/2024 Attachment	23/288566
5.	Attachment 5 - East Wanneroo Cell 4 Annual Review 2023/2024 Attachment	23/288568
6.	Attachment 6 - East Wanneroo Cell 5 Annual Review 2023/2024 Attachment	23/288574
7.	Attachment 7 - East Wanneroo Cell 6 Annual Review 2023/2024 Attachment	23/288577
8.	Attachment 8 - East Wanneroo Cell 7 Annual Review 2023/2024 Attachment	23/288580

9.	<i>Attachment 9 - East Wanneroo Cell 8 Annual Review 2023/2024 Attachment</i>	23/288588
10.	<i>Attachment 10 - East Wanneroo Cell 9 Annual Review 2023/2024 Attachment</i>	23/288593
11.	<i>Attachment 11 - Final Cell 1_Annual Cost Review_Audit Report 2023</i>	23/270975
12.	<i>Attachment 12 - Final Cell 2_Annual Cost Review_Audit Report 2023</i>	23/270981
13.	<i>Attachment 13 - Final Cell 3_Annual Cost Review_Audit Report 2023</i>	23/270993
14.	<i>Attachment 14 - Final Cell 4_Annual Cost Review_Audit Report 2023</i>	23/271002
15.	<i>Attachment 15 - Final Cell 5_Annual Cost Review_Audit Report 2023</i>	23/271005
16.	<i>Attachment 16 - Final Cell 6_Annual Cost Review_Audit Report 2023</i>	23/271008
17.	<i>Attachment 17 - Final Cell 7_Annual Cost Review_Audit Report 2023</i>	23/271017
18.	<i>Attachment 18 - Final Cell 8_Annual Cost Review_Audit Report 2023</i>	23/271025
19.	<i>Attachment 19 - Final Cell 9_Annual Cost Review_Audit Report 2023</i>	23/271029

PREVIEW


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

Cell 1 – Annual Review Attachment 2023/2024

EAST WANNEROO CELL 1 - ANNUAL REVIEW 2023		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	19,904,616	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	12,679,613	Land Acquisition and Construction Costs
Administration Costs	\$	1,150,763	Salary Recoupment, Legal Fees, Consultants
Excess funds returned to Developers	\$	25,772,309	Return to existing Landowners only - remaining receive reduced ICPL rate
Total	\$	59,507,302	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	1,895,832	Approx 0.9 ha (Historic and POS acquisition)
Administration Costs	\$	199,031	Estimated for four years remaining
Total	\$	2,094,863	
Total Expenditure/Costs (Gross Costs)	\$	61,602,165	
Income			
Payments Made to Date			
Contributions and Interest	-\$	61,336,610	All Income (funds) Received (includes interest)
Total	-\$	61,336,610	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$18,019 at ELY of 92	-\$	1,657,748	
Total Estimated Income	-\$	62,994,358	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	61,602,165	
Total Combined Estimated Income	-\$	62,994,358	From Total Estimated Income Above
Net Excess/Shortfall at Current ICPL (\$18,018)	\$	1,392,193	The potential excess funds estimated at \$1,392,193 is required to be shared by all landowners (estimated at full development). It should be noted that the additional excess is based on full development and includes future estimated income of \$1.657 million, which may not be realised. If the Cell is closed early, remaining estimated costs increase or landowners do not develop their landholdings then the potential 'Additional' excess may not occur.

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) 2023-2024								
Land			Area (m2)	2023/24	2024/25	2025/26	2026/27	Total
Outstanding POS Acquisition								
Lot 21 Carosa Road			6060	\$ 1,309,869.00				
TOTAL			6060	\$ 1,309,869.00	\$ -			\$ 1,309,869.00
Outstanding Historical POS Acquisition								
Lot 9000	61 Ashley Road		0.2982	\$ 585,963.00				
TOTAL				\$ 585,963.00	\$ -	\$ -	\$ -	\$ 585,963.00
Assessed Value								
	\$	1,965,000.00	Lot Yield Summary from Cell 1 ELY (whole Cell)			Actual		
Including 10%	\$	2,161,500.00	Total Area of Cell	339.91	Remaining ELY (9 per/ha)			92
Solatum			Deductions	61.96	Interest Received to date			12,442,535
Contribution Rate	\$	18,019.00	Net Area	277.95	Remaining Area to be developed			3%
			ELY	2501				



Cell 1 - Salient Issues (Ashby/Tapping)

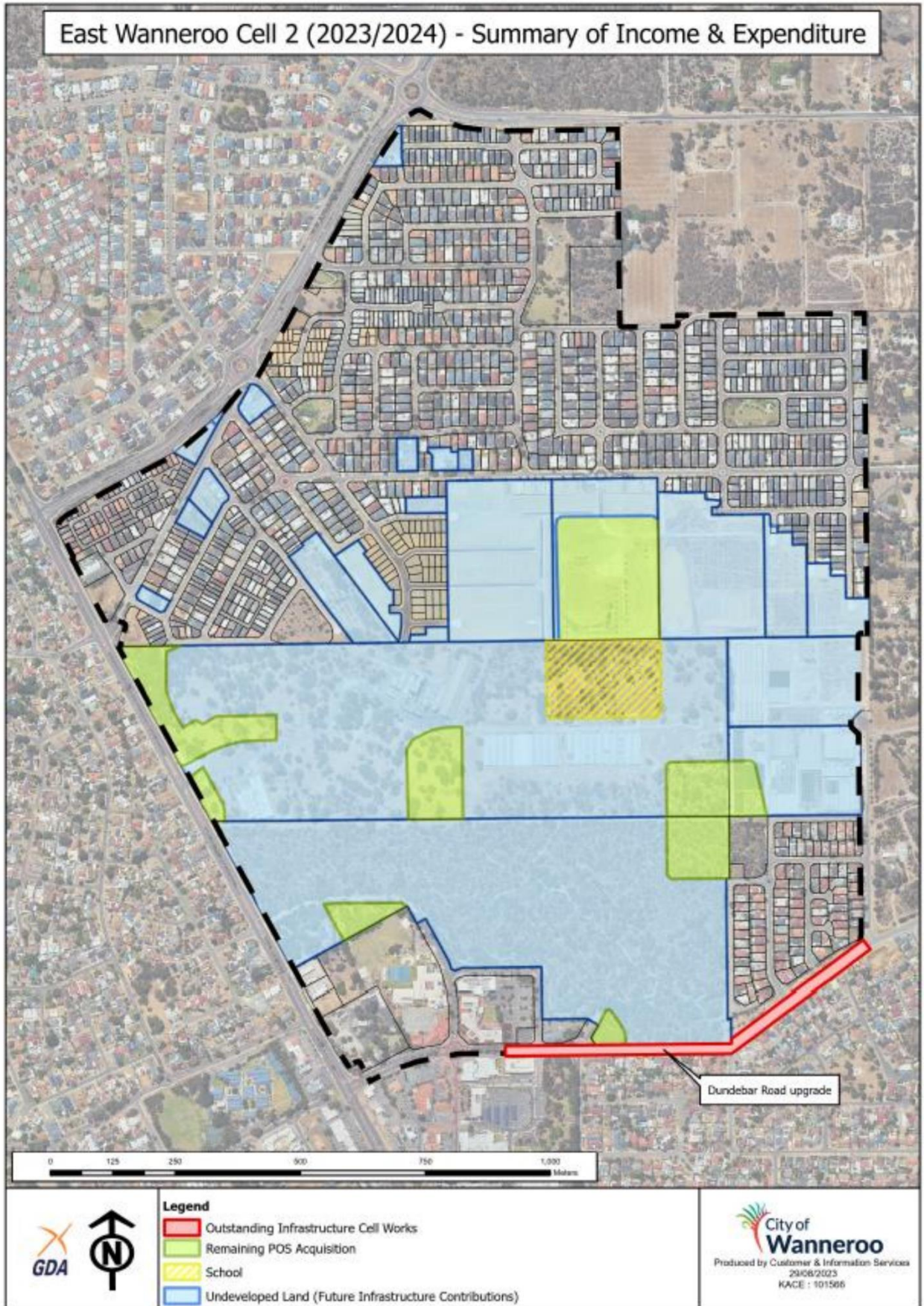
- The Cell is predominantly developed with only 3% (92 lots @ ELY) estimated to be remaining.
- The City has completed all construction works and the only outstanding expenditure relates to POS compensation of approximately \$1.9 million (plus estimated remaining administration costs of \$96,000).
- Only 2 remaining landowners are affected by POS compensation, which consists of a historic POS credit of approximately \$590,000 (credit for POS previously provided and forms part of the Cell 1 POS provision) and a POS acquisition of 6,060m² with an estimated acquisition value of \$1,309,869.00 (subject to adoption of the revised land valuation).
- The Cell 1 DCP is now at an acceptable level of accuracy, where income and expenditure amounts are generally in alignment. Cell 1 balance as of June 2023 was \$1,829,308.13 and the remaining expenditure is estimated to be \$2,094,863.00.
- There is an estimated remaining income of approximately \$1,657,748.00 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 landowner 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 detailed revised cost estimate for the remaining Cell Works are depicted in Attachment 2

Recommendation – Administration recommends that the Cell 1 ICPL rate be retained at \$18,109 to ensure contribution rates are set at an appropriate level to ensure adequate funds are received to complete the remaining Cell Works.

Cell 2 – Annual Review Attachment 2023/2024

EAST WANNEROO CELL 2 - ANNUAL REVIEW 2023	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	\$ 6,791,160	Land Acquisition and Construction Costs
Administration Costs	\$ 656,555	Salary Recoupment, Legal Fees, Consultants
Total	\$ 13,583,326	
Remaining Expenditure (Estimated) - Annual Review		
Public Open Space (10%)	\$ 28,294,900	Approx 13.1 ha
District Distributor Roads	\$ 5,055,583	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$ 587,312	Estimated for 10 years
Total	\$ 33,937,795	
Total Expenditure/Costs (Gross Costs)	\$ 47,521,120	
Income		
Payments Made to Date		
Contributions and Interest	-\$ 26,568,080	All Income (funds) Received (includes interest)
Total	-\$ 26,568,080	
Gross Estimated Remaining Income		
Estimated Contributions at Current ICPL of \$26,805 at ELY of 1388	-\$ 37,205,340	
Total Estimated Income	-\$ 63,773,420	
Estimated Cell Balance at Full Development		
Total Combined Expenditure/Costs (Gross Costs)	\$ 47,521,120	
Total Combined Estimated Income	-\$ 63,773,420	
Net Excess/Shortfall at Current ICPL (\$26,805)	\$ 16,252,300	Excess
Estimated Return at Full Development		
Estimated Credit per ICPL	\$ 5,958	
Estimated Credit for Landowner (Already Paid - 1,340 ICPL payments) - to be held until full development or closure	\$ 7,983,168	
Estimated Credit for Remaining Landowners (ELY - 1,388 ICPL payments)	\$ 8,269,132	
Revised ICPL Rate		
Current Infrastructure Cost Per Lot	\$ 26,805	
Proposed Decrease in ICPL (estimated excess applied to reduce ICPL)	\$ 5,958	
Proposed Infrastructure Cost Per lot	\$ 20,847	

CELL 2 - CAPITAL EXPENDITURE PLAN (CEP) 2023-2024										
Land	Area (m2)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Total		
Outstanding POS Acquisition										
Lot 19 (80) Vincent Rd	51772	\$ 11,190,517.80								
Lot 1665 (1040) Wanneroo rd	30404			\$ 6,571,824.60						
Lot 1665 (1040) Wanneroo rd	11362			\$ 2,455,896.30						
Lot 13 (39) Griffith Rd	6974						\$ 1,507,430.10			
Lot 9000 (1000) Wanneroo Road	30392						\$ 6,569,230.80			
TOTAL	130904	\$ 11,190,517.80	\$ -	\$ 9,027,720.90	\$ -	\$ -	\$ 8,076,660.90	\$ 28,294,899.60		
Outstanding DDR Widening										
Lot 1657 Dundebur Road	2948						\$ 637,210.20			
24 Dundebur Rd	85	\$ 18,372.75								
TOTAL	3033	\$ 18,372.75	\$ -	\$ -	\$ -	\$ -	\$ 637,210.20	\$ 655,582.95		
Outstanding Capital Works										
Dundebur Road single carriageway from Civic/Friars Drv to Griffiths Road including Path Civic Drive to Griffiths Road		\$ 169,000.00	\$ 1,725,060.00	\$ 2,505,940.00						
TOTAL		\$ 169,000.00	\$ 1,725,060.00	\$ 2,505,940.00				\$ 4,400,000.00		
Assessed Value	\$ 1,965,000.00	Lot Yield Summary from Cell 2 ELY (whole Cell)		Actual	1340					
Including 10%	\$ 2,161,500.00	Total Area of Cell	214.07	Remaining ELY (15 per/ha)	1388					
Solutium		Deductions	33.73	Interest Received to date	2,716,451					
Contribution Rate	\$ 26,805.00	Net Area	180.34	Remaining Area to be developed	51%					
		ELY	1623.06							



Cell 2 – Salient Issues (Sinagra)

- A large portion of Cell 2 is currently undeveloped with 51% remaining to be developed. 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 Plan 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 landholdings have obtained subdivision approval from the WAPC.
- Amendment 200 has been gazetted into the City's District Planning Scheme No.2 (DPS2), introducing 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, therefore lowering the contribution rate per lot.
- Administration is recommending that the current ICPL rate of \$26,805 to be lowered to \$20,847 to reflect the findings of the Annual Review and Amendment 200 to DPS2 to ensure that adequate funds will be received to complete the remaining Cell Works.
- The Annual Review of costs reflects a minor decrease in land value and road construction costs. The cost factors translate into a decrease in the remaining Cell Works costs from \$33,977,678 to \$33,937,795.
- 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 \$26,805 to be lowered to \$20,847 to reflect the findings of the Annual Review and Amendment 200 to DPS2.

Cell 3 – Annual Review 2023/2024 Attachment

EAST WANNEROO CELL 3 - ANNUAL REVIEW 2023		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	779,466	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	423,924	Land Acquisition and Construction Costs
Administration Costs	\$	375,545	Salary Recoupment, Legal Fees, Consultants
Total	\$	1,578,935	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	-	
District Distributor Roads	\$	1,511,721	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	240,611	Estimated for 9 years
Total	\$	1,752,332	
Total Expenditure/Costs (Gross Costs)	\$	3,331,267	
Income			
Payments Made to Date			
Contributions and Interest	-\$	2,139,727	All Income (funds) Received (includes interest)
Total	-\$	2,139,727	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$22,275 at ELY of 46	-\$	1,024,650	46 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$	3,164,377	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	3,331,267	
Total Combined Estimated Income	-\$	3,164,377	
Net Excess/Shortfall at Current ICPL (\$22,275)	-\$	166,890	Shortfall resulting in an increase in the ICPL rate from \$22,275 to \$25,903
Revised ICPL Rate			
Current Infrastructure Cost Per Lot	\$	22,275	
Proposed Increase in ICPL Required to Achieve adequate funds to Deliver	\$	3,628	
Proposed Infrastructure Cost Per lot	\$	25,903	

CELL 3 - CAPITAL EXPENDITURE PLAN (CEP) 2023-2024													
Land		Area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total	
Outstanding DDR Acquisition													
Lot 91 (173) Dundobar Rd		631		\$ 68,195.33									
Lot 92 (161) Dundobar Rd		639		\$ 69,059.93									
Lot 93 (143) Dundobar Rd		492		\$ 53,172.90									
Lot 94 (133) Dundobar Rd		546		\$ 59,008.95									
Lot 95 (113) Dundobar Rd		1224		\$ 132,283.80									
Total		3532	\$ -	\$ 381,720.90	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 381,720.90	
Outstanding Capital Works													
Dundobar Road single carriageway from Griffiths Road to Steven Street incl			\$ 32,495.00	\$ 416,783.00	\$ 680,722.00								
TOTAL			\$ 32,495.00	\$ 416,783.00	\$ 680,722.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,130,000.00	

Assessed Value	\$ 1,965,000.00	Lot Yield Summary from Cell 3 ELY (whole Cell)	
Including 10%	\$ 2,161,500.00	Total Area of Cell	48.916
Solatium		Deductions	10.23
Contribution Rate	\$ 22,275.00	Net Area	38.686
		ELY	348
		Actual	458
		Remaining ELY (9 per/ha)	46
		Interest Received to date	775508
		Remaining Land	10.04%

East Wanneroo Cell 3 (2023/2024) - Summary of Income & Expenditure

DDR Widening
Dundebar Road construction
between Griffiths Road to Steven



- Legend**
- Undeveloped Land (Future Infrastructure Contributions)
 - Outstanding Infrastructure Cell Works

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Cell 3 – Salient Issues (Wanneroo)

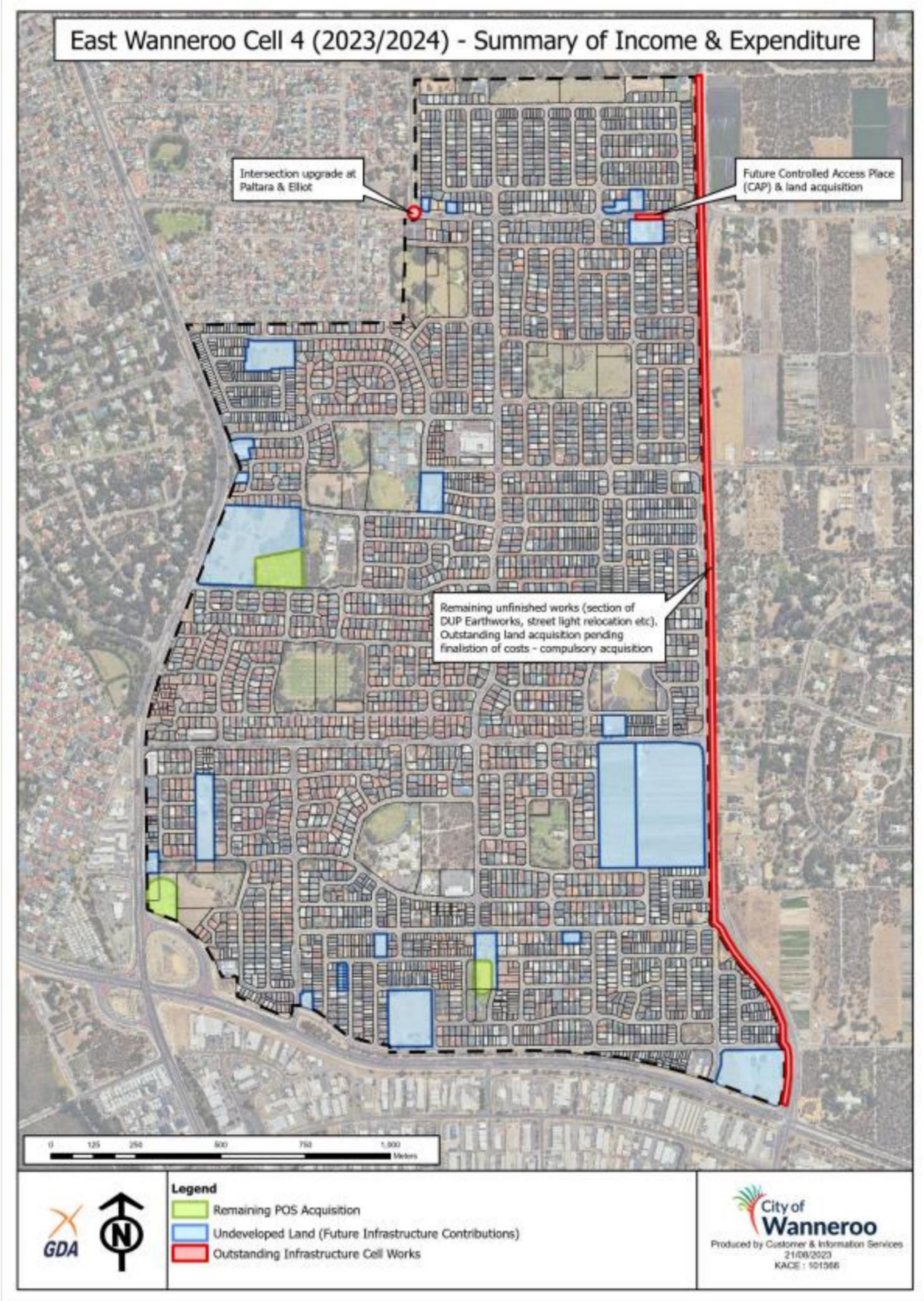
- Cell 3 is predominantly developed with only 10.04% of the land yet to be subdivided.
- All POS areas have been acquired.
- The Dundebur Road widening and duplication project is the most significant remaining cost for the Cell, which is currently scheduled for design and construction in between 2023 to 2026. 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 finding 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 contribution from these landowners through conditions of subdivision to other arrangement if a DCP has not been prepared.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2022 and 30 July 2023.
- The detailed revised cost estimates for the remaining Cell Works are depicted in Attachment 4.

Recommendation - Administration is recommending an increased ICPL rate from \$22,275 to \$25,903 to reflect the findings of the Annual Review of costs and ensure that adequate funds will be received.

Cell 4 – Annual Review attachment 2023/2024

EAST WANNEROO CELL 4 - ANNUAL REVIEW 2023	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	\$ 30,846,935	Land Acquisition and Construction Costs
Administration Costs	\$ 3,271,198	Salary Recoupment, Legal Fees, Consultants
Total	\$ 58,334,099	
Remaining Expenditure (Estimated) - Annual Review		
Public Open Space (10%)	\$ 5,271,739	Approx 1.4 ha (Additional Cost Estimated for Compulsory Taking)
District Distributor Roads	\$ 8,834,170	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$ 409,600	Estimated for 10 years
Total	\$ 14,515,510	
Total Expenditure/Costs (Gross Costs)	\$ 72,849,609	
Income		
Payments Made to Date		
Contributions and Interest	-\$ 69,835,742	All Income (funds) Received (includes interest)
Total	-\$ 69,835,742	
Gross Estimated Remaining Income		
Estimated Contributions at Current ICPL of \$23,328 at ELY of 251	-\$ 5,855,328	251 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$ 75,691,070	
Estimated Cell Balance at Full Development		
Total Combined Expenditure/Costs (Gross Costs)	\$ 72,849,609	
Total Combined Estimated Income	-\$ 75,691,070	
Net Excess/Shortfall at Current ICPL (\$23,328)	\$ 2,841,461	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	\$ 23,328	
Proposed Infrastructure Cost Per lot	\$ 23,328	

CELL 4 - CAPITAL EXPENDITURE PLAN (CEP) 2023-2024														
Land	Area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total		
Outstanding POS Acquisition														
Pt Lot 1 Wanneroo Road	3189	\$ 850,314.96												
Pt Lot 8 Wanneroo Road	8077	\$ 2,153,651.28												
Lot 10 Kemp Street	3446						\$ 765,701.20							
Lot 594 Ranworth Road	6760		\$ 1,502,072.00											
TOTAL	21472	\$ 3,003,966.24	\$ 1,502,072.00	\$ -	\$ -	\$ -	\$ 765,701.20					\$ 5,271,739.44		
Outstanding DDR Acquisition														
Lot 1001 (154) Elliot Road EHL	419		\$ 93,101.80											
Lot 3 (185) Mary Street Final payment for land compensation - Lenore Road		\$ 7,150,000.00												
Total	419	\$ 7,150,000.00	\$ 93,101.80	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,243,101.80		
Outstanding Capital Works														
Elliot Road - Intersection works at Paltara Way/Elliot Road and CAPS		\$ 550,000.00	\$ -											
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		\$ 62,000.00	\$ -											
Environmental Offset costs up to end of operational period		\$ 29,782.32												
TOTAL		\$ 641,782.32	\$ 949,286.33	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,591,068.65		
Assessed Value		\$ 2,020,000.00	Lot Yield Summary from Cell 4 ELY (whole Cell)											
Including 10% Solatium		\$ 2,222,000.00	Total Area of Cell	393.72	Actual		4337							
Current Contribution Rate		\$ 23,328.00	Deductions	17.09	Remaining ELY (9 per/ha)		251							
			Net Area	376.63	Interest Received to date		\$ 8,841,898.26							
			ELY	3390	Remaining Land		5.79%							



Cell 4 – Salient Issues (Hocking/Pearsall)

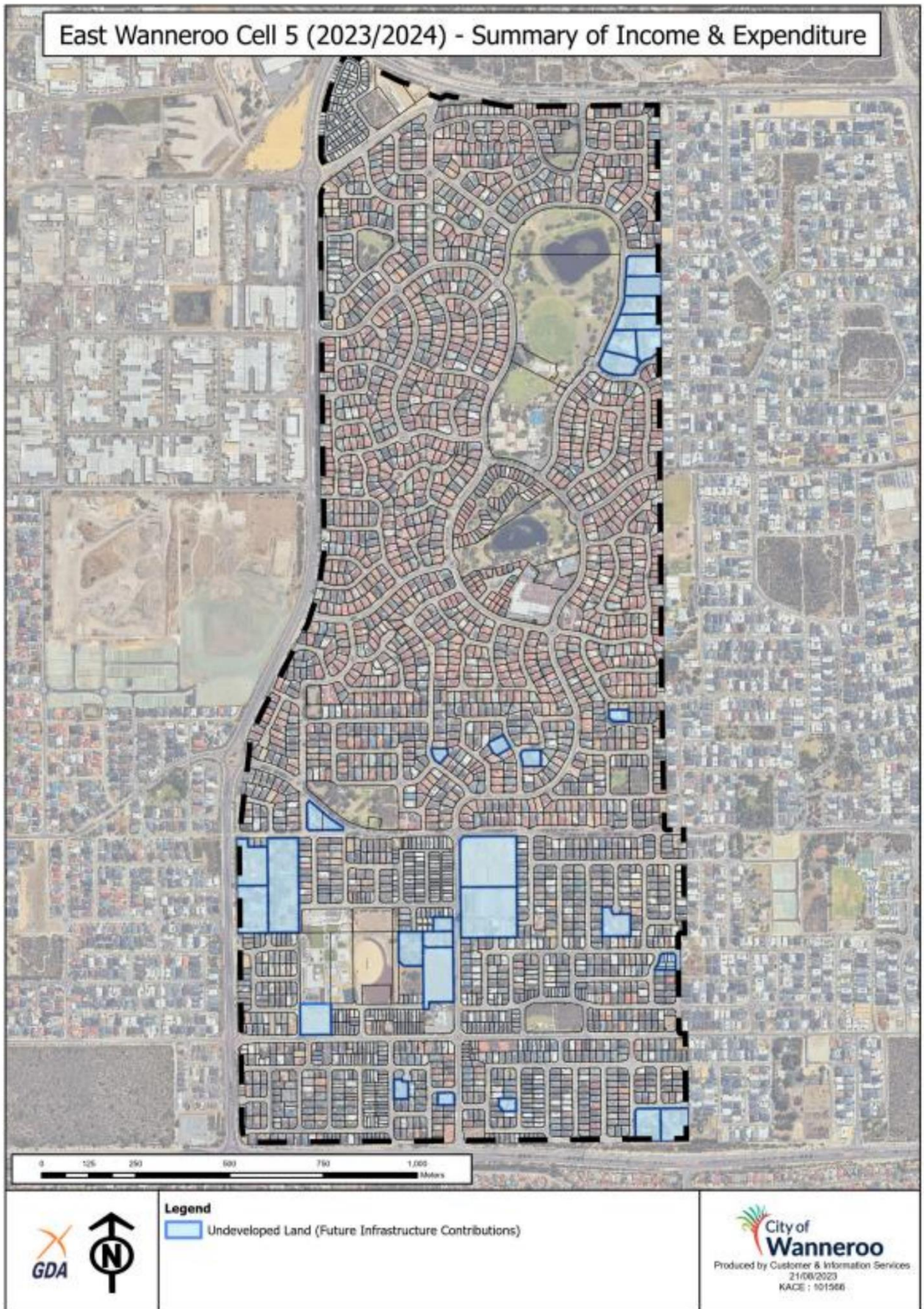
- Cell 4 is predominantly developed with only 5.79% (251 lots) of the remaining land undeveloped.
- There is a significant reduction in the estimated excess funds for this cell since the last annual from \$6.1 million to \$2.8 million at full development. Whilst excess funds are likely at full development, the extent of these is dependent upon a number of factors, including the escalation of costs for remaining works.
- The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2022 and 30 June 2023.
- 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 finding of the Annual Review of costs and to ensure that adequate funds will be received and retained to mitigate any potential cost variation for remaining Cell Works.

Cell 5 – Annual Review 2023/2024 Attachment

EAST WANNEROO CELL 5 - ANNUAL REVIEW 2023	Amounts (\$)	COMMENTS
Expenditure		
Expenditure to Date (Actuals)		
Public Open Space (10%)	\$ 20,050,848	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$ 18,838,289	Land Acquisition and Construction Costs
Administration Costs	\$ 2,076,043	Salary Recoupment, Legal Fees, Consultants
Total	\$ 40,965,181	
Remaining Expenditure (Estimated) - Annual Review		
Public Open Space (10%)	\$ 322,704	Approx .1 ha
District Distributor Roads	\$ -	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$ 193,140	Estimated for 6 years
Total	\$ 515,844	
Total Expenditure/Costs (Gross Costs)	\$ 41,481,025	
Income		
Payments Made to Date		
Contributions and Interest	-\$ 45,208,841	All Income (funds) Received (includes interest)
Total	-\$ 45,208,841	
Gross Estimated Remaining Income		
Estimated Contributions at Current ICPL of \$30,909 at ELY of 138	-\$ 4,265,442	138 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$ 49,474,283	
Estimated Cell Balance at Full Development		
Total Combined Expenditure/Costs (Gross Costs)	\$ 41,481,025	
Total Combined Estimated Income	-\$ 49,474,283	
Net Excess/Shortfall at Current ICPL (\$30,909)	\$ 7,993,258	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) 2023-2024											
Land			Area		2023/24	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	Total
Outstanding Historical POS Acquisition											
Lot 58 (187) Landsdale Rd			1494		\$ 322,704.00						
Total			1494		\$ 322,704.00						\$ 322,704.00
Assessed Value			\$ 2,160,000.00	Lot Yield Summary from Cell 5 ELY (whole Cell)							
Including 10% Solatium			\$ 2,376,000.00	Total Area of Cell			288.17	Actual		2928	
Current Contribution Rate			\$ 30,909.00	Deductions			13.8	Remaining ELY (9 per/ha)		138	
				Net Area			274.37	Interest Received to date		\$ 4,928,362.05	
				ELY			2469	Remaining Land		5%	



Cell 5 Salient Issues (Landsdale – West)

- This cell is predominantly developed with only 5% (138 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 2023-2024 financial year period, which will complete the remaining Cell Works for Cell 5.
- Total estimated excess funds are at \$8 million at full development of the cell.
 - \$4.2 million of 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 contribution 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 2022 and 30 June 2023.
- The revised cost estimates for the remaining Cell Works are depicted in Attachment 6.

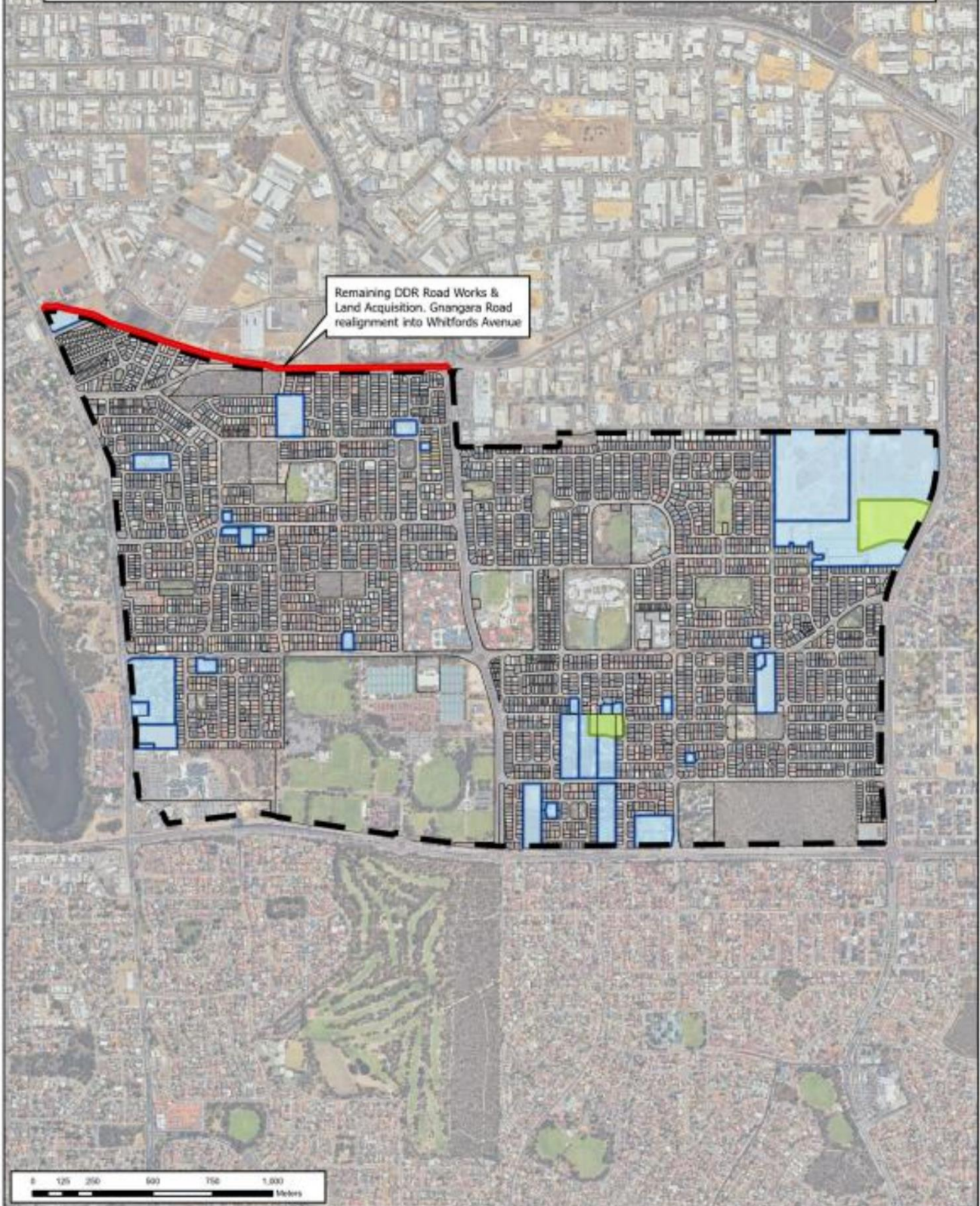
Recommendation – Administration is not recommending a return of excess funds until the remaining Cell Works have been completed and greater certainty can be established for the remaining income. The current ICPL rate of \$30,909 is recommended to be retained to reflect the finding of the Annual Review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

Cell 6 – Annual Review 2023/2024 Attachment

EAST WANNEROO CELL 6 - ANNUAL REVIEW 2023		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	29,479,250	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	26,263,670	Land Acquisition and Construction Costs
Administration Costs	\$	1,299,331	Salary Recoupment, Legal Fees, Consultants
Total	\$	57,042,251	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	15,512,451	Approx 6.5 ha
District Distributor Roads	\$	4,734,160	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	552,950	Estimated for 12 years
Total	\$	20,799,562	
Total Expenditure/Costs (Gross Costs)	\$	77,841,813	
Income			
Payments Made to Date			
Contributions and Interest	-\$	80,698,256	All Income (funds) Received (includes interest)
Total	-\$	80,698,256	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$24,678 at ELY of 538	-\$	13,276,764	538 Lots at Estimated Lot Yield of 9 Per/Ha
Total Estimated Income	-\$	93,975,020	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	77,841,813	
Total Combined Estimated Income	-\$	93,975,020	
Net Excess/Shortfall at Current ICPL (\$24,678)	\$	16,133,207	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) 2023-2024															
Land	Area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total	
Outstanding POS Acquisition															
Lot 9000 (46) Driver Road	48142	\$11,570,929.70													
Lot 31 Landsdale Road	2770						\$ 665,769.50								
Lot 32 Landsdale Road	7790						\$ 1,872,326.50								
Lot 9500 (264) Kingsway - Previously Lot 13	2670		\$ 641,734.50												
TOTAL	61372	\$11,570,929.70	\$ 641,734.50	\$ -	\$ -	\$ -	\$ 2,538,096.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,750,760.20	
Outstanding Historical POS Acquisition															
Lot 37 EVANDALE ROAD	1463	\$ 319,665.50													
Lot 13 KINGSWAY	1221	\$ 266,788.50													
Lot 820 LANDSDALE ROAD	802	\$ 175,237.00													
Total	3486	\$ 761,691.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 761,691.00	
Outstanding DDR Acquisition															
Lot 16 Windsor RD	6137						\$ 737,513.98								
Total	6137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,513.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 737,513.98	
Outstanding Capital Works															
Gnangara 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	\$ 2,185,000.00	Lot Yield Summary from Cell 6 ELY (whole Cell)													
Including 10% Solutium	\$ 2,403,500.00	Total Area of Cell	598.35	Actual	4650										
Contribution Rate	\$ 24,678.00	Deductions	151.31	Remaining ELY (9 per/ha)	538										
		Net Area	447.04	Interest Received to date	\$ 12,402,443.41										
		ELY	4023	Remaining Land	11.57%										

East Wanneroo Cell 6 (2023/2024) - Summary of Income & Expenditure



- Legend**
- Remaining POS Acquisition
 - Undeveloped Land (Future Infrastructure Contributions)
 - Outstanding Infrastructure Cell Works

City of Wanneroo
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21/08/2023
KACE : 101566

Cell 6 Salient Issues (Madeley/Darch)

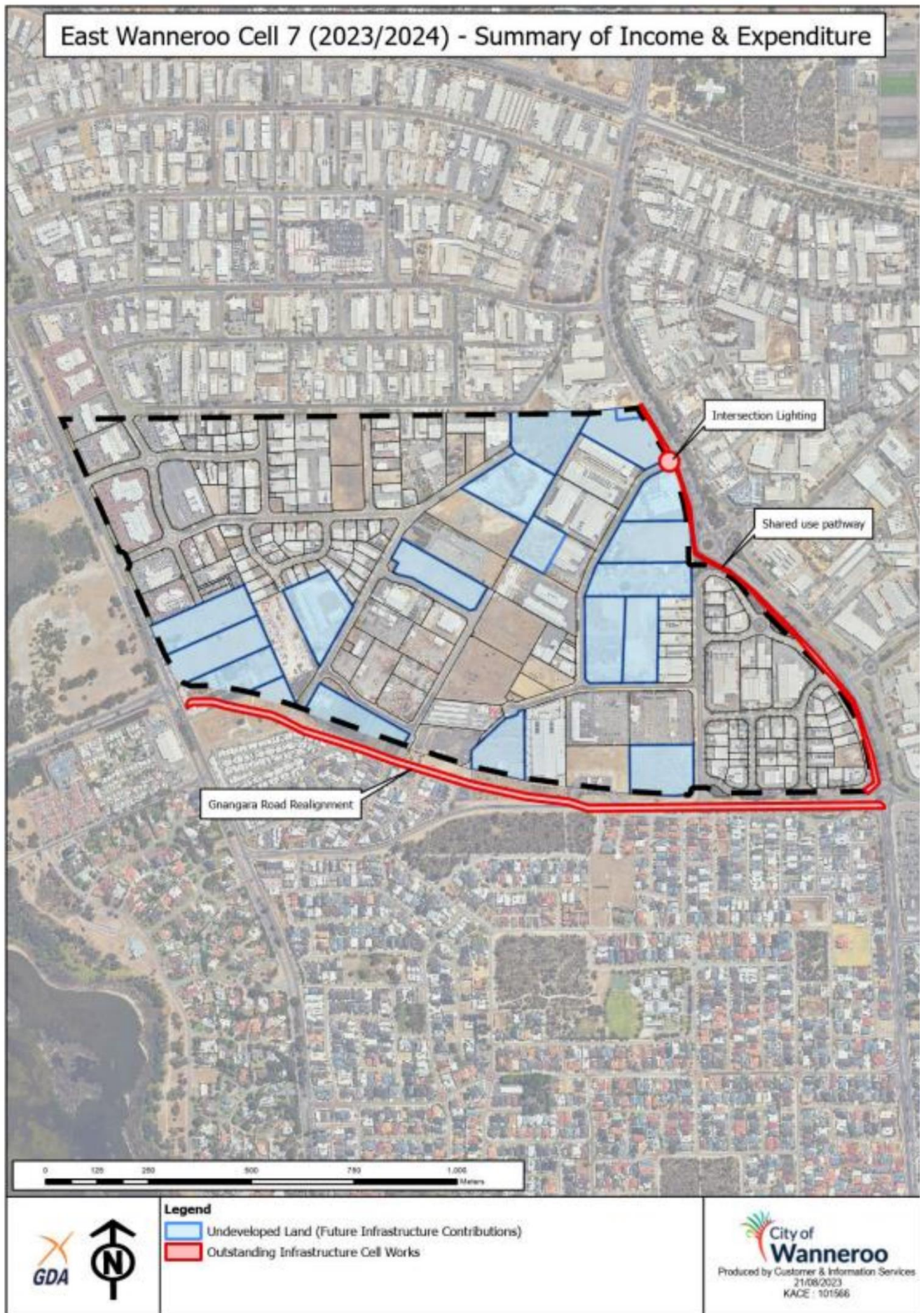
- The cell is predominantly developed with 11.5% (538 lots) remaining to be developed.
- The remaining capital works relate to the realignment of Gngangara Road (shared 50% with Cell 7), which has one remaining land acquisition to be completed to facilitate the construction of this section road (between Hartman Drive and Wanneroo Road) by 2031. Also refer the Gngangara Road heading in this section of the report.
- The total estimated excess funds of \$16.1 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 2022 and 30 June 2023.
- 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.

Cell 7 – Annual Review 2023/2024 Attachment

EAST WANNEROO CELL 7 - ANNUAL REVIEW 2023	Amounts (\$)	COMMENTS
Expenditure		
Expenditure to Date (Actuals)		
Public Open Space (10%)	\$ 528,500	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$ 4,095,980	Land Acquisition and Construction Costs
Administration Costs	\$ 812,660	Salary Recoupment, Legal Fees, Consultants
Total	\$ 5,437,140	
Remaining Expenditure (Estimated) - Annual Review		
Public Open Space (10%)	\$ -	
District Distributor Roads	\$ 5,247,791	Remaining construction and acquisition costs
Administration Costs	\$ 582,850	Estimated for 12 years
Total	\$ 5,830,641	
Total Expenditure/Costs (Gross Costs)	\$ 11,267,781	
Income		
Payments Made to Date		
Contributions and Interest	-\$ 8,623,406	All Income (funds) Received (includes interest)
Total	-\$ 8,623,406	
Gross Estimated Remaining Income		
Estimated Contributions at Current ICPL of \$11.12 per ha of 25.50	-\$ 2,835,556	25.50 ha
Total Estimated Income	-\$ 11,458,962	
Estimated Cell Balance at Full Development		
Total Combined Expenditure/Costs (Gross Costs)	\$ 11,267,781	
Total Combined Estimated Income	-\$ 11,458,962	
Net Excess/Shortfall at Current ICPL (\$11.12)	\$ 191,181	Excess resulting in a reduction in the ICPL rate
Revised ICPL Rate		
Current Infrastructure Cost Per m2	\$ 11.12	
Proposed Infrastructure Cost Per m2	\$ 11.12	

CELL 7 - CAPITAL EXPENDITURE PLAN (CEP) 2023-2024																																												
Land	Area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	Total																														
Outstanding DDR Acquisition																																												
Lot 16 Windsor RD	6137						\$ 877,591.00																																					
Lot 111 (17) Luisini Road	572				\$ 81,796.00																																							
Lot 1332 Parry Road intersection	601			\$ 85,943.00																																								
Total	7310	\$ -	\$ -	\$ 85,943.00	\$ 81,796.00	\$ -	\$ 877,591.00	\$ -	\$ -					\$ 1,045,330.00																														
Outstanding Capital Works																																												
Gnangara Road - New Realignment between Wanneroo Rd to Hartman Drive		\$ 150,000.00					\$ 2,044,000.00	\$ 1,802,646.50																																				
New shared pathway ORR to Gnangara Rd			\$ 205,814.00																																									
TOTAL		\$ 150,000.00	\$ 205,814.00	\$ -	\$ -	\$ -	\$ 2,044,000.00	\$ 1,802,646.50	\$ -					\$ 4,202,460.50																														
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:25%;">Assessed Value</td> <td style="width:15%;">\$ 2,600,000.00</td> <td colspan="2" rowspan="3" style="width:30%;">Lot Yield Summary from Cell 7 ELY (whole Cell)</td> <td style="width:15%;"></td> <td style="width:15%;"></td> </tr> <tr> <td>Including 10% Solatium</td> <td>\$ 2,860,000.00</td> <td>Total Area of Cell</td> <td>128.8</td> <td>Actual</td> <td>75.6145</td> </tr> <tr> <td>Contribution Rate</td> <td>\$ 11.12</td> <td>Deductions</td> <td>27.69</td> <td>Remaining ha</td> <td>25.50</td> </tr> <tr> <td></td> <td></td> <td>Net Developable Area</td> <td>101.11</td> <td>Interest Received to date</td> <td>\$ 1,347,587.75</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>Land Remaining</td> <td>25.22%</td> </tr> </table>															Assessed Value	\$ 2,600,000.00	Lot Yield Summary from Cell 7 ELY (whole Cell)				Including 10% Solatium	\$ 2,860,000.00	Total Area of Cell	128.8	Actual	75.6145	Contribution Rate	\$ 11.12	Deductions	27.69	Remaining ha	25.50			Net Developable Area	101.11	Interest Received to date	\$ 1,347,587.75					Land Remaining	25.22%
Assessed Value	\$ 2,600,000.00	Lot Yield Summary from Cell 7 ELY (whole Cell)																																										
Including 10% Solatium	\$ 2,860,000.00			Total Area of Cell	128.8	Actual	75.6145																																					
Contribution Rate	\$ 11.12			Deductions	27.69	Remaining ha	25.50																																					
		Net Developable Area	101.11	Interest Received to date	\$ 1,347,587.75																																							
				Land Remaining	25.22%																																							



Cell 7 Salient Issues (Wangara Industrial – West)

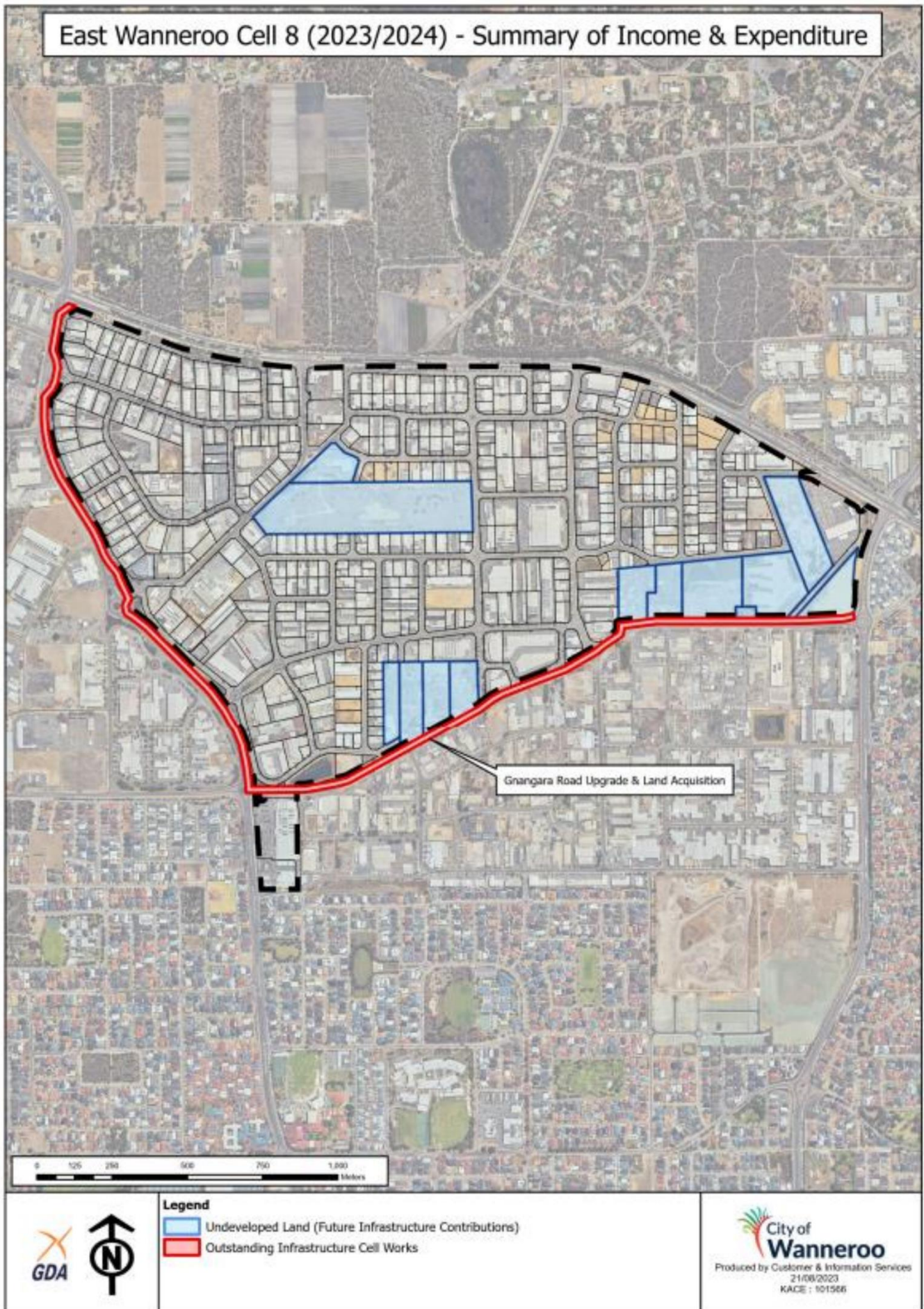
- **This cell is significantly developed with only 25.22% remaining (25.5 hectares remaining).**
- **The remaining capital works relate to the realignment of Gngara Road (shared 50% with Cell 6)**
- **There is one major remaining land acquisition to be completed to facilitate the construction of a section 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.**
- **The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2022 and 30 June 2023.**
- **The Annual Review for Cell 7 is included in Attachment 8.**

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

Cell 8 – Annual Review 2023/2024 Attachment

EAST WANNEROO CELL 8 - ANNUAL REVIEW 2023		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	44,220	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	22,146,116	Land Acquisition and Construction Costs
Administration Costs	\$	2,758,844	Salary Recoupment, Legal Fees, Consultants
Total	\$	24,949,180	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	-	
District Distributor Roads	\$	14,188,529	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	710,798	Estimated for 13 years
Total	\$	14,899,327	
Total Expenditure/Costs (Gross Costs)		\$	39,848,507
Income			
Payments Made to Date			
Contributions and Interest	\$	(29,977,954)	All Income (funds) Received (includes interest)
Total	-\$	29,977,954	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$31.54 per m2	-\$	11,080,633	35 ha
Total Estimated Income	-\$	41,058,587	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	39,848,507	
Total Combined Estimated Income	-\$	41,058,587	
Net Excess/Shortfall at Current ICPL (\$31.54)	\$	1,210,080	Reduction in ICPL Rate
Revised ICPL Rate			
Current Infrastructure Cost Per m2	\$	31.54	
Proposed Infrastructure Cost Per m2	\$	31.54	

CELL 8 - CAPITAL EXPENDITURE PLAN (CEP) 2023-2024																
Land	Area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	Total	
Outstanding DDR Acquisition																
Lot 7 (217) Gngangara RD	1130						\$ 357,984.00									
Lot 16 (229) Gngangara RD	1317						\$ 417,225.60									
Lot 6 (239) Gngangara Road	1701						\$ 449,064.00									
Lot 111 (17) Luisini Road	572				\$ 75,504.00											
Lot 601 (341) Gngangara Road	228						\$ 30,096.00									
Lot 703 (359) Gngangara Road	45	\$ 5,940.00														
Lot 19 (220) Gngangara Road	89	\$ 11,748.00														
Lot 200 (2) Cowle Street	189	\$ 24,948.00														
Total	5271	\$ 42,636.00	\$ -	\$ -	\$ 75,504.00	\$ -	\$ 1,254,369.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,372,509.60	
Outstanding Capital Works																
Gngangara Road - New Realignment between Hartman Drive to Mirrabooka		\$ 100,000.00											\$ 5,054,076.16	\$ 6,952,048.84		
New shared pathway ORR to Gngangara Rd			\$ 709,894.00													
TOTAL		\$ 100,000.00	\$ 709,894.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,054,076.16	\$ 6,952,048.84	\$ 12,816,019.00	
Assessed Value		\$ 2,400,000.00		Lot Yield Summary from Cell 8 ELY (whole Cell)												
Including 10% Solatium		\$ 2,640,000.00		Total Area of Cell		243.55		Actual		147.1246						
Contribution Rate		\$ 31.54		Deductions		60.55		Remaining ha		35						
				Net Developable Area		183		Interest Received to date		\$ 2,566,881.43						
								Remaining Land		19%						



Cell 8 Salient Issues (Wangara Industrial – East)

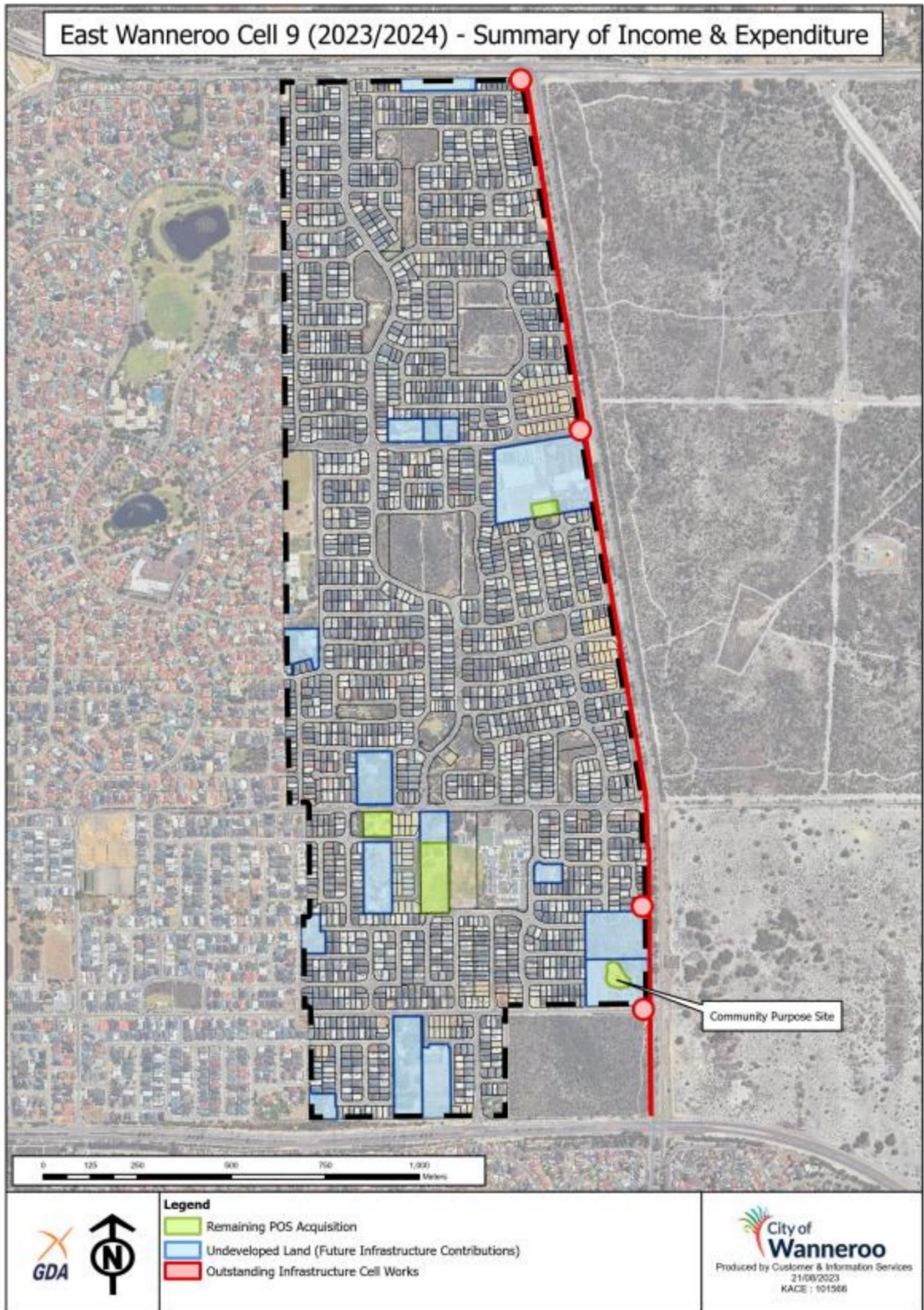
- **This cell is significantly developed with only 20% remaining (37 hectares remaining).**
- **The remaining capital works relate to the upgrade and construction of Gnangara Road (Hartman to Mirrabooka)**
- **There are land acquisitions to be completed to facilitate the construction of this section 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.**
- **The Annual Review includes updated financial transactions incurred since the last Annual Review for the period between 1 July 2022 and 30 June 2023.**
- **The Annual Review of the Cell is included in Attachment 9.**

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

Cell 9 – Annual Review 2023/2024 Attachment

EAST WANNEROO CELL 9 - ANNUAL REVIEW 2023		Amounts (\$)	COMMENTS
Expenditure			
Expenditure to Date (Actuals)			
Public Open Space (10%)	\$	48,708,163	Land Acquisition and Historic POS Credits (where applicable)
District Distributor Roads	\$	7,683,615	Land Acquisition and Construction Costs
Administration Costs	\$	1,442,260	Salary Recoupment, Legal Fees, Consultants
Total expenditure to date	\$	57,834,037	
Remaining Expenditure (Estimated) - Annual Review			
Public Open Space (10%)	\$	10,355,418	Approx 4.5 ha and POS Development
District Distributor Roads	\$	13,208,365	Remaining construction & acquisition costs (Roadworks and Drainage)
Administration Costs	\$	439,200	Estimated for 10 years
Total	\$	24,002,982	
Total Expenditure/Costs (Gross Costs)	\$	81,837,020	
Income			
Payments Made to Date			
Contributions and Interest	-\$	77,275,859	All Income (funds) Received (includes interest)
Total	-\$	77,275,859	
Gross Estimated Remaining Income			
Estimated Contributions at Current ICPL of \$29,947 at ELY of 246	-\$	7,366,962	246 Lots at Estimated Lot Yield of 13 Per/Ha
Total Estimated Income	-\$	84,642,821	
Estimated Cell Balance at Full Development			
Total Combined Expenditure/Costs (Gross Costs)	\$	81,837,020	
Total Combined Estimated Income	-\$	84,642,821	
Net Excess/Shortfall at Current ICPL (29,947)	\$	2,805,802	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) 2023-2024													
Land		Area	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	Total
Outstanding POS Acquisition													
Lot 58/601 (15) Queensway Road		2271						\$ 539,589.60					
Lot 165 (474) Kingsway		13449						\$ 3,834,578.88					
Lot 150 (322) Landsdale		4970	\$ 1,180,872.00										
TOTAL		20690	\$ 1,180,872.00	\$ -	\$ -	\$ -	\$ -	\$ 4,374,168.48					\$ 5,555,040.48
Outstanding POS Development													
POS 5 Lot 58/601 (15) Queensway Road		2271						\$ 225,283.20					
POS 11 Lot 163 (460) Kingsway		4842	\$ 519,062.40										
POS 12 Lot 165 (474) Kingsway		13449						\$ 1,387,936.80					
POS 12 Lot 1/166 (484) Kingsway		19690	\$ 185,676.62	\$ 1,372,630.00									
POS 13 Lot 150 (322) Landsdale		4970	\$ 493,024.00										
POS 1			\$ 170,900.00										
Total		45222	\$ 1,368,663.02	\$ 1,372,630.00	\$ -	\$ -	\$ -	\$ 1,613,220.00					\$ 4,354,513.02
Outstanding Buffer land and landscaping													
Lot 56/57 Alexander Drive		784	\$ 33,516.00										
Lot 56/57 Alexander Drive		925	\$ 26,209.75										
Lot 601/58 (15) Queensway Road		1200						\$ 336,420.00					
Lot 60 (475) Alexander Drive		574	\$ 24,538.50										
Lot 9001/61 (459) Alexander Drive		589	\$ 25,179.75										
Total		4072	\$ 109,444.00	\$ -	\$ -	\$ -	\$ -	\$ 336,420.00					\$ 445,864.00
Outstanding DDR Works													
Gnangara Rd/Alexander Dr intersection				\$ 552,000.00									
Alexander Drive - east - Drainage Site		1359			\$ 322,898.40								
Alexander Drive Dual Use P DUP to be constructed		0	\$ 420,501.92	\$ 2,619,590.00									
Alexander Dr/Queensway Lot 57 - Roworth O/S		465	\$ 110,484.00										
Alexander Dr/Sedano Gladi Octangler Pty Ltd ATF Alexander Trust		954						\$ 778,670.40					
Alexander Dr/Landsdale Rc BMC Properties		449						\$ 106,682.40					
Total		3227	\$ 530,985.92	\$ 3,171,590.00	\$ 322,898.40	\$ -	\$ -	\$ 885,352.80					\$ 4,910,827.12
Outstanding Capital Works													
Community Purpose Building inclusive of land		5000	\$ 1,188,000.00	\$ 50,000.00	\$ 250,000.00	\$ 6,809,537.82							
TOTAL			\$ 1,188,000.00	\$ 50,000.00	\$ 250,000.00	\$ 6,809,537.82							\$ 8,297,537.82
Assessed Value			\$ 2,160,000.00		Lot Yield Summary from Cell 9 ELY (whole Cell)								
Including 10% Solutium			\$ 2,376,000.00		Total Area of Cell			215.55		Actual		2304	
Current Contribution Rate			\$ 29,947.00		Deductions			33.9643		Remaining ELY		246	
					Net Area			181.5857		Interest Received to date		\$ 3,511,333.34	
					ELY			2361		Land Remaining		10%	



Cell 9 Salient Issues (Landsdale – East)

- This Cell is predominately developed with only 10% remaining (246 lots) remaining to be developed.
- The Cell has over \$24 million in remaining expenditure, including POS acquisition and development of a new community facility building (land and building).
- In this Cell, contribution rates have been retained at \$29,947 pending completion of the works and reconciling of all income and expenditure. An estimated excess of \$2.9 million was identified last year. This has reduced to a potential excess of \$2.8 million. The potential excess is also dependent upon a further \$7.3 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 2022 and 30 June 2023.
- 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.

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2006/07 and 2010/11, 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 reasonableness 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.

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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 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 \$2,886.47 from its current calculated ICPL rate of \$1,832.15 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 Audit (WA) Pty Ltd
ABN 67 125 012 124



Conley Manifis
Director

Dated this 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2003/04 and 2004/05, 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 reasonableness 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

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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 \$15,095.85 from its current calculated ICPL rate of \$26,805.16 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023 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 reasonableness 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

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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 \$25,903.04 from its current calculated ICPL rate of \$22,275.39 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2003/04, 2005/06, 2007/08, 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 reasonableness 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.

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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 \$500,661.20 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 \$7,150,000 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 \$12,007.44 from its current calculated ICPL rate of negative \$7,013.87 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023 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 reasonableness 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 \$27,013.16 from its current calculated ICPL rate of negative \$20,464.74 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023, estimated costs for future years and prior year adjustments affecting cell costs for financial year 2003/04, 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 reasonableness 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.

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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 \$5,309.37 from its current calculated ICPL rate of negative \$3,533.29 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023 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 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 reasonableness 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.

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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 \$10.37 per square metre from its current calculated ICPM rate of \$9.81 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023, estimated costs for future years and prior year adjustments affecting cell costs for financial years 2007/08 and 2012/13, 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 reasonableness 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.

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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 \$129,201.60 for District Distributor Roads ("DDR") land acquisition cost estimation for Lot 7 and Lot 16 Gngara Road of Cell 8, based on City's estimate on historical transactions with the landowner of Lot 7 and Lot 16 Gngara 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 \$28.10 per square metre from its current calculated ICPM rate of \$25.51 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 9th day of August 2023

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 2023/24 covered actual transactions from 1 July 2022 to 30 June 2023 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 reasonableness 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.

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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 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 \$18,541.30 from its current calculated ICPL rate of \$20,516.10 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
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Conley Manifis
Director

Dated this 9th day of August 2023