

TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 13 December 2012

Town of Victoria Park, 6.00pm

TAMALA PARK
REGIONAL COUNCIL
(TPRC)
COMPRISES THE
FOLLOWING
COUNCILS:

Town of Cambridge
City of Joondalup
City of Perth
City of Stirling
Town of Victoria Park
City of Vincent
City of Wanneroo

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TAMALA PARK REGIONAL COUNCIL

Councilors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the Town of Victoria Park 99 Shepperton Road, Victoria Park 6.00pm on Thursday 13 December 2012.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



TONY ARIAS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Corinne MacRae	Cr Simon Withers
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Eleni Evangel	
City of Stirling	Cr Giovanni Italiano (CHAIRMAN) Cr David Michael Cr Terry Tyzack Cr Rod Willox	Cr Stephanie Proud
Town of Victoria Park	Mayor Trevor Vaughan (DEPUTY CHAIRMAN)	Cr David Ashton
City of Vincent	Mayor Alannah MacTiernan	
City of Wanneroo	Cr Frank Cvitan Cr Dianne Guise	Cr Bob Smithson Cr Stuart Mackenzie

NB: Although some Councils have nominated alternate members, it is a precursor to any alternate member acting that a Council carries a specific resolution for each occasion that the alternate member is to act, referencing Section 51 of the Interpretation Act. The current Local Government Act does not provide for the appointment of deputy or alternate members of Regional Councils. The DLGRD is preparing an amendment to rectify this situation.

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

Council Meeting – 11 October 2012

5A. BUSINESS ARISING FROM THE MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

- Management Committee Meeting – 22 November 2012
- Audit Committee Meeting – 29 November 2012

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.24)

9.1 BUSINESS REPORT – PERIOD ENDING 6 DECEMBER 2012

Report Information

Reporting Officer: Chief Executive Officer

File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 6 December 2012.

Voting Requirements

Simple Majority

Report Purpose

To advise Council of matters of interest not requiring formal resolutions.

Relevant Documents

Appendix: Nil

Available for viewing at the meeting: Nil

Background

The business of the Council requires adherence to many legislative provisions, policies and procedures that aim at best practice. There are also many activities that do not need to be reported formally to the Council but will be of general interest to Council members and will also be of interest to the public who may, from time to time, refer to Council minutes.

In context of the above, a Business Report provides the opportunity to advise on activities that have taken place between meetings. The report will sometimes anticipate questions that may arise out of good governance concerns by Council members.

Comment

1. Civil Construction - Status

Stage	Lots	Commencement of Construction	Original Practical Completion Date	Works Status	Titles
Neerabup Rd Intersection	N/A	9 th July 2012	17 th September 2012	PC achieved 31 st October 2012	N/A
2	38	20 th February 2012	17 th August 2012	PC achieved on 28 th September 2012	15 October 2012
3	43	11 th June 2012	26 th October 2012	PC achieved 15 th November 2012	December 2012
4	48	20 th August 2012	15 th February 2012	50% Complete – Works on schedule	February 2013
6A	8	20 th August 2012	12 th October 2012	PC achieved on 31 st October 2012	December 2012

2. Bulk Earthworks

Stage	Commencement Date	Practical Completion Date	Works Status
Stage 5	13 th September 2012	20 th December 2012	To be completed prior to Christmas.
Stage 7	8 th October 2012	15 th February 2013	Construction ahead of schedule and expected to be completed prior to Christmas.

3. Stage 1 Landscape works – Status

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
1 – Drainage Basin & Neerabup Rd	2 nd July 2012	22 nd October 2012	To be completed prior to Christmas.
1 – Lot 1/ Entry Statement	2 nd July 2012	22 nd October 2012	Deferred pending resolution of Lot 1 Built Form outcome and Neerabup Entry Statement Design.
1 – Stage 1B POS	2 nd July 2012	22 nd October 2012	To be completed prior to Christmas.

4. Stage 1B Titles

Titles issued on 15th October 2012, to date 4 of the 11 lots have settled.

5. Stage 2 Titles

Titles issued on 15th October 2012, to date 23 of the 24 Builders Display Lots have settled, the remaining lot is scheduled to settle on 7 December.

6. Amendment to the Establishment Agreement

At its meeting of 21 June 2012, the Council resolved to request each of the Participants to agree, by resolution of each Council, to the amendments to clause 7 of the Establishment Agreement of the Tamala Park Regional Council, as set out in the draft Amendment Agreement (dated 15 May 2012). This position was consistent with legal advice.

Following approval and resolution of each of the participant local governments, the proposed Amendment to the Establishment Agreement was submitted to the Minister for Local Government for approval. The Minister for Local Government approved the Amendment on the 16th October 2012.

7. Temporary Sales Office

The Temporary Sales Office opened to the public on 23rd November 2012.

A security monitor and alarm has been installed and internal furnishing items have been installed. Landscaping surrounding the building has commenced and the design of internal and external marketing items are currently being finalised for installation.

8. GST Status TPRC Project

The TPRC has appointed Ernst & Young to provide professional advice on GST issues affecting the Project and to provide strategies for managing GST issues.

At its meeting of 11th October 2012 the Council was provided confidential advice from Ernst & Young (EY), also provided separately to the participant local government CEO's.

The EY advice indicated that the seven local governments could utilise Item 4 of the GST Act, on the following basis;

- The TPRC land was unimproved at 1 July 2000;
- There is no tax law partnership between the seven local governments;
- The seven local governments meet the requirements to be "State" under GSTR 2006/5;
- That Section 75-11(7) of the GST Act does not apply to override the use of item 4; and
- The TPRC land has been held by each Local Council at 1 July 2000.

EY also recommended that the seven local governments seek a private ruling on the key elements listed below.

The Council endorsed the methodology outlined below and sought endorsement from the participant local governments to;

- Utilise Item 4 for calculating GST on sales for Stage 2;
- Commence discussions with the ATO on this advice on utilising Item 4 of the GST;
- Seek a scope of works and fee proposal from EY to prepare, submit and manage a Private Ruling application with the ATO; and
- Proceed to seek a Private ruling, confirming, but not limited, to the following;
 - The land was unimproved at 1 July 2000;
 - There are not taxable supplies by a tax law partnership;
 - The seven local governments meet the requirements to be "State";
 - That Section 75-11(7) does not apply to override the use of item 4; and
 - The land was held by each Local Council at 1 July 2000

All of the participant local governments have confirmed support for the above methodology.

In accordance with the above methodology, EY has provided a scope of works and fee proposal to prepare, submit and manage a Private Ruling application with the ATO. This attached at Appendix 9.1 and is marked confidential.

9. Stormwater 2012 Congress

The Stormwater 2012 Congress was held in Melbourne on 16-18 October 2012 and attended by the Cr Willox and the CEO. Consistent with TPRC practice a brief report has been provided to Council on the Congress.

The report is presented for information.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JUNE, JULY, AUGUST, SEPTEMBER AND OCTOBER 2012 - LATE ITEM

Report Information

Location: Not Applicable
Applicant: Not Applicable
Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

That Council RECEIVE and NOTE the Statement of Financial Activity for the months ending:

- **30 June 2012;**
- **31 July 2012;**
- **31 August 2012;**
- **30 September 2012; and**
- **31 October 2012.**

Voting Requirements

Simple Majority

Report Purpose

Submission of the Statement(s) of Financial Activity required under the Local Government Act.

Relevant Documents

Appendix: Monthly Statement of Financial Activity for the months ending 30 June 2012, 31 July 2012, 31 August 2012, 30 September 2012 and 31 October 2012.

Available for viewing at the meeting: Nil

Local Government Act/Regulation

- Local Government Act 1995: Sect 6.4(1): Financial Report Required
- Local Government (Financial Management) Regulations 1996: Regulation 34 Composition of Report
- Local Government (Financial Management) Regulations 1996: Regulation 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regulations 1996: Regulation 14 Compliance Audit Item

Background

It is a mandatory requirement that the Council receives, reviews and records in the Regional Council's public minutes a statement of financial activity showing annual budget estimates and the figures for budget estimates, income and expenditure and variances at the end of each month. The report is also to show the composition of assets and other relevant information.

Comment

The detailed Statements contained in the Appendices reflect the budget proposals and direction adopted by the Council.

Variances at October 2012 exceeding 10% were experienced in relation to the following:

Interest Earnings	Interest earnings exceed budget projections as the investment principal is larger as a result of lower expenditure to date.
Employee Costs	The positive variance relates to timing of employee costs.
Materials & Contracts MTC	The positive variance reflects that expenditure is below budget projections, particularly marketing.
Professional/Consultant Fees	The variance is due to timing of payments associated with civil design, planning and landscape which will adjust during the balance of year.
Lot Production Cost	The variance is due to timing of payments associated with Bulk Earthworks for Stages 5 and 7, 1 Civil works and landscape works. These are progressively being brought back into budget.

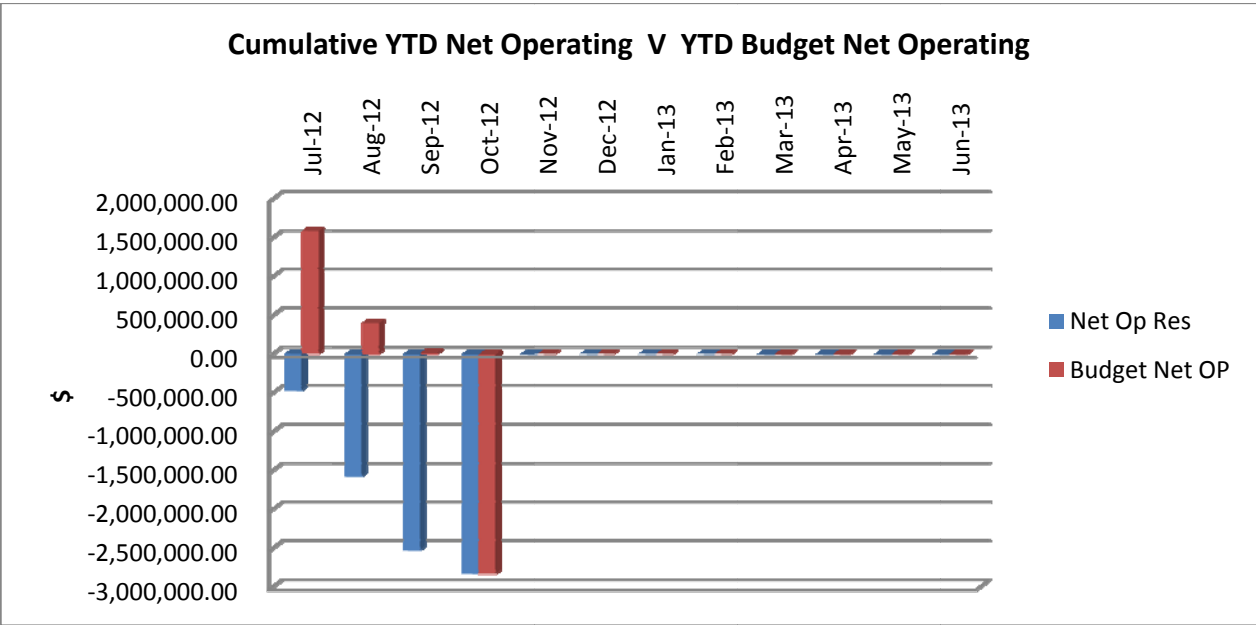
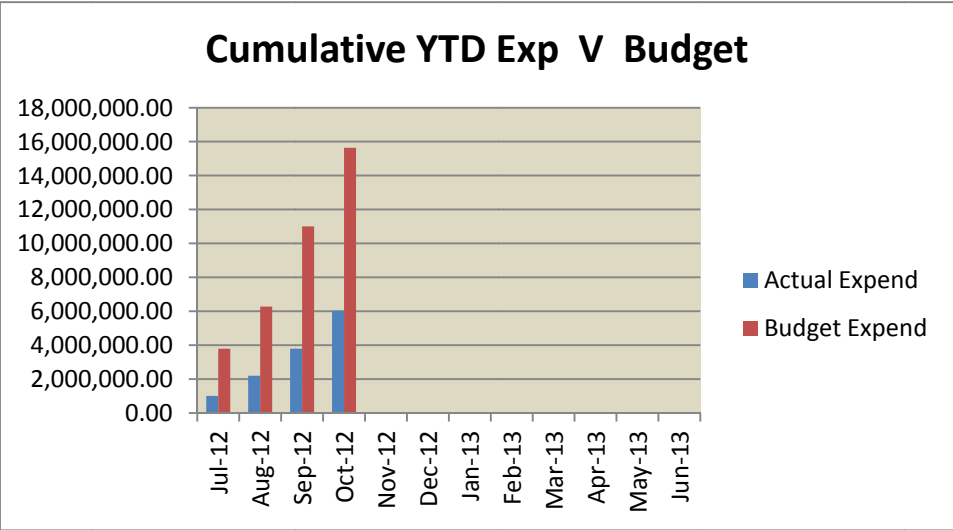
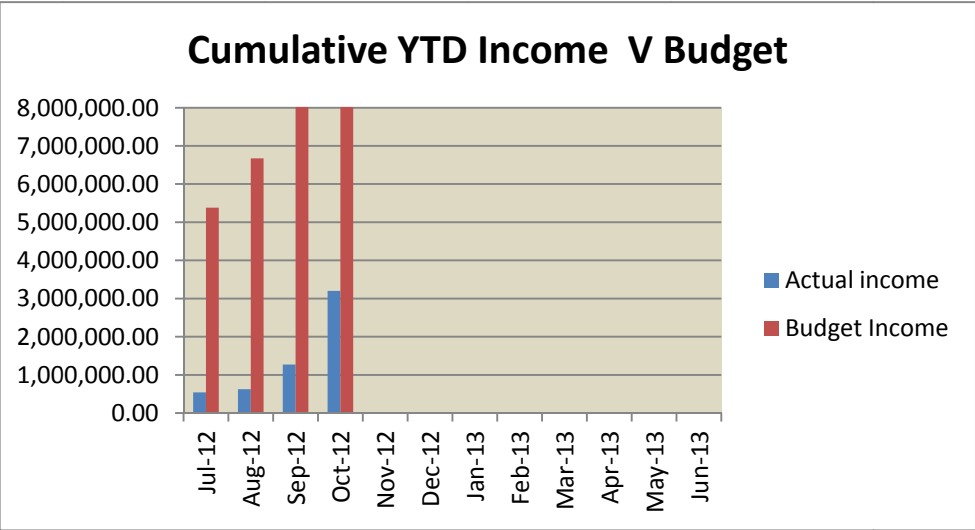
The information in the appendices is summarised in the tables below.

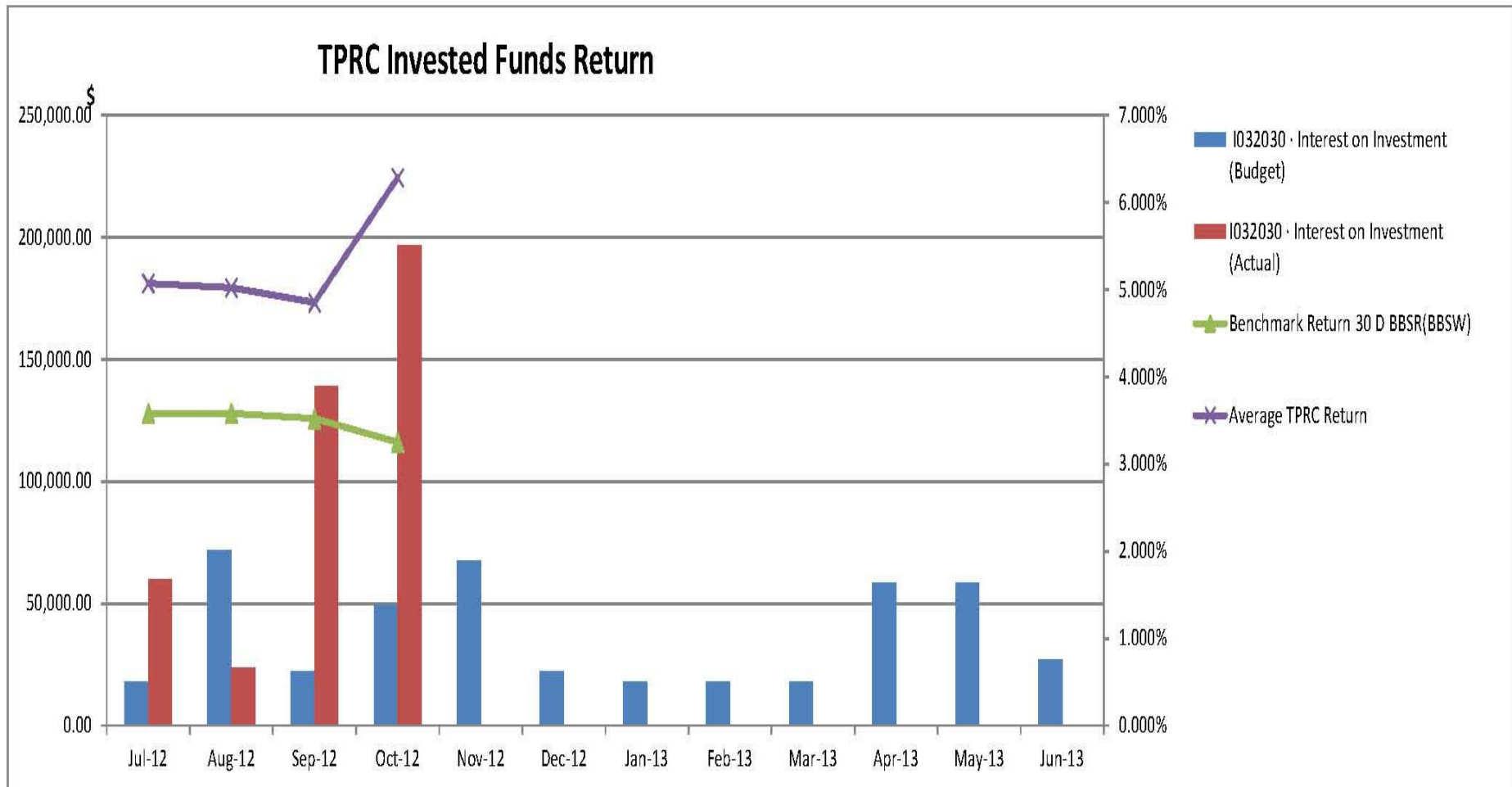
Financial Snapshot as at 31 October 2012

	Jul - Oct 12	YTD Budget	\$ Over/Under Budget	Variance	Annual Budget
Revenue					
Interest Earnings	196,324.00	161,640.00	-34,684.00	-21.46%	449,000.00
Other Revenue	2,083,515.38	12,640,846.00	10,557,330.62	83.52%	42,793,252.00
Total Revenue	2,279,839.38	12,802,486.00	10,522,646.62	82.19%	43,242,252.00
Expenses					
Depreciation	0.00	-6,956.00	-6,956.00	100.0%	-19,320.00
Employee Costs	-208,987.12	-304,189.00	-95,201.88	31.3%	-698,651.00
Insurance	-10,013.96	-11,300.00	-1,286.04	11.38%	-11,300.00
Materials & Contracts MTC	0.00	-10,850.00	-10,850.00	100.0%	-35,000.00
Materials & Contracts Other	-117,572.15	-140,508.00	-22,935.85	16.32%	-357,053.00
Other	-33,845.00	-45,860.00	-12,015.00	26.2%	-142,000.00
Professional/Consultant Fees	-54,817.05	-305,695.00	-250,877.95	82.07%	-763,535.00
Land Production Costs	-6,678,880.08	-14,517,398.00	-7,838,517.92	53.99%	-43,215,311.00
Utilities	0.00	-3,672.00	-3,672.00	100.0%	-10,200.00
Total Expenses	-7,104,115.36	-15,346,428.00	-8,242,312.64	53.71%	-45,252,370.00
TOTAL	-4,824,275.98	-2,543,942.00	2,280,333.98	-89.64%	-2,010,118.00

Balance Sheet Summary as at 31 October 2012

	Oct 31, 12	June 30, 12	\$ Change	% Change	Oct 31, 11
Cash and Investments	11,586,278.87	13,454,148.77	-1,867,869.90	-13.88%	14,498,347.75
Accounts Receivable	540,850.89	151,219.29	389,631.60	257.66%	0.00
Other Current Assets (inc Land Held for Resale)	1,030.00	1,030.00	0.00	0.00%	313,427.34
Total Current Assets	12,128,159.76	13,606,398.06	- 1,478,238.30	-10.86%	14,811,775.09
Fixed Assets	2,170,285.71	2,107,273.34	0.00	0.00%	2,022,953.65
Total Assets	14,298,445.47	15,713,671.40	- 1,415,225.93	-9.41%	16,834,728.74
Less Current Liabilities	1,815,309.28	593,801.12	1,221,508.16	205.71%	54,761.59
Less Long Term Liabilities	9,862.66	9,862.66	0.00	0.00%	13,046.69
Total Liabilities	1,825,171.94	603,663.78	1,221,508.16	202.35%	67,808.28
Net Assets	12,473,273.53	15,110,007.62	- 2,636,734.09	-215.12%	16,766,920.46





9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF OCTOBER & NOVEMBER 2012

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the months of October and November 2012:

- **Month ending 31 October 2012 (Total \$699,817.43)**
- **Month ending 30 November 2012 (Total \$4,731,513.40)**
- **Total Paid - \$5,431,330.83**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 31 October and 30 November 2012.

Relevant Documents

Appendix:

- Cheque Detail for Month Ending 31 October and 30 November 2012;
- Summary Payment List for October and November 2012.

Available for viewing at the meeting: Nil

Local Government Act/Regulation

- Local Government Act 1995: Sect 5.42 - Delegation given for Payments
- Local Government (Financial Management) Regulations 1996: Regulation 13(1) - Monthly Payment list required
- Local Government (Audit) Regulations 1996: Regulation 13 - Compliance Audit Item

Background

A list of accounts paid under delegation or submitted for authorisation for payment is to be submitted to the Council at each meeting. It is a specific requirement of Regulations that list state the month (not the period) for which the account payments or authorisation relates.

Comment

Payments made are in accordance with authorisations from Council, approved budget, TPRC procurement and other relevant policies.

Payments are reviewed by TPRC Accountants Haines Norton following completion of each months accounts.

9.4 PROJECT FINANCIAL REPORT - OCTOBER 2012

Report Information

Reporting Officer: Chief Executive Officer File Reference: 1.88.246

Recommendation

That the Council RECEIVE the Project Financial Report (October 2012) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for October 2012 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 21 June 2012 (Item 9.9 - Project Cashflow)

Financial/Budget Implications

Review of Project Financial Report for October 2012.

Relevant Documents

Appendix: Letter from Satterley Property Group, dated 8th November 2012.

Available for viewing at the meeting: Nil

Background

At its meeting of 21 June 2012 the Council approved the Project Budget 2012/13 (May12), submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget 2012/13.

Key Performance Indicators, Financial requires the preparation of monthly financial reports.

Comment

The Satterley Property Group has prepared a Financial Report for October 2012 for the Project. The report has been prepared on a cash basis and compares actual

expenditure to approved budget expenditure for the period 1 October 2012 to 31 October 2012 and year to date budget and is attached at Appendix 9.4.

The Financial Report identifies that settlement revenue and expenditure are both below budget. The main areas of variance are summarised below:

1. Settlement revenue is \$9.7M under budget, with only \$2.9M revenue received to date.
2. Expenditure is \$8.8M under budget, with under expenditure in the areas of Lot production, Landscape, Infrastructure and Sales and Marketing.

The SPG has advised that the shortfall in sales revenue is attributed to the following;

- \$3.2M revenue received in FYE12 ahead of budget; and
- \$6.5M revenue is due to delay of 31 settlements.

The shortfall in revenue is primarily as a result of delays in securing titles for Stage 1B and Stage 2. Since the preparation of the SPG October 2012 Financial report an additional 18 lots have been settled, representing revenue of \$4,766,000.

In terms of expenditure a major part of the variance to budget can be attributed to the lag in payments for new works initiated since July. Significant payments were made in November and this is expected to continue over the coming months as payments for earthworks, civil works and landscape contracts are realised.

As indicated in Table 1.4 of the SPG Financial Report the overall Cashflow YTD Actual compares favourably with the Cashflow YTD Budget estimate.

9.5 SALES REPORT – PERIOD ENDING 6 DECEMBER 2012

Report Information

Reporting Officer: Senior Project Officer

File Reference: N/A

Recommendation

That the Council RECEIVE the Sales Report to 6 December 2012.

Voting Requirements

Simple Majority

Report Purpose

To advise the Council of the status of sales, settlements and sales releases.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

Previous Minutes

Nil

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales. Lot sales up to 31 October 2012:

Budget Amount:	\$41,618,154
Received to Date:	\$ 7,677,000
Balance:	\$33,941,154

Relevant Documents

Appendix: Staging Plan

Available for viewing at the meeting: Nil

Background

The Sales report provides the Council with status report of sales of lots.

The plan provided under Appendix 9.5 identifies the extent of the Stage boundaries referenced within the report.

Comment

The table below provides a summary of the Sales position for lots released to date:

	LOTS RELEASED	SOLD	ON HOLD	SETTLED
STAGE 1A	24	24	-	24
STAGE 1B	11	10	1	4
STAGE 2	24	24	-	23
STAGE 3A	31	20	-	-
STAGE 3B	12	7	3	-
STAGE 4	34	30	0	-
STAGE 6A	8	8	-	-
TOTAL	144	123	4	51

Notes

Stage 1A – All lots have now settled.

Stages 1B – Titles have been issued and 4 of the 11 lots have settled.

Stage 3A and 3B – Clearances are currently being finalised. Lot settlements are now scheduled to commence in December 2013.

Stage 6A – All lots are under contract. Clearances are currently being finalised. Settlements are now expected to commence in December 2013.

Stage 4 – 34 lots released to the public on 13 October 2012, to date 30 are under contract with settlements scheduled to commence in February 2013. 12 Put Option Lots were tendered to builders closing on the 3rd December 2012.

Satterley Property Group representatives will be in attendance to present the Sales Report with further updates, proposed Sales releases and general market conditions.

9.6 ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2012

Report Information

Reporting Officer: Chief Executive Officer File Reference: 4.144.49.0

Recommendation

That the Council ADOPT the Annual Report of the TPRC for the year ended 30 June 2012.

Voting Requirements

Absolute Majority

Report Purpose

To review the Annual Report for the TPRC for the year ended 30 June 2012.

Relevant Documents

Appendix: TPRC Annual Report 2011/2012
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

- Local Government Act 1995: S5.3 Requires Local Government to prepare an annual report, with prescribed inclusions, for each financial year.
- Local Government Act 1995: S5.4 Requires Local Government to accept the Annual Report by 31 December.
- Local Government Act 1995: S5.5 requires availability of report to be advertised following report adoption by Local Government.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Previous Minutes

- Ordinary meeting of Council (13 October 2011) – Item 9.5: Annual Report
- Ordinary meeting of Council (14 October 2010) – Item 9.5: Annual Report
- Ordinary meeting of Council (4 December 2008) - Item 9.8: Annual Report
- Ordinary meeting of Council (16 October 2008) - Item 9.7: Annual Report
- Ordinary meeting of Council (11 October 2007) - Item 8.2: TPRC Annual Report for the year 1 July 2006 to 30 June 2007

Background

The Council has a statutory obligation to provide an Annual Report of its operations including the following:

- Report by the Chairman of the Council;
- Report by the CEO;

- Detail of completion of statutory requirements;
- Detail of expenses paid to members;
- The audit report and completed financial report of the Council for the year under review;

The annual financial report is to be made available for public inspection.

Comment

The TPRC Annual Report for the year ending 30 June 2012 will be the sixth annual report produced by the Council. The report contains information on the Council formation and operation, the Tamala Park Local Structure Plan and major activities of the TPRC to provide maximum exposure of the Council's proposals for public information. The Annual Report is attached at Appendix 9.6.

The report is required to be adopted by the Council by 31 December in each year and a copy of the adopted report must be provided for the Executive Director of the Department of Local Government.

The report will include some of the information contained in the TPRC Future Plan as there is limited knowledge of the work and objectives of the TPRC. The Annual Report is an opportunity to promote the Council and the urban development at Tamala Park.

The Annual Report contains the Audit Report and the Annual Financial Report, for the year ended 30 June 2012, both of which have been completed. The current agenda contains a separate item in relation to the Annual Financial Report (refer Item 9.7).

At its meeting of 29 November 2012 the Audit Committee considered the Annual Report and resolved that Council ADOPT the Annual Report of the TPRC for the year ended 30 June 2012.

9.7 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2011 TO 30 JUNE 2012

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.48.0

Recommendation

That the Council RECEIVE the Financial Report for the year ended 30 June 2012 and it be INCLUDED in the Annual Report of the TPRC Council.

Voting Requirements

Simple Majority

Report Purpose

To provide for review the audited financial report of the TPRC for the year ended 30 June 2012.

Relevant Documents

Appendix: Audited Annual Financial Report for the year ended 30 June 2012
Available for viewing at the meeting: Nil

Previous Minutes

- Council Meeting – 13 October 2011 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2010 to 30 June 2011)
- Council Meeting – 14 October 2010 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2009 to 30 June 2010)
- Council Meeting - 15 October 2009 (Item 9.16: TPRC Annual Financial Report for the Year 1 July 2008 to 30 June 2009)
- Council Meeting - 14 August 2008 (Item 9.9: Annual Financial Report for the year 1 July 2007 to 30 June 2008 – receipt of financial report and referral to Audit Committee)

Policy Reference

TPRC Audit Charter: Scope, includes review of Annual Financial Report and recommendation of adoption by the Council

Local Government Act/Regulation

- Local Government Act 1995: S6.4 - Requires Local Government to prepare annual Financial Report in prescribed form; balanced accounts and financial report for preceding year to be submitted to Auditor by 30 September.
- Local Government Act 1995: S7.2 - Requires accounts and financial report to be audited by an auditor appointed [according to prescribed procedures] by the Local Government.
- Local Government Act 1995: S7.9 - Requires Auditor to provide report on accounts and financial report to Chairman, CEO and Minister by 31 December.
- Regs - Local Government (Audit) 1996 R 9 Sets out Criteria for Conduct of Audit.

- Guideline 18 - Financial Ratios - Describes Financial Ratios required in financial reports.
- Regs - Local Government (Financial Management) 1996: R36-49 prescribes report inclusions.
- Regs - Local Government (Financial Management) 1996: R50 - CEO to forward copy of Financial Report to Executive Director within 30 Days of Audit.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Background

An Annual Financial Report is required to provide a comprehensive outline of financial activities of the TPRC for the public record and public inspection.

A series of legislative requirements must be observed in preparing the Annual Financial Report.

The Council's Audit Charter requires review of the report by the Audit Committee.

The report must be completed by 30 September, submitted for audit and included in the Council annual report for adoption no later than 31 December.

Comment

The accounts for the financial year have been balanced, the financial report prepared by Haines Norton (Accountants) and reviewed by Dom Carbone & Associates. The accounts and report have been submitted to the appointed Auditor (Macri Partners) for review.

The Auditor has completed audit of the documents and has provided the required management report which is required to be presented to the Chairman of the Council, the CEO and the Minister for Local Government. The report is considered in Item 9.7.

The accounts are in balance and there are no adverse comments or notifications from Council's accountants. The Council continues to utilise investment funds to operate the TPRC office.

At its meeting of 29 November 2012 the Audit Committee considered the Financial Report for the year ended 30 June 2012 and resolved that Council receive the Financial Report for the year ended 30 June 2012 and it be included in the Annual Report of the TPRC Council.

9.8 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.19.382.0

Recommendation

That the Council;

- 1. RECEIVE the Auditor's report for the financial year ended 30 June 2012.**
- 2. NOTE that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2012.**

Voting Requirements

Simple Majority

Report Purpose

To facilitate review of the auditor's report as required by Regulation.

Relevant Documents

Appendix: Audit Report for Financial Year ended 30 June 2012
Available for viewing at the meeting: Nil

Previous Minutes

- Council Meeting – 13 October 2011 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2011)
- Council Meeting – 14 October 2010 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2010)
- Council meeting – 15 October 2009 (Item 9.19: Review of the Auditor's Report for the Financial year Ended 30 June 2009)
- Audit Committee meeting – 4 December 2008 (Item 9.2: Review of the Auditor's Report for the Financial Year ended 30 June 2008)

Policy Reference

TPRC Audit Charter 6(f) and (h)

Local Government Act/Regulation

- Local Government Act Section 7.9(3) – Auditor is to provide a copy of the audit report within 30 days of completion to the Chairman, the CEO and the Minister.
- Local Government Act Section 7.12(3) – Local Government required to take action on matters raised in Audit Report.
- Local Government (Audit) Regulations 10.4 – Auditor may prepare a Management Report in addition to the Audit Report and copy to Chairman, the CEO and the Minister.

Background

The Local Government (Audit) Regulations require the Council's appointed Auditor to prepare an Auditor's report.

The report is to give the Auditor's opinion at;

- (a) The financial position of the local government
- (b) The results of the operations of the local government

Comment

The Council's appointed Auditor (Macri Partners) has completed its assessment for the financial year ending 30 June 2012. There are no adverse comments raised by the external auditor in its report.

There is a statutory obligation for the Council's appointed Auditor to meet with the Local Government at least once per annum. The Auditors (Mr Anthony Macri & Mr Terry Tan) attended the Audit Committee meeting to discharge this obligation.

At its meeting of 29 November 2012 the Audit Committee considered the Audit Report for Financial Year ended 30 June 2012 and resolved that Council that;

1. That the Auditor's report for the financial year ended 30 June 2012 be RECEIVED.
2. That it be NOTED that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2012.

9.9 CODE OF CONDUCT FOR ELECTED MEMBERS & STAFF

Report Information

Reporting Officer: Chief Executive Officer File Reference: 13.45.188.0

Recommendation

That the Code of Conduct, dated 11 October 2012 of the Tamala Park Regional Council be ADOPTED.

Voting Requirements

Simple Majority

Report Purpose

To review the TPRC code of conduct applicable for councillors and officers.

Relevant Documents

Appendix: TPRC Code of Conduct
Available for viewing at the meeting: Nil

Policy Reference

WALGA Model Code of Conduct (February 2008)

Local Government Act/Regulation

- Local Government Act Section 5.103

Previous Minutes

- Council Meeting – 9 March 2006 (Item 9.2 – TPRC Code of Conduct)
- Council Meeting – 12 April 2007 (Item 9.10 - Code of Conduct – Council Members, Committee Members & Employees – Year 2007 Review)
- Council Meeting – 6 December 2007 (Item 13.5 – Code of Conduct)

Financial/Budget Implications

N/A

Background

Local governments are required to have a code of conduct for guidance of councilors and officers.

In an amendment to the Local Government Act in 2007, provision was made for regulations to be introduced by the Minister for Local Government. These regulations have application for all local governments and came into effect on 20 October 2007.

With the Act amendment section 5.103 was changed to eliminate a requirement that a Council's code of conduct be reviewed within 12 months of each ordinary election.

Notwithstanding the change to statutory review requirements, it is desirable that each new Council review the TPRC code of conduct as the code will have application for Council dealings through the life of the current Council.

The 2007 legislation has a provision that indicates the Minister's code of conduct regulations will take precedence where there is any conflict with a local government's code of conduct.

Comment

A review of the Minister's regulations and the TPRC code of conduct do not disclose any problematic conflict of provisions.

It is suggested that the current Council code of conduct be amended to be in line with the WALGA Code of Conduct Model. The marked up version of the Code of Conduct document is attached at Appendix 9.9.

The updated Code of Conduct document is recommended for adoption.

9.10 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES

Report Information

Reporting Officer: Chief Executive Officer File Reference: 4.127.787.0

Recommendation

That the Council ADOPT the Policy, Financial Management – Significant Accounting Policies, dated 13 December 2012 and agree to a review of the Policy in December 2013.

Voting Requirements

Simple Majority

Report Purpose

To propose a policy that outlines the adoption of Full Accrual Accounting and all other applicable Accounting Standards.

Relevant Documents

Appendix: Financial Management – Significant Accounting Policy
Available for viewing at the meeting: Nil

Policy Reference

Proposed Financial Management – Significant Accounting Policy

Local Government Act/Regulation

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

Previous Minutes

N/A

Financial/Budget Implications

N/A

Background

The Policy Financial Management – Significant Accounting Policies is a new policy to provide guidelines for the preparation of the financial report.

Comment

The Policy Financial Management – Significant Accounting Policies is consistent with accounting standards and local practice and is recommended for adoption.

9.11 DELEGATION AUTHORITY

Report Information

Reporting Officer: Chief Executive Officer File Reference: 22.21.294.26

Recommendation

That Council APPROVE the amendments to the Delegation Register 2011/12, dated November 2012.

Voting Requirements

Absolute Majority

Report Purpose

To request Council to approve modification to the Delegation Register.

Relevant Documents

Appendix: TPRC Delegation Register (updated April 2011)
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 15 December 2011 (Item 9.7 - Display Village Lots Tender & Allocation)
- Council Meeting – 24 June 2010 (Item 9.4 - Delegation Authority)
- Council Meeting – 11 February 2010 (Item 9.11 - Delegation Authority)
- Council Meeting – 13 August 2009 (Item 9.5 – Delegation Authority)
- Council Meeting – 9 August 2007 (Item 9.12 – Delegation Authority)

Background

The LGA provides that the Council may delegate powers to the CEO who, in turn, may delegate to other officers.

In 15 December 2011 the Council approved modifications to the Delegation Register 2011/12. The modifications approved by Council to the Delegation Register were required to enable the effective operation of the Tamala Park Regional Council office and more accurately reflect the delegations utilised by other local authorities.

Comment

A number of changes are proposed to the Delegation Register. The proposed modifications are considered necessary in order to enable the efficient day to day operation of the Sales process and to provide clarity regarding delegation.

The proposed modifications to the Delegation Register are highlighted at Appendix 9.11.

9.12 CATALINA SALES OFFICE – CHILDRENS PLAYGROUND

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:-

1. **RECEIVE** the Satterley Property Group letter regarding assessment of risk of the Sales Office Children's Play Area dated 8th November 2012.
2. **NOTE** the advice from the TPRC insurers (LGIS) that the TPRC Public Liability insurance would cover the TPRC, including councilors and officers, against any Public Liability claims which may be made against it as a result of the Children's Play Area.
3. **AGREE** to the LGIS recommendations to reduce risk in relation to the Children's Play Area and require the Satterley Property Group to implement the following ;
 - a) The playground to be designed under the 'Australian Standards for Playground Safety'.
 - b) The playground to be subject to a regular/maintenance program in accordance with manufacturer requirements managed by the SPG;
 - c) The SPG provide a management strategy for the use of the Children's Play Area for approval by the TPRC.
4. **AGREE** to LGIS undertaking a full risk management audit on completion of the facility.
5. **REQUEST** the Satterley Property Group to demonstrate currency of insurance relating to Public Liability, Personal Accident/Workers Compensation Property/Equipment and Professional Indemnity relating to this matter.
6. **Subject to 1, 2, 3, 4 and 5 above, AGREE** that the risk assessment matters concerning the children's play area have been satisfactorily addressed.

Voting Requirements

Simple Majority

Report Purpose

To provide the Council with an update of the assessment and management of risk related to the Children's Play Area within the Catalina Sales Office and Information Centre.

Relevant Documents

Appendix:

- SPG letter: Catalina Sales Office and Display Centre – Playground Assessment of Risk, dated 8th November 2012; and

- LGIS letter: Tamala park Children's Play Area – Insurance and Risk Issues, dated 5th December 2012

Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 11 October 2012 (Item 9.8 – Sales Village Business Case)

Financial/Budget Implications

Expenditure under this matter will be incurred under the following items:-

Item E145207 (Land Develop – Land & Special Sites):

Budget Amount:	\$ 708,152
Spent to Date:	\$ 0
Balance:	\$ 708,152

Item E145209 (Land Develop – Landscape):

Budget Amount:	\$4,511,491
Spent to Date:	\$ 85,225
Balance:	\$4,426,266

Background

At its meeting held on the 11th October 2012, the Council resolved to approve the Sales Village Business Case presented by the Satterley Property Group (SPG), subject to amendments and clarifications, including the requirement to assess matters of risk associated with the proposed Children's Play Area, to the satisfaction of the Management Committee.

The Management Committee considered a report on the Satterley Property Group's assessment of risk of the Sales Office Children's Play Area at its meeting of 22 November 2012 and Committee resolved that the item be held over to the next Council meeting scheduled for 13 December 2012.

Comment

The SPG has responded to the Council's resolution by letter dated 8th November 2012, attached under Appendix 9.12.

In its response letter, SPG advise the following:-

- SPG has insurances in place to cover its employees against any Public Liability claims which are made against it as a result of attendance on site;
- The playground will be designed under the 'Australian Standards for Playground Safety' and compliant with necessary safety regulations;
- An independent third party is recommended to be engaged to undertake an 'Asset Equipment List and Safety Audit' at practical completion of the playground, prior to use;
- Further periodic safety audits are expected to be required following advice from the independent auditor and manufacturer requirements; and
- The TPRC is recommended to review its Public Liability insurances to confirm satisfactory coverage is in place to protect it from accidents related to facilities within the Sales Office and Information Centre.

The SPG advice does not address the key matter of potential risks to the TPRC and insurance implications to the TPRC from the establishment and operation of the Children's Play Area. Based on this information provided by the SPG the TPRC would not be able to make an informed decision on the risk assessment matters as resolved by the Council.

The TPRC has sought advice from its insurers (LGIS letter dated 5th December 2012 attached under Appendix 9.12) which has indicated the TPRC Public Liability insurance would cover the TPRC, including councilors and officers, against Public Liability claims which are made against it as a result of the Children's Play Area.

LGIS has made a number of recommendations to reduce risk, including;

1. The playground is designed under the 'Australian Standards for Playground Safety'.
2. The playground be subject to a regular/maintenance program in accordance with manufacturer requirements managed by the SPG;
3. The SPG provide a management strategy for the use of the Children's Play Area for approval by the TPRC.
4. LGIS undertake a full risk management audit on completion of the facility.

LGIS has also recommended that as a prerequisite that other third parties, such as the SPG, take out the following coverage where applicable, Public Liability, Personal Accident/Workers Compensation Property/Equipment and Professional Indemnity.

It should also be noted the TPRC will incur additional costs in implementing the measures recommended by LGIS.

9.13 STAGE 2B DESIGN GUIDELINES, INCENTIVES AND SALES PROCESS

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **APPROVE** the following modifications to the Catalina Central Cell Design Guidelines for single dwellings for the Stage 2B lots:-
 - a) Insert a requirement for an additional architectural feature to be provided at the front elevation of all dwellings; and
 - b) Insert a requirement for the design of upper storey elevations of two storey corner lots to address secondary street frontages.
2. **APPROVE** the sale of Lots 115 and 121 by the Sales Procedure – Private Purchaser Lots Strategy, September 2011, approved by the Council at its meeting held on 13 October 2011, subject to the same sales contracts, building incentives and commercial terms, with the addition of 1.1m high open style front boundary fencing being provided.
3. **APPROVE** the sale of Lots 116 – 120 as a single package to builders by public tender, via the use of Put Option Deeds approved by Council for the Stage 3 Builders Allocation Lots in April 2012, subject to the same procedures, selection criteria, evaluation process, and terms and conditions; with the addition of a \$3,000 per lot cash rebate to the builder, subject to landscaping and fencing (including 1.1m high open style front side boundary fencing) being completed by the builder within 18 months following settlement of the lot.
4. **APPROVE** the sale of Lots 168 and 169, by the Sales Procedure – Private Purchaser Lots Strategy, September 2011, approved by the Council at its meeting held on 13 October 2011, subject to the same sales contract.
5. **APPROVE** the lease of Lots 169 and 171 – 174 from private purchasers, for an initial term of 3 years commencing from 1st April 2013, with four 12 month options at the discretion of the TPRC, and rent based on 7% of the purchase price per annum, with all outgoings paid for by the purchaser.
6. **APPROVE** the lease of Lot 168 from private purchasers, for an initial term of 3 years commencing from 1st April 2013, with one 12 month options at the discretion of the TPRC, and rent based on 7% of the purchase price per annum, with all outgoings paid for by the purchaser.
7. **APPROVE** the lease of Lot 170 and the Catalina Sales Office structure from private purchasers, for an initial term of 3 years commencing from 1st October 2013, with four 12 month options at the discretion of the TPRC, and rent based on 6.5% of the purchase price per annum, with all outgoings paid for by the purchaser.
8. **APPROVE** the disposal of Lots 115, 168, 169, 121 and 171 - 174 by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.

Voting Requirements

Simple Majority

Report Purpose

To consider the Satterley Property Group's recommendations for Design Guidelines, built form incentives and commercial terms for the Stage 2B lots.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

Previous Minutes

Council Meeting – 11 October 2012 (Item 9.8 Sales Village Business Case)

Financial/Budget Implications

Revenue from the sale of Stage 2 lots will be allocated to item EI45011 (Income Sale on Lots) of the 2012/2013 Budget:

Budget Amount:	\$41,618,154
Received to Date:	\$ 7,677,000
Balance:	\$33,941,154

Relevant Documents

Appendix:

- SPG letter: Catalina Sales Village Business Case dated 2nd November 2012
- Stage 2B Location Plan

Available for viewing at the meeting: Nil

Background

At its meeting held on 11th October 2012, the Council considered a business case provided by the Satterley Property Group (SPG) for the design, costs and sale disposal options for the 14 lots associated with the Sales Village, referred to as Stage 2B, depicted on the plan provided under Appendix 9.13).

The Council requested that SPG provide recommendations for design guidelines, commercial terms and incentives to achieve high quality built form, in recognition of the highly exposed location of the Stage 2B lots, adjacent the permanent Sales Office and the Builder's Display Village.

The Council further resolved to approve the sale and leaseback from purchasers of Lots 170 – 174 for use within the Sales Village, and to approve the sale of Lots 115 – 121 as builder allocation lots by public tender, via the use of Put Option Deeds

Comment

In accordance with the Council's request, the SPG has provided advice and recommendations for design guidelines, commercial terms and incentives in its letter dated 2 November 2012, which is attached under Appendix 9.13. A summary and discussion of SPG's recommendations is provided below:-

Design Guidelines

The SPG has recommended the existing Central Cell Design Guidelines for Single Dwellings be modified to require an additional architectural feature at the front elevation of dwellings built on the Stage 2B lots.

In addition to the SPG recommendation, it is proposed that the Guidelines be amended to include the additional requirement for upper storey elevations of designated two storey corner lots to address secondary street frontages.

Rebate and Incentives

- The SPG has recommended the approved private purchaser lot rebate and incentives package be applied to Lots 115 and 121, with the addition of 1.1m high open style front side boundary fencing.

The approved fencing packages do not include side fencing forward of the building line. The provision of front side boundary fencing is proposed to offset the cost to purchasers of implementing the additional design requirements recommended for inclusion within the Design Guidelines. The SPG has advised the cost of providing this fencing is estimated to be in the order of \$1,100 per lot, and is accounted for within the project budget.

- A \$3,000 per lot post construction cash rebate to the builder is recommended for the builder allocated lots 116 – 120, subject to the builder providing landscaping and boundary fencing (including 1.1m high open style front side boundary fencing).

The SPG has recommended the rebate on the basis that it is standard practice for builders to provide front landscaping and boundary fencing with house and land packages. Whilst lots are sold direct to private purchasers under Put Option Deeds, the fencing and landscaping packages have not been offered to purchasers. The proposed rebate provides a contribution to the cost of providing these amenities, assisting builders in providing a higher quality built form product and rewarding support of the project.

- The SPG has recommended that the approved private purchaser lots rebate and incentives package apply to Lots 168, 169 and 171 – 174, which are to be sold to private purchasers and leased back for carparks, sales office and playground/landscape area, with the additional incentive of 1.1m high front side boundary fencing.

The SPG recommends eligibility of the approved rebates and incentives be maintained for 24 months post the expiration of the lease, to ensure subsequent purchasers of the lots remain eligible for the rebate.

The proposed extension would result in rebates being sought 6 to 7 years from the sale of the lots, which is not consistent with their intent to encourage the early establishment of streetscape features. Furthermore the rebates are administered through the approved sales contracts and are therefore only available to parties who purchase lots directly from the TPRC, and is not transferrable to subsequent

purchasers. It is therefore recommended the approved rebates and incentives not apply to Lots 168, 169 and 171 – 174.

Sales Process

The SPG has recommended that Lots 115 and 121, which are designated two-storey corner lots be sold to private purchasers by the Sales Procedure – Private Purchaser Lots Strategy, September 2011, approved by the Council. This is consistent with the approach adopted by Council for Stages 1B and 3 and is supported.

With respect to Lots 168 and 169 (playground/landscape area), the Council did not make a formal resolution regarding sales process or incentives as these lots were subject to further investigations and a report on matters relating to risk. These matters are addressed under Item 9.12 of this agenda. The SPG has recommended Lots 168 and 169 be sold to private purchasers by the Sales Procedure – Private Purchaser Lots Strategy, September 2011, approved by the Council at its meeting held on 13 October 2011. This method is considered to be an appropriate sales process for these lots, and is supported.

Lease of Sales Village lots

These lots are proposed to be leased from purchasers from April 2013, when construction of Sales Village facilities are scheduled to commence, at a rate of 7% of the lot purchase price, for an initial term of 3 years with four 12 month option periods. All outgoings (rates and taxes) are to be paid by the purchaser.

Lot 168, is to contain landscaping and is not required for use within Phase 2 of the Display Home Village, accordingly the lease is proposed to be an initial term of 3 years with only one, 12 month option, with the same terms and conditions.

Lot 170 is to accommodate the Catalina Sales Office. SPG propose Lot 170 and the Sales Office building be leased from purchasers, commencing from September 2013, when construction of the Sales Office is scheduled for completion. The lease is recommended to be set at a rate of 6.5% of the house and land purchase price, for an initial term of 3 years with four 12 month option periods. All outgoings (rates and taxes) are to be paid by the purchaser.

The terms recommended by the SPG facilitate the functional requirements of the sales village and are expected to be attractive to purchasers. Recommended rent reflects current market rates and the rates proposed in the business case considered by the Council in October 2012. The lease terms and options provide the TPRC with flexibility and are supported.

9.14 PHASE 1 PUBLIC ART IMPLEMENTATION PLAN

Report Information

Reporting Officer: Senior Project Officer

File Reference: N/A

Recommendation

That the Council:-

1. **APPROVE** the Phase 1 Public Art Implementation Plan dated November 2012, submitted by the Satterley Property Group for the implementation of public art within Phase 1 of the Estate, subject to the following modifications:-
 - a) Step 2 identifying that selection of artists must be undertaken in accordance with the TPRC Procurement Policy;
 - b) Step 2 identifying that approval of preselected artists is required from the TPRC, based on the recommendations of the landscape architect and SPG;
 - c) Step 3 stipulating that work briefs are to include guidance drawn from the Catalina Public Art Strategy prepared by Artsource;
 - d) Step 4 being deleted;
 - e) Step 5 being amended to refer to 'presentation' as opposed to 'workshop';
 - f) Step 5 being amended to stipulate that final selection of an artist is to be approved by the TPRC, based on the recommendation of the landscape architect and SPG;
 - g) Step 6 being amended to delete the requirement for a model of proposed artwork to be provided;
 - h) Steps 8 and 9 being replaced with a single Step titled 'construction';
 - i) Step 10 being deleted;
 - j) Step 11 including the requirement for certification of the public artwork to be issued by the landscape architect and SPG;
 - k) Insert the need for public art outcomes of the Phase 1 area to be reviewed by the Satterley Property Group, following the completion of works, with recommendations provided to the Council; and
 - l) Amend the Public Art Implementation Plan to require involvement of an artist for design and delivery of the main feature public art piece.
2. **REQUEST** the Satterley Property Group to investigate further alternative funding options for the delivery of public art.
3. **ACCEPT** that Satterley Property Group has achieved Key Performance Indicator item 1.4.5 – TPRC Objective; Long term Health of the Social and Cultural Environment requires the Identification of Public Art opportunities of various levels and an action plan for implementation, subject to the receipt of a revised document addressing the above items.

Voting Requirements

Simple Majority

Report Purpose

To consider the Public Art Implementation Plan submitted by the Satterley Property Group dated November 2012, to guide the delivery of public art within the Phase 1 Area.

Policy Reference

TPRC Procurement Policy

Local Government Act/Regulation

Local Government Act 1995: Sect 3.57 – Provision of goods and services.

Previous Minutes

TPRC Council meeting; 11th October 2012 (Item 9.9 – Public Art Strategy)

Financial/Budget Implications

Expenditure under this matter will be incurred under the following items:-

Item E145209 (Land Develop – Landscape):

Budget Amount:	\$4,511,491
Spent to Date:	\$ 85,225
Balance:	\$4,426,266

Relevant Documents

Appendix: Satterley Property Group: Public Art Implementation Plan dated November 2012.
Available for viewing at the meeting: Nil

Background

At its meeting of 11 October 2012, the Council considered the Catalina Public Art Strategy prepared by Artsource and resolved to approve the implementation of public art within the Phase 1 area of the Estate, with funding at 5% of the project budgets allowances for landscape works.

The Council further requested the Satterley Property Group (SPG) prepare a Public Art Implementation Plan for the delivery of public art within Phase 1, and consider options for a feature public art work within Phase 1, including alternative funding options.

It should be noted that in addition to the Council's request, Key Performance Indicator item 1.4.5 – TPRC Objective; Long term Health of the Social and Cultural Environment requires the Identification of Public Art opportunities of various levels and an action plan for implementation.

Comment

In accordance with the Council's request SPG have provided a Public Art Implementation Plan (PAIP) dated November 2012, which is attached under Appendix 9.14. A discussion of its key components is provided below.

Delivery of Public Art

The plan identifies the following methodologies available for delivering public art within urban developments:-

1. Engaging a public art consultant to deliver the art work.
2. Work directly with an artist or a range of artists.
3. Engage the landscape architect to manage the delivery of public art directly.
4. Engage a Not for Profit group such as Community Arts Network WA to manage the process.

SPG has recommended coordination and delivery of public art within the Phase 1 area be managed by the project landscape architect.

This recommendation is supported as the majority of public art within the Phase 1 Area is to be located within landscaped areas. Furthermore, this model is considered a practical and efficient method for delivering public art that is well integrated with the Estates landscaping.

It is worth noting the recent tender for landscape architect services awarded to Emerge Associates, included *conceptual design and coordination of public art outcomes within Landscaping works*, under the tendered scope of works.

The PAIP recommends 3 artists be preselected from CV's, to present artwork concepts, with a preferred artist appointed to design and deliver the required artwork. The following key steps of this process are shown below:-

1. Agree a budget and key locations for Phase 1 public art.
2. Preselect up to three artists.
3. Commission artist to carry out works.
4. Artists to conduct community engagement.
5. Artists to present concepts.
6. Detailed design.
7. Seek approval from the City of Wanneroo.
8. Fabrication.
9. Installation.
10. Celebration.
11. Documentation.

The above process is supported in principle and is considered appropriate for the achieving the Council's objectives in respect of public art. The following modifications are however recommended to refine the process:-

- Step 2 should stipulate that pre-selection of artists must be undertaken in accordance with the TPRC Procurement Policy.
- Step 2 should stipulate that approval of preselected artists by the TPRC is required, based on the recommendations of the landscape architect and SPG.
- Step 3 should stipulate that work briefs are to include guidance drawn from the Catalina Public Art Strategy prepared by Artsource.
- Step 4 being deleted.
- Step 5 being amended to refer to a 'presentation' as opposed to a 'workshop'.
- Step 5 stipulating that final selection of an artist is to be approved by the TPRC based on the recommendation of the landscape architect and SPG.
- Step 6 being amended to delete the requirement for a model of proposed artwork to be provided.

- Steps 8 and 9 being replaced with a single 'construction' step.
- Step 10 being deleted.
- Step 11 including the requirement for certification of the work to be issued by the landscape architect and SPG.

Funding of Public Art

The PAIP reflects the budget approved by the Council of 5% of the project budgets allowances for Phase 1 landscaping works for the delivery of public art.

In response to the Council's request for SPG to examine further options for the funding of public art, one further option has been identified in the form of arts and culture grants. In this regard SPG has advised that grants are generally issued to not for profit organisations only and to seek the award of a grant the TPRC it will be necessary for the TPRC to engage a Grant Writing Consultant.

As a registered entity established under the Local Government Act, the TPRC is considered a not for profit organisation and eligible for grants as a source of funding, and will investigate these opportunities accordingly.

The provision of 1 further funding alternative is not considered to be sufficient and it is recommended the SPG be requested to provide further alternatives to those provided.

Location of Public Art

A Public Art Masterplan is attached to the PAIP which depicts landscaping areas within the Phase 1 area with recommended locations for the siting of public art shown together with a description of each piece and responsibility for its implementation. The Masterplan has no formal status in identifying the location of public art within the Phase 1 Area and is presented for the Council's information only. The Masterplan will be reviewed further within future planning of the estates landscaping, with input provided by the recently appointed landscape architects.

Of the artwork proposed, two are proposed to require the involvement of an artist, being the main sculpture within the Stage 4 POS area, and interpretative signage within the Biodiversity Conservation Area (BCA). The interpretative signage within the BCA should be designed to be informative rather than creative. It is therefore proposed that this component is best managed by the landscape architect, in order to better integrate with landscaping works of the BCA.

The PAIP is considered to present an appropriate methodology for the design and delivery of public art within the Phase 1 Area of the Estate, which reflects the decisions of the Council at its October 2012 meeting. Modifications to the plan reflect refinements to the processes for the appointment of an artist and design and delivery of public art to ensure compliance with regulatory requirements, ensure control of the process by the TPRC and provide for an efficient design and delivery process.

In accordance with the Council's resolution at its October 2012 meeting, the plan should include the need for a review of public art outcomes of the Phase 1 area following the completion of works. This review will be presented to the TPRC Council and with recommendations for refinement of the PAIP.

9.15 PUBLIC TRANSPORT INITIATIVES STRATEGY

Report Information

Reporting Officer: Senior Project Officer

File Reference: 18.121.624.9

Recommendation

That the Council:-

1. **RECEIVE** the report by the Satterley Property Group dated 20th November 2012 regarding options to promote greater use of public transport.
2. **REQUEST** the Satterley Property Group to obtain written confirmation of the Early Engagement Programme allowing the location of bus stops and public transport infrastructure and budgeting implications to be determined in collaboration with the Public Transport Authority in the design of the Greenlink.
3. **REQUEST** the Satterley Property Group to request the Public Transport Authority to reconsider its refusal to re-route existing services through the Phase 1 area, to provide public transport services to initial residents of the Catalina Estate.
4. **REQUEST** the Satterley Property Group to investigate the feasibility and costs associated with a PTA funding agreement, to provide public transport services to initial residents of the Catalina Estate.
5. **ADVISE** the Satterley Property Group that Key Performance Indicator – Strategy and Planning; 3.2.2 Public Transport, requiring the preparation of a Public Transport Initiatives Strategy by June 2012, will be further considered following the resolution of items 3, 4 & 5.
6. **ACCEPT** that Key Performance Indicator - Effective Use Of Land And Infrastructure 1.2.3 requiring the Investigation and recommendation on the viability of a local area transit system linking local schools, rail station and shops has been **ACHIEVED** by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the advice provided by the Satterley Property Group regarding options to promote greater use of public transport within the Catalina Estate and the outcome of discussions with the Public Transport Authority regarding the delivery of interim services.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 11 October 2012 (Item 9.6 – Local Area Transit System Investigation)
- Council Meeting – 11 October 2012 (Item 9.11 – Public Transport Initiatives Strategy)

Financial/Budget Implications

No budget allocation in TPRC 2112/13 budget.

Relevant Documents

Appendix: SPG letter: Local Area Transit System Investigation dated 20 November 2012
Available for viewing at the meeting: Nil

Background

At its meeting held on 11 October 2012, the Council considered a Local Area Transit System Investigation provided by the Satterley Property Group (SPG), as required under KPI item 1.2.3 - Effective Use of Land and Infrastructure.

The Council resolved not to proceed with a Special Transit Bus or Light Rail or Tramway system, for the Catalina Estate, and requested that the SPG undertake further discussions with the PTA to promote greater public transport use within the Estate.

At this meeting, the Council also considered a Public Transport Initiatives Strategy provided by SPG, as required under KPI item 3.2.2 – Public Transport, and requested the SPG undertake further discussions with the PTA, to coordinate the delivery of public transport services with occupancy of the Estate by initial residents.

Comment

In accordance with the Council's resolution, SPG has provided advice to the TPRC in its letter dated 20th November 2012, which is attached under Appendix 9.15. The advice addresses the three components discussed below.

Greenlink Infrastructure

The advice identifies planned transport related infrastructure within the Greenlink comprising:-

- Two 1.5m wide on-road cycle lanes for commuter cyclists travelling in either direction;
- A 2.0m wide dual use path, located south of the road within the landscaped portion of the Greenlink for passive (recreational) cycle and pedestrian movement;
- A 1.5m wide pedestrian path located north of the Greenlink for pedestrian movement;
- A road pavement design that accommodates bus movement; and
- Public facilities such as community information and interpretative plaques, directional signage, seating, shade structures and POS at internal destination points.

The arrangement of the above features is shown on the cross section attached to SPG's advice letter contained within Appendix 9.15.

The SPG advice suggests an integrated approach to the Greenlink design to ensure pedestrian, cycle and public transport facilities link to internal destinations such as the primary school, local centres, and POS areas. The SPG has agreed an Early Engagement

Programme with the PTA, to allow the location of bus stops and public transport infrastructure to be determined with the PTA through the Greenlink design process, rather than the standard practice of the PTA retrofitting bus stop locations following construction.

This approach will enable the design to integrate the Greenlink's facilities with land uses and transport infrastructure, to encourage public transport patronage and provide improved convenience to residents and public transport users.

Public Transport Authority Infrastructure

As requested by the Council SPG met with the PTA. The PTA confirmed that its 5 year planning accommodates the preferred bus route connecting the Clarkson Train Station, Coastline and Mindarie Marina via the Greenlink corridor, this route is depicted on the plan attached to SPG's advice letter under Appendix 9.15. Services will be coordinated with train services to and from the Clarkson Train Station at frequencies of up to 10 minute intervals during peak periods, reducing to every 30 minutes during off peak periods.

The delivery of services will be subject to government funding. The PTA's preference is for the early establishment of permanent services in order to develop usage habits amongst the community and avoid confusion caused by modifying bus routes. The PTA has agreed to the first staged service commencing operation once the Greenlink connection to Connolly Drive is constructed. This is expected to occur in 2016.

The PTA has further advised that due to a recent downgrading of route 474, its re-routing through the Phase 1 Area, is no longer planned. The PTA's planning is now to establish new services along the permanent routes, which is not expected to be in place until 2016. This change in position will result in delays to effective public transport services being provided to residents of the Phase 1 Area of the Estate and is not considered reasonable. The PTA should be requested to reconsider this matter.

Other Public Transport Options

The SPG has identified further options available to the TPRC for the provision of interim public transport services which are summarised below:-

1. PTA Funding Agreement

This involves the TPRC entering into a joint funding arrangement with the PTA to guarantee the early delivery of services to the estate for a minimum period of 5 years.

Preliminary cost estimates approximate the cost of funding a service comprising 2 buses to be \$375,000 per annum, with the division of costs subject to negotiation between the TPRC and PTA.

2. Private Bus Service

The TPRC can establish interim bus services by funding and managing its own service for the Catalina Estate. Preliminary cost estimates indicate a private subcontractor operating a single bus will cost in the order of \$250,000 per annum.

SPG have also advised that such a system would require licenses to be obtained from the PTA.

3. Reliance of Existing Services

SPG has identified that current services operate within 350m of the Estate, which is considered to be at the edge of a walkable distance. The PTA has advised they will not consider re-routing these services to within the Estate.

4. Community Shared Car

A shared car scheme is an alternative to private car ownership and involves members of the scheme sharing the use of a vehicle by booking its use on an hourly basis. Schemes adopting this model currently operate within inner city areas of Sydney and Melbourne and SPG do not consider that the Catalina Estate will contain sufficient densities to support such a scheme.

Conclusion

Based on discussions with the PTA the long term planning for public transport within the Estate is appropriately accommodated and consistent with PTA servicing guidelines. The Early Engagement Agreement proposed with the PTA presents potential to enhance the integration and quality of public transport services within the Estate and SPG should be requested to seek written confirmation of this and budgeting implications from the PTA.

The PTA's position with respect to the delivery of interim services within the Phase 1 area however, will result in significant delay to the delivery of effective public transport services to occupants of Phase 1 of the Estate. The PTA should be requested to reconsider this position and SPG should continue liaison with the PTA to explore options for interim services.

The options presented that involve the TPRC funding and managing private bus services or community shared car schemes are not recommended. These options involve the TPRC operating and managing transportation schemes, which involve matters of plant acquisition, operation and maintenance, risk and liability and funding, for which the TPRC is not established or resourced. These services are the responsibility of the PTA and the TPRC is not recommended to enter into any arrangements for the provision of these services without the PTA's lead involvement.

In the absence of an effective, regular PTA service, the option of the TPRC entering into a funding arrangement with the PTA is considered a feasible option. Based on current projections, a funding arrangement would be required for a 3-4 year term prior to the ability for permanent services to be established. No allowances have been provided within the project budget for this funding. The SPG should liaise further with the PTA to establish the scope of TPRC involvement, and costs associated with a PTA funding agreement, to provide interim services to residents of Phase 1 of the Catalina Estate. This would enable the TPRC to properly evaluate the costs and benefits of such an option.

The Council resolutions in respect of the items considered at its October 2012, meeting required SPG to undertake further investigations and discussions regarding matters associated with public transport. These matters are considered to be relevant to KPI item 3.2.2.

KPI item 1.2.3, relates solely to the viability of a Special Transit Bus or Light Rail or Tramway system, which the Council resolved not to proceed with at its October 2012 meeting. No determination however, was made with respect to the KPI item and since no further action has been requested it is recommended that the Council accept that *Key Performance Indicator 1.2.3 - Effective Use of Land And Infrastructure*, requiring investigation and recommendation on the viability of a local area transit system linking local schools, rail station and shops has been achieved by the Satterley Property Group.

9.16 PROCUREMENT POLICY REVIEW

Report Information

Reporting Officer: Senior Project Officer

File Reference: 4.127.787.0

Recommendation

That the Council APPROVE the modified TPRC Procurement Policy (14 November 2012).

Voting Requirements

Simple Majority

Report Purpose

To request Council to approve the modifications to the TPRC Procurement Policy shown in Appendix 9.16.

Relevant Documents

Appendix: TPRC Procurement Policy (14 November 2012)
Available for viewing at the meeting: Nil

Policy Reference

Existing Procurement Policy Adopted 14 October 2010

Local Government Act/Regulation

Local Government (Financial Management) Regulations 1996, Part 2 (General Financial Management)

Previous Minutes

Council meeting – 14 October 2010 (Item 9.12 – Procurement Policy - Update)

Financial/Budget Implications

N/A

Background

In October 2010 the Council approved modifications to the Procurement Policy consistent with the Local Government Regulations.

The Policy provides guidelines for the procurement of goods or services through quotes or public tender.

Part 3 of the Local Government Act together with the Financial Management Regulations and Functions and General Regulations provides an outline of specific requirements and probity guidelines in respect of the purchase of goods and tendering on behalf of local governments.

Comment

The TPRC Procurement Policy has been reviewed with the objective of obtaining best value for money in accordance with the Western Australian Local Government Association purchasing and tender guide.

The modifications shown on the revised policy attached under Appendix 9.16 are intended to facilitate this objective, as well as the effective operation of the TPRC office. Two modifications to the policy are suggested:-

1. The minimum value for the application of the Special Provisions relating to Consultancy Services has been increased from \$5,000 to \$10,000.

The increase reflects the construction phase the project is within and recognizes the possibility for unforeseeable work to arise during construction, requiring input from consultants necessary to facilitate the continuation of construction works.

2. Guidance has been included regarding the use of non-weighted cost criteria in the development of evaluation criterion within tender documents. This type of evaluation criteria is suitable to the procurement of goods or services where functional considerations of quality, service capacity or experience are crucial considerations of the outcome.

In such circumstances weighting functional considerations more heavily within the evaluation criteria can result in a reduced weighting of cost considerations, limiting the criteria's ability to adequately capture proposals that present significant fee variance.

The non-weighted cost criteria allows the functional components of the tender to be assessed within a weighted evaluation criteria, prior to a value judgment made in respect of a proposal's fees.

Guidance as to the use of the weighted cost criteria methodology remains within the policy.

It is recommended the revised TPRC Procurement Policy shown under Appendix 9.16 be adopted by the Council, and a further review of the Policy be undertaken in November 2014.

At its meeting of 22 November 2012 the Management Committee considered the modified TPRC Procurement Policy (14 November 2012) and resolved to recommend that the Council approve the modified TPRC Procurement Policy (14 November 2012).

9.17 PROJECT CONSULTANCY – MEDIA CONSULTANCY SERVICES TENDER

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:-

1. **ACCEPT** the OMD tender (dated 3rd September 2012) for media consultancy services in accordance with Tender 10/2012 (Media Consultancy Services, dated September 2012).
2. **AUTHORISE** the Chairman and the CEO to sign and affix the TPRC common seal to the Contracts.

Voting Requirements

Simple Majority

Policy Reference

TPRC Procurement Policy

Local Government Act/Regulation

Local Government Act 1995: Sect 3.57 – Provision of goods and services.

Previous Minutes

Management Committee Meeting – 7 October 2010

Financial Implications

Expenditure for marketing services will be incurred under the following item:-

Item E145218 (Sales & Marketing):

Budget Amount:	\$1,166,900
Spent to Date:	\$ 176,772
Balance:	\$ 990,128

Expenditure will be accommodated within the above item.

Relevant Documents

Appendix: SPG Media Consultancy Services, Tender Evaluation Report

Available for viewing at the meeting: Tender Document 10/2012: Media Consultancy Services; and OMD Tender Submission.

Background

At its meeting of 14 October 2010 the Council accepted a tender for Media Consultancy Services submitted by Marketforce, for a two year term, expiring in October 2012.

The TPRC advertised a call for tenders in the West Australian newspaper on 18th August 2012, for the provision of Media Consultancy services to the Catalina project for a 2 year term, with potential for a one year extension at the discretion of the TPRC.

Comment

During the two week tender period, 6 companies obtained a copy of the Media Consultancy Services Tender (10/2012), with only 1 represented at the compulsory project briefing. At the conclusion of the tender period on 3rd September 2012, 1 tender submission had been received in response to tender 10/2012, from OMD.

OMD's tender was assessed by SPG against the selection criteria contained within the tender document, in accordance with the guidance provided by the TPRC Procurement Policy. A copy of the SPG Media Consultancy Services - Tender Evaluation Report is attached under Appendix 9.17.

The key objectives of the Evaluation Process were to:

- a. Make a recommendation, to the TPRC, as to the tender that represents best value for money;
- b. Ensure the assessment of responses is undertaken fairly according to the predetermined selection criteria;
- c. Ensure adherence to the TPRC Procurement Policy; and
- d. Ensure that the requirements specified in the tenders are evaluated in a way that can be measured and documented.

The evaluation of tenders undertaken by Satterley resulted in a score of 77% attributed to OMD's tender submission. In its assessment SPG has noted that OMD are an approved media buying agency under the Common Use Agreement (CUA) with the state government, and has access to the CUA rate of 2.7% of media purchasers, which is highly competitive in comparison to the non CUA market rate of 5%.

The CUA rate is applicable for all of the TPRC's media purchasing costs, and therefore OMD has an improved competitive position. This is considered to account for the low tender response rate.

On the basis of OMD's tender receiving a strong rating following the evaluation of its tender, SPG recommends appointment as project Media Consultants for a period of two years, with potential for a one year extension at the discretion of the TPRC.

The TPRC office has reviewed the OMD tender submission and SPG's evaluation report, and is satisfied an accurate assessment of the submission against the selection criteria has been undertaken. OMD's service proposal is considered to present a value for money outcome, in accordance with the objectives of the Council's Procurement Policy. The evaluation reports were reviewed by the Council's Probity Advisor (Stantons International), who has confirmed they represent sound procurement practice.

It should be noted OMD is considered to have satisfactorily completed all requirements of the current media consultant's contract.

9.18 STAGES 5 SALES PROCESS

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **APPROVE** the sale of Stage 5, 20 traditional lots and 17 cottage lots (Plan 2228-158A-01) by the Sales Procedure – Private Purchaser Lots Strategy, September 2011, approved by the Council at its meeting held on 13 October 2011, subject to the same sales contract, building incentives and commercial terms.
2. **APPROVE** the disposal of the Stage 5, 20 traditional lots and 17 cottage lots (Plan 2228-158A-01) by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.
3. **APPROVE** the sale of Stage 5, 26 medium density lots (7.5m rear loaded cottage lots) (Plan 2228-158A-01) as builder allocation lots, in 6 parcels of between 2 and 10 lots each, by public tender, via the use of Put Option Deeds as approved by Council for the Stage 3 Builders Allocation Lots in April 2012, subject to the same procedures, selection criteria and evaluation process, and terms and conditions.

Voting Requirements

Simple Majority

Report Purpose

To consider the Sales Procedure for Stage 5 lots.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

Previous Minutes

Council Meeting - 13 October 2011 (Item 9.7 Sales Procedure – Private Purchaser Lots)

Financial/Budget Implications

Revenue from the sale and settlement of lots during the 2012/13 financial year will be allocated to item EI45011 (Income Sale on Lots) of the 2012/2013 Budget:

Budget Amount:	\$41,618,154
Received to Date:	\$ 7,677,000
Balance:	\$33,941,154

Relevant Documents

Appendix:

- Satterley Property Group Letter dated 22 November 2012;
- Stage 5 Sale Process Plan 2228-114A-01.

Available for viewing at the meeting: Development Managers Agreement

Background

At its meeting of 23 June 2011 the Council approved a Lot Sales and Release Strategy for Phase 1. The Lot Sales and Release Strategy identified the recommended Sales Process for various Stages, however, there was no recommendation in relation to Stage 5.

Stage 5 comprises 63 lots, comprised of 20 traditional lots and 43 rear loaded cottage lots. It is anticipated that titles will be issued in May 2013 with settlements commencing in June 2013. Sales are proposed to commence in January 2013, with estimated sales revenue of \$10,714,354 anticipated within the 2012/13 and 2013/14 financial years.

The Council is to consider for approval the Stage 5 Civil Works contract award under Item 9.20 of this agenda.

Comment

The Development Manager has provided recommendations (letter attached under Appendix 9.18) for the sales procedure to dispose of the Stage 5 lots as follows:-

- Disposal of Stage 5, 20 traditional lots and 17 cottage lots by private treaty, as per the Sales Procedure – Private Purchaser Lots Strategy, approved by the Council at its meeting held on 13 October 2011 for the Stage 1 lots.
- Disposal of Stage 5, 26 medium density lots (7.5m rear loaded cottage lots) as builder allocation lots by public tender, via the use of Put Option Deeds as approved by Council for the Stage 3 Builders Allocation Lots in April 2012.

The private treaty sale process involves potential purchasers registering online to nominate preselected lots, with offers to purchasers made following assessment and prioritization of registrations, in order of receipt and compliance with preset terms and criteria.

The sales contract, building incentives and commercial terms used in Stage 1,1B and 4 sale process are proposed to be used for the Stage 5 lots. The Sales Contract and the relevant Special Conditions and Annexures have previously been reviewed by the Council's legal advisors.

In view of the above, the Development Manager's recommendation that Stage 5 traditional lots be disposed of by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995 is supported.

In relation to the Stage 5 26 medium density lots (7.5m rear loaded cottage lots) the Development Manager has recommended these be offered as builders allocation lots as 6 parcels of between 2 and 10 lots each under a public tender process.

This process is consistent with that undertaken for Stage 3, where evaluation of tenders will be based on a Tenderer's ability to meet the Selection Criteria. The selection criterion is proposed to be as follows:-

- Experience in Medium Density Design and Construction – (Weighting 25%)

- Capacity to Meet Market Demand – (Weighting 20%)
- Building Design - (Weighting 20%)
- Sustainability Credentials - (Weighting 15%)
- Innovation - (Weighting 10%)
- Financial Capacity - (Weighting 10%)

The Development Manager has recommended the use of Put Option Deeds, as used for the Stage 3 builders' allocation lots, on the basis that it is beneficial to both the Council and builders.

Put Option Deeds provide flexibility to both builders to market and pre-sell house and land packages without the need to commit funds with the up-front purchase of lots and the TPRC by providing security of sales by compelling builders to purchase any lots which are not sold, by a designated date.

The key elements of the Put Option Deed are:

- The deed will be between the TPRC and the Builder.
- The deposit is \$5,000 per lot.
- The price of the lots is subject to approval by TPRC.
- A copy of the Lot Purchase Contract is annexed to the deed.
- The TPRC has the ability to exercise the option (compelling the Builder to purchase).
- The TPRC can set the time period in which the option may be exercised. This would be 30 days prior to issue of title.
- The Builder has the ability to source and present clients to purchase lots from the date of receiving their lot allocation up until the option is exercised.
- Settlement of lots to occur within 21 to 28 days of issue of title providing surety of revenue.

In order to ensure the specific built form objectives required of the Stage 5 medium density lots (7.5m rear loaded cottage lots) all building licenses will be required to demonstrate compliance with the approved Central Precinct Design Guidelines.

The sale process for the Stage 5 medium density lots (7.5m rear loaded cottage lots) as builder allocation lots by public tender is consistent with the approach undertaken with Stage 3 and is supported. The use of Put Option Deeds is considered to be favourable under the current market conditions and likely to result in stronger interest from builders.

9.19 BUILT FORM AND DEMONSTRATION HOUSING STRATEGY

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVE** the Built Form and Demonstration Housing Strategy, June 2012, submitted by the Satterley Property Group.
2. **DETERMINE** that the Key Performance Indicators, Built Form and Demonstration Housing Strategy, June 2011, requiring the preparation of a Built Form And Demonstration Housing Strategy, June 2012 has not been met; and that the Built Form And Demonstration Housing Strategy, is required to be modified to include consideration matters listed in (3).
3. **ADVISE** the Satterley Property Group that the following matters require further consideration;
 - a) The Strategy should be directed at encouraging a range of housing that meets the existing and future housing needs for the Catalina Project. The Strategy should seek to meet the demand for housing, as well as improving housing mix, affordability, and the availability of housing for those with special needs. It should contain concrete measures to implement these objectives.
 - b) The Strategy should articulate a clear framework to help guide TPRC decision making and planning, and should clearly communicate the TPRC's housing-related strategies and objectives. It should provide clarity and certainty about future housing within Catalina.
 - c) It should identify potential sites for innovation, demonstration projects and partnering. These sites should be subject to feasibility assessments, negotiation with builders, community housing providers and other levels of government.
 - d) It should identify circumstances and criteria where the TPRC may consider contributions towards affordable housing projects, as well as the nature of such contributions.
 - e) It should consider in detail the potential and impacts for housing projects being undertaken or managed by not-for-profit housing providers, social housing or community housing providers. The Strategy should provide direction in respect of further options to investigate delivery of such proposals.
 - f) The Strategy should include consideration of potential aged persons developments.
 - g) The Strategy recommends a contemporary approach to housing but does not demonstrate significant innovation or industry leadership. It does not outline any strategic direction for the Project to pursue alternative approaches worthy of investigation for the delivery of affordable housing.

Voting Requirements

Simple Majority

Report Purpose

To consider the Built Form and Demonstration Housing Strategy, June 2012 prepared by the Satterley Property Group, as required by item 3.6.1 of the Development Managers Key Performance Indicators.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Management Committee Meeting – 16th June 2011: Built Form and Demonstration Housing Strategy (June 2011);
Council Meeting – 12th April 2012; Development Managers Key Performance Indicators

Financial/Budget Implications

N/A

Relevant Documents

Appendix: Built Form and Demonstration Housing Strategy (June 2012)
Available for viewing at the meeting: Development Managers Agreement

Background

At its meeting of 16th June 2011, the Council accepted the Built Form and Demonstration Housing Strategy (June 2011), submitted by the Satterley Property Group as the basis of more detailed planning and investigation and discussions with relevant stakeholders and market acceptance. The Council further resolved that the strategy should be reviewed in 18 months given the outcomes of the Phase 1 area with its recommendations for the balance of the Project reconsidered.

At its meeting held on 12th April 2012, the Council approved revised KPI's, which required delivery of the revised Built Form and Demonstration Housing Strategy by June 2012.

Comment

The Satterley Property Group has submitted a Built Form and Demonstration Housing Strategy (June 2012) for consideration (attached at Appendix 9.19).

The Built Form and Demonstration Housing Strategy (June 2012), expands the scope of the document previously accepted by Council, which addressed the Phase 1 area only. The Strategy sets out the objectives, actions to date in delivering objectives, considers strategies and recommends a range of methods to deliver built form for achieving the TPRC's housing objectives.

The objectives outlined in the Strategy were previously endorsed by the Council are still considered valid.

A discussion of the key components of the Built Form and Demonstration Housing Strategy (June 2012), is provided below;

OBJECTIVES

The strategy provides a status on achievement of the built form objectives, which is summarised as follows;

Create Mix of Residential Lot Types

To provide a mixture of lot types that support single traditional homes, cottage homes, semi detached housing, terrace housing, villas, maisonettes and apartments, combining to create a community that is vibrant, self sustaining and varied.

The Strategy indicates that a broad mix of lot types has been achieved to date. It is noted that no semi detached housing, terrace housing, villas, maisonettes and apartments have yet to be promoted.

Create Affordable Housing Opportunities

To encourage affordable housing types, including potential partnering opportunities with the State Government agencies.

The Strategy indicates this has been achieved via the turnkey cottage housing on narrow lots.

Create Mix-Use Development

To encourage dwellings types that reflect where land development is adjacent to activity centres.

Construction of built form capable of accommodating mixed uses has not yet commenced. The Strategy indicates that Lot 1 McAllister Road, presents an opportunity with the TPRC currently seeking a development partner.

Encourage Sustainability Framework

To encourage dwellings designs that reflect the sustainability framework that will be adopted to ensure achievement of estate aspirations in energy & water conservation.

The Strategy suggests that this is being addressed through Estate Design Guidelines and solar orientated subdivision design and the estates sustainability incentives, which include solar panel and water wise garden rebates.

Retention of Land-form

To provide dwelling construction that will “touch the earth lightly” by providing terrain responsive housing in the coastal precinct and integrate with the natural landscape by retaining existing vegetation and sympathetic coastal material palette.

The Strategy notes that all subdivision earthworks have been designed to optimizing earthworks with a view to minimizing costs to the TPRC and end users. Further investigations are to be undertaken into the potential for landform retention within the western cell.

There are extensive earthworks being carried out in the central precinct, based on a methodology to maximise lot yields, have an efficient servicing regime, reduce housing costs and maximise housing diversity. It should be recognised that the “*touch the earth lightly*” methodology is not being achieved in the central precinct.

RESIDENTIAL DENSITIES

The Strategy confirms the framework provided in the Tamala Park LSP being well suited to delivery of a wide range of single lot and grouped housing products. The Strategy endorses the flexibility of density codings in the LSP, which includes a density range of R30-R60 throughout the Estate and designated R80-R100 density areas within the western and eastern precincts.

AFFORDABILITY/SUSTAINABILITY DELIVERY STRATEGIES

The strategy proposes a range of models to deliver built form and demonstration housing including;

- Subdivision of a range of single lot types for sale to private purchasers to develop in accordance with design guidelines;
- Subdivision of medium density single lot types for allocation to project builders with mandated design guidelines and sustainability requirements;
- Direct investment in demonstration housing by the TPRC;
- Partnering with state government agencies;
- Partnering with select builders on grouped housing sites to create multiple strata 1 & 2 bedroom dwelling units; and
- Development of demonstration built form types by direct funding by TPRC or partnering with project builder/developer.

Affordability

The Strategy addresses affordable housing by considering the impact of lot size and construction costs. It recommends provision of smaller lots in association with project builders to achieve further efficiencies in construction cost. This recommended approach represents a contemporary approach but does not demonstrate significant innovation or industry leadership. It does not outline any strategic direction for the Project to pursue alternative approaches worthy of investigation for the delivery of affordable housing.

The Strategy should provide direction in respect of further options to investigate delivery of affordable housing which could include:-

- Social housing or community housing providers, project builders to determine feasibility and parameters of partnering arrangements;
- Alternative housing types such as single bedroom units, student housing etc

Support could be offered for housing projects being undertaken or managed by not-for-profit housing providers, to strengthen their capacity and facilitate their operations. Community housing providers are particularly well-equipped to manage affordable housing opportunities.

There is no consideration to the possibility of aged persons developments. The principles of ‘ageing in place’ could be considered making it possible for people to remain in their community of choice as they age rather than moving to meet housing and lifestyle needs.

The Strategy notes that the potential to investigate demonstration housing incorporating lightweight construction and minimal site works. Further details for these initiatives should be provided, including identification of suitable sites and strategies to achieve outcomes.

Sustainability

The Strategy promotes the following mechanisms to achieve sustainable outcomes in built form:-

- Development requirements of the Estate Design Guidelines;
- Lot orientation that provides good solar access through the subdivision design process; and
- Sustainability features through implementation of incentives (i.e. solar panel and water wise garden rebates).

These methods have seen progress toward the production of contemporary housing incorporating sustainability features, and represent a standard industry approach.

The Strategy does not consider the achievement of a standard of housing sustainability beyond contemporary housing. Further investigation is required on housing sustainability, demonstrating innovation and industry leadership.

PARTNERSHIPS

The Strategy proposes the establishment of development partnerships under guided schemes to deliver built form outcomes.

TPRC's objective of adopting best practice urban design outcomes requires an innovative approach to design and development which pose challenges to current practice. The Strategy should provide strategic guidance for such scenarios, identifying where more open partnering arrangements are suitable, and considerations and processes for selecting a suitable partner. The Strategy should include options reflecting models such as this, to enable a more flexible approach to partnering and the ability for partners to exercise creativity in the design and construction of built form outcomes.

The Strategy identifies partnering with state government agencies such as the Department of Housing (DOH), as a potential model for delivering affordable housing, however indicates concerns relating to the potential for negative market sentiment to result from an association with social housing. The strategy recommends that careful consideration be given on a case by case basis. The Strategy's recommendation leaves the matter unresolved and does not provide clear direction as to if or how this approach should be adopted by the project.

The Strategy's assessment of the likely financial impact of involvement with social housing neglects to consider countering benefits such as community betterment outcomes, or greater efficiencies in delivering affordable housing.

The issue of partnering with state government agencies is significant and greater certainty as to the adoption or exclusion of this method is necessary.

Conclusion

The Built Form and Demonstration Housing Strategy (June 2012) submitted by the Satterley Property Group, provides an update on progress toward the achievement of built form objectives. It is recognised that the Project is in its infancy and therefore it is difficult significant achievements to date in the housing area.

Despite the current status of the Project a wide range of lot types has been produced, partnerships have been progressed with project builders to deliver efficient and affordable housing opportunities. There has also been promotion of sustainability and built form incentives in the Project.

The Strategy should be directed at encouraging a range of housing that meets the existing and future housing needs identified by the TPRC. The Strategy should seek to meet the demand for housing, as well as improving housing mix, affordability, and the availability of housing for those with special needs. It should contain concrete measures to implement these objectives.

As well as articulating a framework to help guide TPRC decision making and planning, the Strategy should clearly communicate the TPRC's housing-related strategies and objectives. It should provide clarity and certainty about future housing within Catania.

It should identify potential sites for innovation, demonstration projects and partnering. These sites should be subject to feasibility assessments, negotiation with builders, community housing providers and other levels of government.

It should identify circumstances and criteria where the TPRC may consider contributions towards affordable housing projects, as well as the nature of such contributions.

The opportunity for housing projects being undertaken or managed by not-for-profit housing providers, to strengthen their capacity and facilitate their operations should properly explored.

There is no consideration of the possibility of aged persons developments. The principles of 'ageing in place' make it possible for people to remain in their community of choice as they age rather than moving to meet housing and lifestyle needs.

In relation to the KPI which requires a revised Built Form and Demonstration Housing Strategy, it is considered that this is not met satisfactorily until the above matters are addressed and incorporated into the Strategy.

9.20 STAGE 5 CIVIL CONSTRUCTION AND EXTERNAL SEWER

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **ACCEPT the Catalina Stage 5 civil works and external sewer pricing submitted by R J Vincent for the lump sum value of \$4,618,168.53 (excluding GST).**
2. **AUTHORISE the Chairman and CEO to sign and affix the TPRC common seal to the Contract.**

Voting Requirements

Simple Majority

Relevant Documents

Appendix:

- Satterley Property Group letter dated 3rd December 2012 - Stage 5 - Civil Construction Recommendation and Sewer Extension.
- Cossill and Webley letter dated 3rd December 2012 - Stage 5 Civil Works Pricing.

Available for viewing at the meeting: Nil

Report Purpose

To consider the award of a construction contract to undertake the Stage 5 civil and external sewer works.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.57 – Provision of goods and services.

Previous Minutes

TPRC Management Committee 22 November 2012 (Item 8.8 – Stage 5 Sewer Works Contract Award)

Financial/Budget Implications

Expenditure under this matter will be incurred under the following Budget Items:-

- Stage 5 Civil Works item:-

Budget Amount:	\$3,743,265
Spent to Date:	\$ 0
Balance:	\$3,743,265

- Extension of Services: Stage 5 Connolly Drive item:-

Budget Amount:	\$1,537,941
Spent to Date:	\$ 0
Balance:	\$1,537,941

Background

At its June 2011 meeting, the Council resolved to accept the tender submitted by R J Vincent for Bulk Earthworks (Stage 1-6), Stage 1 Subdivisional Works and the Neerabup Road intersection works, which included fixed rates for earthworks and subdivision works for a period of two years until 30 June 2013.

The Council further resolved, that the award of further stages of works during the term of this contract will be at the absolute discretion of the TPRC and subject to:-

1. Approval of lump sum contracts, in accordance with the tendered rates;
2. Market conditions and Sales Rates; and
3. Ongoing satisfactory performance of the contractor, during the execution of each separable portion of the contract.

At its June 2012 meeting the Council adopted the Project Budget 2012/13 (May12), which included the construction and settlement of Stage 5 lots by June 2013.

The adopted Project Budget 2012/13 (May12) also incorporated Sales Triggers, required to be met prior to commitment to construction works for various stages. The award of Stage 5 construction works, required the sale of 170 lots, which comprises the sale of all lots constructed in preceding stages.

At its November 2012 meeting the Council awarded a works contract to RJ Vincent to construct the Stage 5 internal sewer works. This portion of the Stage 5 works was awarded in order to maintain work in accordance with the project program and facilitate settlements from the Stage 5 lots within the FYE13. The balance of the Stage 5 works, representing the major component of work, was to be presented to the Council at its December 2012 Meeting.

Stage 5 comprises 63 lots, including 20 traditional lots and 43 rear loaded cottage lots. It is anticipated that titles will issue in May 2013 with settlements commencing in June 2013.

Comment

The TPRC has received a recommendation from the Satterley Property Group and Cossill and Webley (attached as Appendix 9.20) to award a construction contract to RJ Vincent for Stage 5 civil and external sewer works to the value of \$4,618,168.53 (excluding GST).

RJ Vincent's price is \$288,322 under the project budget's allowance for the work (inclusive of the internal sewer works contract). It should be noted the price includes a maximum guaranteed allowance for excavation in rock that assumes 100% of rock material being encountered. To date, contracts let under this arrangement have resulted in reductions in allowances for rock excavation in the order of 30%.

With respect to the Council's resolution of June 2011, regarding the award of further stages of work, the following comments are provided:-

1. Cossill and Webley has verified RJ Vincent's pricing to be in accordance with the approved tendered rates;
2. In relation to Market conditions and Sales Rates the following sales results have been achieved:-

LOTS MARKETED FOR SALE

Stages 1, 2, 3, 4 & 6A (144 lots)

LOTS SOLD TO DATE

134 lots (inclusive of lots subject to Put Options Deeds)

3. RJ Vincent is considered to have satisfactorily fulfilled performance requirements through the Stage 1, 2, 3, 4 and 6A Civil Works contracts and Phase 1 and Stages 5 & 7 Bulk Earthworks contracts.

The approved Sales Trigger of 170 lots sold prior to the commitment of construction to Stage 5 has not been met. To date, of the 144 lots marketed for sale, 134 are sold (inclusive of lots subject to Put Options Deeds), and of the remaining 10 lots 4 are on hold.

The Stage 5 Sales Trigger shortfall of 36 lots is largely accounted for by delays in bringing 26 lots to the market, comprised of the following:-

- Stage 4 Builder Lots

12 lots tendered to builders under put option deeds, closed on the 3rd December 2012, with tenders received accounting for all 12 lots.

- Sales Village Lots

Sale of the 14 lots within the Sales Village is pending confirmation of sales processes and commercial terms, which are the subject of item 9.13 of this agenda. Subject to the Council's resolution of this item, these lots are expected to be available for purchase in December 2012.

The SPG has recommended to that Council agree to the Stage 5 civil works on the basis it considers 10 lots to be a low level of stock to be held, it is confident of achieving strong sales results from the tendered Stage 4 Put Option lots and the soon to be released Sales Village lots and believes the Council's exposure is well managed.

The SPG has advised that the connection of the external sewer extension is dependent on the Water Corporation's agreement to the projects wastewater servicing strategy for the eastern cell. In the event that the Water Corporation requires a different servicing strategy it may result in additional and unbudgeted expenditure in the order of \$1.2M being incurred within the current and 2014 financial years. In addition, a tankering agreement may be required with the Water Corporation to facilitate clearances and the ability to obtain titles within the current financial year. There is also the possibility that should the Water Corporation not agree to the eastern cell servicing strategy, settlements from the Stage 5 lots could be delayed.

The SPG have advised that the risk of the Water Corporation not agreeing to the projects eastern cell servicing strategy is moderate and that urgent negotiations with the Water Corporation to mitigate this risk are ongoing. SPG representatives will be in attendance to provide an update of the progress of these discussions at the meeting.

If a contract for the construction of the Stage 5 civil and sewer extension works is not awarded in December 2012, then settlements from the Stage 5 lots will not be achieved within the current financial year.

All stages of development beyond Stage 5 rely on the external sewer main within Connolly Drive and commencement of its construction is critical to achieve clearances, titles and settlements of these stages.

The Satterley Property Group's recommendation to accept the price submitted by R J Vincent, is supported.

9.23 STAGE 4 BUILDERS ALLOCATION LOTS TENDER – LATE ITEM

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **APPROVE** the allocation of Lot Parcels B and C to Homebuyers Centre, subject to the conditions of Tender 17/2012, and Put Option Deeds being amended to require Land Contracts to be drawn up with individual private purchasers only.
2. **APPROVE** the allocation of Lot Parcel A to Buckeridge Group of Companies, subject to the conditions of Tender 17/2012, and Put Option Deeds being amended to require Land Contracts to be drawn up with individual private purchasers only.
3. **AUTHORISE** the CEO and Chairman to sign and seal relevant Put Option Deed documentation.

Voting Requirements

Simple Majority

Report Purpose

To consider the Stage 4 Builders Allocation tender and the allocation of Stage 4 medium density lots.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property.

Previous Minutes

- Council Meeting - 13 October 2011 (Item 9.9 Display Village Lots and Medium Density (Cottage) Lots Tender and Allocation Procedure);
- Council Meeting - 16 August 2012 (Item 9.7 Stages 4 & 6A Sales Process)

Financial/Budget Implications

Revenue from the sale of Stage 4 lots will be allocated item I145011 (Income Sale on Lots) of the Draft 2012/2013 Budget:

Budget Amount:	\$41,618,154
Received to Date:	\$ 7,677,000
Balance:	\$33,941,154

Relevant Documents

Appendix:

- Satterley Property Group Letter dated 6th December 2012 Stage 4 Builder Allocation Tender Report;
- Plan of Stage 4 Lot Packages.

Available for viewing at the meeting: Development Managers Agreement

Background

Stage 4 contains 12 medium density lots, which are scheduled to be constructed and titled by February 2013.

At its meeting of 16th August 2012, the Council resolved to approve the sale of the Stage 4 medium density lots as builder allocation lots by public tender, via the use of Put Option Deeds as approved by Council for the Stage 3 the Builders Allocation Lots in April 2012, subject to the same procedures, selection criteria and evaluation process, and terms and conditions.

The Council further resolved that the tender of the 12 Stage 4 medium density lots be undertaken as 3 parcels of 4 lots, as depicted on the plan provided under Appendix 9.23.

Comment

In accordance with the Council resolution of 16th August 2012, the tender for the allocation of Stage 4 lot packages was advertised on the 17th November 2012, with the tender period closing on the 3rd December 2012.

At the close of the tender period 2 tenders were received, from the Homebuyers Centre and Buckeridge Group of Companies (BGC). The tenders received account for all 12 lots, representing total sales value of \$1,970,000.

The table below provides a breakdown of the lot parcels sought by tenderers together with corresponding sales values.

Homebuyers Centre	Parcel B	(4 lots)	\$690,000
	Parcel C	(4 lots)	\$660,000
			\$1,350,000

BGC	Parcel A	(4 lots)	\$620,000
	Parcel B	(4 lots)	\$690,000
	Parcel C	(4 lots)	\$660,000
			\$1,970,000

The Satterley Property Group (SPG) has undertaken an assessment of the tenders against the selection criteria and a summary of the scores each tender achieved against the individual selection criteria items is provided in the table below.

Tenderer	Selection Criteria No.						Total Score
	1	2	3	4	5	6	
Homebuyers Centre	25	20	17	10	7	10	89
BGC	22	19	17	12	6	10	86

The SPG's assessment confirms both tenders received are compliant and consistent with the commercial terms of the Stage 4 builders allocation tender and both achieved scores significantly above the minimum requirement of 65%.

The Tender submitted by the Homebuyers Centre achieved a higher score than BGC's submission, due to higher ratings attributed to its experience with medium density design and construction (Selection Criteria Item 1) and sustainability credentials (Selection Criteria Item 4).

On the basis of the submission received from the Homebuyers Centre achieving a higher tender score, the SPG has recommended Lot Packages B and C be allocated to the Homebuyers Centre, with Lot Package A allocated to BGC.

In its assessment, the SPG sought post tender clarification from BGC, which confirmed its intention to market lots to private purchasers or the Department of Housing (DOH). The SPG has not provided any further advice or recommendations to the Council in respect of this matter. The matter of the sale of lots under Put Options to the DOH is considered in item 9.22 of this agenda, however, the Council should note that this aspect does not form part of the selection criteria of the Stage 4 builders allocation tender.

The SPG has on a number of occasions identified potential concerns related to the involvement of state government agencies in the provision of housing and recommended careful consideration prior to any involvement being pursued. This consideration has not been made by the Council and sales processes have to date proceeded on the understanding lots would be sold to private purchasers. Should the Council wish to continue with lots under Put Options being sold to private purchasers, the Put Option Deeds will need to be modified to clearly state this intent and ensure that contractually this will occur.

The SPGs recommendation to allocate Lot Packages B and C to the Homebuyers Centre and Lot Package A to BGC, is supported, subject to the Put Option Deeds being amended to require that land contracts are drawn up with Individual Private Purchasers only.

9.24 MARMION AVENUE INTERSECTION CONSTRUCTION CONTRACT – LATE ITEM

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:

- 1. ACCEPT the Marmion Avenue intersection bulk earthworks price submitted by R J Vincent for the lump sum value of \$515,146.41 (excluding GST).**
- 2. ACCEPT the quote submitted by Telstra for underground service relocation works of \$104,183 (excluding GST).**
- 3. ACCEPT the quote submitted by Optus for underground service relocation works of \$110,810 (excluding GST).**
- 4. ACCEPT the quote submitted by ATCO for underground service relocation works of \$41,778 (excluding GST).**
- 5. AUTHORISE the Chairman and CEO to sign and affix the TPRC common seal to the Contracts.**

Voting Requirements

Simple Majority

Relevant Documents

Appendix: Satterley Property Group letter dated 13 December 2012 – Marmion Avenue Intersection Earthworks Contract.

Available for viewing at the meeting: Nil

Report Purpose

To consider the award of a construction contract to undertake earthworks for the Marmion Avenue/Greenlink intersection and payments to service authorities to undertake underground service relocations.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.57 – Provision of goods and services.

Previous Minutes

Nil

Financial/Budget Implications

Expenditure under this matter will be incurred under the following Budget Items:-

- Marmion Avenue/Greenlink Intersection:-

Budget Amount:	\$2,468,118
Spent to Date:	\$ 0
Balance:	\$2,468,118

Background

At its June 2011 meeting the Council resolved to accept the tender submitted by R J Vincent for Bulk Earthworks (Stage 1-6), Stage 1 Subdivisional Works and the Neerabup Road intersection works, which included fixed rates for earthworks and subdivision works for a period of two years until 30 June 2013.

The Council further resolved, that the award of further stages of works during the term of this contract will be at the absolute discretion of the TPRC and subject to:-

4. Approval of lump sum contracts, in accordance with the tendered rates;
5. Market conditions and Sales Rates; and
6. Ongoing satisfactory performance of the contractor, during the execution of each separable portion of the contract.

At its June 2012 meeting the Council adopted the Project Budget 2012/13 (May12), which included construction of the Marmion Avenue/Greenlink (Aviator Boulevard) to Marmion Avenue by September 2013.

Aligning the opening of the Estate entry from Marmion Avenue with the Builders Display Village has been a key principle of the projects development program. The Council has invested in this through the builders display village lots, the Sales Village precinct and the Catalina Sales Office.

Comment

The TPRC has received a recommendation from the Satterley Property Group (attached as Appendix 9.24) to award a construction contract to RJ Vincent for bulk earthworks of the Marmion Avenue Intersection for a value of \$515,146 (excluding GST) and accept quotations from servicing authorities for the relocation of services within the Marmion Avenue road reserve totalling \$256,771 (excluding GST).

Construction of the Marmion Avenue/Greenlink intersection is unable to commence until May 2013 due to the need to lower a Water Corporation 700mm water distribution main. The Water Corporation has advised that the water distribution main is critical to the supply of water to existing suburbs north of the site and it will not allow any works to disrupt its operation between the summer months of October to April.

Prior to commencing works to lower the water distribution main a number of service relocations are required, which require earthworks within the Marmion Avenue road reserve to be completed.

The required service relocations are comprised of a Telstra fibre optic main, Optus telecommunications cable and ATCO gas main. These works are not able to be undertaken

by the TPRC's contractors and must be completed by the service providers themselves. Quotations from the relevant service providers has been obtained separately.

The quoted cost of all work is shown in the breakdown provided below:-

ITEM DESCRIPTION	PRICE / QUOTE
RJ Vincent Priced Bulk Earthworks	\$515,146
Telstra Quote	\$104,183
Optus Quote	\$110,810
ATCO (gas) Quote	\$41,778
TOTAL	\$771,917

The total cost of the work exceeds the project budget's allowances by \$61,770 due largely to an increase of \$56,000 from the initial quote provided by Telstra for relocation of the fibre optic main.

RJ Vincent's price includes all earthworks within the Marmion Avenue road reserve as well as the portion of the Greenlink that connects Stage 2 to Marmion Avenue. The price has been based on a maximum guaranteed allowance for excavation in rock that assumes 100% of rock material being encountered. To date, contracts let under this arrangement have resulted in reductions in allowances for rock excavation in the order of 30%. The price also includes a lump sum construction contingency of \$50,000.

With respect to the Council's resolution of August 2011, regarding the award of further stages of work, the following comments are provided:-

4. Cossill and Webley has verified that relevant items of RJ Vincent's pricing to be in accordance with the approved tendered rates;
5. The approved budget does not stipulate Sales Triggers for infrastructure items.
6. RJ Vincent is considered to have satisfactorily fulfilled performance requirements through the Stage 1, 2, 3, 4 and 6A Civil Works contracts and Phase 1 and Stages 5 & 7 Bulk Earthworks contracts.

The SPG has advised in order to maintain compliance with the development program and allow the opening of the Marmion Avenue/Greenlink intersection to align with the Stage 2 Builders Display Village, it is critical that earthworks for the intersection be commenced and payments to service authorities be made.

The Satterley Property Group's recommendation to accept the price submitted by R J Vincent and quotations provided by service authorities is supported.

10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN
13. MATTERS BEHIND CLOSED DOORS
14. GENERAL BUSINESS
15. FORMAL CLOSURE OF MEETING

APPENDICES