

**TAMALA PARK**  
**Regional Council**

# Meeting of Council

## AGENDA

**Thursday 21 June 2012**  
**City of Vincent, 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 City of Vincent, 244 Vincent Street, Leederville at 6.00pm on Thursday 21 June 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	
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 – 12 April 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 – 17 May 2012
- Management Committee Meeting – 7 June 2012

**9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.11)**



## **9.1 BUSINESS REPORT – PERIOD ENDING 31 MAY 2012**

### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
Reporting Officer: Chief Executive Officer      File Reference: N/A

### **Recommendation**

**That the Management Committee RECEIVE the Business Report to 21 June 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**

The following provides a brief outline of civil works components to date;

##### Stage 1

- Stage 1 Civil Works – Sewer construction 95% complete.
- Stage 1 Civil Works – Retaining walls 95% complete.
- Stage 1 Civil Works – Stormwater drainage 95% complete.
- Stage 1 Civil Works – Water reticulation 95% complete.
- Stage 1 Civil Works – Gas reticulation 95% complete.
- Stage 1 Civil Works – NBN pit and pipe 95% complete.
- Stage 1 Civil Works – Underground power 95% complete.
- Stage 1 Civil Works – Road construction 90% complete.
- Stage 1 Civil Works – Piers and Fencing 30% complete

Neerabup Rd intersection Construction

- Neerabup Rd Intersection Works – Verge grading 80% complete.

Stage 2

- Stage 2 Civil Works – Sewer construction 95% complete.
- Stage 2 Civil Works – Stormwater drainage 95% complete.
- Stage 2 Civil Works – Water reticulation 90% complete.
- Stage 2 Civil Works – Gas reticulation 60% complete
- Stage 2 Civil Works – NBN pit and pipe 10% complete
- Stage 2 Civil Works – Underground Power 85% complete.
- Stage 2 Civil Works – Retaining walls 90% complete

## **9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF APRIL AND MAY 2012**

### **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 April 2012 and 31 May 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 month ending 30 April and 31 May 2012 (to be distributed at meeting)  
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 May 2012 exceeding 10% were experienced in relation to the following:

Revenue	Interest earnings exceed budget projections as a result of higher investment principal. The projected revenue from settlements has been substantially exceeded as a result of a higher number of lot settlements resulting in higher revenue.
Employee Costs	The positive variance relates to timing of appointment of Project Manager.
Materials & Contracts MTC	The positive variance reflects that expenditure is below budget projections, particularly marketing.
Other	The variation is due to timing of payment of Councillor fees, however, will remain under budget.
Professional/Consultant Fees	The variance is due in part to deferral of payments associated with bulk earthworks and civil works and the rescheduling of Neerabup Rd works and Stage 3 works into the 2013/14 budget. Lot production will be significantly under budget.
Lot Production Cost	The variance is due to timing of payments associated with Bulk Earthworks for Phase 1 and Civil works but is expected to be under budget.

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

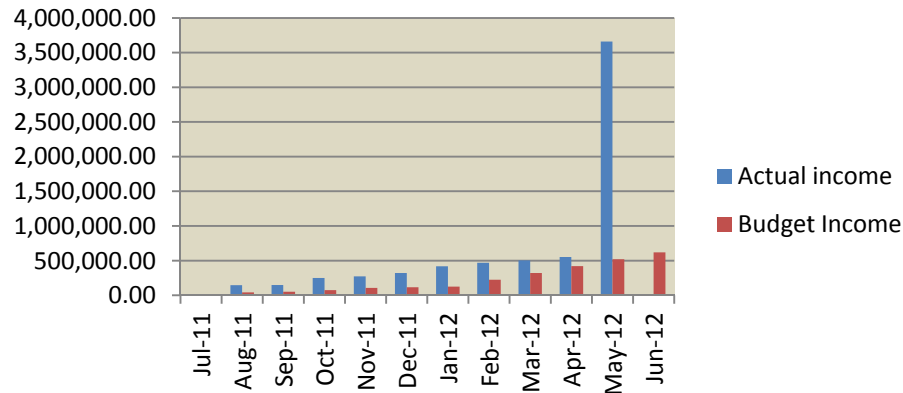
### Financial Snapshot as at 31 May 2012

	Jul '11 - May 12	YTD Budget	\$ Over/Under Budget	Variance	Annual Budget
<b>Revenue</b>					
Interest Earnings	640,765.83	520,124.00	120,641.83	23.19%	619,000.00
Other Revenue	3,021,378.84	0.00	3,021,378.84	0.0%	1,949,943.00
<b>Total Revenue</b>	<b>3,662,144.67</b>	<b>520,124.00</b>	<b>3,142,020.67</b>	<b>604.09%</b>	<b>2,568,943.00</b>
<b>Expenses</b>					
Depreciation	0.00	-4,298.00	4,298.00	-100.0%	-4,501.00
Employee Costs	-432,965.21	-505,658.00	72,692.79	-14.38%	-569,370.00
Insurance	-6,228.13	-7,400.00	1,171.87	-15.84%	-7,400.00
Materials & Contracts MTC	-170,592.78	-933,542.00	762,949.22	-81.73%	-1,261,316.00
Materials & Contracts Other	-78,443.12	-219,331.00	140,887.88	-64.24%	-229,958.00
Other	-77,566.37	-118,500.00	40,933.63	-34.54%	-118,500.00
Professional/Consultant Fees	-318,203.61	-418,675.00	100,471.39	-24.0%	-445,000.00
Land Production Cost (Land Held for Resale)	-5,058,527.64	-10,417,880.00	-5,359,352.36	51.44%	-13,249,209.00
Utilities	0.00	0.00	0.00	0.0%	0.00
<b>Total Expenses</b>	<b>-6,142,526.86</b>	<b>-12,625,284.00</b>	<b>6,482,757.14</b>	<b>-51.35%</b>	<b>-15,885,254.00</b>
Unclassified	-820.40	0.00	-820.40	0.0%	0.00
<b>TOTAL</b>	<b>-6,143,347.26</b>	<b>-12,625,284.00</b>	<b>6,481,936.74</b>	<b>-51.35%</b>	<b>-15,885,254.00</b>

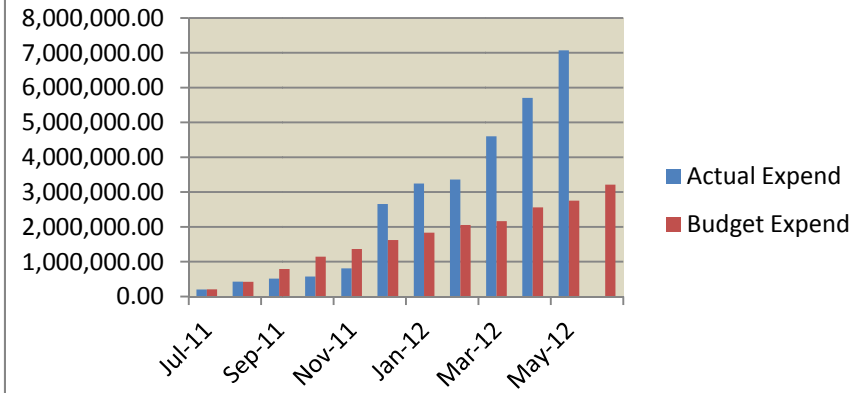
**Balance Sheet Summary as at 31 May 2012**

	May 31, 12	June 30, 11	\$ Change	% Change	May 31, 11
Cash and Investments	12,271,540.86	14,832,167.37	-2,560,626.51	-17.26%	15,062,337.49
Accounts Receivable	0.00	18,518.59	-18,518.59	-100.00%	0.00
Other Current Assets (inc Land Held for Resale)	4,947,725.78	1,030.00	4,946,695.78	480261.73%	1,030.00
<b>Total Current Assets</b>	<b>17,219,266.64</b>	<b>14,851,715.96</b>	<b>2,367,550.68</b>	<b>15.94%</b>	<b>15,063,367.49</b>
Fixed Assets	2,133,071.38	2,013,564.88	119,506.50	5.94%	2,018,762.88
<b>Total Assets</b>	<b>19,352,338.02</b>	<b>16,865,280.84</b>	<b>2,487,057.18</b>	<b>14.75%</b>	<b>17,082,130.37</b>
Less Current Liabilities	-62,186.98	100,546.98	-162,733.96	-161.85%	29,658.81
Less Long Term Liabilities	13,046.69	13,046.69	0.00	0.00%	6,918.42
<b>Total Liabilities</b>	<b>-49,140.29</b>	<b>113,593.67</b>	<b>-162,733.96</b>	<b>-143.26%</b>	<b>36,577.23</b>
<b>Net Assets</b>	<b>19,401,478.31</b>	<b>16,751,687.17</b>	<b>2,649,791.14</b>	<b>176.60%</b>	<b>17,045,553.14</b>

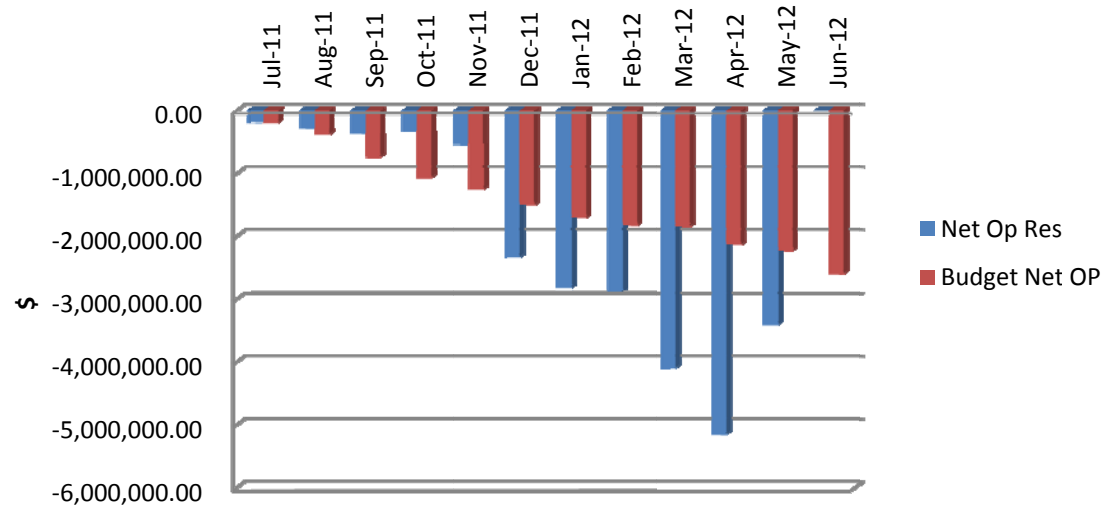
**Cumulative YTD Income V Budget**

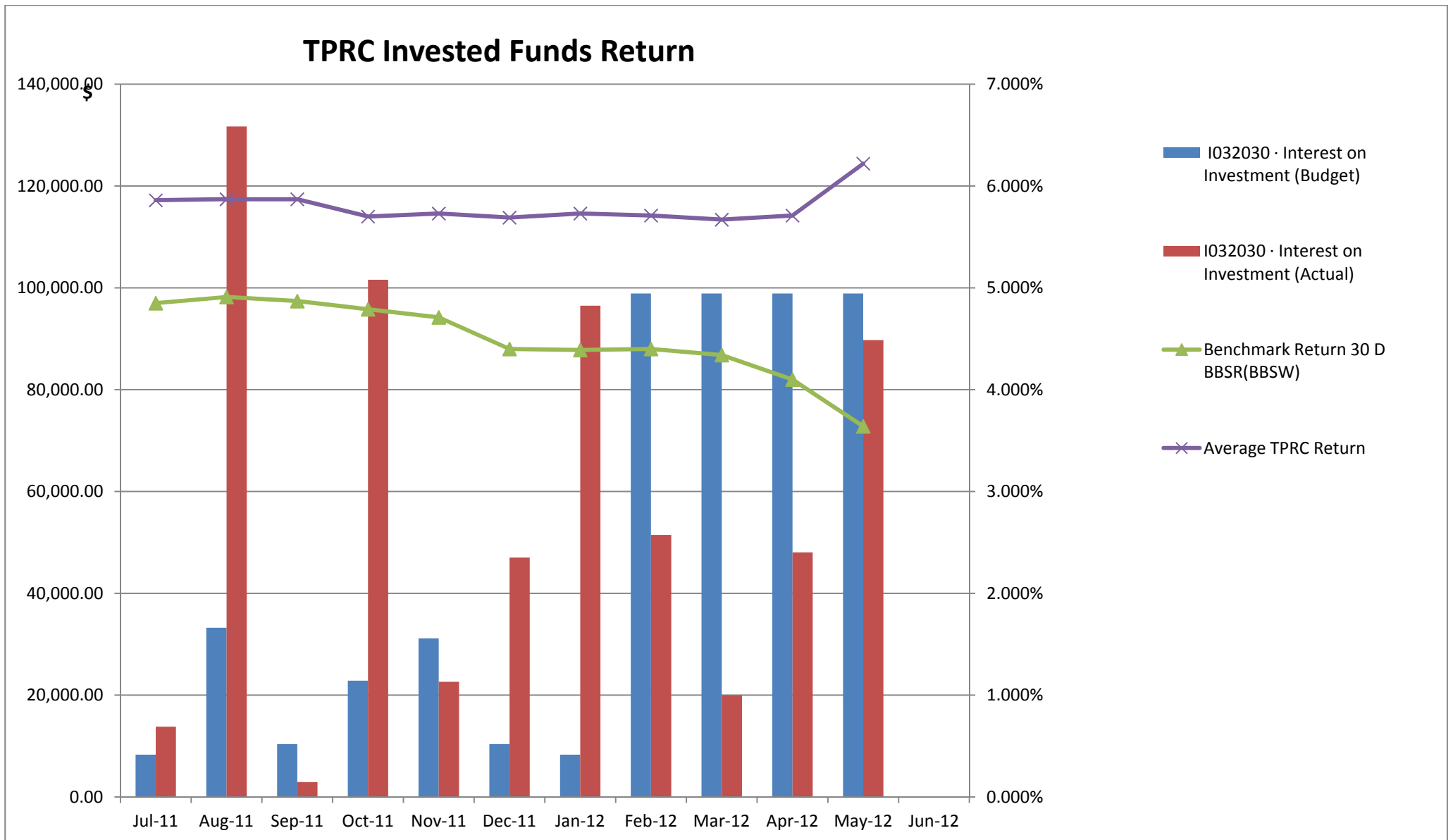


**Cumulative YTD Exp V Budget**



**Cumulative YTD Net Operating V YTD Budget Net Operating**





### **9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF APRIL & MAY 2012**

#### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
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 April and May 2012:**

- **Month ending 30 April 2012 (Total \$1,088,392.25)**
- **Month ending 31 May 2012 (Total \$1,474,958.11)**
- **Total Paid - \$2,563,350.36**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of the list of payments made under the CEO's Delegated Authority for the months ending 30 April and 31 May 2012.

#### **Relevant Documents**

Appendix: Cheque Detail for Month Ending 30 April and 31 May 2012  
Summary Payment List for April and May 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 SALES AND SETTLEMENT REPORT**

### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
Reporting Officer: Chief Executive Officer      File Reference: N/A

### **Recommendation**

**That the Management Committee RECEIVE the Sales Report to 21 June 2012.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To update Council on the sales and settlement activity for Stage 1 & 2 of the Catalina Estate.

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

N/A

### **Previous Minutes**

Nil

### **Financial/Budget Implications**

N/A.

### **Relevant Documents**

Appendix: Nil  
Available for viewing at the meeting: Nil

### **Background**

On 10 March 2012 the Stage 1 lots (comprising 24 lots) were released for sale.

### **Comment**

#### **1. Stage 1A Sales Report**

To date 23 offers to purchase lots in Stage 1 have been fully executed.

The remaining lot within Stage 1 (Lot 182 - \$280,000) is now the subject of an Offer and is to be advertised as required under Section 3.58 (2) and (3) of the Local Government Act.

## **2. Stage 1A Settlements**

The table below provides a summary of all Stage 1A lots, which have settled. To date 17 lots have been settled with net revenue from settled lots totalling \$4,400,000.

<b>Lot No.</b>	<b>Value</b>	<b>Settlement Date</b>
89	\$333,000	29 May 2012
90	\$266,000	29 May 2012
91	\$266,000	29 May 2012
93	\$265,000	13 June 2012
94	\$264,000	29 May 2012
136	\$220,000	5 June 2012
138	\$260,000	5 June 2012
139	\$260,000	29 May 2012
141	\$220,000	30 May 2012
142	\$220,000	5 June 2012
143	\$260,000	30 May 2012
144	\$260,000	29 May 2012
145	\$260,000	29 May 2012
146	\$260,000	13 June 2012
196	\$260,000	29 May 2012
197	\$260,000	29 May 2012
198	\$260,000	29 May 2012

The table below provides a status update of Stage 1A lots, which have not yet settled.

<b>Lot</b>	<b>Value</b>	<b>Scheduled Settlement Date</b>
92	\$266,000	TBC
93	\$264,000	TBC
137	\$260,000	TBC
140	\$260,000	TBC
146	\$260,000	TBC
147	\$225,000	13 <sup>th</sup> June 2012
182	\$280,000	Unsold
195	\$260,000	TBC
199	\$275,000	TBC

## **3. Stage 2 Sales Report**

Stage 2 Builders Display Village precinct (comprising 24 lots) all 24 contracts have been signed by purchasers.

Titles for Stage 2 lots are scheduled to be obtained by August 2012.

## **9.5 DRAFT CHARITY HOME SPONSORSHIP POLICY**

### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
Reporting Officer: Senior Project Officer      File Reference: 4.123.760

### **That the Council:-**

- 1. ADOPT the Draft Charity Home Sponsorship Policy.**
- 2. APPROVE the call for tenders for Charity Home Proposals in accordance with the endorsed Charity Home Sponsorship Policy.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider a Charity Home Sponsorship Policy which provides guidance to the Council for proposals seeking TPRC support of charity home projects within the Catalina Estate.

### **Relevant Documents**

Appendix: Draft TPRC Sponsorship Policy  
Available for viewing at the meeting: Nil

### **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 September 2011

### **Financial/Budget Implications**

No budget allowance in 2011/12.

### **Background**

Major land developments, such as the Catalina Estate, commonly receive requests from organizations for sponsorship of charity home projects such as Telethon, MSS and Appealathon. The type of organizations seeking sponsorship, and the nature of support can vary considerably.

At its September 2011 meeting the Management Committee considered a proposal seeking funding of a charity home project within the Catalina Estate. In its

consideration of the proposal the Committee recognised the likelihood of similar future proposals and the need for a Sponsorship Policy to define parameters and assist the Councils consideration.

### **Comment**

The attached draft Sponsorship Policy is presented to Council for adoption to provide guidance in considering proposals for sponsorship of charity home projects. The following discussion is provided in respect of the key components of the draft policy.

#### Receiving sponsorship proposals

The Catalina Estate may attract interest from a number of organizations seeking sponsorship and it is considered necessary to control the frequency and timing of proposals.

Providing guidance on the timing and frequency of proposals will prevent ad hoc consideration, and allow charity home projects to be coordinated with estate considerations such as project staging, infrastructure, land releases and marketing initiatives.

The draft policy recommends the Council seek expressions of interest every two years.

#### Proponents of sponsorship proposals

The extent of commercial assistance or support provided by the Council should be limited to organizations that are established for charitable purposes only.

It is therefore considered appropriate for the Council to only provide sponsorship to non-profit, whose primary functions and purpose are for charity or for community betterment. In the event the Council receives proposals lodged by organizations not considered to be 'non-profit', the Council will require evidence of clear contractual arrangements facilitating the flow of proceeds to a non-profit organization to be provided.

The draft policy limits the Council's consideration of proposals to those which can demonstrate that profit from the proposal will flow to organizations who comply with the Australian Taxation Office's definition of a non-profit organization, as provided below:-

*A non-profit organization is an organization that is not operating for the profit or gain of its individual members, whether these gains would have been direct or indirect. This applies both while the organization is operating and when it winds up.*

#### Commercial terms

Based on past experience the form of sponsorship sought by proponents is likely to be in the form of the purchase of a lot at a discounted price or deferred payment, however, a range of other arrangements could be proposed.

The draft policy outlines the Council's sponsorship in the following terms:-

- i) The sale of a lot at a maximum discount of 50% of the lot valuation amount;
- ii) Deferral of the full lot purchase price for no longer than 18 months, or at settlement of the sale of the charity home, whichever is the sooner; or
- iii) Other terms presented to the TPRC which demonstrate significant benefits to the Catalina Estate and have regard to the governance requirements of the Local Government Act (1995).

The terms also ensure that costs of planning, management and lot production are adequately covered, whilst still providing significant benefit to proponents of charity homes.

#### Community benefit of the proposal

Proponents must demonstrate to the Council that the project will be of benefit to the community. This can be achieved either through the project itself, or the use of funds for charitable or community causes.

#### Proponent capabilities and track record for similar projects

To prevent the waste or misuse of project funds, the Council must be confident of the proponent's capabilities. The best measure of a proponent's capacity to deliver on a proposal is to measure their existing track record undertaking similar ventures.

The policy identifies key areas of capability which proponents must address to satisfy the Council that any business arrangement it enters represents low risk.

#### Achievement of the Council's objectives

Any development within the Catalina Estate, should contribute to the achievement of the Council's development and built form objectives. This is particularly relevant to development to which the Council provides financial support.

Proponents must demonstrate that the project will produce a high quality product adopting best practice urban design and will contribute positively to the creation of desirable streetscape and local community objectives.

The draft policy also requires applicants to demonstrate how proposals are innovative in addressing current housing issues such as sustainability, diversity or affordability.

#### Promotion of the Estate

Any sponsorship provided by the Council should result in significant and productive promotion of the Catalina brand and estate.

Proponents must detail the mechanisms through which the charity home project will promote and market the Catalina brand and estate, including details of market exposure, media coverage and audience.

The Development Manager has been a strong supporter of charity home sponsorship in large residential projects as a result of strong marketing and project positioning benefits and the generation of significant community benefits.

At its meeting of 17 May 2012 the Management Committee resolved to recommend that the Council:-

1. ADOPT the Draft Charity Home Sponsorship Policy.
2. APPROVE the call for tenders for Charity Home Proposals in accordance with the endorsed Charity Home Sponsorship Policy.

## **9.6 MANAGEMENT COMMITTEE – TERMS OF REFERENCE/DELEGATIONS**

### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
Reporting Officer: Chief Executive Officer      File Reference: 13.45.657.0

### **Recommendation**

#### **That the Council:**

- 1. AGREE to modify delegation 8, to increase the value of contracts the Management Committee is able to approve from \$1,000,000 to \$3,000,000, provided there is budget allowance and works are consistent with project program.**
- 2. AGREE to modify delegation 10, to increase the value of appointments of Project consultants and contractors the Management Committee is able to approve from \$1,000,000 to \$3,000,000, provided there is budget allowance and works are consistent with project program.**
- 3. APPROVE a new delegation 16, authorising the Management Committee to grant approval to the methods for the sale of project stages.**
- 4. That the approved Terms of Reference and Delegations to the Management Committee be reviewed in twelve months.**

### **Voting Requirements**

Absolute Majority

### **Report Purpose**

To review the Delegations to the Management Committee.

### **Relevant Documents**

Appendix: Nil  
Available for viewing at the meeting: Nil

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

Local Government Act 1995: Sect 5.16 and 5.17 – Delegation to Committee.

### **Previous Minutes**

Council Minutes – 14 April 2011

### **Financial/Budget Implications**

N/A

## Background

At its meeting of 19 August 2010 the Council approved the establishment of a Management Committee with the following terms of reference and delegations for the Management Committee:

1. Recommending to Council the Project Annual Plan, Project Budget and Project Milestones.
2. The establishment and variation of key performance indicators which will be used to measure the performance of the Development Manager.
3. Monitoring the Approved Project Budget (including any proposed variations to the Approved Project Budget).
4. Stage-by-stage cost determination and review.
5. Monitoring the Project's strategy, plans or concepts.
6. Monitoring the marketing and sales program for the Project.
7. Approval of sales schedules (including pricing) prior to the release of a stage of the Project.
8. Contracts to be entered into by any party with a value less than \$1,000,000.
9. Monitoring the Approved Project Program (including any proposed variations to the Approved Project Program).
10. The appointment of Project consultants and contractors with a value less than \$1,000,000.
11. The location of Stages of subdivision including the number of lots, Display village(s) (size, mix and locality).
12. Approval to the lodgement of Subdivision Applications with the Western Australian Planning Commission.
13. Approval to marketing strategy and program.
14. Monitoring the implementation of TPRC objectives.
  - 14.1 Generally monitor the performance of the Development Manager;
  - 14.2 Generally progress the Project.
15. To provide regular confidential updates on progress to the Council.

The Council also resolved to review the Terms of Reference and Delegations or Duties to the Management Committee in six months time. This review was subsequently considered by the Council at its April 2011 meeting, where it accepted the existing terms of reference were operating successfully and should be maintained.

In its consideration, the Council resolved that a further review of the approved Terms of Reference and Delegations or Duties to the Management Committee be undertaken in twelve months time.

## Comment

Since the previous review in April 2011, the Management Committee has met on the following dates:

- 16 June 2011;
- 22 September 2011
- 24 November 2011;
- 2 February 2012; and
- 22 March 2012.

In approving the Terms of Reference and Delegations to the Management Committee the Council was cognisant that in order for the Tamala Park Project to run in a timely and efficient manner it



was considered that the Management Committee should have authority to manage and have delegated authority to make decisions.

To this end, it is recommended the Council increase the value of contracts which the Committee has delegation to approve from \$1,000,000 to \$3,000,000. Contracts of such value include earthworks and subdivisional works contracts are commonplace for major land developments such as Catalina and delegating the ability for the Management Committee to approve of these items, would remove need for potential additional meetings and avoid delays to programs which could affect revenue.

This proposed change to delegation would be subject to any works contracts being within the approved budget allowance and consistent with the project program.

It is further recommended that the Management Committee be provided with delegated authority to approve the method of lot disposal for project stages which will afford greater flexibility to respond to market conditions and movements. It is noted that the Management Committee presently has delegated authority to approve lot pricing.

A copy of the Management Committee terms of reference and delegations reflecting the proposed modification is provided under Appendix 9.6.

With the exception of the above items, the approved Terms of Reference and Delegations to the Management Committee are considered to be satisfactory and should be maintained. It is recommended that the approved Terms of Reference and Delegations to the Management Committee be reviewed again in twelve months time.

At its meeting of 17 May 2012 the Management Committee resolved to recommend that the Council:-

1. AGREE to modify delegation 8, to increase the value of contracts the Management Committee is able to approve from \$1,000,000 to \$3,000,000, provided there is budget allowance and works are consistent with project program.
2. AGREE to modify delegation 10, to increase the value of appointments of Project consultants and contractors the Management Committee is able to approve from \$1,000,000 to \$3,000,000, provided there is budget allowance and works are consistent with project program.
3. APPROVE a new delegation 16, authorising the Management Committee to grant approval to the methods for the sale of project stages.
4. That the approved Terms of Reference and Delegations to the Management Committee be reviewed in twelve months.

## **9.7 STAGE 1B SALES PROCESS AND DESIGN GUIDELINES**

### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
Reporting Officer: Chief Executive Officer File Reference: 1.88.246

### **Recommendation**

#### **That the Council:**

- 1. APPROVE the sale of Stage 1B lots by private treaty in accordance with the sales procedure approved by the Council on 23 June 2011 for Stage 1.**
- 2. APPROVE the Stage 1B Design Guidelines (dated May 2012) prepared by Satterley Property Group.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the disposal of Stage 1B medium density lots by private treaty, with the application of specific Design Guidelines to achieve built form objectives.

### **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**

Expenditure under this matter will be incurred under item E145218 (Sales & Marketing):

Budget Amount:	\$1,000,000
Spent to Date:	\$ 133,424
Balance:	\$ 866,576

Expenditure will be accommodated within this item.

### **Relevant Documents**

Appendix: Satterley Property Group Letter dated 9 May 2012 Design Guidelines Stage 1B  
Special Precinct  
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, which identified the 11 rear loaded medium density lots (Stage 1B) fronting the pocket POS within Stage 1 to be disposed of by public tender to builders.

This approach was recommended by Satterley Property Group to assist in achieving built form objectives for Stage 1B which are located at the entry of the estate, abutting/overlooking a POS area.

## Comment

Following further consideration the Development Manager has now recommended (letter attached under Appendix 9.7), that the Stage 1B lots be disposed of 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 Stage 1A lots.

This sale process involved individuals registering online to purchase preselected lots, with offers to purchasers made following an assessment and prioritization of registrations, in order of receipt and compliance with preset terms and criteria. The Stage 1A sale process was well received by purchasers, smoothly operated, and with all 24 lots sold and the majority settled, considered a success.

The SPG recommends this approach as it believes there to be strong demand for the lots by private purchasers. Furthermore, with Stage 1A nearly sold out, the SPG has recommended it would be preferable to utilise the Stage 1B to maintain a supply of lots to satisfy private purchaser market demand, in so doing continue to build on the Catalina brand.

In order to ensure the specific built form objectives required of Stage 1B, the SPG has modified the approved Central Precinct Design Guidelines for Stage 1 B. A copy of the Stage 1B Design Guidelines is provided under Appendix 9.7. The Stage 1B Design Guidelines provides appropriate controls to achieve the built form objectives associated with the Stage 1B lots.

At its meeting of 17 May 2012 the Management Committee resolved to recommend that the Council:-

1. APPROVE the sale of Stage 1B lots by private treaty in accordance with the sales procedure approved by the Council on the 23<sup>rd</sup> June 2011 for Stage 1.
2. APPROVE the Stage 1B Design Guidelines.

## **9.8 STATUS REPORT: NON-POTABLE WATER SUPPLY SYSTEM**

### **Report Information**

Location: Not Applicable  
Applicant: Not Applicable  
Reporting Officer: Senior Project Officer File Reference: 1.88.246

### **Recommendation**

#### **That the Council RESOLVE:**

- 1. To receive the Water Conservation Strategy provided by Cossill and Webley (May 2012) and the Satterley Property Group correspondence dated 13 June 2012.**
- 2. Not to proceed with the non-potable water supply scheme for Catalina based on the increased costs and excessive level of risk, discontinuing the installation of future proofing infrastructure within future lot stages;**
- 3. To undertake a trial project for the installation of shared bores within Stages 1 and 4, to provide non-potable water for irrigation purposes, based on \$2,500 per lot.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To provide a status update of progress and actions in respect of the proposed Non Potable Water Supply Scheme, and present options to the Council in the provision of non potable water to lots within Catalina.

### **Relevant Documents**

Appendix: Letter from SPG dated 13 June 2012; Cossill and Webley Report: *Catalina Water Conservation Strategy – Summary of Water Options*  
Available for viewing at the meeting: Satterley Property Group project submission

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

N/A

### **Previous Minutes**

Council Meeting – 12 April 2012 (Item 9.7 Status Report: Non-Potable Water Supply System)

### **Financial/Budget Implications**

Item 99.2 (Lot Production):

Budget Amount: \$6,328,871  
Spent to Date: \$ 732,860  
Balance: \$5,596,011

Expenditure under this matter will be incurred under the above item.

## **Background**

At its December 2011 meeting, the Council approved the Sustainability Initiatives Plan (SIP). The Development Manager recommended Council pursue initiatives directed toward sustainability in Water, including a 3<sup>rd</sup> pipe (non potable water supply scheme). The scheme was intended to comprise a network of bore-fed reticulation mains, which provided non potable water to lots for irrigation of outdoor areas.

It was noted at that time that advice was still pending from the Water Authority regarding agreement and pricing arrangements for the proposed scheme.

The Council resolved to adopt the SIP and approve the use of the non-potable water supply system for Stage 1, at an estimated cost of \$3,500 per lot, which was within the budget allowance of \$5,000 per lot.

At its April 2012 meeting, the Council considered a status report on the proposed Catalina non-potable water supply scheme and resolved to:-

1. Approve the construction of infrastructure within Stage 2 to future proof the connection of lots to a non-potable water supply scheme.
2. Require a comprehensive report from the Satterley Property Group on water reuse options for the third pipe scheme for the TPRC Council meeting to be held on 21 June 2012.

## **Comment**

The Satterley Property Group was advised of the Council's requirement for a comprehensive report on water reuse options for the non potable water supply scheme, and that the report should include the following:-

- Detailed advice of the features, scope, costs, current status and future challenges associated with a bore fed third pipe scheme; and
- An overview of alternative water reuse options, their advantages and disadvantages from a sustainability and cost perspective and their ability to be integrated within the Catalina project.

The Satterley Property Group has provided advice and recommendations along with a report from Cossill & Webley (CW) (project engineers), both of which are attached under Appendix 9.8. The CW report provides an overview of the methodology of water source options including groundwater, rainwater tanks, grey water use, community stormwater harvesting and treated wastewater reuse.

The report does not address considerations of scope, cost, feasibility and timing associated with the development of water reuse options within Catalina and there is limited information relating to constraints such as land use buffers, public access constraints and statutory approval requirements.

The SPG has recommended that Council not pursue the following water reuse options:-

- Stormwater harvesting (rainwater tanks)
- Greywater re-use
- Black water treatment and re-use (sewer mining)

The SPG's recommendation is based primarily on constraints associated with the status of the land as a Public Drinking Water Source Protection Area (Priority 3), where the processing and use of treated wastewater is prohibited, as well as the high costs associated with all water reuse options.

The CW report also provides an assessment of the proposed non-potable water supply system, proposed for the Catalina Estate. A discussion of the key issues is provided below:-

#### Cost

The report identifies that costs for a non-potable water supply system at Catalina will be significantly higher than previously estimated due to the following:-

- Increased design specifications required by the Water Corporation, including requirements for meters to each lot and permanent pressurization of the system, with potential cost implications estimated at \$7000 - \$10,000 per lot; and
- Investigations have revealed the quality of groundwater at Catalina is poor and additional filtration and treatment infrastructure would be necessary. In view of the Water Corporations requirement for permanently pressurization, significant storage infrastructure would be required at great cost and with the potential loss of developable land.

#### Scope

The scope of the proposed system is still unknown with the absence of a formal agreement with the City of Wanneroo to participate by utilising the scheme for irrigation of parks and POS areas. This remains a key area of uncertainty.

#### Service Provider

The Water Corporation has provided in-principle support for non drinking water schemes in Western Australia, however has not committed to being the service provider for the proposed Catalina scheme. Furthermore, the terms outlined by the Water Corporation are broad and do not provide certainty for the TPRC.

#### Source

The Catalina non-potable water supply scheme proposed is based on models which the Satterley Property Group has successfully established at Brighton and Evermore projects. These systems are bore fed water supply systems, which deliver non-potable water to the home for outdoor irrigation use.

Preliminary investigations suggest that the quality of groundwater able to be sourced at Catalina is likely to be of a lower standard than that available at both Brighton and Evermore. The implication of this is that water will likely require filtration and treatment with storage requirements to facilitate the treatment process. This requirement has the potential to result in significant cost increase.

### Timing of Delivery

There is no advice on likely establishment or commissioning timeframes, which poses a significant constraint.

The Satterley Property Group has recommended the Council not pursue the current non-potable water supply scheme, based on the costs of developing and implementing the scheme and the uncertainty still surrounding its scope and operation.

The SPG has recommended the Council conduct a trial project of shared bores within Stages 1 and 4, which are primarily comprised of traditional sized lots. The cost of the trial is estimated to be \$2,500 per lot, which compares favourably to the \$3,500 per lot budget allowance for the non potable water supply scheme.

Within Stage 1, the trial will require retrospective agreements to be sought with lot purchasers and implementation would result in expenditure on sustainability initiatives marginally exceeding budgeted expenditure due to existing costs incurred due to the installation of future proofing infrastructure. If supported the total expenditure for Stage 1 on water sustainability initiatives is estimated to be \$135,000, which exceeds budgeted expenditure of \$122,500 by \$12,500. This cost could be offset the resultant savings within Stage 3 (with \$147,000 of cost budgeted).

### Options to Council

Given the information available, the following options are available to the Council:-

1. Resolve to proceed with the non-potable water supply scheme for Catalina, engaging the necessary consultants to undertake a hydrologic investigation, identify filtration and treatment requirements and develop the scheme in accordance with Water Corporation requirements (costs +\$7,150 per lot).
2. Resolve not to proceed with the non-potable water supply scheme for Catalina based on the level of risk and increased costs, but continue to install future proofing infrastructure within lot stages to facilitate connection to a possible future non-potable water supply scheme (cost \$2,180). Further, request the Satterley Property Group to undertake a review of the Sustainability Initiatives Plan to determine alternative sustainability initiatives.
3. Resolve not to proceed with the non-potable water supply scheme for Catalina based on the level of risk, discontinuing the installation of future proofing infrastructure within lot stages and requesting the Satterley Property Group to undertake a review of the Sustainability Initiatives Plan to determine alternative sustainability initiatives.
4. Resolve to pursue the provision of non-potable water supply by a shared bore arrangement, undertaking a trial project within Stages 1 and 4 (cost \$2,500 per lot).

Given the significant cost increases expected to develop and implement such a scheme and the significant uncertainty remaining in respect of key components of it, the Council is recommended not to pursue the non potable water supply scheme.

The shared bore arrangement presents an opportunity to achieve the objective of providing residents with a non potable water supply, reducing Catalina's demand on the reticulated potable water supply system.

The establishment of shared bores would not require operation by a water service provider or participation by the City of Wanneroo, and is able to be implemented at a cost that is within the current budgets allocation for water sustainability initiatives.

In view of the above, it is recommended the Council undertake a trial project for the installation of shared bores within Stages 1 and 4, to provide a non potable water supply to residents for irrigation purposes.



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