



TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 21 August 2014, 6:00pm
City of Joondalup
90 Boas Avenue, Joondalup

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

Councillors 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 Joondalup, 90 Boas Ave, Joondalup on Thursday 21 August 2014 at 6:00pm.

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 Louis Carr	
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Mayor Giovanni Italiano JP Cr David Michael Cr Terry Tyzack Cr Rod Willox AM JP	Cr Elizabeth Re JP
Town of Victoria Park	Mayor Trevor Vaughan	
City of Vincent	Cr Joshua Topelberg	
City of Wanneroo	Cr Dianne Guise Cr Brett Treby	Cr Frank Cvitan Cr Hugh Nguyen

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 – 26 June 2014

5A. BUSINESS ARISING FROM THE MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

- Audit Committee Meeting – 4 August 2014
- Management Committee Meeting – 21 July 2014

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.19)

Note: A deputation is proposed in relation to Item 9.9 – Sponsored Charity Home Proposals

9.1 BUSINESS REPORT – PERIOD ENDING 14 AUGUST 2014

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 14 August 2014.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Staging Plan

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 the 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 table provides an overview of the progress of current civil works to date:

Stage	Lots	Commenced Construction	Practical Completion Date	Works Status	Titles
11	65	1 April 2014	5 September 2014	70% complete	Oct 2014
12	49	3 July 2014	17 December 2014	10% complete	Dec 2014

2. Bulk Earthworks - Status

There are currently no bulk earthworks being undertaken.

3. Landscape works – Status

The following table provides an overview of the progress of current landscape works to date:

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
Stage 8	4 March 2014	27 June 2014	100% Complete – Practical completion achieved. Delays due to rock and wet weather.
Marmion Ave Entrance and Aviator Blvd (Greenlink)	9 June 2014	October 2014	90% Complete - Completion expected by mid August 2014.

4. Housing Construction

The following table provides an overview of the current progress of housing construction to date:

Stage	Under Construction	Completed	Total
Stage 1	4	28	32
Stage 2	5	25	30
Stage 3	9	31	40
Stage 4	10	31	41
Stage 5	28	25	53
Stage 6A	1	5	6
Stage 7	53	1	54
Stage 8	35	0	35
Total	145	146	291

5. New Sales Office

The New Sales Office has been fully operational from Friday 30 May 2014 and has seen an increase in sales traffic in comparison to recent weeks. The revised (trial) Sales Office opening hours commenced on 28 June 2014, with the additional sales representative, and are working well. A builders' function was held on 16 July 2014 at the Sales Office to provide a briefing on Catalina FYE 2015 program and ongoing works.

6. Waste Management Program

Instant Waste Management is providing monthly reports identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 79 participating building sites with a waste recovery rate of 95% (by weight) being achieved. To date a total of 1324 tonnes of waste has been recycled through the Waste Management Program.

7. Lot 1 – TPRC/ABN Development

Marketing and selling of the apartments is progressing well with 21 contracts of sale having been accepted, 2 contracts with TPRC for acceptance and 2 apartments on hold. Construction works on the apartments commenced on 20 June 2014. Footings and the slabs are complete, with brickwork shortly to commence. Completion of the apartments is expected in September 2015.

8. Builders Display Village

23 builder display homes are open for display and receiving good traffic. Closure of the first Display Village is due in February 2016 following the existing planning approval expiring. Planning approval has been obtained for the second Catalina Display Village which is expected to open in February 2016.

9. Community Development

A meet and greet with Catalina residents was held at Elsbury Park on 3 August 2014. The event was a good chance to meet new residents and was well received with over 50 residents attending. The residents provided positive feedback regarding the Estate, in particular the quality of the Stage 4 Park. The next community event is a tree planting day to be held on 17 August 2014.

10. Neerabup Road Bus Underpass

Main Roads WA is expected to tender the design and construction of the Mitchell Freeway extension to Hester Avenue in late August 2014, with earthworks due to commence in early 2016 and completion due in late 2017. The Freeway works include the extension of Neerabup Road from Connolly Drive to the Freeway. The Tamala Park Local Structure Plan indicates a Bus Underpass for public transport vehicles under Neerabup Road providing a link from Aviator Boulevard to the Clarkson Train Station. The Local Structure Plan also indicates that the proposed underpass is subject to detailed design, funding and construction by the proponent (TPRC) in consultation with Main Roads WA, Department of Planning and the City of Wanneroo.

There may be an opportunity to construct the underpass as part of the Neerabup Road construction by Main Roads WA which would result in considerable cost savings compared to building the underpass at a later date. Current planning indicates that the underpass would consist of a signalised single lane underpass for PTA buses only, located adjacent a 'principal shared path' which is to run along the Freeway.

Following discussions with Main Roads WA, it has been proposed that the TPRC would be responsible for payment of the extra over cost to design and construct the bus underpass. At this point in time the cost is unknown but it is expected it will be in the order of \$2,000,000, payable in 2016 / 2017. This costing will be revised further following the completion of concept designs, which will also confirm whether the underpass option is feasible.

There are ongoing discussion with Main Roads WA, City of Wanneroo and the PTA regarding design, construction requirements and funding allocation. Once this matter is progressed further, including a formal proposal from Main Roads WA a further report and recommendation will be provided to the Council.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MAY & JUNE 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

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

- **31 May 2014; and**
- **30 June 2014.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Statement of Financial Activity for 31 May 2014
- Statement of Financial Activity for 30 June 2014

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.

Variations at 30 June 2014 exceeding 10% were experienced in relation to the following:

Interest Earnings	Interest earnings exceed budget predictions as a result of higher than predicted investment principal.
Depreciation	The positive variance is a result of lower expenditure.
Employee Costs	The positive variance relates to timing of the appointment of TPRC staff.
Insurance	The positive variance reflects savings in expenditure.
Materials and Contracts	The positive variance reflects savings in expenditure.
Other	The positive variance reflects savings in expenditure.
Utilities	The positive variance reflects savings in expenditure.
Capital Items	The negative variance relates to acquisition of laptop.
Land Production Cost	The positive variance results from cost savings and deferral of some works.

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

Financial Snapshot as at 30 June 2014

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 30 JUNE 2014**

	2013-14 ADOPTED BUDGET	2013-14 YTD ACTUAL	VARIANCE		VARIANCE %
			FAVOURABLE	UNFAVOURABLE	
REVENUE	\$	\$	\$	\$	%
Interest Earnings	711,090	1,004,865	293,775		41.31%
Other Revenue	1,890	8,395	6,505		344.18%
	\$712,980	\$1,013,260	\$300,280	\$0	
LESS EXPENDITURE					
Depreciation	(20,489)	(13,626)	6,863		33.50%
Employee Costs	(679,975)	(520,305)	159,670		23.48%
Insurance	(11,900)	(10,592)	1,308		10.99%
Materials and Contracts	(348,450)	(48,827)	299,623		85.99%
Other	(176,239)	(141,527)		34,712	19.70%
Utilities	(10,000)	(2,806)	7,194		71.94%
Capital Items	(6,000)	(6,968)		(968)	-16.13%
Members Equity					
-Income Sale of Lots - Subdivisions	45,640,484	52,278,081	6,637,597		14.54%
-Income Other - Subdivisions	634,349	1,112,081	477,732		75.31%
Professional/Consultant Fees	(100,000)	(107,755)		(7,755)	-7.76%
-Land Production Costs	(45,800,319)	(28,591,479)	17,208,840		37.57%
-Contributions Returned	(10,400,000)	(10,554,639)		(154,639)	-1.49%
	(\$11,278,539)	\$13,391,638	\$24,798,827	(\$128,650)	
Total	(\$10,565,559)	\$14,404,898	\$25,099,107	(\$128,650)	

Balance Sheet Summary as at 30 June 2014

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014**

	Actual 2012/13 \$	Actual 2013/14 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	25,985,602	40,413,398	14,427,796	55.52%
Trade and other receivables	515,699	735,068	219,369	42.54%
Total current assets	26,501,301	41,148,466	14,647,165	55.3%
Non-current assets				
Inventories	1,818,182	1,818,182	0	0.00%
Property, plant and equipment	145,610	140,116	-5,494	-3.77%
Total non-current assets	1,963,792	1,958,298	-5,494	-0.28%
Total assets	28,465,093	43,106,764	14,641,671	51.44%
Current liabilities				
Trade and other payables	323,468	587,695	-264,227	-81.69%
Provisions	109,418	76,228	33,190	30.33%
Total current liabilities	432,886	663,923	-231,037	-53.4%
Non-current liabilities				
Provisions	18,659	16,261	2,398	12.85%
Total non-current liabilities	18,659	16,261	2,398	12.9%
Total liabilities	451,545	680,184	-228,639	-50.6%
Net assets	28,013,548	42,426,580	14,413,032	51.5%

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTH OF JUNE 2014

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 month of June 2014:

- **Month ending 30 June 2014 (Total \$6,199,262.68)**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the month ending 30 June 2014.

Relevant Documents

Appendix:

- Cheque Detail for June 2014;
- Summary Payment List for June 2014

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 – JUNE 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

That the Council RECEIVE the Project Financial Report (June 2014) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for June 2014 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 20 June 2013 (Item 9.6 - Project Budget 2013/2014)

Financial/Budget Implications

Review of Project Financial Report for June 2014.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 21 July 2014 with Financial Report

Background

At its meeting of 20 June 2013 the Council approved the Project Budget 2013/2014 (March 2013), submitted by the Satterley Property Group, as the basis of financial planning for the 2013/2014 TPRC budget.

Item 5.4.6 of the Development Managers Key Performance Indicators; Financial, requires the preparation of monthly financial reports.

Comment

The Satterley Property Group has prepared a Financial Report for June 2014 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 30 June 2014 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue for the financial year to 30 June 2014 was \$52.4M which is \$6.7M ahead of budget.

The SPG has advised the variance in sales revenue is attributed to 18 more lot settlements year to date.

2. Expenditure is \$10.2M under budget, due in part to savings in the areas of Lot Production, Landscape, Marketing, Maintenance and Contingency. The balance is as a result of deferral of some Landscape and Lot Production expenditure.
3. Sales for FYE 14 are \$10.9M ahead of budget due to an additional 29 lot sales.

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 14 AUGUST 2014

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVE the Sales and Settlements Report to 14 August 2014.

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 of the TPRC 2014/2015 Budget.

Budget Amount:	\$57,796,313
Received to Date:	\$ 444,000
Balance:	\$57,352,131

Note: Based on Draft TPRC Budget 2014/2015.

Background

The Sales and Settlement Report provides the Council with a status update of sales and settlements for the Project.

The Staging Plan provided under Appendix 9.1 identifies the extent of the Stage boundaries referenced within the report.

Comment

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

STAGE	LOTS RELEASED	SOLD	STOCK	SETTLED
Stages 1 – 5, 6A, 7 & 8	350	350	0	350
Stage 6C	10	9	1	6
Stage 9A	19	19	0	15
Stage 9B	32	32	0	28
Stage 10	30	27	3	23
Stage 11A	49	41	8	0
Stage 11B	15	15	0	0
Stage 12A	25	17	8	0
Stage 12B	24	15	9	0
TOTAL	554	525	29	422

Stage 12B was released on 26 July 2014 with strong registrations and interest. To date 15 lots have been contracted with 4 lots on hold. There has been sound ongoing inquiry, particularly for standard lots under \$300,000. Notwithstanding a new record sales price in Catalina of \$392,000 for a lot in stage 6C was recently achieved.

The existing stock of 29 lots includes 6 mandatory 2 storey lots, 3 lots on Aviator Boulevard and 4 lots with ocean glimpses, all of which are slower to sell than standard residential lots. There is a strong focus on the sale of these lots as well as the lots in the recent Stage 12A and 12B releases. A public release of 27 lots in Stage 13A is planned for 30 August 2014.

Competition Analysis

The table below provides a summary of land available and sales at competing developments in the northern corridor for the month of July 2014.

COMPETING ESTATE	NET SALES (July 14)	SIZE RANGE	PRICE RANGE	STOCK
Trinity	24	285 - 465	\$198,000 - \$268,000	21
Amberton	13	225 – 574	\$196,000 - \$330,000	15
Capricorn Estate	9	313 – 1228	\$215,000 - \$395,000	47
Alkimos Beach Joint Venture	35	375 – 414	\$225,000 - \$260,000	4
Catalina	10	295 – 562	\$249,000 - \$400,000	29
Eden Beach	8	300 – 450	\$275,000 - \$325,000	4
Burns Beach	7	336 – 646	\$395,000 - \$1,140,000	40
Beaumaris Beach	0	360 - 760	\$420,000 - \$610,000	3

With the exception of Beaumaris, most developments in the northern corridor had sufficient stock available during the month of July. Alkimos Beach and Trinity achieved the strongest sales results, with lots generally in the \$200,000 to \$270,000 price range where there is currently strongest demand.

Satterley Property Group representatives will be in attendance to present the Sales and Settlement Report.

9.6 PROJECT BUDGET 2014/2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.48.0

Recommendation

That the Council APPROVE the Project Budget 2014/2015 (August 2014), submitted by the Satterley Property Group, and it be used as the basis of financial planning for the TPRC budget 2014/2015.

Voting Requirements

Simple Majority

Report Purpose

To review the Project Budget 2014/2015 (March 2014) prepared by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

Nil

Previous Minutes

Council Meeting – 20 June 2013 (Item 9.6 - Draft Project Budget 2013/2014)

Financial/Budget Implications

Input to TPRC 2014/15 budget.

Relevant Documents

Appendix: SPG Project Budget (August 2014)

Background

At its meeting of 26 June 2014 the Council approved the Project Budget 2014/2015 (March 2014), submitted by the Satterley Property Group, as the basis of financial planning for the 2014/2015 TPRC budget.

The Project Budget 2014/2015 (March 2014) has been used to inform the TPRC Budget for 2014/2015.

The Satterley Property Group has updated the Project Budget 2014/2015 (Appendix 9.6) to reflect actual expenditure and revenue in FYE14 and has requested the Council approval to the revised Project Budget 2014/2015 (August 2014) and the incorporation of changes into the TPRC Budget for 2014/2015.

Comment

The changes in the Project Budget 2014/2015 (August 2014) do not have any significant impact on the Project. The key changes are shown in the table below;

Description	Revised FY15 Aug- 14 model	Previous FY15 Jun- 14 model	Variance
Gross Income	56,578,442	57,796,313	(1,217,871)
Development Costs	42,908,436	44,260,074	1,351,638
Cashflow	13,670,005	13,536,239	133,767
Distributions	31,000,000	31,000,000	0

Gross income has reduced due to lower settlements in FYE15, partly as a result of FYE15 lots being settled in FYE14 (earlier than forecast), coupled with some settlements deferring into FYE16. Development costs have reduced due to the timing of GST payments and cash adjustments from FYE14 to FYE15.

The Cashflow position in Project Budget 2014/2015 (August 2014) as a result of the revisions is \$133,767 more favourable.

All other aspects of the Project Budget 2014/2015 (March 2014) approved by Council, including Construction, Landscaping and Sales/Settlements remain unchanged. The proposed Distribution of \$31M to member local governments also remains unchanged.

It is recommended that the Council approve the Project Budget 2014/2015 (August 2014), submitted by the Satterley Property Group, and that it be used as the basis of financial planning for the 2014/2015 TPRC budget.

9.7 TPRC DRAFT BUDGET FOR THE FINANCIAL YEAR 2014/2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.26.141

Recommendation

That the Council:

1. **ADOPT the Budget for the Tamala Park Regional Council for the year ending 30 June 2015, incorporating:**
 - a. **Statement of Comprehensive Income, indicating an operating deficit of \$401,062.**
 - b. **Statement of Financial Activity, showing cash at end of year position of \$22,079,043.**
 - c. **Rate Setting Statement, indicating no rates levied.**
 - d. **Notes 1 to 27 forming part of the Budget.**
2. **ADOPT the Significant Accounting Policies as detailed in pages 14–23.**
3. **ADOPT a percentage of 10% or \$5,000 whichever is the greater for the purposes of the reporting of material variances by Nature and Type monthly for the 2014/15 financial year, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996.**

Voting Requirements

Absolute Majority

Report Purpose

Consideration of the budget estimates for the financial year 1 July 2014 - 30 June 2015 including project approval and resource allocation.

Relevant Documents

Appendix: Draft Annual Budget Estimates for 2014/2015 including -

- Comprehensive Income Statement;
- Statement of Financial Activity;
- Rate Setting Statement.

Previous Minutes

- Audit Committee Meeting – 8 August 2013 (Item 8.2 - TPRC Draft Budget for the Financial Year 2013/2014)
- Council Meeting – 22 August 2013 (Item 9.7 - TPRC Draft Budget for the Financial Year 2013/2014)

Policy Reference

N/A

Local Government Act/Regulation

- Local Govt Act 1995: Sect 6.2 Council Required, between 1 June and 31 August to adopt budget for financial year
- Local Govt (Financial Management) Regs 1996: Part 3 - Annual Budget form and content
- Guideline 8 - Opening Closing Funds - Annual Budget
- Local Government (Financial Mgt) Regs 1996: Reg 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regs 1996: Reg 13 Compliance Audit Item

Background

The Local Authority budget sets out the programs, projects and allocation of resources required to perform the Municipal obligations and functions required by the Local Government Act and associated legislation.

The Budget is used as the base document for monthly financial reporting, for the formal budget review and for the annual financial report, including financial performance ratios.

At its meeting of 26 June 2014 the Council approved the Project Budget 2014/2015 (March 2014), submitted by the Satterley Property Group, as the basis of financial planning for the 2014/2015 TPRC budget.

The Project Budget 2014/15 (March 2014) is based on the following key activities and key assumptions:

Bulk Earthworks /Civil Construction - \$31.1M

- Civil construction Stages 6B, 13, 14, 15 & 25 - 299 lots,
- Bulk Earthworks for Central Cell Stages 14 – 18 & Western Cell stages 25 – 27.

Infrastructure - \$2.3M

- Neerabup Rd/Maroochydore Way intersection.

Landscape Construction - \$5.8M

- Stages 11 -13 Public Open Space,
- Aviator Blvd Entry Statement,
- Biodiversity Conservation Area (South).

Marketing - \$0.58M

- Completion of Builders Display village and Land Sales office,
- Continued Catalina branding.

Sales/Settlements

- 250 sales,
- Titles Stages 6B, 11, 12, 13 & 14 - 280 lots,
- 230 settlements.

Planning

- Subdivision application for Stages 12-18 (451 lots) Central Precinct,
- Subdivision application for Stages 25 - 27 (159 lots) in the Western Cell,
- Detailed planning for the Eastern Precinct.

Comment

1. In 2013/2014 the TPRC did not expend all projected operating allocations, particularly in the areas of Infrastructure, Lot Production, Administration and Marketing. As a result the operating budget for the financial year was in surplus.
2. The comparison of projected income and expenditure for 2014/2015 with the previous year is shown in the table below.

Net Result	Actual 2013/14	Budget 2014/15
Income		
Investments	1,004,366	951,446
Proceeds Sale of Lots	52,278,081	61,890,849
Profit Disposal of Assets	0	6,869
Other Income	1,120,975	10,480
Total Income	54,403,422	62,859,644
Expenditure		
Depreciation	13,626	17,983
Employee Costs	520,305	713,586
Insurance	10,592	16,900
Administration Expenses	159,928	445,650
Governance	140,987	175,738
Total Expenditure	845,438	1,369,857
Net Result	53,557,984	61,489,787
Less Development of Land for Resale		
Development Costs	28,591,479	48,455,839
Equity Distribution	10,554,639	31,422,562
Net Change in Members Equity	14,411,866	(18,388,614)
Plus Accumulated Surplus as at 30th June	28,013,549	42,426,579
Plus Changes on Revaluation of Non-Current Assets	1,164	0
Total Members Equity	42,426,579	24,037,965

3. The budget has been assembled in local government format and is shown in Appendix 9.7, which indicates items of revenue and expenditure and cash flow through the 12 months of the financial year. The emphasis of the budget is focused on initiatives in the following areas:
 - Administration;
 - Sales and Marketing;
 - Land Development Costs;
 - Revenue (Sales revenue and Investment income).

3.1. Administration

This category provides for the operation of the TPRC administration. The expenditure covered in this category is under items 145005 and 145007.

3.4. Sales and Marketing

Provision is made for the Sales and Marketing of the Project consistent with the Project Budget 2014/15 (March 2014) approved by Council. The expenditure covered in this category is under item E145216 (Sales Expenditure). This category allows for expenditure associated with the continued branding of Catalina, the completion of the fit-out of the new Land Sales Office, media advertising and promotion to support the sales campaigns.

3.5. Land Development Costs

This category reflects that the TPRC Project proposes a significant construction program for 2014/2015.

The expenditure projected is shown in the table below;

DEVELOPMENT COSTS

Land & Special Sites Development	623,999
Admin Land Development & Selling/Marketing	7,271,982
Consultants	1,399,346
Landscape	6,845,083
Infrastructure	2,588,306
Bulk Earthworks	6,984,213
Lot Production	22,489,784
Community Development	188,034
Finance	1,130,239
Contingency	<u>2,274,452</u>
	<u>51,795,438</u>

These are shown as Capital Costs in the Budget.

3.7 Income

Last financial year investment income amounted to \$1,004,366. Indications are that interests will remain stable through 2014/2015. The estimated investment revenue is \$951,090. This assumes an investment rate of 3.4% per annum for 2014/2015.

To date there has been no call upon local authority funds to meet any operating or capital expenditure. This position is expected to continue in 2014/2015.

4. Financial Activity Statement

The Financial Activity Statement 2014/2015 (Appendix 9.7) shows the TPRC cashflow position for 2014/2015. It predicts that the TPRC can meet all cashflow obligations. This assumes income from the sale of lots of \$61,890,849. The Draft Annual Budget for 2014/2015 predicts that the TPRC can meet all cashflow obligations without the need for a finance or overdraft facility.

5. Material Variance

Regulation 34(5) of the *Local Government (Functions and General) Regulations 1996* specifically requires Local Government in each financial year, to adopt a percentage or value to be used in the Statements of Financial Activity. In previous years the TPRC used 10% for reporting material variances. This is considered an appropriate measure of variance that has resulted in reporting of minor variations in total cost terms.

It is recommended that the Council adopt a percentage of 10% or \$5,000 whichever is the greater for the purpose of reporting material variances by Nature and Type monthly for the 2014/2015 financial year.

6. Distributions

The Draft Annual Budget for 2014/2015 predicts Distributions to the seven participant members totalling \$31 million. It is anticipated that the Distributions are to be made as follows;

- December 2014 - \$14M
- June 2015 - \$17M

Audit Committee Consideration

At its meeting of 4 August 2014 the Audit Committee considered the report on the TPRC Draft Budget for the Financial Year 2014/2015 and resolved that Council;

1. INCORPORATES the following statements in the Draft Annual Budget for 2014/2015:

- a. Statement of Comprehensive Income, indicating an operating deficit of \$401,062.
- b. Statement of Financial Activity, showing surplus at end of year position of \$21,477,331.
- c. Rate Setting Statement, indicating no rates levied.

2. ADOPT a percentage of 10% or \$5,000 whichever is the greater for the purposes of the reporting of material variances by Nature and Type monthly for the 2014/2015 financial year, in accordance with Regulation 34(5) of the *Local Government (Financial Management) Regulations 1996*.

It should be noted that the Draft Budget for the Financial Year 2014/2015 considered by the Audit Committee has been varied to reflect actual expenditure and revenue in FYE14 and the revised Project Budget 2014/2015 (August 2014), submitted by the Satterley Property Group. The changes to the TPRC Draft Budget 2014/2015 impacts only on the Statement of Financial Activity, showing surplus at end of year position of \$22,079,043, (previously \$21,477,331). The changes have no material impact on the Draft TPRC Budget 2014/2015.

Conclusion

The Draft Annual Budget for 2014/2015 is based on the Project Budget 2014/2015 (August 2014) and is considered to provide a sound basis for the TPRC budget for 2014/2015.

It is also consistent with the Sales and Lot Release Strategy (March 2014), approved by Council in April 2014, as the basis of sales, land releases and civil construction.

It predicts that the TPRC can meet all cashflow obligations without the need for any call upon member local government funds to meet any operating or capital expenditure.

The Draft TPRC Annual Budget for 2014/2015 is recommended for Council's approval.

9.8 SUSTAINABILITY ACCREDITATION – CATALINA PROJECT

Report Information

Reporting Officer: Project Coordinator

File Reference: 2.161.333.0

Recommendation

That Council:

1. **RECEIVE** the Satterley Property Group's report 'Sustainability Accreditation' dated 1 August 2014.
2. **NOTE** that an updated report on the total costs of achieving EnviroDevelopment or Green Star Community certification, likely accreditation level and benefits to the Project will be presented to the October 2014 meeting.

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the costs, benefits and likely accreditation from EnviroDevelopment and Green Star Communities.

Relevant Documents

Appendix: SPG Sustainability Accreditation Report

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 10 April 2014 (Item 9.6 Sustainability Initiatives Plan)

Financial/Budget Implications

Expenditure for this matter will be posted under item I145441 Sustainability Assessment System.

Budget Amount:	\$60,000
Received to Date:	\$ Nil
Balance:	\$60,000

Note: Based on Draft TPRC Budget 2014/2015.

Background

The Council at its meeting held 10 April 2014 requested the Satterley Property Group to provide a report to Council on the total costs of achieving EnviroDevelopment or Green Star Community certification, likely accreditation level and benefits to the Project.

Comment

The Satterley Property Group (SPG) has prepared a report and recommendation (Appendix 9.8) regarding sustainability accreditation from EnviroDevelopment and Green Star Communities, for the Catalina Project. The following is a summary of SPG's advice.

EnviroDevelopment

EnviroDevelopment is an Urban Development Institute of Australia (UDIA) initiative that recognises projects that achieve sustainability outcomes and is well received nationally, with over 80 certified projects to date.

Accreditation is assessed on six elements, *Energy, Water, Waste, Materials, Community and Ecosystem*. The Catalina development is eligible to apply for all six elements, however, it is expected to be accredited for at least four out of the six elements. In the northern corridor only Alkimos has received accreditation for all six elements. The Trinity and Shorehaven projects, also in the northern corridor, have received accreditation for three elements and one element respectively.

There are three key benefits in achieving accreditation. Accreditation allows the use of the elements in marketing the estate as a sustainable environment. The accreditation also provides a comparison of best practice against other projects in the northern corridor and Australia wide. By receiving independent accreditation the TPRC can verify meeting its goals and objectives as set out in the adopted sustainability initiatives plan.

There is an accreditation fee (to the UDIA) of \$17,500 for a 12 month licence. There is a registration fee of \$1,000 and annual renewal fee of \$3,500. A consultant would be required to provide a technical report estimated at \$50,000 for submission to UDIA. The costs to achieve EnviroDevelopment accreditation for the project would be \$68,500.

Green Star Communities

Green Star Communities (GSC) launched in 2009 and is administered by the Green Building Council of Australia (GBCA). The GSC is a relatively new sustainability accreditation process in WA but well recognised within Eastern Australia. GSC rates the potential of developments across six categories including *Liveability, Economic Prosperity, Environment, Design, Governance and Innovation*. The GSC accreditation benchmarks projects in three categories; *Best Practice, Australian Excellence and World Leadership*.

The GSC involves a rigorous assessment including 'greenhouse gas emissions', 'peak electricity' and 'green buildings', covering multiple building classifications (residential and commercial). A pilot rating tool developed by GBCA defines 38 best practice benchmarks across the six categories; however, with the program in its early stages, likely accreditation is hard to gauge without further detailed analysis.

Similarly to the EnviroDevelopment accreditation the benefits relate to marketing the estate, best practice benchmarking in Australia and internationally and recognition of TPRC meeting its goals and objectives relating to sustainability.

Accreditation fees to GBCA are \$35,000. Similarly to EnviroDevelopment a consultant is required to prepare and submit a technical report to the GBCA for accreditation assessment, estimated at \$60,000. The cost to achieve accreditation under the GSC is estimated at \$95,000.

Conclusion

SPG recommends that EnviroDevelopment accreditation be pursued for all six elements at a cost of \$68,500 and that a consultant is appointed to prepare the submission on behalf of the TPRC.

SPG also recommends the TPRC considers appointing a consultant to complete a workshop review of the Catalina Project against the 38 Greenstar rating tool credits to a value of \$10,000 to ascertain a potential rating under the GBCA scheme.

There are benefits and value in accrediting the sustainability of the project with EnviroDevelopment or GSC. Both accreditation systems involve substantial costs, including certification fees and the engagement of specialised consultants to prepare the necessary technical reports.

The UDIA's EnviroDevelopment certification system is a much simpler system and process than the GSC process. However, the GBCA's accreditation has the potential to be an industry preferred accreditation for the future with the potential to benchmark Australia wide and internationally. This is considered a significant benefit to the Project given no projects in Western Australia have yet been awarded GSC accreditation to date.

The benefits to the Project in achieving both certifications are not easily quantifiable. The TPRC is having on-going discussions with both the UDIA and GSC regarding certification to more precisely determine costs, likely outcomes in terms of rating and timing. At this stage it is considered premature to proceed with either certification. A further report is proposed to be tabled at the October 2014 Council meeting for consideration.

9.9 SPONSORED CHARITY HOME PROPOSALS

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

That the Council RECEIVE the deputation from Habitat for Humanity WA and Telethon in relation to the Charity Home Sponsorship Tender 6/2014.

Voting Requirements

Simple Majority

Report Purpose

Advice on background to the deputations provided by the two received Tenders seeking TPRC sponsorship of a charity home within the Catalina Estate.

Relevant Documents

Appendix: Sponsored Charity Home Tender Details and Criteria

Available for viewing at the meeting:

- Charity Home Sponsorship Tender 6/2014
- Charity Home Sponsorship Policy 2012

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 20 February 2014 (Item 9.10 Telethon Home - Catalina)

Financial/Budget Implications

Revenue from the sale and settlement of lots during the 2014/15 financial year will be allocated to item EI45011 (Income Sale on Lots) of the Draft 2014/2015 Budget:

Budgeted Revenue:	\$63,991,205
Revenue to date:	\$ Nil
Balance:	\$63,991,205

Note: No allocation has been made in the budget for the Charity Home Lot.

Background

At its meeting held 20 February 2014 Council approved a call for tenders from non-profit charity organizations for the establishment of a charity home within the Catalina project in accordance with the TPRC *Charity Home Sponsorship Policy* (May 2012).

Comment

The proposed tender was advertised with the tender opening 12 June 2014 and closing 10 July 2014. At the conclusion of the tender period two tenders had been received, from Habitat for Humanity WA and a partner arrangement comprising Channel 7 Telethon Trust and In Vogue Living (Telethon).

Habitat for Humanity WA

Habitat for Humanity WA (Habitat WA) is a not for profit home builder which works to reduce housing poverty and assist low income households experiencing housing stress, to achieve their dream of owning their own home.

Habitat WA is a subsidiary of Habitat for Humanity Australia, itself an affiliate of Habitat International a non-profit organization that has completed in excess of 800,000 homes worldwide, however, only 180 in Australia and 1 within Western Australia.

Telethon

The partnership comprising Channel 7 Telethon Trust and In Vogue Living offers to build a charity home to be auctioned with all proceeds raised from the sale of the charity home being provided to the Telethon Trust, a non-profit charity organization that raises funds to provide financial support to a range of community based charity organizations.

Deputation

The TPRC has received a request from one of the tenders to undertake a deputation to the Council. As a result both tenders have been invited to provide a brief deputation to the Council.

Both tenders are presently being assessed in association with Council's probity advisor. A recommendation will be provided to the Council at its meeting held in September 2014.

Attached at Confidential Appendix 9.9 is a brief summary of the tender proposal of each tender.

9.10 AUDIT COMMITTEE AUDIT CHARTER & ANNUAL AUDIT PLAN REVIEW

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.19.382.2

That the Council:

- 1. APPROVE the TPRC Audit Charter (July 2014).**
- 2. ADOPT the Audit Plan 2014/15 as submitted.**

Voting Requirements

Simple Majority

Report Purpose

To review the TPRC Audit Charter and Annual Audit Plan.

Relevant Documents

Appendix:

- Audit Charter (July 2014);
- Audit Plan (2014/15)

Previous Minutes

Council Minutes 9 August 2007 (Item 9.6 Audit Committee Membership and Charter and Reports)

Policy Reference

Audit Charter (2007)

Local Government Act/Regulation

- Local Government Act: Sect 7.1
- Regs - Local Government (Audit) 1996

Background

The Audit Committee has specific obligations prescribed by the Act and audit regulations. The Audit Committee also has obligations and responsibilities set out in the adopted Audit Charter.

The principal activities of the Audit Committee are as follows:

- Review of the draft budget and review of the formal budget review to be undertaken between 1 January – 31 March;
- Review of the format of financial statements;
- Review of the Annual Compliance Return;
- Review of the Annual Report and recommendation for adoption of the Annual Report to the Council.

- Review the CEO report on the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance.

Comment

The Audit Charter has been updated and is attached at Appendix 9.10.

The annual Audit Plan has been altered to consolidate Audit Committee meetings during the next twelve months and is also attached at Appendix 9.10.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Audit Charter and Audit Plan and resolved that Council;

1. APPROVE the TPRC Audit Charter (July 2014).
2. ADOPT the Audit Plan 2014/15 as submitted.

9.11 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That Council APPROVE the Payment of Accounts & Security of Payment Instruments Policy (July 2014).

Voting Requirements

Simple Majority

Report Purpose

To review the Payment of Accounts & Security of Payment Instruments Policy consistent with Local Government Regulations.

Relevant Documents

Appendix: Payment of Accounts & Security of Payment Instruments Policy

Policy Reference

Existing Payment of Accounts & Security of Payment Instruments Policy Adopted October 2012.

Local Government Act/Regulation

Local Government (Functions and General) Regulations 1996, Part 4, Division 1 (Purchasing Policies)

Previous Minutes

N/A

Background

In October 2012 the Council approved the Payment of Accounts & Security of Payment Instruments Policy consistent with the Local Government Regulations.

Comment

The Payment of Accounts & Security of Payment Instruments Policy continues to operate satisfactorily. The updated Payment of Accounts & Security of Payment Instruments Policy – July 2014 (Appendix 9.11) is recommended for adoption.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Payment of Accounts & Security of Payment Instruments Policy and resolved that Council approve the Payment of Accounts & Security of Payment Instruments Policy (July 2014).

9.12 INVESTMENT POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That Council APPROVE the Investment Policy (July 2014).

Voting Requirements

Simple Majority

Report Purpose

To review the Investment Policy.

Relevant Documents

Appendix: Investment Policy (July 2014)

Policy Reference

Existing Investment Policy approved in 2012.

Local Government Act/Regulation

- Local Government Act - Section 6.14
- Trustees Act 18-21

Previous Minutes

- Council Meeting – 11 October 2012 (Item 9.14 – Investment Policy Review)

Financial/Budget Implications

N/A

Background

The Local Government Act allows investment of funds by local authorities.

In October 2012 the Council approved the TPRC Investment Policy consistent with the Local Government Regulations.

Comment

The Council's external auditor has undertaken a review of the TPRC's investment practices and procedures and the Investment Policy, as part of its annual audit, and has been found them to be satisfactory. The Policy continues to operate satisfactorily, even with prudent practices and investment returns have exceeded budget expectations and is recommended for adoption.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Investment Policy and resolved that Council approve the Investment Policy (July 2014).

9.13 CREDIT CARD POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That Council APPROVE the Credit Card Policy (July 2014).

Voting Requirements

Simple Majority

Report Purpose

To review the Credit Card Policy consistent with Local Government Regulations.

Relevant Documents

Appendix: Credit Card Policy (July 2014)

Policy Reference

Existing Credit Card Policy (October 2012).

Local Government Act/Regulation

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

Previous Minutes

- Audit Committee meeting – 14 April 2011 (Item 9.1 – Credit Card Policy)
- Council meeting – 11 October 2012 (Item 9.15 – Credit Card Policy Review)

Financial/Budget Implications

N/A

Background

In October 2012 the Council approved the Credit Card Policy consistent with the Local Government Regulations.

Comment

The Credit Card Policy continues to operate satisfactorily and provides internal control and operational guidelines for protection of the TPRC. The updated Credit Card Policy (Appendix 9.13) is recommended for adoption.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Credit Card Policy and resolved that Council approve the Credit Card Policy (July 2014).

9.14 PETTY CASH POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That Council APPROVE Petty Cash Policy (July 2014).

Voting Requirements

Simple Majority

Report Purpose

To review the Petty Cash Policy consistent with Local Government Regulations.

Relevant Documents

Appendix: Petty Cash Policy (July 2014)

Policy Reference

Existing Petty Cash Policy (October 2012).

Local Government Act/Regulation

- Local Government Act 1995 – Section 6.10
- Local Government (Financial Management) Regulation 11

Previous Minutes

Council meeting – 11 October 2012 (Item 9.16 – Petty Cash Policy Review)

Financial/Budget Implications

N/A

Background

In October 2012 the Council approved the Petty Cash Policy consistent with the Local Government Regulations.

Comment

The Petty Cash Policy continues to operate satisfactorily and is recommended for adoption.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Petty Cash Policy and resolved that Council approve the Petty Cash Policy (July 2014).

9.15 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That Council APPROVE the Financial Management – Significant Accounting Policies (July 2014).

Voting Requirements

Simple Majority

Report Purpose

To review the Financial Management – Significant Accounting Policies.

Relevant Documents

Appendix: Financial Management – Significant Accounting Policies (July 2014)

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

Council meeting – 13 December 2012 (Item 9.10 – Financial Management – Significant Accounting Policies)

Financial/Budget Implications

N/A

Background

In December 2012 the Council approved the Policy Financial Management – Significant Accounting Policies consistent with the Local Government Regulations. The Policy provides guidelines for the preparation of the financial report.

Comment

The Financial Management – Significant Accounting Policies have been updated to reflect most recent accounting standards and local government practice, and as recommended by Haines Norton Accountants. The updated Financial Management – Significant Accounting Policies (Appendix 9.15) is recommended for adoption.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Financial Management – Significant Accounting Policies and resolved that Council approve the Financial Management – Significant Accounting Policies (July 2014).

9.16 PROCUREMENT POLICY REVIEW

Report Information

Reporting Officer: Project Coordinator

File Reference: 4.123.760

Recommendation

That Council APPROVE the Procurement Policy (July 2014).

Voting Requirements

Simple Majority

Report Purpose

To review the Procurement Policy.

Relevant Documents

Appendix: Procurement Policy (July 2014)

Policy Reference

Existing Procurement Policy (October 2010)

Local Government Act/Regulation

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

Previous Minutes

- Council meeting – 13 December 2012 (Item 9.16 – Procurement Policy Review)
- Council meeting – 14 October 2010 (Item 9.12 – Procurement Policy - Update)

Financial/Budget Implications

N/A

Background

In December 2012 the Council approved 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 Council's probity auditor considers the TPRC Procurement Policy provides sound guidelines for the procurement of goods or services.

The TPRC Procurement Policy continues to operate satisfactorily and provides best practice guidelines for the procurement of goods or services through quotes or public tender and is recommended for adoption.

At its meeting of 4 August 2014 the Audit Committee considered the report on the review of the Procurement Policy and resolved that Council approve the Procurement Policy (July 2014).

9.17 ELECTED MEMBER ALLOWANCES

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 13.45.262.0

Recommendation

That the Council APPROVE:

- 1. An Annual Allowance for the Chairman of the Council to be \$19,570 per annum.**
- 2. An Annual Attendance fee for the Chairman of the Council to be \$15,450 per annum.**
- 3. An Annual Allowance for Deputy Chairman to be 25% of the amount paid to the Chairman per annum.**
- 4. An Attendance fee for Council members to be an amount of \$10,300 per annum.**
- 5. Council members do not claim separate telecommunications, IT allowances or travelling allowance to meetings.**
- 6. A per meeting fee of \$140 for alternate Council members.**
- 7. Elected member allowances are to be made quarterly in arrears.**

Voting Requirements

Absolute Majority

Report Purpose

To consider elected member allowances following the Salaries and Allowances Tribunal review of fees, allowances and expenses for elected council members of Local Governments June 2014.

Relevant Documents

Attachments: Nil

Available for viewing at the meeting: Nil

Local Government Act/Regulation

- Section 5.98 Elected Member Allowances
- Regulation 33
- Regulation 34
- Local Government Administration Regulations

Previous Minutes

- Council Meeting – 22 August 2013 (Item 9.9: Elected Member Allowances)
- Council Meeting – 15 December 2011 (Item 9.12: Elected Member Allowances)

Background

On 22 August 2013 the Council reviewed elected member fees and resolved as follows:

That the Council APPROVE:

- 1. An Annual Allowance for the Chairman of the Council to be \$19,000 per annum.*
- 2. An Annual Attendance fee for the Chairman of the Council to be \$15,000 per annum.*
- 3. An Annual Allowance for Deputy Chairman be 25% of the amount paid to the Chairman per annum.*
- 4. An Attendance fee for Council members be an amount of \$10,000 per annum.*
- 5. Council members do not claim separate telecommunications, IT allowances or travelling allowance to meetings.*
- 6. A per meeting fee of \$140 for alternate Council members.*
- 7. Fees to be reviewed following the next ordinary Council elections (next scheduled for October 2013) for the intent that the Council in place sets the fees that will apply in its tenure of office and is responsible for the budget allocations that will be needed to facilitate the payments.*
- 8. Elected member allowances are to be made quarterly in arrears.*

The Salaries and Allowances Tribunal is required by Section 7B(2) of the *Salaries and Allowances Act 1975* to inquire into and determine the amount of fees, for attendance at meetings; the amount of expenses, and the amount of allowances to be paid under the LG Act to Elected Council Members.

The Salaries and Allowances Tribunal completed a review of fees, allowances and expenses for Elected Council Member of Local Governments throughout Western Australia in June 2014.

The Tribunal has determined a general adjustment of 3 per cent to the maximum ranges of the council meeting fees, committee meeting and prescribed meeting fees, annual attendance fees in lieu of council and committee meeting fees and the annual allowances for Mayors, Presidents and Chairpersons.

The determination which operates from 1 July 2014 establishes a scale of payments and provisions for reimbursements of expenses in accordance with the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*.

Comment

The Salaries and Allowances Tribunal Review provides for the payment to Councillors of either Meeting Attendance Fees or Annual Attendance Fees which are outlined below.

Meeting Attendance Fees

The range of fees in the table below applies where a regional local government decides to pay a Council Member a fee for attendance at meetings.

Council meeting fees per meeting:

	Council Member other than the Chairman		Council Member who holds the Office of Chairman	
	Minimum	Maximum	Minimum	Maximum
All Regional Councils	\$88	\$232	\$88	\$477

Committee meeting and prescribed meeting fees per meeting:

Council Member including Chairman		
	Minimum	Maximum
All Regional Councils	\$44	\$116

Annual Attendance Fees

The Council can resolve to pay council members an Annual Attendance fee (section 5.98(1) LGA) for council members who attend council or committee meetings, instead of paying attendance meeting fees.

Annual attendance fees:

	Council Member other than the Chairman		Council Member who holds the Office of Chairman	
	Minimum	Maximum	Minimum	Maximum
All Regional Councils	\$1,750	\$10,300	\$1,750	\$15,450

Annual allowance for the Chairman of a Regional Council

Annual Allowance for Chairman		
	Minimum	Maximum
All Regional Councils	\$500	\$19,570

Note: The Annual Allowance for a Deputy Chairman remains unchanged at 25% of the Chairman Allowance.

The TPRC has previously approved the payment of Annual Attendance Fees to Councillors instead of attendance meeting fees. It has also adopted a practice of setting the member fees at a level that covers the alternative allowances that might be paid for travel, telephone and communication and agreed that the permitted maximum fee prescribed by Local Government legislation be paid to Council Members.

The following table provides a comparison between the approved Annual Attendance Fees by the TPRC currently provided to TPRC Councillors and the range of Annual Attendance Fees as determined by the Salaries and Allowances Tribunal:

	TPRC Current Fee	TPRC Current Allowance	SAT New Fee	SAT New Allowance
Chairperson	\$15,000	\$19,000	\$1,750-\$15,450	\$500-\$19,570
Deputy Chairperson	\$10,000	\$3,750 (25% of Chair)	\$1,750-\$10,000	25% of Chair
Council Member	\$10,000	\$0	\$1,750-\$10,300	\$0
Deputy Council Member	\$140 per mtg	\$0	\$140 per mtg	\$0

It is recommended that the TPRC approve the payment of Annual Attendance Fees to Councillors instead of attendance meeting fees. It is further recommended that the TPRC approve the previously adopted practice of setting the member fees at a level that covers the alternative allowances that might be paid for travel, telephone and communication and agreed that the permitted maximum fee prescribed by the Salaries and Allowances Tribunal be paid to the Chairman and Councillors.

The adopted budget provisions for 2014/15 make allowance for payment for all members in accordance with the Salaries and Allowances Tribunal determination of fees, allowances and expenses for Elected Council Members in June 2014.

9.18 PROJECT CONSULTANCY – EXTENSION OF LANDSCAPE ARCHITECT SERVICES CONTRACT - CONFIDENTIAL

CONFIDENTIAL

9.19 PROJECT CONSULTANCY – EXTENSION OF MARKETING CONSULTANCY SERVICES CONTRACT - CONFIDENTIAL

CONFIDENTIAL

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