

TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 22 August 2013
City of Stirling, 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 Stirling, 25 Cedric Street, Stirling at 6.00pm on Thursday 22 August 2013.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



TONY ARIAS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Corinne MacRae	Cr Simon Withers
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Jim Adamos	
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	Cr Joshua Topelberg	
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 – 20 June 2013

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 – 8 August 2013
- Audit Committee Meeting – 8 August 2013

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.13)

9.1 BUSINESS REPORT – PERIOD ENDING 15 AUGUST 2013

Report Information

Reporting Officer: Chief Executive Officer

File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 15 August 2013

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: 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 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	Commencement of Construction	Practical Completion Date	Works Status	Titles
5	63	10 th December 2012	27 th June 2013	PC achieved 10 July 2013	May 2013
7	63	2 nd April 2013	20 th August 2013	95% Complete – Works on schedule	Sept 2013
8	53	24 June 2013	22 nd November 2013	40% Complete – Works on schedule	Jan 2014
Marmion Ave Intersection	N/A	12 th August 2013	19 th December 2013	5% Complete – Works on schedule	N/A

2. Bulk Earthworks - Status

The following table provides an overview of the progress of current bulk earthworks to date;

Stage	Commencement of Construction	Practical Completion Date	Works Status
8	2 nd April 2013	12 th July 2013	PC achieved on 15 th June 2013
Marmion Ave Intersection	2 nd April 2013	4 th June 2013	95% Complete – Works delayed due to underground service relocation works by service authorities.

3. Stage 1 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
Lot 1/ Entry Statement	2 nd July 2012	22 nd October 2012	Works completed 24 th July 2013
Stage 3 & 4 PAWs	16 th August 2013	13 th September 2013	Works preliminaries commenced
Neerabup Rd Verge	16 th August 2013	8 th November 2013	Works preliminaries commenced
Stage 6A verge	16 th August 2013	27 th September 2013	Works preliminaries commenced

4. Stage 5B Titles

Titles for Stage 5B comprising 14 lots are expected to be received in August 2013.

5. Temporary Sales Office

The Temporary Sales Office is fully operational and is continuing to receive good traffic.

6. Housing Construction

To date 19 Builders Homes have commenced construction within the Builders Display Village and 61 private homes are under construction. Ten residents have moved into homes within the estate.

7. Waste Management Program

Letters and information packs have been issued to builders introducing the Catalina Waste Management Program. Sales contracts have been adjusted to reflect the program and information packs are being issued with all home plan approvals by the SPG to encourage participation by builders.

Instant Waste Management (IWM) is providing monthly reports to the TPRC, demonstrating results achieved by the program. The latest report to July 2013 demonstrates builders of 22 homesites have committed to participation with the program and recycling rates in the order of 98% of all material collected has been achieved to date.

The SPG is continuing discussions with builders to promote participation with the program.

8. GST Status TPRC Project

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

EY on behalf of the TPRC and the 7 member local governments, applied for a Private Ruling to the Australian Taxation Office (ATO) relating to the following matters:

- The land was unimproved at 1 July 2000;
- There are not taxable supplies by a tax law partnership;
- The seven local governments meet the requirements to be "State";
- That Section 75-11(7) does not apply to override the use of item 4; and
- The land was held by each Local Council at 1 July 2000

This position was supported by the member Local Governments in order to provide certainty on GST into the future.

The ATO has now issued the Private Ruling and confirmed the seven local governments are considered 'State' for the purposes of the GST Act. In addition to the matter of 'State' the ATO has confirmed the other matters requested in the application by EY. This Ruling will make a significant impact in terms of management of GST for the TPRC project and could substantially reduce the GST liability on the 7 participant members.

The ATO has raised a few matters that require clarification and these are being addressed through EY. A copy of the Private Ruling has been provided to the member Local Governments.

A further report is to be provided to Council outlining in detail the implications of the Private Ruling.

9. Soil Modification Investigations

The SPG has undertaken investigations into the potential for soil development initiatives to enhance the condition of soil in landscaped areas, including front landscaping packages. These investigations have included discussions with The Forever Project, an organisation that develops sustainable horticultural practices and the Water Corporation's Sustainability Department which has developed a soil enhancement product from sludge produced by its sewerage treatment operations.

The SPG has identified three soil improvement additives that have potential to enhance the water and nutrient holding capabilities of soils within Catalina's landscaped areas. It is noted that all landscaped areas, including front landscaping packages currently incorporate the use of soil conditioner containing Bentonite, a naturally occurring material that enhances the nutrient holding capability of soils.

The SPG is investigating the ability to incorporate further soil improvement additives within landscaping works with the landscape contractor.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MAY & JUNE 2013

Report Information

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:

- **31 May 2013; and**
- **30 June 2013.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Monthly Statement of Financial Activity for the months ending 31 May 2013 and 30 June 2013

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 June 2013 exceeding 10% were experienced in relation to the following:

Agenda TPRC Meeting of Council – 22 August 2013

Interest Earnings	Interest earnings have exceeded budget projections as the investment principal has been higher than estimated.
Other Revenue	The negative variance due to delay in settlements in Stage 2B, 3 and 6A.
Materials & Contracts MTC	The positive variance reflects savings of expenditure.
Materials & Contracts Other	The positive variance due to timing of payments, but also recognises savings to the budget.
Other	The positive variance due to timing of payments, but also recognises savings to the budget.
Professional/Consultant Fees	The variance recognises savings associated with civil design, planning and landscape, and is under budget.
Land Production Cost	Deferral of some works to 2013/14 and substantial savings in civil and bulk earthworks.
Utilities	The positive variance recognises savings to the budget.
Capital Items	The positive variance recognises savings to the budget.

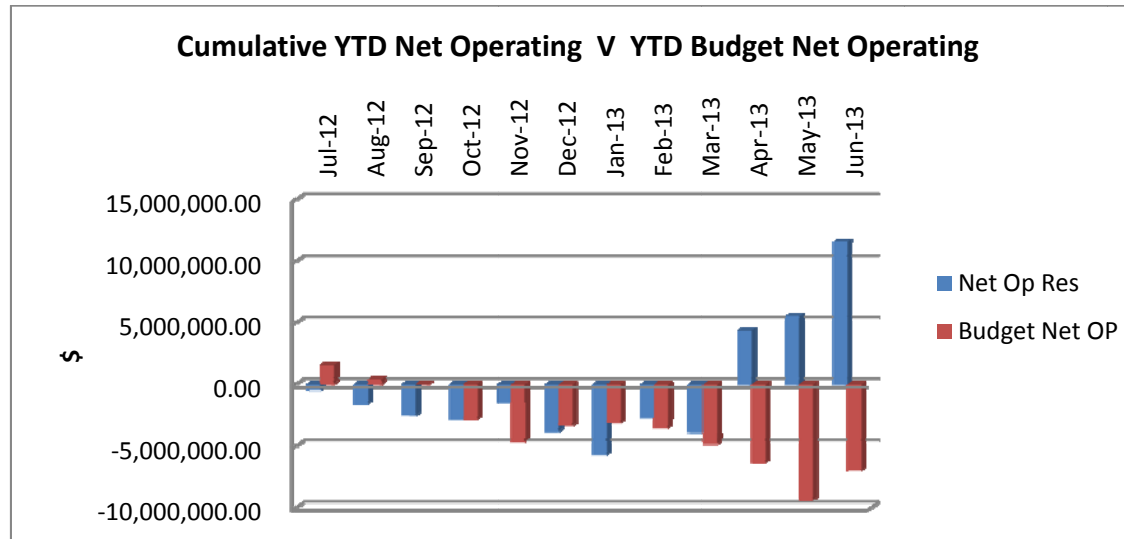
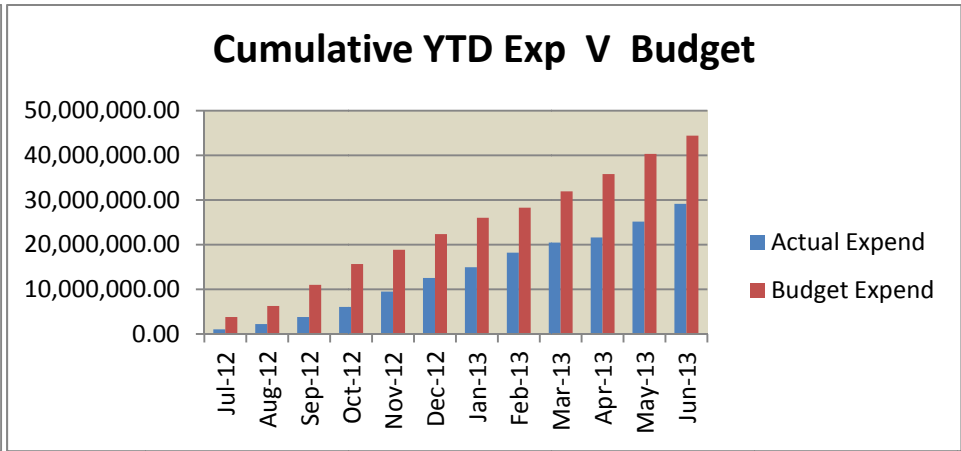
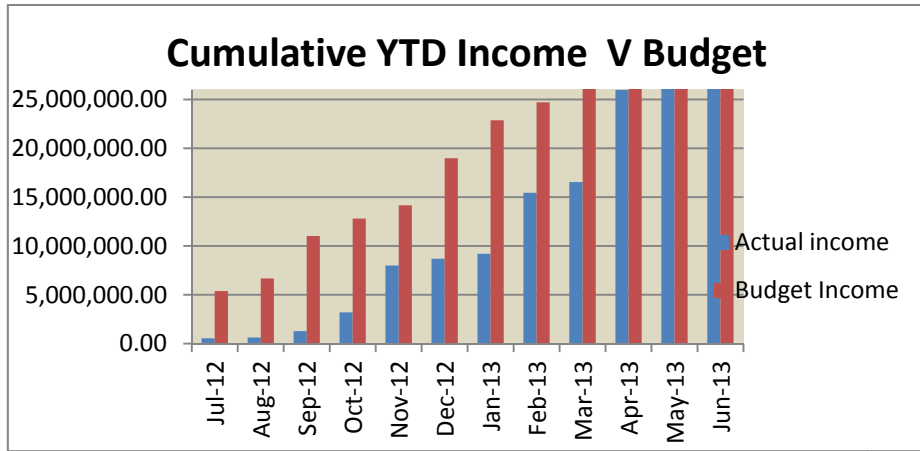
The information in the appendices is summarised in the tables below.

Financial Snapshot as at 30 June 2013

	2012-13 ADOPTED BUDGET	2012-13 YTD BUDGET	2012-13 YTD ACTUAL	VARIANCE		VARIANCE
				FAVOURABLE	UNFAVOURABLE	
	\$	\$	\$	\$	\$	%
REVENUE						
Interest Earnings	449,000	449,000	517,077	68,077		15.2%
Other Revenue	42,793,252	42,793,252	37,438,509	0	(5,354,743)	-12.5%
	\$43,242,252	\$43,242,252	\$37,955,586	\$68,077	(\$5,354,743)	
LESS EXPENDITURE						
Depreciation	(19,320)	(19,320)	(6,084)	13,236		68.5%
Employee Costs	(620,651)	(620,651)	(519,198)	101,453		16.3%
Insurance	(11,300)	(11,300)	(10,119)	1,181		10.5%
Materials and Contracts MTC	(35,000)	(35,000)	-	35,000		100.0%
Materials and Contracts Other	(371,453)	(371,453)	(191,763)	179,690		48.4%
Other	(136,000)	(136,000)	(104,484)	31,516		23.2%
Professional /Consultant Fees	(763,535)	(763,535)	(305,467)	458,068		60.0%
Land Production Costs	(43,180,311)	(43,180,311)	(23,647,946)	19,532,365		45.2%
Utilities	(11,800)	(11,800)	-	11,800		100.0%
Capital Items	(80,000)	(80,000)	(64,247)	15,753		19.7%
Contribution Refund	(90,000)	(90,000)	-	90,000		0.0%
	(\$45,319,370)	(\$45,319,370)	(\$24,849,308)	\$20,470,062	\$0	
Total	(\$2,077,118)	(\$2,077,118)	\$13,106,278	\$20,538,139	(\$5,354,743)	\$0

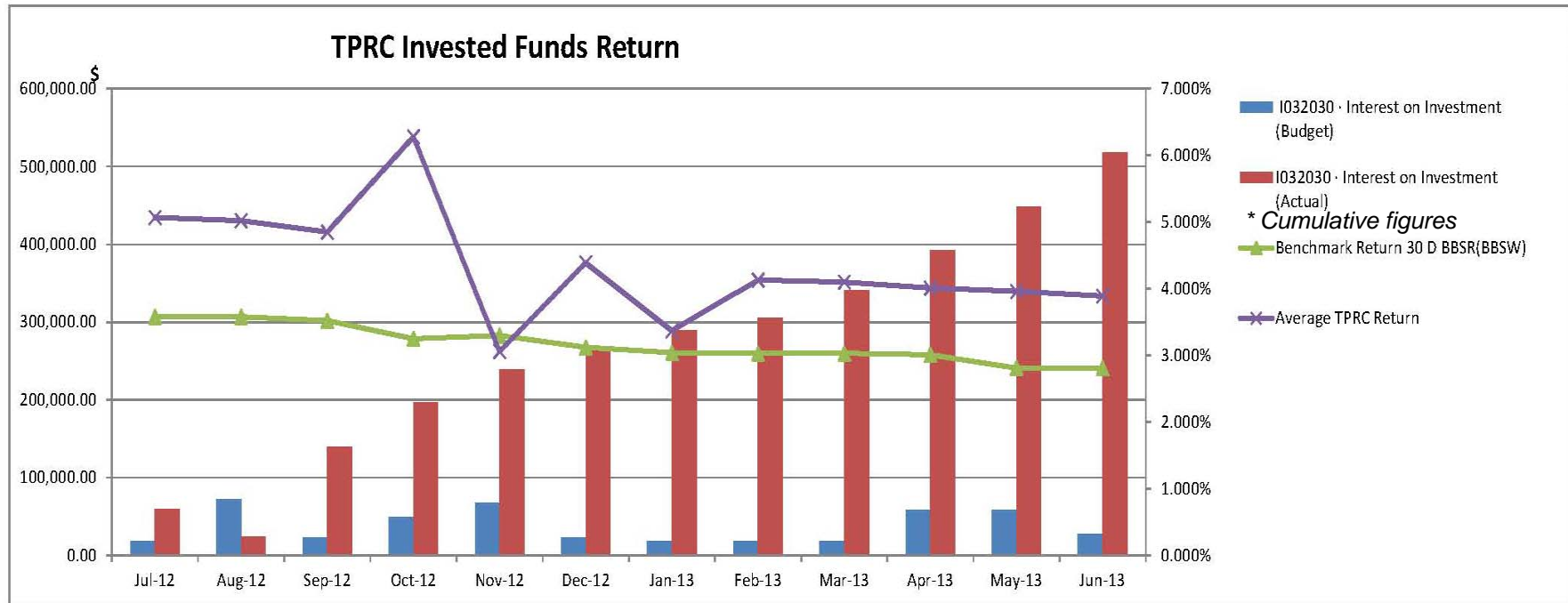
Balance Sheet Summary as at 30 June 2013

	June 30, 13	June 30, 12	\$ Change	% Change	June 30, 12
Cash and Investments	25,985,572.07	16,590,608.13	9,394,963.94	56.63%	13,454,148.77
Accounts Receivable	507,773.82	185,963.71	321,810.11	173.05%	151,219.29
Other Current Assets (inc Land Held for Resale)	2,000,000.00	2,000,000.00	0.00	0.00%	2,000,000.00
Total Current Assets	26,493,375.89	16,827,563.71	9,665,812.18	57.44%	13,606,398.06
Fixed Assets	2,164,590.01	2,165,436.43	-846.42	-0.04%	2,107,273.34
Total Assets	28,657,965.90	18,993,000.14	9,664,965.76	50.89%	15,713,671.40
Less Current Liabilities	424,197.04	3,148.85	421,048.19	13371.49%	593,801.12
Less Long Term Liabilities	18,659.30	9,862.66	8,796.64	89.19%	9,862.66
Total Liabilities	442,856.34	13,011.51	429,844.83	3303.57%	603,663.78
Net Assets	28,215,109.56	18,979,988.63	9,235,120.93	-13409.80%	15,110,007.62



**TPRC Investments Summary
1 July 2012 to 30 June 2013**

		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Budget	I032030 · Interest on Investment (Budget)	17,960.00	71,840.00	22,450.00	49,390.00	67,350.00	22,450.00	17,960.00	17,960.00	17,960.00	58,370.00	58,370.00	26,940.00
Actual	I032030 · Interest on Investment (Actual)	59,839.97	23,790.57	139,120.00	196,324.00	239,622.00	264,124.00	289,363.00	305,769.00	340,840.00	392,596.00	447,585.00	517,279
	Budget YTD	17,960.00	89,800.00	112,250.00	161,640.00	228,990.00	251,440.00	269,400.00	287,360.00	305,320.00	363,690.00	422,060.00	449,000.00
	Actual YTD	59,839.97	83,630.54	222,750.54	419,074.54	658,696.54	922,820.54	1,212,183.54	1,517,952.54	1,858,792.54	2,251,388.54	2,698,973.54	3,216,252.54
Invested Funds													
A(-1+)	A01101/02 · Unrestricted At Call	600.56	600.61	586,472.43	10,765.56	49,496.57	640,638.54	457,289.98	660,530.36	715,990.23	649,593.54	449,145.31	432,987.07
A(-1+)	A01103/06/07/09/12/13 · Fixed Term Dep	12,749,344.11	11,368,134.46	10,999,806.44	10,125,312.50	11,268,005.04	8,170,739.81	6,539,228.14	9,455,743.50	8,971,143.03	17,730,674.52	19,169,656.65	25,552,585.00
	Act Invest 09-10	12,749,944.67	11,368,735.07	11,586,278.87	10,136,078.06	11,317,501.61	8,811,378.35	6,996,518.12	10,116,273.86	9,687,133.26	18,380,268.06	19,618,801.96	25,985,572.07



9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JUNE & JULY 2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the months of June and July 2013:

- **Month ending 30 June 2013 (Total \$3,213,783.76)**
- **Month ending 31 July 2013 (Total \$1,096,522.83)**
- **Total Paid - \$4,310,306.59**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 30 June 2013 and 31 July 2013.

Relevant Documents

Appendix:

- Cheque Detail for Month Ending 30 June 2013 and 31 July 2013;
- Summary Payment List for June and July 2013.

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 2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 1.88.246

Recommendation

That the Council RECEIVE the Project Financial Report (June 2013) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for June 2013 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 21 June 2012 (Item 9.9 - Project Budget 2012/2013)

Financial/Budget Implications

Review of Project Financial Report for June 2013.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 1st August 2013

Background

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

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

Comment

The Satterley Property Group has prepared a Financial Report for June 2013 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 2013 and is attached at Appendix 9.4.

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

1. Settlement revenue is \$4,724,860 under budget with \$38,069,000 revenue received to date.
2. Expenditure is \$14,649,525 under budget, with under expenditure in the areas of Lot production, Landscape, Infrastructure, Finance and Sales and Marketing.

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

- \$3.5M revenue shortfall within FY2013, due to the delay of 17 settlements; and
- \$1.2M revenue shortfall within FY2013 due to the delay of sales revenue from the Lot 1 grouped housing site.

The shortfall in revenue is primarily as a result of delays in settlements for Stage 2B, Stage 4 and Stage 6A lots which included Sales Precinct lots.

Since the preparation of the SPG report, 5 additional lots have settled with revenue of \$1,113,000 received.

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 1 AUGUST 2013

Report Information

Reporting Officer: Senior Project Officer

File Reference: N/A

Recommendation

That the Council RECEIVE the Sales and Settlements Report to 1 August 2013.

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 Draft TRPC 2013/2014 Budget.

Lot sales up to 30 June 2013:

Budget Amount:	\$45,640,484
Received to Date:	\$ 908,000
Balance:	\$44,732,484

Relevant Documents

Appendix: Staging Plan

Background

The Sales and Settlement report provides the Council with a status update of sales and settlements of all lots.

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

Comment

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

STAGE	LOTS RELEASED	SOLD	STOCK	SETTLED
STAGES 1 - 3	110	110	-	110
STAGE 2B	5	5	0	0
STAGE 4A	34	34	0	33
STAGE 4B	12	8	4	8
STAGE 5A	49	49	0	43
STAGE 5B	14	14	0	0
STAGE 6A	8	8	0	7
STAGE 7	32	32	0	0
STAGE 7B	31	31	0	0
TOTAL	295	291	4	200

Notes

Tenders for the Stage 8 builders lots closed on 26th July 2013. Strong interest was received from builders seeking allocations accounting for all 29 lots. A report regarding the allocation of lots is included at Item 9.9.

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

9.6 REVIEW OF PURCHASER TERMS AND CONDITIONS

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:-

- 1. APPROVE the following sales terms/conditions and incentives for all public release lots:-**
 - a) Use of the 2011 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.**
 - b) A \$5,000 deposit to be used in the Sales Contracts.**
 - c) A 28 day finance approval period.**
 - d) A 21 day settlement period from finance approval or the issue of titles, whichever is the later.**
 - e) Waterwise front landscaping packages.**
 - f) A \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.**
 - g) Side and rear boundary fencing (behind the building line).**
 - h) A non-potable water supply to all front loaded lots within Stages 4, 5 & 7 of Catalina.**
 - i) Sales incentives (items 2e, 2f, 2g and 2h) being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.**
- 2. RESOLVE not to proceed with the Shared Bore Trial for front loaded lots within Stages 8 and 9 and not to extend to the trial to future stages until a review of the Shared Bore Trial has been completed.**
- 3. APPROVE the following sales terms/conditions and incentives for all builders allocation lots after Stage 8:-**
 - a) Use of the 2011 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.**
 - b) A \$5,000 deposit to be used in the Sales Contracts.**
 - c) A 28 day finance approval period.**
 - d) A 21 day settlement period from finance approval or the issue of titles, whichever is the later.**
 - e) Provision of a \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.**
 - f) Provision of a \$2,000 cash rebate to builders, that provide side and rear boundary fencing and front landscaping with house and land packages.**

g) Sales incentives (items 3e and 3f) being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.

4. REQUEST the SPG to review the sales terms/conditions and incentives for public release and builder allocation lots in twelve months and provide a report to Council.

Voting Requirements

Simple Majority

Report Purpose

To review the purchaser terms/conditions and incentives approved by the Council for the sale of lots.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 15 December 2011 (Item 9.8 Stage 1 Land Release to Private Purchasers)

Financial/Budget Implications

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

- Item E145216 (Direct Selling Expenses):

Budget Amount:	\$7,976,213
Spent to Date:	\$ 90,000
Balance:	\$7,886,213

- Item E145211 (Land Development – Lot Production):

Budget Amount:	\$21,433,143
Spent to Date:	\$ 0
Balance:	\$21,433,143

Relevant Documents

Appendix: SPG Letter dated 31 July 2013: Review of Purchaser Terms and Conditions

Background

At its meeting of 15th December 2011, the Council approved terms/conditions and incentives for the sale of lots to private purchasers, recommended by SPG, which comprised the following:-

- Use of the 2011 REIWA Offer and Acceptance Contract with Special Conditions and Annexures;
- An amount of \$5,000 for the required deposit to be used in the Sales Contracts;
- A settlement period of 28 days from finance approval or the issue of titles, whichever is the later; and
- The following sales incentives;
 - Third Pipe (non potable water supply system) - \$3,500 per lot allowance.
 - Waterwise landscape package - \$4,500 per lot allowance.
 - Solar panels rebate - \$2,000 per lot allowance.
 - Side and rear fencing package - \$3,500 per lot allowance.

The sales incentives are only available to purchasers of lots who complete construction of homes in accordance with the Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes. The sales incentives were approved to support the Council's sustainability initiatives, promote sales to the project, encourage the early construction and enhanced presentation of housing within Catalina.

At its August 2012 meeting the Council resolved to reallocate \$1,000 per lot from the approved budget allocation for the non potable water supply system to Waterwise Landscaping Packages, to implement the following water saving initiatives:-

- a. Waterwise irrigation controllers;
- b. Enhance soil moisture retention abilities; and
- c. Subsurface irrigation of garden beds to reduce water loss by evaporation.

At its June 2012 meeting, the Council resolved not to proceed with the non-potable water supply scheme and undertake a trial project for the installation of shared bores to all front loaded lots within Stage 4, with a budget allocation of \$2,500 per lot. The Council resolved to extend the Shared Bore Trial to include front loaded lots within Stages 5, 7, 8 and 9 at meetings held in February and April 2013, based on recommendations provided by the Satterley Property Group.

Comment

It has been 18 months since the first release of lots from the Catalina Estate and since this time over 290 lots have been sold. To ensure the approved sales terms and conditions remain relevant to the project and current market conditions, the Satterley Property Group (SPG) has reviewed the sales terms and conditions and provided recommendations to the TPRC. A copy of the SPG's recommendation letter dated 30th July 2013, is attached under Appendix 9.6.

Public Release Lots

The SPG has advised that the current sales terms/conditions and incentives for public release lots have operated well and assisted in achieving strong sales and resulted in the achievement of finance approvals and settlements within acceptable commercial periods.

The SPG has further advised it has discussed the 28 day settlement period with the Council's settlement agents (Supreme Settlements) and believes a reduced 21 day settlement period is sufficient for both vendor and purchaser to settle sales. The reduced settlement period would be beneficial to the Council's cashflow as it would expedite the receipt of sales revenue. The SPG has recommended that the current sales terms/conditions for public release lots be retained, with the exception of the approved settlement period being reduced to 21 days.

With regard to the shared bore incentives, the SPG has advised that a high number of queries and concerns have recently been received relating to the recovery of costs from neighbours for the operation and maintenance of bores. The SPG also advises that a number of issues associated with coordinating the installation of shared bores with dwelling constructions have been identified, which will require close management.

In view of these concerns the SPG has recommended that the Council not proceed with implementation of the Shared Bore Trial for Stages 8 and 9, and that no extension of the trial be approved until such time as a review of the scheme has been completed.

Arrangements for the implementation of shared bores have been progressed for all front loaded lots within Stages 4, 5 and 7 of Catalina. Due to the timing of housing construction within these stages, these arrangements have been confined to the preparation and execution of documentation and no installation works have commenced.

Based on the progress of housing construction within Catalina, it is anticipated that installation of shared bore infrastructure will commence in April 2014 with approximately 10 houses anticipated to be completed with shared bore infrastructure installed by July 2014, at which time the commencement of the reviews monitoring period should be commenced.

The SPG has recommended the review incorporate a 6 month monitoring period to allow both installation and operational matters to be assessed and therefore outcomes from the review are expected to be available in December 2014.

The SPG has expressed confidence that implementation of the shared bores is able to be managed and that the scheme will deliver the intended sustainability benefit of reducing Catalina's demand to the potable water supply system. In view of the issues raised regarding the operation and maintenance of bores, any extension of the trial will increase risk to the Council and it is therefore considered prudent to defer any extension of the Shared Bore Trial beyond Stages 4, 5 and 7 until outcomes of the review are available.

In view of this, the SPG recommendation not to proceed with implementation of the Share Bore Trial within Stages 8 and 9 or extend the trial to any future stages until such time a review of the scheme has been completed is supported.

Builders Allocation Lots

The SPG has advised that the current sales terms/conditions and incentives for public release lots have operated well and assisted in achieving strong sales and resulted in the achievement of finance approvals and settlements within acceptable commercial periods. The SPG has recommended that the current sales

terms/conditions for public release lots be retained, with the exception of the approved settlement period being reduced to 21 days.

With regard to sales incentives, the SPG has noted that boundary fencing and front landscaping packages are not offered to purchasers on builders allocation lots, as these facilities are typically provided by builders via standard house and land packages.

To encourage the provision of these features by builders and promote a high level of estate presentation the SPG has recommended that Council approve the provision of a \$2,000 rebate to builders that provide side and rear boundary fencing and front landscaping with house and land packages.

The approved project budget includes allowances for front landscaping and side and rear boundary fencing to all lots created within Catalina, therefore funds are available to the Council should it decide to support the proposed \$2,000 builders rebate.

The provision of boundary fencing and front landscaping via sales incentives is contemporary practice amongst large land subdivision developments within Western Australia and is an effective means of enhancing estate presentation and promoting the early establishment of communities.

The SPG believes the proposed rebate would provide greater motivation for builders to include front landscaping and side and rear boundary fencing with house and land packages, and would assist in encouraging the early construction and enhanced presentation of housing within the Catalina Estate.

In view of the above, the SPG recommendation for the provision of a \$2,000 rebate to builders, that provide side and rear boundary fencing and front landscaping in accordance with the approved Catalina Design Guidelines, subject to homes being constructed within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes is recommended to be approved.

At its meeting of 8 August 2013 the Management Committee considered the report on purchaser terms/conditions and incentives and resolved that Council;

1. APPROVE the following sales terms/conditions and incentives for all public release lots:-
 - a) Use of the 2011 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.
 - b) A \$5,000 deposit to be used in the Sales Contracts.
 - c) A 28 day finance approval period.
 - d) A 21 day settlement period from finance approval or the issue of titles, whichever is the later.
 - e) Waterwise front landscaping packages.
 - f) A \$2,000 rebate for all homes constructed with a minimum 1.5kW capacity photovoltaic solar power system.
 - g) Side and rear boundary fencing (behind the building line).
 - h) A non-potable water supply to all front loaded lots within Stages 4, 5 & 7 of Catalina.

- i) Sales incentives (items 2e, 2f, 2g and 2h) being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.
2. RESOLVE not to proceed with the Shared Bore Trial for front loaded lots within Stages 8 and 9 and not to extend to the trial to future stages until a review of the Shared Bore Trial has been completed.
3. APPROVE the following sales terms/conditions and incentives for all builders allocation lots after Stage 8:-
 - a) Use of the 2011 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.
 - b) A \$5,000 deposit to be used in the Sales Contracts.
 - c) A 28 day finance approval period.
 - d) A 21 day settlement period from finance approval or the issue of titles, whichever is the later.
 - e) Provision of a \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.
 - f) Provision of a \$2,000 cash rebate to builders, that provide side and rear boundary fencing and front landscaping with house and land packages.
 - g) Sales incentives (items 3e and 3f) being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.
4. REQUEST the SPG to review the sales terms/conditions and incentives for public release and builder allocation lots in twelve months and provide a report to Council.

9.7 TPRC DRAFT BUDGET FOR THE FINANCIAL YEAR 2013/2014

Reporting Officer: Chief Executive Officer File Reference: 12.26.37.2

Recommendation

That the Council:

- 1. ADOPT the Budget for the Tamala Park Regional Council for the year ending 30 June 2014, incorporating:**
 - a. Statement of Comprehensive Income, indicating an operating deficit of \$518,884.**
 - b. Statement of Financial Activity, showing cash at end of year position of \$15,639,627.**
 - 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 -20.**
- 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 2012/13 financial year, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996.**
- 4. Authorise the CEO to arrange a finance facility for the purpose of ensuring that the TPRC has sufficient cash holdings to fund the proposed subdivision works for subsequent presentation to Council.**

Voting Requirements

Simple Majority

Report Purpose

Consideration of the budget estimates for the financial year 1 July 2013 - 30 June 2014 including project approval and resource allocation.

Relevant Documents

Appendix: 2013/2014 Draft Budget Estimates (including Comprehensive Income Statement; Statement of Financial Activity; Rate Setting Statement)
Available for viewing at the meeting: Nil

Previous Minutes

- Audit Committee Meeting – 18 August 2011 (Item 9.3 - TPRC Draft Budget for the Financial Year 2011/2012)
- Audit Committee Meeting – 6 July 2011 (Item 9.3 – TPRC Draft Budget for the Financial Year 2011/2012)
- Audit Committee Meeting – 24 June 2010 (Item 9.2 - TPRC Draft Budget for the Financial Year 2010/2011)
- Audit Committee Meeting – 11 June 2009 (Item 9.1 - TPRC Draft Budget for the Financial Year 2009/2010)

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 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. The Draft Annual Budget for 2013/2014 is based on the Project Budget 2013/2014 (March 2013).

The Project Budget 2013/14 (March 2013) is based on the following key activities and key assumptions.

Bulk Earthworks /Civil Construction

- Commencement of Civil Construction Stages 6C, 8, 9,10 & 11 - 178 lots;
- Commencement of Bulk Earthworks for Stages 9, 10, 11, 12 & 13;

Infrastructure

- Marmion Avenue/Aviator Boulevard intersection;
- Stage 5 sewer extension;

Landscape Construction

- Stage 4 open space area;
- Aviator Boulevard (Greenlink) entry statement;
- Neerabup Road verge.

Marketing

- Completion of Builders Display Village, Land Sales office and Charity Home;
- Continue Catalina branding;

Sales/Settlements

- 188 sales;
- Titles stages 6C, 7, 8, 9 & 10 - 196 lots;
- 206 settlements;

Planning

- Lodge subdivision application for Stages 12-16 (282 lots) central precinct;
- Lodge subdivision application for Stages 25-27 (130 lots) western precinct;
- Detailed planning for the eastern precinct;

Comment

1. In 2012/2013 the TPRC did not expend all projected operating allocations, particularly in the areas of Infrastructure, Lot Production, Administration and Marketing. As result the operating budget for the financial year was in surplus.
2. In the forthcoming year 2013/2014 projected income and expenditure compared with previous years is shown in the table below.

Net Result	Actual 2012/13	Budget 2013/14
Income		
Investments	517,077	711,090
Proceeds Sale of Lots	37,387,676	45,640,484
Other Income	50,833	636,239
Total Income	37,955,586	46,987,813
Expenditure		
Depreciation	6,084	20,489
Employee Costs	564,800	679,975
Insurance	9,303	11,900
Administration Expenses	205,168	358,750
Governance	110,540	160,750
Total Expenditure	895,895	1,231,864
Net Result	37,059,691	45,755,949
Less Development of Land for Resale		
Development Costs	23,953,414	45,800,319
Equity Distribution	0	10,400,000
Net Change in Contributed Equity	13,106,277	(10,444,370)
Plus Contributed Equity as 30th June	15,110,007	28,216,284
Total Contributed Equity	28,216,284	17,771,914

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 office. The key elements of this category include;

- 3.63 FTE's, (one additional staff proposed).

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 2013/2014 (March 2013) approved by Council.

The expenditure covered in this category is under item E145216 (Sales Expenditure). This category allows for significant expenditure associated with the continued branding of Catalina, the establishment of the new Land Sales office and completion of Builders Display village, upgrading of estate signage, media advertising and promotion to support the sales campaigns.

3.5. Land Development Costs

This category reflects that the TPRC Project will continue to maintain a construction phase.

The expenditure projected is shown in the table below;

DEVELOPMENT COSTS

• Land & Special Sites Development	992,353
• Admin Land Development & Selling/Marketing	9,566,627
• Consultants	804,192
• Landscape	4,660,312
• Infrastructure	4,975,251
• Bulk Earthworks	0
• Lot Production	22,272,452
• Community Development	140,000
• Finance	716,206
• Contingency	1,672,926
	45,800,319

These are shown as Capital Costs in the Budget.

Expenditure also reflects the Project Budget 2013/2014 (March 2013) approved by Council at its June 2013 meeting.

3.7 Investment Income

Last financial year investment income amounted to \$517,077. Indications are that interests will remain stable through 2013/2014.

The estimated investment revenue is \$711,090. This assumes an investment rate of 3.5% per annum for 2013/2014.

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 2013/2014.

4. Financial Activity Statement

The Financial Activity Statement 2013/2014 (Appendix 9.7) shows the TPRC cashflow position for 2013/2014. It predicts that the TPRC can meet all cashflow obligations. This assumes income from the sale of lots of \$45,640,484. If settlements are delayed or unforeseen significant costs are incurred then a finance or overdraft facility may be required. This position will be carefully monitored by the TPRC, however, it would be prudent for Council to formally agree to this as part of resolutions regarding the Budget. This will avoid the need for advertising of this action, as required by the LGA, should a finance or overdraft facility be required. Any finance or overdraft facility would be subject to prior Council approval.

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 2013/2014 financial year.

6. Distributions

The Draft Annual Budget for 2013/2014 predicts Distributions to the seven participant members totalling \$10 million. It is anticipated that the Distributions are to be made as follows;

- December 2013 - \$ 4M
- April 2014 - \$ 4M
- June 2014 - \$ 2M

In August 2012 senior counsel advice to the Council confirmed that the beneficial ownership of the Tamala Park landholding remains with the seven participant members. Whilst this position does not affect the TPRC cashflow position it does impact on how the sales revenue should be accounted for in the TPRC budget and in the seven participant local governments budgets. Whilst the Draft Annual Budget for 2013/2014 includes income from sale of lots and associated development expenses relating to the Catalina Estate, these amounts are transferred to the members equity accounts.

The Draft Annual Budget for 2013/2014 is based on the Project Budget 2013/2014 (March 2013) approved by Council at its June 2013 meeting and is considered to provide a sound basis for the TPRC project for 2013/14.

At its meeting of 8 August 2013 the Audit Committee considered the report on the Draft Annual Budget for 2013/2014 and resolved that Council;

1. INCORPORATES the following statements in the Draft Annual Budget for 2013/2014:
 - a. Statement of Comprehensive Income, indicating an operating deficit of \$448,884.
 - b. Statement of Financial Activity, showing surplus at end of year position of \$17,501,075.
 - 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 2013/2014 financial year, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996.
3. Authorise the CEO to arrange a finance facility for the purpose of ensuring that the TPRC has sufficient cash holdings to fund the proposed subdivision works.
4. Modify the Draft Annual Budget for 2013/2014 so that the Distributions are to be made as follows;
 - o December 2013 - \$ 4M
 - o April 2014 - \$ 4M
 - o June 2014 - \$ 2M

The Draft Annual Budget for 2013/2014 has been modified to reflect the Audit committee's resolution, including the modified distributions, which has resulted in a minor change to the Draft Annual Budget.

In addition to the Audit Committee recommended changes the Draft Budget has been adjusted to account for the SPG reconciliation of costs for 2012/2013. This resulted in an adjustment of \$1.8M to the 2013/2014 position to \$15.6M. The Draft Budget 2013/2014 is recommended for Council's approval.

9.8 STAGE 8 BUILDERS ALLOCATION LOTS TENDER

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council APPROVE the allocation of the Stage 8 Builder Allocation Lots in accordance with the terms and conditions of Tender 10/2013 as follows:-

- a. Lot Parcel A (exclusive of optional corner lots) to Homebuyers Centre,
- b. Lot Parcel B and Lots 475 and 482 to Platinum Homes.
- c. Lot Parcel C (inclusive of optional corner lots) to Affordable Living.
- d. Lot Parcel D (inclusive of optional corner lots) to Content Living.

Voting Requirements

Simple Majority

Report Purpose

To consider the Stage 8 Builders Allocation tender.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 21 February 2013 (Item 9.8 Sales and Lot Release Strategy).

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales.

Lot sales up to 30 June 2013:

Budget Amount:	\$45,640,484
Received to Date:	\$ 908,000
Balance:	\$44,732,484

Relevant Documents

Appendix:

- Satterley Property Group Letter dated 8th August 2013 Stage 8 Builders Allocation Tender Report;
- Plan of Stage 8 Medium Density Lot Packages.

Background

Stage 8 comprises 53 lots, comprised of 20 traditional lots and 33 rear loaded cottage lots. It is anticipated that titles will be issued in December 2013 with settlements commencing in January 2014.

At its meeting of 21st February 2013, the Council approved the Lot Sale & Release Strategy (February 2013), which incorporated the disposal of the Stage 8 lots via a combination of builder allocations and public release lots.

The SPG has made a Declaration of Interest – Impartiality to the CEO, consistent with Local Government Act clause 34(c) and the TPRC Code of Conduct (2012).

The TRPC office has carried out an independent evaluation of the tenders, in conjunction with Council's Probity Auditor, which is presented in this report. The Council's Auditor is aware of the Satterley Property Group Declaration of Interest - Impartiality and is satisfied that the procurement and evaluation process has been sound.

Comment

The tender for the allocation of the Stage 8 builders' lots was advertised on the 12th July 2013. The lots were tendered as 4 parcels of between 3 and 8 lots with three of these parcels, including the option of corner lots, as depicted on the plan provided under Appendix 9.8. The tender was undertaken in accordance with the approved selection criteria, which is summarised below:-

SELECTION CRITERIA		
No.	Description	Weighting
1	Experience in Medium Density Design and Construction	25%
2	Capacity to meet Market Demand	20%
3	Building Design	20%
4	Sustainability Credentials	15%
5	Innovation	10%
6	Financial Capacity	10%

The Stage 8 medium density lots were tendered to builders on the basis of Put Option Deeds as approved by Council for the Stage 3 the Builders Allocation Lots in April 2012, subject to the same procedures, selection criteria and evaluation process, and terms and conditions.

At the close of the tender period on the 26th July 2013, 4 tenders had been received. The table below identifies the builders that submitted a tender and the lot parcels and preferences of each.

The tenders received account for all 29 lots, representing total sales revenue of \$5,634,000.

BUILDER	LOT PARCEL PREFERENCES			
	1st	2nd	3rd	4th
Affordable Living	C*	D*	A	B
Content Living	C*	D*	A	B
Homebuyers Centre	A	B	N/A	N/A
Platinum Homes	D*	C*	A*	B

Note: * denotes builders seeking the inclusion of optional corner lots with lot parcels

The TPRC has undertaken an assessment of all tenders against the selection criteria contained within the tender document and a summary of the weighted scores achieved by each tender for individual selection criteria items is provided in the table below.

Tenderer	Selection Criteria No.						Total Score
	1 (25%)	2 (20%)	3 (20%)	4 (15%)	5 (10%)	6 (10%)	
Affordable Living	17.5	19	14	9	7	8	74.5
Content Living	15	18	14	9	6	8	70
Homebuyers Centre	22.5	20	16	12	7	9	86.5
Platinum Homes	17.5	17	14	10.5	7	8	74

The tender assessment resulted in all tenders achieving scores in excess of the minimum requirement of 65%.

On the basis of the evaluated scores and the allocation process stipulated within the tender document, the following allocations of the Stage 8 medium density lot parcels are recommended.

TENDERER	LOT PARCEL	NO. OF LOTS	SALES VALUE
Homebuyers Centre	A	6	\$1,140,000
Platinum Homes	B	3	\$588,000
Affordable Living	C	9	\$1,735,000
Content Living	D	9	\$1,735,000

The Homebuyers Centre's tender did not include the optional corner lots (lots 475 and 482). In accordance with the tender evaluation and lot allocation procedure these lots were offered to Platinum Homes, who were the only tenders that indicated interest in the lots. Platinum Homes has confirmed its interest Lots 475 and 482 and it is therefore recommended lots 475 and 482 be allocated to Platinum Homes in accordance with the terms and conditions of the tender.

The tender evaluation and lot allocation process has been reviewed by the Council's probity advisor (Stantons International), which has advised it represents a sound and robust process which is fair and equitable to all parties.

On the basis of the evaluation of tenders and allocation of lots being in accordance with the tender it is recommended the Council allocate the Stage 8 lots as follows:-

- Lot Parcel A to Homebuyers Centre;
- Lot Parcel B and Lots 475 and 482 to Platinum Homes;
- Lot Parcel C to Affordable Living; and
- Lot Parcel D to Content Living.

9.9 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 \$19,000 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.**

Voting Requirements

Absolute Majority

Report Purpose

To consider elected member allowances to apply following the Salaries and Allowances Tribunal completed its review (June 2013).

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 – 15 December 2011 (Item 9.12: Elected Member Allowances)
- Council Meeting – 9 December 2009 (Item 14.5: Elected Member Allowance)
- Council Meeting - 19 June 2008 (Item 9.6: Review of Council Member Fees)
- Council Meeting - 9 August 2007 (Item 9.4: Budget & 9.5 Elected Member Allowances)
- Council Meeting - 8 June 2006 (Item 9.5: Elected Member Allowances)

Background

On 15 December 2011 the Council reviewed elected member fees and resolved as follows:

- a) That the Local Government allowance for Chairman of the Council be 100% of the permitted maximum i.e. a payment of \$12,000 per annum.*
- b) That the Local Government Allowance for Deputy Chairman be 25% of the amount paid to the Chairman.*
- c) That the annual fee for Chairman of the Council be an amount of \$14,000 per annum.*
- d) That annual fees for Council members be an amount of \$7,000 per annum.*
- e) Council members do not claim separate telecommunications, IT allowances or travelling allowance to meetings.*
- f) That while the Local Government Act, in its present form, does not provide for the appointment of a Deputy or Alternate Members. The Council also notes the Interpretation Act (section 51) provides circumstances in which a Council may nominate a person to act in the absence of a 'regular' member but the Local Government Act does not facilitate any payment to a person attending as an appointee under the Interpretation Act.*
- g) 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.*
- h) Elected member allowances are to be made quarterly in arrears.*

The Salaries and Allowances Tribunal has recently completed a review of fees, allowances and expenses for elected council member of Local Governments throughout Western Australia. The determination which operates from 1 July 2013 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*.

This is the first independent determination of fees, allowances and expenses which were set in 1996 and last adjusted in 2005. It brings levels of remuneration for elected council members into line with the other States and also with the fees paid to Government Board and Committee members in Western Australia.

The Salaries and Allowances Tribunal review sets out potential fees and allowances for regional local governments. The Tribunal review distinguishes between being a councillor of a local government and a regional council.

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 apply 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	\$225	\$88	\$463

Committee meeting and prescribed meeting fees per meeting

Council Member including Chairman		
	Minimum	Maximum
All Regional Councils	\$44	\$113

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	\$10,000	\$1,750	\$15,000

Annual allowance for the Chairman of a Regional Council

Annual Allowance for Chairman		
	Minimum	Maximum
All Regional Councils	\$500	\$19,000

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;

	Current Fee	Current Allowance	CURRENT TOTAL	New Fee	New Allowance
Chairperson	\$14,000	\$12,000	\$26,000	\$1700 - \$15,000	\$500 - \$19,000
Deputy Chairperson	\$7,000	\$3,000 25% of Chair	\$10,000	\$1750 - \$10,000	25% of Chair
Council member	\$7,000	\$0	\$7,000	\$1750 - \$10,000	\$0
Deputy Council Member	\$140 per mtg	\$0	\$140 per mtg	\$140 per mtg	\$0

It is recommended that the TPRC approve the payment of an Annual Attendance Fees to councillors instead of attendance meeting fees. It is further recommended that the TPRC approve the previously 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 the Salaries & Allowances Tribunal be paid to the Chairman and Councillors

The adopted budget provisions for 2013/14 make allowance for payment for all members at the current approved fees i.e. the amounts shown in the first column in the above table.

9.10 SPONSORED CHARITY HOME PROPOSAL

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

That the Council:-

1. **NOT PROCEED** with tender number 03_2012 dated 30 June 2012 Charity Home proposal.
2. **APPROVE** Lot 192 Elsbury Approach for sale by public release, based on the public release sales process contained within the Lot Sale and Release Strategy, February 2013.
3. **APPROVE** the disposal of Lot 192 Elsbury Approach by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.
4. **RECOMMEND** that the SPG investigate alternative locations and parameters for a charity home in the future consistent with the Council's Charity Home Sponsorship Policy (May 2012) .

Voting Requirements

Simple Majority

Report Purpose

To consider termination of the Charity Home tender and the sale of Lot 192.

Relevant Documents

Appendix: Nil

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Tamala Park Regional Council meeting – 21 June 2012

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales.

Lot sales up to 30 June 2013:

Budget Amount:	\$45,640,484
Received to Date:	\$ 908,000
Balance:	\$44,732,484

Background

In accordance with the Council's Charity Home Sponsorship Policy (May 2012), tenders were sought for Charity Home proposals within the Catalina Estate in June/July 2012.

Following consideration of the tender proposals at its August 2012, meeting the Council approved the proposal presented by the Satterley Property Group (SPG), Ben Trager Homes, Content Living and Seven West Media Group, in support of the Channel 7 Telethon Trust for a Charity Home on Lot 192 Elsbury Approach.

The sponsorship proposal sought the grant of a traditional sized lot in Stage 4 by the TPRC, with approximately \$92,000 of cost offset by SPG. The Satterley Property Group, Ben Trager Homes, Content Living and Seven West Media Group would contribute of a substantial home and provide marketing and promotional support to the project and its partners.

All proceeds raised from the sale of the charity home were to be provided to the Telethon Trust, a non-profit charity organisation that raises funds to provide financial support to a range of community based charity organisations.

Comment

Since the Council's approval to the Charity Home proposal the project partners have progressed planning for the design of a home and a marketing program, however, final agreement has not been achieved on two key aspects;

- Commitment to the value of the media advertising and promotion; and
- Commitment to a new ideas home including sustainability features.

Given the time which has lapsed since the Council decision and that no final agreement has been reached in relation to the above matters, it is considered appropriate for Council to withdraw its support for the Satterley Property Group, Ben Trager Homes, Content Living and Seven West Media Group Charity Home proposal.

It is recommended that Lot 192 Elsbury Approach, the subject of the Charity Home, be made available for sale by public release, based on the public release sales process contained within the Lot Sale and Release Strategy, February 2013.

It is also recommended that the SPG investigate alternative locations and parameters for a charity home in the future consistent with the Council's Charity Home Sponsorship Policy (May 2012).

9.11 TPRC INVESTMENTS - INTERNAL CONTROL PROCEDURES

Report Information

Reporting Officer: Chief Executive Officer File Reference: 4.127.787.0

Recommendation

That the Council APPROVE the Internal Control Procedures (dated 22 August 2012) for the management of direct investments by the TPRC.

Voting Requirements

Simple Majority

Report Purpose

To request Council to approve the TPRC Investments Internal Control Procedures (dated 22 August 2012).

Relevant Documents

Appendix: Internal Control Procedures (dated 22 August 2012)

Policy Reference

TPRC Investment Policy

Local Government Act/Regulation

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

Previous Minutes

N/A

Background

The Local Government Act allows investment of funds by local authorities. Local authorities are required to establish an Investment Policy.

The Council's external auditor (Macri & Partners) has consistently undertaken a review of the TPRC's investment practices and procedures, as part of its annual audit, and has found them to be satisfactory. However, the Council's external auditor has suggested that the practices and procedures be formalised.

Comment

Consistent with the advice of the Council's external auditor (Macri & Partners) the internal control procedures for the management of direct investments by the TPRC have been documented (Appendix 9.11) and are presented for approval to support the TPRC Investment Policy.

The Internal Control Procedures for TPRC Investments addresses the following key areas;

- Determination Of Investment Funds
- Investment Procedure
- Remittance Of Funds
- Maturity Of Investments
- TPRC Investment Policy
- Reporting

The Internal Control Procedures for TPRC Investments is based on other similar local government procedures/manuals and is recommended for the Council's approval.

At its meeting of 8 August 2013 the Audit Committee considered the report on the Internal Control Procedures and resolved that Council approve the Internal Control Procedures (dated 22 August 2012) for the management of direct investments by the TPRC.

9.12 STAGE 9 - 11 BULK EARTHWORKS CONTRACT AWARD

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **ACCEPT** the Catalina Stage 9 - 11 bulk earthworks pricing submitted by R J Vincent for the lump sum value of \$4,068,334 (excluding GST), subject to the receipt of all necessary approvals.
2. **AUTHORISE** the Chairman and CEO to sign and affix the TPRC common seal to the Contract.

Voting Requirements

Simple Majority

Relevant Documents

Appendix:

- Satterley Property Group letter dated 12th August 2013 – Stage 9-11 Bulk Earthworks Recommendation.
- Cossill and Webley letter dated 31st July 2013 – Catalina Stages 9 – 11 Earthworks Pricing

Report Purpose

To consider the award of a construction contract to undertake the Stage 9 – 11 Bulk earthworks.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

Expenditure under this matter will be incurred under Item E145211 (Land Development – Lot Production) of the Draft 2013/2014 TPRC Budget:

Budget Amount:	\$22,272,452
Spent to Date:	\$ 599,925
Balance:	\$21,672,527

Background

At its April 2013 meeting, the Council resolved to accept the tender submitted by R J Vincent for the Stage 8 Subdivisional Works, which included fixed rates for the award of further stages of earthworks and subdivisional works for a period of two years until April 2015, with an option to extend a further 12 months to April 2016 at the absolute discretion of the TPRC.

The Council further resolved, that the award of further stages of works during the term of the contract will be subject to:-

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

At its June 2013 meeting the Council approved the Project Budget 2013/2014 (March 2013), submitted by the Satterley Property Group, which assumes construction of the Stage 9 – 11 bulk earthworks commencing in September 2013.

The extent and location of the Stage 9 – 11 bulk earthworks are depicted on the engineering drawing provided under Appendix 9.12.

The City of Wanneroo is currently considering a Development Application for the works and approval is expected to be issued shortly.

Comment

The TPRC has received a recommendation from the Satterley Property Group (SPG) to award a construction contract to RJ Vincent for the Stage 9 – 11 bulk earthworks to the value of \$4,068,334 (excluding GST). A Copy of the SPG and Cossill and Webley recommendation letters are attached under Appendix 9.12.

RJ Vincent's price exceeds the Project Budget 2013/2014 (March 2013) allowance for the Stage 9 – 11 bulk earthworks by \$988,334, due a significant change in the scope of works priced. The change in scope has resulted from an amendment to the project's federal environmental approval currently being pursued, to relocate the conservation area located in the north eastern portion of the Central Precinct and consolidate it with the conservation area contained within the Eastern Precinct.

The modification to the projects federal environmental approval is being pursued to achieve the following benefits to the project:-

- An increase in lot yield of 21 lots, resulting in increased profit from the project in the order of \$1M.
- A better urban design outcome that reduces retaining wall heights, steeply sloping roads and constrained development sites and allows for a better tie-in of the project with existing boundary roads.
- An improved environmental outcome, due to the retention of higher quality vegetation in a larger consolidated shape that provides better habitat for local fauna with reduced exposure to weed infestation. The location of the proposed conservation area adjacent to existing bushland to the south also provides for movement of fauna between bushland areas.

The modified design impacts on the scope of works of the Stage 9 – 11 bulk earthworks by reducing the amount of material able to be deposited within the Central Precinct. This has resulted in the need for material to be hauled across Connolly Drive to the Eastern Precinct via more costly methods, which under the approved Project Cashflow is work that is not scheduled to occur until FYE16.

It is noted that whilst the cost of the work exceeds the Project Budgets allowance within the current financial year, completion of the work now will benefit the development of future stages in the Eastern Precinct.

Whilst the cost of the Stage 9 – 11 bulk earthworks exceed allowances within the Project Budget, forecast construction costs for the whole of project remain significantly underspent as a result of forecast savings to current works contracts. In this regard, the SPG has advised that including consideration of the additional cost of the Stage 9 - 11 bulk earthworks, forecast construction costs are expected to remain more than \$1M below the costs contained within the project cashflow. The SPG has advised it expects the savings from these contracts to be captured in its mid-year budget review.

Furthermore, the Price provided by RJ Vincent includes maximum guaranteed allowances for all excavation activities, which assume 100% of rock material being encountered. Excavation activities will be monitored and if the actual extent of rock material encountered is less than 100% savings will be made against the contract sum.

A decision regarding the proposed modification to the projects federal environmental approval is expected by November 2013. The SPG has advised that the Stage 9 – 11 bulk earthworks are able to be staged to ensure no prejudicial works occur until such time as a response has been received.

With regard to the Council's resolution of April 2013, relating to the award of further stages of work, the following comments are provided:-

1. Cossill and Webley has verified RJ Vincent's pricing to be in accordance with the approved tendered rates;
2. RJ Vincent is considered to have satisfactorily fulfilled performance requirements in all works on the Stage 1, 2, 3, 4, 6A and 7 civil works contracts and the Phase 1, and Stage 5, 7 and 8 Bulk Earthworks contracts.

RJ Vincent has experienced delays in the production of fencing by its subcontractor for the Stage 5B lots which has resulted in delays in receiving titles for these 14 lots. RJ Vincent has provided advice regarding corrective actions undertaken to ensure similar delays are not experienced and the TPRC is satisfied it has satisfactorily addressed this matter.

It should be noted these Stages have been undertaken under RJ Vincent's previous contract awarded to it in June 2011, however no works have been undertaken under the contract awarded to RJ Vincent in April 2013. On the balance of all works undertaken by RJ Vincent the TPRC is satisfied it has performed satisfactorily in fulfilling performance requirements.

The price provided by RJ Vincent exceeds the allowance contained within the Project Budget due a significant modification to the scope of works priced. The modification will provide environmental and urban design benefits to the project as well as achieving an increase to the overall profitability of the project. Furthermore, the modified scope of works will result in bulk earthworks being completed to a larger area of land within the Eastern Cell, in preparation for future stages of subdivision. Whilst it exceeds the budgeted item, the cost for the works is accommodated by savings in other areas of lot development and will not affect TPRC cashflow.

In view of the above, it is recommended the Council accept the price submitted by R J Vincent and award it a contract to undertake the Stage 9-11 bulk earthworks for the lump sum amount of \$4,068,334 (excluding GST).

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