

**TAMALA PARK
REGIONAL COUNCIL**

Meeting of Council

AGENDA

**Thursday 19 August 2010
City of Stirling, 5.30pm**

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
Town 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 Stirling, 25 Cedric Street, Stirling at 5.30pm on Thursday 19 August 2010.

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	Mayor Simon Withers	
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Eleni Evangel	
City of Stirling	Cr Leonie Getty Cr Giovanni Italiano (CHAIRMAN) Cr David Michael Cr Stephanie Proud	
Town of Victoria Park	Mayor Trevor Vaughan	
Town of Vincent	Mayor Nick Catania	
City of Wanneroo	Cr Dianne Guise Cr Glynis Monks (DEPUTY CHAIRMAN)	Mayor Jon Kelly Cr Brett Treby

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 – 24 June 2010

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 – 24 June 2010*
- *Project Steering Committee Meeting – 11 August 2010*

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

9.1 BUSINESS REPORT – PERIOD ENDING 31 JULY 2010

Report Information

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

Recommendation

That the Business Report to 31 July 2010 be RECEIVED.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Nil
Available for viewing at the meeting: Nil

Background

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

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

Comment

Coastal Conservation Committee – Committee is endeavouring to frame management arrangements for the coastal conservation reserve which lies between the Burns Beach development and the western cell of the Tamala Park proposed development. The area concerned is approximately 308 hectares.

Negotiations to date suggest that coastal sections of the reserve will be accepted by City of Wanneroo and City of Joondalup as vested reserves, subject to conditions, and that the remaining land will form some form of conservation reserve. Management of the majority of the reserve has yet to be determined.

The next meeting of the Committee is scheduled for 16 August 2010. At this meeting a draft Management Plan is to be presented.

An update on the 16 August 2010 meeting will be presented to Council at the meeting.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JUNE 2010 AND JULY 2010

Report Information

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

Recommendation

That the Council RECEIVE and NOTE the Statement of Financial Activity for the months ending 30 June 2010 and 31 July 2010.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Monthly Statement of Financial Activity for the months ending 30 June 2010 and 31 July 2010

Available for viewing at the meeting: Nil

Local Government Act/Regulation

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

Background

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

Comment

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

Variances at July 2010 exceeding 10% were experienced in relation to the following:

Agenda TPRC Meeting of Council – 19 August 2010

Insurance	The variance is as a result of the timing of the insurance premiums. This should be adjusted throughout the remainders of the 2010/11 year.
Interest Earnings	The variance is as a result of timing of the maturity of investments. This will be remedied during the next maturity term.
Employee Costs	The variance relates to employee costs for proposed Project Manager (yet to be appointed).
Materials & Contracts Other	The positive variance in expenditure is partly due to timing of payments.
Professional Consultant Fees	The variance relates to professional/consultant fees for services yet to be provided in the 2010/11 year.

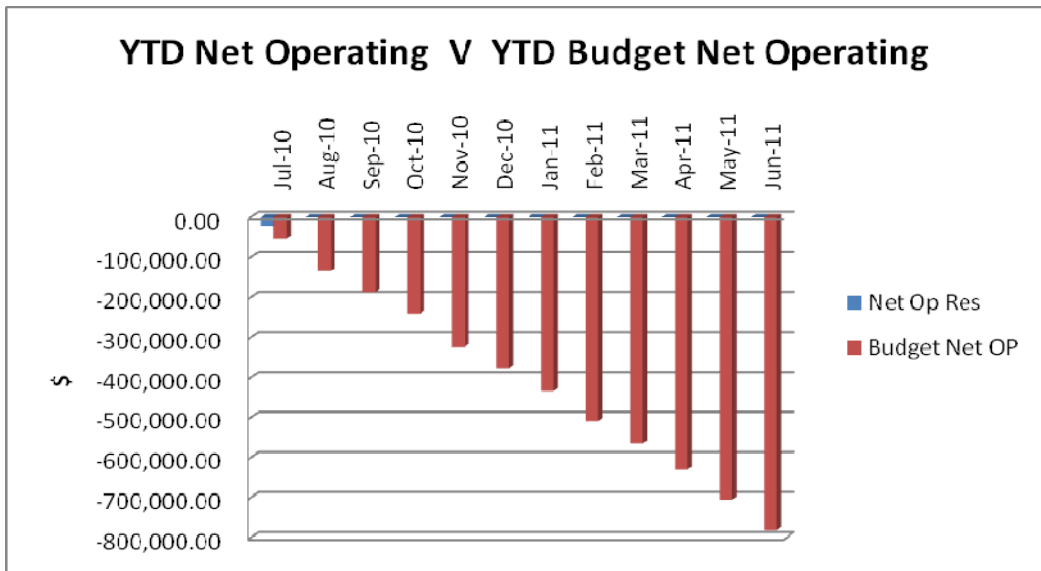
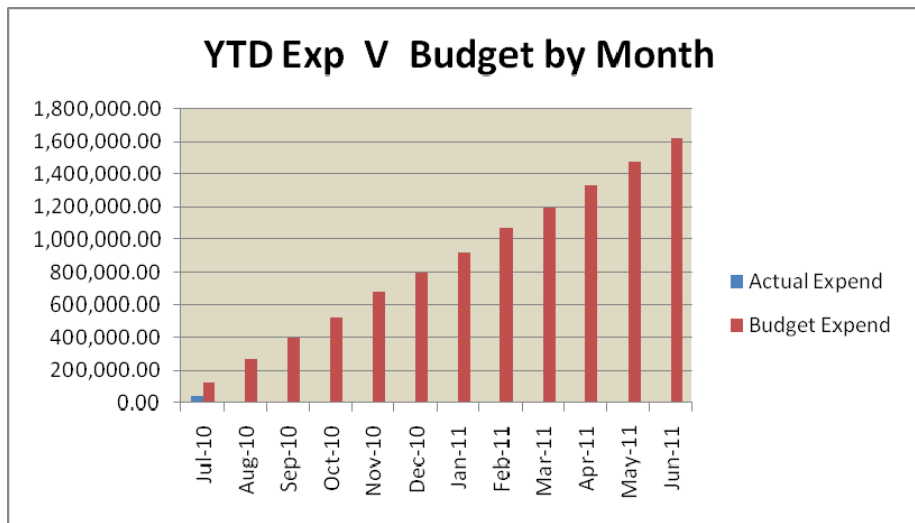
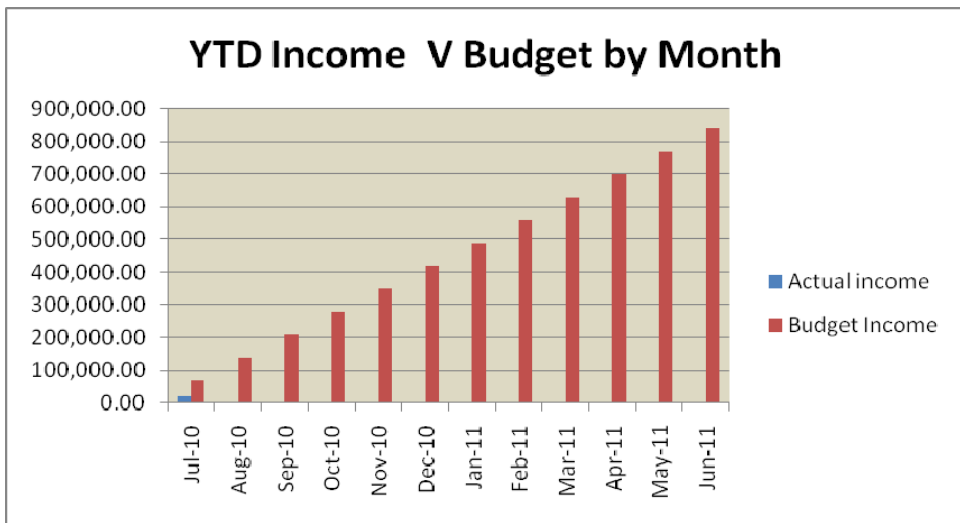
The information in the appendices is summarised in the tables below.

Financial Snapshot as at 31 July 2010

	Jul 10	YTD Budget	\$ Over Budget	+/- Variance	% of Budget	Annual Budget
Revenue						
Interest Earnings	20,333.78	69,853.00	-49,519.22	-70.89%	29.11%	838,236.00
Other Revenue	50.00	0.00	50.00	0.00	100.0%	0.00
Total Revenue	20,383.78	69,853.00	-49,469.22	-70.89%	29.18%	838,236.00
Expenses						
Depreciation	0.00	0.00	0.00	0.00	0.0%	-4,502.00
Employee Costs	-27,868.42	-44,357.25	16,488.83	-37.17%	62.83%	-529,983.00
Insurance	-2,601.68	-583.00	-2,018.68	346.26%	446.26%	-7,005.00
Materials & Contracts MTC	0.00	0.00	0.00	0.00	0.0%	-1,000.00
Materials & Contracts Other	-4,066.04	-35,942.00	31,875.96	88.69%	11.31%	-439,710.00
Other	-353.07	0.00	-353.07	0.00	100.0%	-118,499.99
Professional/Consultant Fees	-6,740.00	-42,411.00	35,671.00	84.11%	15.89%	-508,800.00
Utilities	0.00	-832.00	832.00	0.00	0.0%	-10,000.00
Total Expenses	-41,629.21	-124,125.25	82,496.04	-66.46%	33.54%	-1,619,499.99
Unclassified	0.00	0.00	0.00	0.00	0.0%	0.00
TOTAL	-21,245.43	-54,272.25	33,026.82	-60.85%	39.15%	-781,263.99

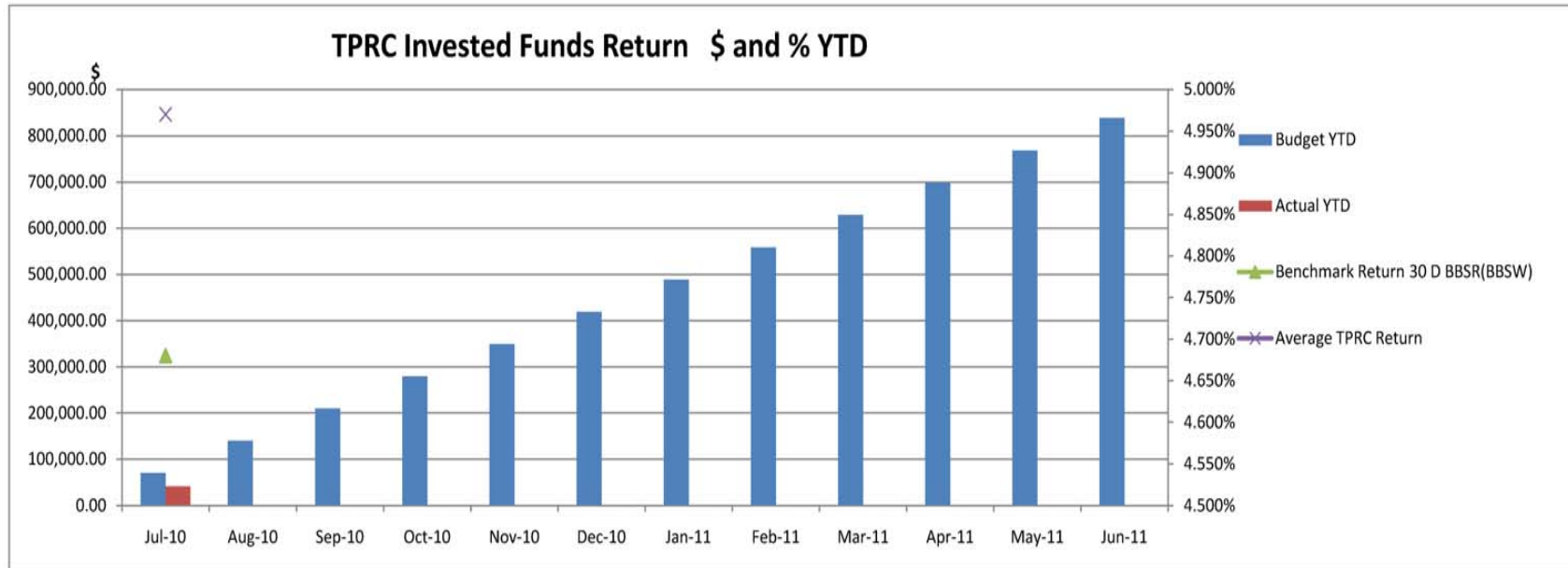
Balance Sheet Summary as at 31 July 2010

	July 31, 10	June 30, 10	\$ Change	% Change	July 31, 09
Cash and Investments	15,098,997.32	15,225,077.15	-126,079.83	-0.83%	17,269,909.30
Accounts receivable	59,960.68	36,364.68	23,596.00	64.89%	0.00
Other Current Assets	1,030.00	1,030.00	0.00	0.00%	1,030.00
Total Current assets	15,159,988.00	15,262,471.83	102,483.83	-0.67%	17,270,939.30
Fixed Assets	2,013,762.88	2,013,762.88	0.00	0.00	14,918.05
Total Assets	17,173,750.88	17,276,234.71	102,483.83	-0.59%	17,285,857.35
Less Current Liabilities	69,513.62	64,156.65	5,356.97	8.35%	21,283.35
Less Long Term Liabilities	6,918.42	6,918.42	0.00	0.00%	2,429.11
Total Liabilities	76,427.54	157,665.94	-81,238.40	-51.53%	75,411.72
Net Assets	17,097,318.84	17,205,159.64	107,840.80	-8.94%	17,262,144.89



**Tamala Park Regional Council
TPRC Investments Summary
1 July 2010 - 31 July 2010**

		Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Budget	I032030 · Interest on Investment	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00	69,853.00
Actual	I032030 · Interest on Investment	41,707.29											
	Budget YTD	69,853.00	139,706.00	209,559.00	279,412.00	349,265.00	419,118.00	488,971.00	558,824.00	628,677.00	698,530.00	768,383.00	838,236.00
	Actual YTD	41,707.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Invested Funds													
A(-1+)	A01102 · Unrestricted At Call	19,884.12											
A(-1+)	A01106/7 · Fixed Term Deposits	15,075,550.14											
Act Invest 09-10		15,095,434.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00



9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JUNE 2010 AND JULY 2010

Report Information

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

Recommendation

That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the month of June 2010 and July 2010:

- **Month ending 30 June 2010 (Total \$44,212.94)**
- **Month ending 31 July 2010 (Total \$146,463.61)**
- **Total Paid - \$190,676.55**

Voting Requirements

Simple Majority

Report Purpose

Submission of the list of payments made under the CEO's Delegated Authority for the months ending 30 June 2010 and 31 July 2010.

Relevant Documents

Appendix: Cheque Detail for Months Ending 31 July 2010
Available for viewing at the meeting: Nil

Local Government Act/Regulation

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

Background

A list of accounts paid under delegation or submitted for authorisation for payment is to be submitted to the Council at each meeting.

It is a specific requirement of Regulations that list state the month (not the period) for which the account payments or authorisation relates.

Comment

Payments made are in accordance with authorisations by Council, budget procurement and other Policies.

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

**Tamala Park Regional Council
Summary Payment List**

Date	Name	June 2010 Description	Amount
01/06/2010	Westpac	Bank fees on cheque account June 2010	-34.05
03/06/2010	Employee costs	Wages for period 20/5/10 - 02/6/10	-7,021.67
03/06/2010	National Australia Bank	TA salary sacrifice for period 20/5/10 to 2/6/10	-1,424.57
03/06/2010	National Australia Bank	TA 9% superannuation for period 20/5/10 to 2/6/10	-936.81
03/06/2010	Action Couriers	Courier to owners councils to deliver tender packages to PSC member	-129.63
03/06/2010	Lavan Legal	Confidentiality & Intellectual Property Agreement	-1,650.00
03/06/2010	Officeworks	Envelopes, paper, stapler, CD sleeves and cardboard covers	-126.61
03/06/2010	SMR	Final instalment of 2010 Estate Research survey	-550.00
03/06/2010	Telstra	TA mobile usage for period 29/3/10-13/5/10	-101.04
03/06/2010	TPG	Liaison with COW, DoP, Syrxin and DET; review and update SP graphic	-3,850.00
14/06/2010	Rod A Constantine	RC final wage payment for 2 days 20/5/10 & 21/5/10	-1,058.00
14/06/2010	WALGSP	KJ & RC superannuation pay (KJ 20/5/10 to 2/6/10 & RC 20/05 to 21/05 = RC final)	-239.16
14/06/2010	Rod A Constantine	RC final payout for hols & long service leave entitlements period 22/10/09-22/5/10	-4,214.00
15/06/2010	Westpac Bank	Payment of credit card for CEO and EA June 2010	-133.52
17/06/2010	Employee costs	Wages for period 3/6/10 to 16/6/10	-7,021.67
17/06/2010	WALGSP	KJ superannuation for period 3/6/10 to 16/6/10	-131.16
17/06/2010	National Australia Bank	TA SS super for period 3/6/10 to 16/6/10	-1,424.57
17/06/2010	National Australia Bank	TA 9% superannuation for period 3/6/10 to 16/6/10	-936.81
17/06/2010	Amcom	ADSL direct usage for period 1/4/10 to 1/8/10	-79.00
17/06/2010	Haines Norton	Accounting services for month of June 2010	-660.00
17/06/2010	Minibus Charters	Minibus charter service to 3 locations for 12 midday until 6.15pm on 7 June 2010	-481.25
17/06/2010	Stantons International	Provision of probity advisory services for May 2010	-1,771.00
17/06/2010	Telstra	Landline usage and equipment for period to 27 May 2010	-174.21
17/06/2010	TPG	Liaison with COW, DoP and subconsultants. Review changes to Part 2	-550.00
30/06/2010	Employee costs	Wages for period 17/6/10 to 30/6/10	-7,021.67
30/06/2010	National Australia Bank	TA salary sacrifice superannuation for period 17/6/10 to 30/6/10	-1,424.57
30/06/2010	National Australia Bank	TA 9% superannuation for period 17/6/10 to 30/6/10	-936.81
30/06/2010	WALGSP	KJ superannuation for period 17/6/10 to 30/6/10	-131.16
			<u>-44,212.94</u>

**Tamala Park Regional Council
Summary Payment List**

Date	Name	Description	Amount
01/07/2010	Tony Arias	Allowance for home office for period 12/10/09 to 12/10/10	-2,000.00
01/07/2010	Action Couriers	Courier charges to owner councils of parking permits	-117.40
01/07/2010	Macri Partners	Interim audit of TPRC for year ending 30/6/10	-2,200.00
01/07/2010	Telstra	TA mobile usage for period 13/6/10 to 13/7/10	-126.25
02/07/2010	Westpac	Bank fees cheque account July 2010	-83.13
14/07/2010	Westpac Bank	Payment of credit card for CEO and EA July 2010	-3,672.95
15/07/2010	Amcom	ADSL direct 512k/512k for period 1/8/10 to 1/9/10	-79.00
15/07/2010	City of Joondalup - Supplier	Rates equivalent payment	-13,414.38
15/07/2010	City of Perth - Supplier	Rates equivalent payment	-6,707.19
15/07/2010	City of Stirling	Rates equivalent payment	-26,828.75
15/07/2010	City of Wanneroo - Supplier	Rates equivalent payment	-13,414.38
15/07/2010	Eco Logical Australia	EPBC Act Management - professional services for period 2/6/10 to 30/6/10	-5,489.00
15/07/2010	Haines Norton	Accounting assistance for July 2010 & additional services in June to reconcile 2009/10 budget	-1,485.00
15/07/2010	Officeworks	Stationery - Paper, shredder, eraser, loop binders	-182.39
15/07/2010	Sheridan's for Badges	Name badges for TPRC councillors	-388.38
15/07/2010	T Arias	Reimbursements for June 2010	-58.20
15/07/2010	Telstra	Landline charges for services & equipment rental and usage charges to 27/6/10	-178.48
15/07/2010	Town of Cambridge - supplier	Rates equivalent payment	-6,707.19
15/07/2010	Town of Victoria Park - Supplier	Rates equivalent payment	-6,707.19
15/07/2010	Town of Vincent - supplier	Rates equivalent payment	-6,707.19
15/07/2010	TPG Town Planning & Urban Design	Final endorsement of Structure Plan	-440.00
15/07/2010	WALGA	Advertising for special council meeting 15/7/10	-398.93
15/07/2010	Employee Costs	Wages for period 1/7/10 to 14/7/10	-7,079.67
15/07/2010	National Australia Bank	TA Salary sacrifice super for period 1/7/10 to 14/7/10	-1,424.57
15/07/2010	National Australia Bank	TA 9% superannuation contribution for period 1/7/10 to 14/7/10	-936.81
15/07/2010	WALGSP	KJ superannuation contribution for period 1/7/10 to 14/7/10	-131.16
29/07/2010	Employee Costs	Wages for period 15/7/10 to 28/7/10	-7,079.67
29/07/2010	WALGSP	KJ superannuation contribution for period 15/7/10 to 28/7/10	-131.16
29/07/2010	National Australia Bank	TA superannuation 9% contribution for period 15/7/10 to 28/7/10	-936.81
29/07/2010	National Australia Bank	TA SS contribution for period 15/7/10 to 28/7/10	-1,424.57
29/07/2010	LGIS Insurance Broking	Payment of 2 invoices: crs & officers liability/ personal accident	-2,405.43
29/07/2010	LGIS Property	Insurance - Property (ISR) - 1st instalment of 2 for 30/6/10 to 30/6/11 period	-456.42
29/07/2010	Netregistry	Renewal of tamalapark.wa.gov.au for 2 years (15/9/10 to 15/9/12)	-62.00
29/07/2010	Reckon	QuickBooks 2010/11 direct subscription	-609.00
29/07/2010	Telstra	TA mobile usage to 13/7/10 & service charges 14/7/10 to 13/8/10	-111.60
29/07/2010	WALGA	Associate membership 2010/2011	-2,200.00
29/07/2010	City of Stirling	Electricity & Hire MR3 SCC August 2010	-415.36
29/07/2010	City of Stirling	Hire MR1 SCC for PCG Mtg 12/8/10	-78.00
29/07/2010	Australian Taxation Office	BAS paid for quarter April 2010 to June 2010	-23,596.00
			-146,463.61

9.4 TPRC BUDGET FOR THE FINANCIAL YEAR 2010/2011

Report Information

Location: Not Applicable
Applicant: Not Applicable
Reporting Officer: Chief Executive Officer File Reference: 12.26.37.2

Recommendation

That the Council APPROVE by absolute majority pursuant to provision of the LGA 1995 the adoption of the annual budget for the year ending 30 June 2011 as distributed with this agenda.

Voting Requirements

Absolute Majority

Report Purpose

Consideration of the budget for the financial year 1 July 2010 - 30 June 2011 including project approval and resource allocation.

Relevant Documents

Appendix: 2010/2011 Draft Budget
Available for viewing at the meeting: Nil

Previous Minutes

- Council meeting - 3 August 2006 (Item 9.4 - Adoption 2006-2007 Budget)
- Council meeting - 3 April 2007 (Item 9.7 - Budget Review as at 28 Feb 2007)
- Council meeting - 14 June 2007 (Item 9.5 - Draft budget 2007-2008)
- Council meeting - 9 August 2007 (Item 9.4 - Budget Adoption 2007-2008)
- Council meeting - 21 February 2008 (Item 8 - Audit Committee Item 9.1 - Budget Review 2007-2008)
- Council meeting – 13 August 2009 (Item 9.13 – TPRC Budget for Financial Year 2009/2010)

Policy Reference

N/A

Local Government Act/Regulation

- Local Government Act 1995: Sect 6.2 Council Required, between 1 June and 31 August to adopt budget for financial year
- Local Government Act 1995: Sect 6.2. Budget to have regard for Local Authority Plan for the Future
- Local Government (Financial Management) Regulations 1996: Part 3 sets out the Annual Budget form and content
- Guideline 8 - Opening Closing Funds - Annual Budget
- Local Government (Financial Management) Regulations 1996: Regulation 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regulations 1996: Regulation 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.

Regional Local Governments are exempted rating on land value budget requirements which must be featured in Budgets of other Local Governments.

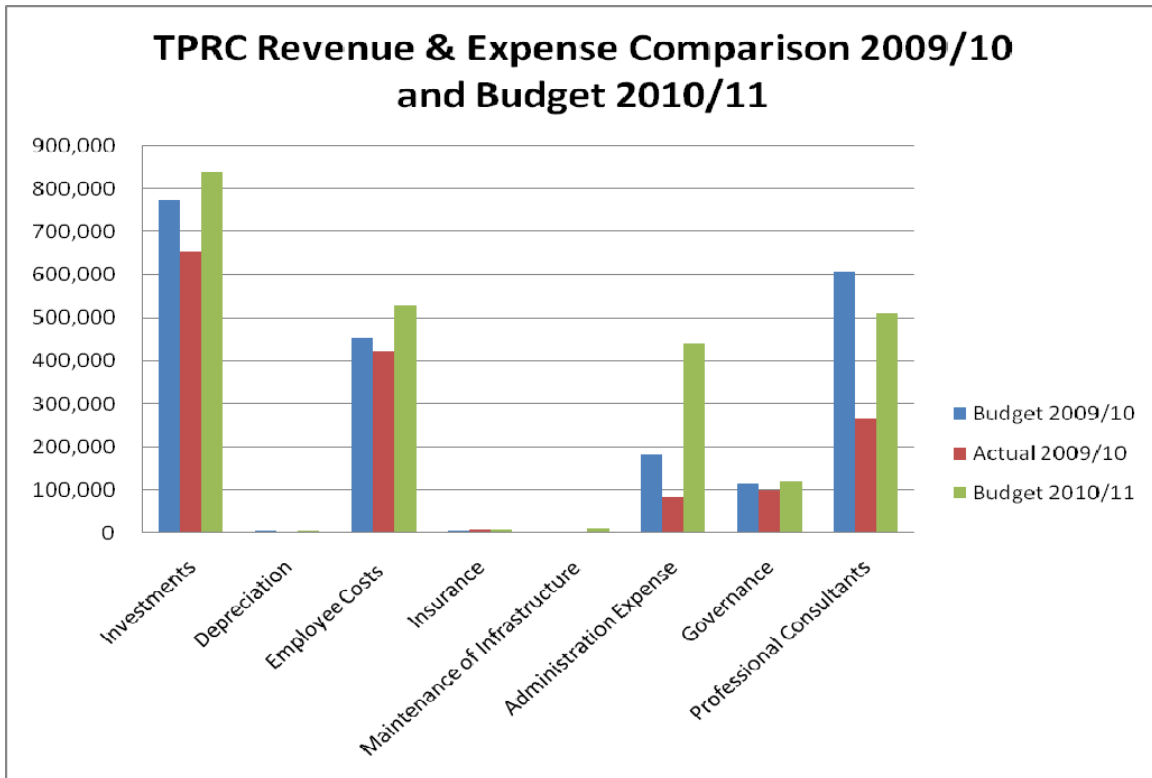
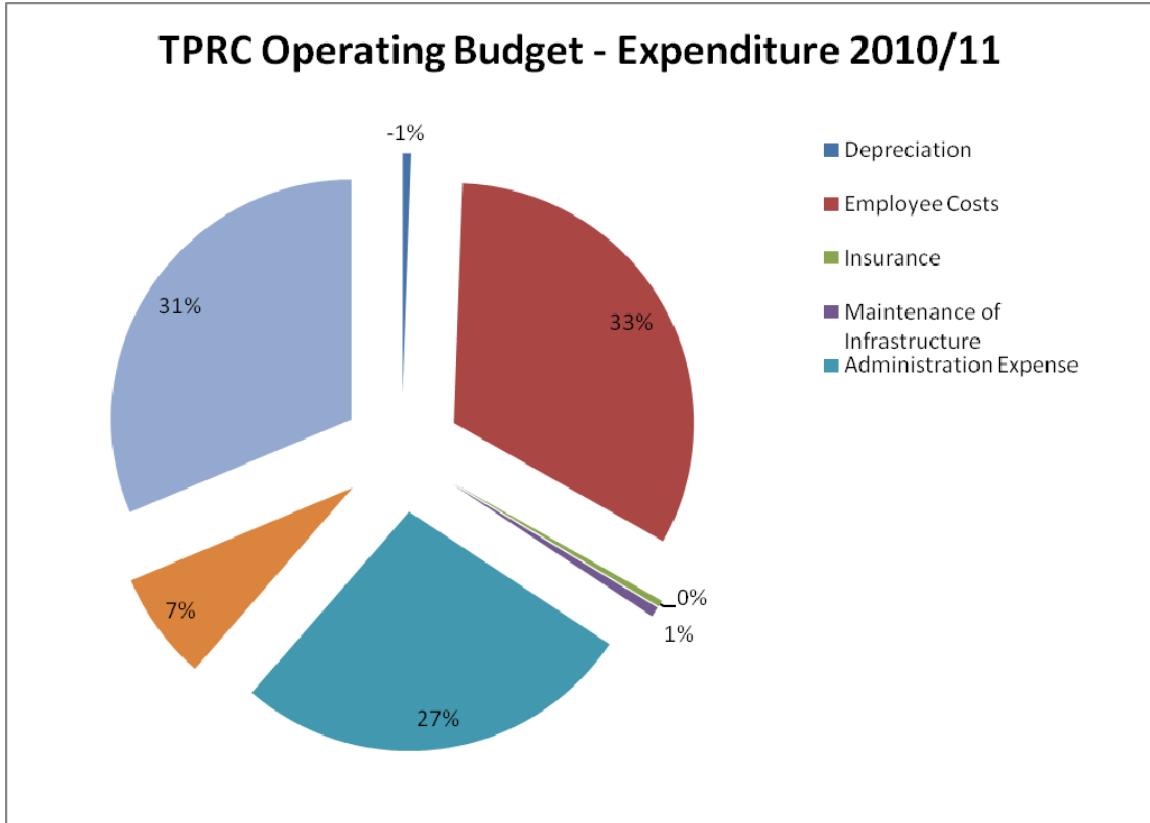
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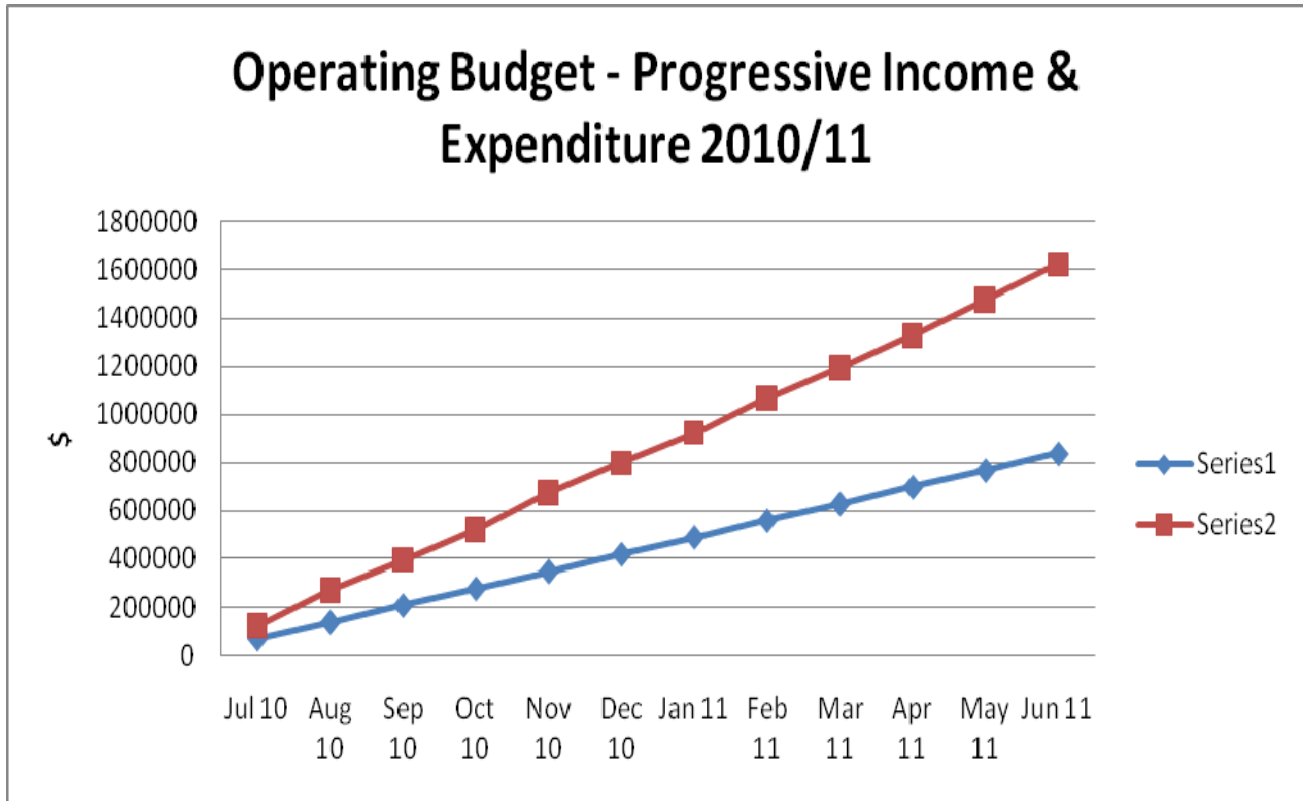
1. In 2009/2010 the TPRC did not expend all projected operating allocations, particularly in the areas of consultancies and land and buildings (new office). Increases in interest rates during the second half of 2009/2010 resulted in the budgeted investment income for 2009/2010 being achieved. As result the operating budget for the financial year was in surplus.

Economic forecasts for 2010/2011 suggest an improving Australian economy, and in particular the Western Australian economy. Interest rates are expected to stabilise, but some minor increases are still possible through 2010/2011.

2. In the forthcoming year 2010/2011, projected income and expenditure compared with previous years is shown in the table and graphs below.

	Budget 2008/09	Actual 2008/09	Budget 2009/10	Actual 2009/10	Budget 2010/11
Investments	1,053,095	1,054,192	772,958	652,585	838,236
Depreciation	4,502	4,847	4,502	0	4,502
Employee Costs	328,414	263,453	454,853	422,473	529,983
Insurance	4,250	3,649	5,540	6,603	7,005
Maintenance of Infrastructure	2,700	527	700	0	11,000
Administration Expense	93,348	29,306	180,858	85,297	439,710
Governance	114,000	98,500	114,000	100,577	118,500
Professional Consultants	1,047,200	642,044	606,546	264,528	508,800
	1,594,414	1,042,326	1,366,999	879,478	1,619,500
Net Operating Result	-541,319	11,866	-594,041	-226,893	-781,264





3. The detail of the budget is yet to be assembled in local government format but is shown in the attached schedule (Appendix 9.4) which indicates item expenditure and cash flow through the 12 months of the financial year. The emphasis of the budget is focused with initiatives in the following areas:

- Administration;
- Approval of the Structure Plan;
- Federal Environmental Approvals (EPBC Act)
- Project Marketing and Branding;
- Application for Approval of Stage 1 Subdivision Plan
- Project Management and Sales/Marketing Management Arrangements
- Research Environmental/Sustainability Initiatives

3.1 Administration

Provision is made for additional staff for the TPRC office, which reflects an expectation that the TPRC, and more particularly the Tamala Park development, will enter a new phase which will involve lot construction and sales/marketing in 2011. It also recognises the relocation to more appropriate office premises.

Allocations have been made for a full time staff complement of 3 FTE's.

An amount of \$120,000 (TPRC resolution 24 June 2010) has been provided for the fit out of office premises. The expenditures covered in this category are seen as items 86-88 in the schedule.

3.2 Approval of the Structure Plan

The Structure Plan process is well advanced, with final approval by the City of Wanneroo and the Western Australian Planning Commission expected later in 2010. Expenditure in this area will be in response to the City of Wanneroo and the Western Australian Planning Commission requirements. This will enable the Stage 1 subdivision application to be lodged in 2010/2011.

The expenditures covered in this category are seen as items 59-64 in the schedule.

3.3 Federal Environmental Approvals (EPBC Act)

Given the environmental values of areas of the TPD and the potential for habitat for Carnaby's Cockatoo and Graceful Sun Moth, there is likely to be a requirement to refer the Structure Plan and EMP to DEHWA for approval.

Preliminary consultation has now commenced with DEHWA in relation to the Structure Plan and the environmental values of the TPD. The Council approved the referral of the Structure Plan to DEHWA in 11 February 2010. The necessary referral documentation is under preparation.

The expenditures covered in this category are seen as item 72 in the schedule.

3.4 Project Marketing and Branding

Provision is made for the rebranding and preliminary marketing of the Project in anticipation of achieving the necessary planning and environmental approvals during the later part of 2010. The expenditure will be dependent on satisfactory progress with the DEHWA and the environmental approvals under the EPBC Act.

The expenditures covered in this category are seen as item 77 in the schedule.

3.5 Application for Approval of Stage 1 Subdivision Plan

Given the progress of the Structure Plan it is anticipated that an Application for Approval of Stage 1 Subdivision Plan could be lodged late in 2010 or early in 2011. The Stage 1 Subdivision Application will comprise approximately 300 lots. As per Item 4.6, this will also be dependent on satisfactory progress with the DEHWA and the environmental approvals under the EPBC Act.

Allowance has been made for the appointment of consultants to design and manage the following:

- Stage 1 Subdivision Plan
- Stage 1 earthworks, civil and landscape construction,
- Marketing and Selling campaigns, advertising and media purchase

Consultants proposed to be appointed include Town planning/urban design, Civil Engineering, Survey, Landscape Architecture, Advertising/Marketing, and Research.

Provision for expenditure is included in item 82.

3.6 Project Management and Sales/Marketing Management Arrangements

The preferred proponent for project management service and sales and marketing management was selected in June 2010. Provision for legal contracts is made for the financial year. The expenditure is included in item 35.

3.7 Research Environmental/Sustainability Initiatives

The principles outlined in the Structure Plan will be reviewed to determine viability and implementation. This will particularly apply to a number of the initiatives relating to water conservation, transport, energy generation and new infrastructure. This will be undertaken in conjunction with the appointed Development Manager. The expenditure is included in items 67-70.

3.8 Investment Income

Indications are that interests will stabilise through 2010/2011 but some minor increases are still possible. The return from investments will be affected as the purchase of the MRWA land, (\$2,250,000) was made from the investment fund, and the principal is now \$15,075,550.14 (estimated June 2010).

Last year financial the investment income amounted to \$871,475.30 (projected). Having regard for an improving Australian economy and potential stability of interest rates the expected contribution of investment returns to operating revenue is \$838,237, which shows an improvement on 2009/2010. This assumes an investment rate of 5.6% per annum for 2010.

At this point there has been no call upon local authority funds to meet any operating or capital expenditure. This position is expected to continue in 2010/2011.

Summary

The summary budget provision for the year is an operating deficiency of \$781,264 and a draw on capital for TPRC office fit out of - \$120,000. In addition there will be a distribution from retained surpluses to local authorities amounting to \$94,537 (estimated) representing a rate equivalent payment for the land comprising Lot 9504 Tamala Park less the rates payable in respect of the land leased to MRC.

At this stage, the budget projections are submitted for Council review. The proposed budget will be formulated in the presentation required by the Local Government Act and Regulations, will contain any amendments proposed by the Council and will be submitted for formal adoption at the August 2010 Council meeting.

At its meeting of 24 June 2010 the Audit Committee recommended to the Council as follows:

1. *That the TPRC draft budget proposals for the financial year 1 July 2010 - 30 June 2011 be RECEIVED.*
2. *That the budget proposals report be FURTHER CONSIDERED at the Council meeting on 19 August 2010.*

Items that have been amended/added since the budget item was presented to the Audit Committee meeting on 24 June 2010 include the following:

- Item 39: E145088 - Accounting Management - \$20,000;
- Item 9: E145009 – WALGS Superannuation - amount increased to \$3,200 from \$1,485;

- Item 17: E145025 – Other Accom & Property Costs – increased to \$15,000 from \$5,344;
- Item 36: E145083 – Research – added \$20,000;
- Item 62: E145405 – Syrinx Environmental - added \$5,000;
- Item 84: E145204 – Fences/Walls – added \$5,000;
- Item 85: E145206 – Mtc Services – Land – Other - added \$5,000;
- Item 87: E168512 – Assets Furniture – decreased to \$30,000 from \$40,000; and
- Item 88: E168513 – Office fitout – decreased to \$80,000 from \$100,000.

9.5 APPOINTMENT OF EXTERNAL AUDITOR

Report Information

Location: Not Applicable
 Applicant: Not Applicable
 Reporting Officer: Chief Executive Officer File Reference: 12.19.382.0

Recommendation

That the Council:

1. **APPROVE the audit specification and contractual requirements as submitted for application to the Audit contract for services to the TPRC for the period 2011 – 2013.**
2. **ENDORSE the action taken requesting quotations for audit services.**
3. **APPOINT Tony Macri (of Macri and Partners) to be Auditor to the TPRC for the 3 financial years ending 30 June 2011; 2012 and 2013 respectively.**
4. **APPROVE the audit fees as submitted:**

REQUIREMENT EXTERNAL AUDITING SERVICES	YEAR 1	YEAR 2	YEAR 3
Fixed Lump Sum Fee Per Annum (Including GST)	\$9,350	\$9,900	\$10,450
Estimated Number of Hours	75	75	75
HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK	YEAR 1	YEAR 2	YEAR 3
Partner	\$198	\$198	\$198
Manager	\$165	\$165	\$165
Senior	\$143	\$143	\$143
Graduate/Assistant	\$121	\$121	\$121

Voting Requirements

Simple Majority

Report Purpose

To progress the appointment of an Auditor to the TPRC.

Relevant Documents

Appendix: Nil
 Available for viewing at the meeting: Tender submissions from Haines Norton and Macri & Partners

Previous Minutes

- Council Meeting – 9 December 2009 (Item 14.7 – Appointment of External Auditor)
- Council Meeting - 9 August 2007 (Item 9.7 - Appointment of External Auditor)
- Council Meeting - 5 October 2006 (Item 8.1 - Appointment of External Auditor)

Policy Reference

TPRC Audit Charter requires the Audit Committee to recommend the appointment of an auditor to the Council.

Local Government Act/Regulation

Local Government Act Section 7.3 (1) requires the recommendation for appointment of an auditor to be made to the Council by the Audit Committee

Local Government Act Section 7.9 requires appointment of an auditor by 30 November 2007.

Background

The TPRC has adopted an Audit Charter which recognises the TPRC obligations under the Local Government Act and Local Government (Audit) Regulations 1996.

The Council is obliged to appoint an external auditor. The Audit Committee is charged with the responsibility for defining the process of appointment and making a recommendation for appointment to the Council.

The Council, on 9 December 2009, approved issuing invitations to auditors to provide external audit services.

Comment

The value of services to be provided under contract for the financial years ending 2011 - 2013 is unlikely to be more than \$50,000 which is the figure prescribed for tenders by the TPRC.

Invitations to provide services have been issued to auditors servicing participant local governments of TPRC.

The audit firms in question are:

- Macri & Partners
- Haines Norton
- Grant Thornton

At the closing time specified (COB 11 February 2010) 2 responses had been received from Macri & Partners and Haines Norton.

The fees proposed for the audit are as follows:

		Haines Norton	Macri & Partners
Total Fee	2011	\$6,600.00	\$9,350.00
	2012	\$7,150.00	\$9,900.00
	2013	\$7,700.00	\$10,450.00
Additional Services \$ per hour 2011	Partner	\$440.00	\$198.00
	Manager	\$275.00	\$165.00
	Senior	\$198.00	\$143.00
	Intermediate	\$165.00	
	Graduate/Assistant	\$110.00	\$121.00
Additional Services \$ per hour 2012	Partner	\$462.00	\$198.00
	Manager	\$286.00	\$165.00
	Senior	\$209.00	\$143.00
	Intermediate	\$176.00	
	Graduate	\$121.00	\$121.00
Additional Services \$ per hour 2013	Partner	\$484.00	\$198.00
	Manager	\$297.00	\$165.00
	Senior	\$220.00	\$143.00
	Intermediate	\$187.00	
	Graduate	\$132.00	\$121.00
Number of Hours	2011	45	75
	2012	45	75
	2013	45	75

Both Macri & Partners and Haines Norton currently provide audit services to numerous local governments and regional councils, including a number of member councils.

An evaluation of responses has been conducted using the evaluation criteria set out on page 5 of part 2 of the specification and audit contract document.

The evaluation matrix resulting from the review of submissions is as follows:

Description of Evaluation Criteria	Points Available	Weighting	Macri	Haines Norton
a) Price	10	50%	(6) = 9	(6) = 9
b) Demonstrated experience in completing similar assignments	10	10%	(8) = 8.8	(8) = 8.8
c) Methodology for audit and communication	10	10%	(8) = 8.8	(8) = 8.8
d) Conformity with tender documents and specifications	10	10%	(8) = 8.8	(8) = 8.8
e) Skills and experience of key personnel	10	10%	(8) = 8.8	(8) = 8.8
f) Technical expertise	10	10%	(8) = 8.8	(8) = 8.8
Total		100%	53	53

NB: Figures in brackets represent raw scores.

Rate	Description
0	Inadequate or non appropriate offer, many deficiencies, does not meet criterion
2	Marginal offer, some deficiencies, partly meets criterion
4	Fair offer, few deficiencies, almost meets criterion
6	Good offer, no deficiencies, meets criterion
8	Very good offer, exceeds criterion
10	Outstanding offer, greatly exceeds criterion

Whilst Haines Norton has a lower lump sum price it has allowed substantially less hours to undertake the annual audit. As a result the both Macri Partners and Haines Norton Based have the same score for the evaluation matrix. Given Haines Norton are accounting consultants to TPRC it is not appropriate for them to also undertake audit services.

At its meeting of 24 June 2010 the Audit Committee recommended to the Council as follows:

1. *That the audit specification and contractual requirements as submitted be APPROVED for application to the Audit contract for services to the TPRC for the period 2011 – 2013.*
2. *That action taken requesting quotations for audit services be ENDORSED.*
3. *That Macri and Partners be APPOINTED Auditor to the TPRC for the 3 financial years ending 30 June 2011; 2012 and 2013 respectively.*
4. *That audit fees be APPROVED as submitted.*

REQUIREMENT	YEAR 1	YEAR 2	YEAR 3
EXTERNAL AUDITING SERVICES			
Fixed Lump Sum Fee Per Annum (Including GST)	\$9,350	\$9,900	\$10,450
Estimated Number of Hours	75	75	75
HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK	YEAR 1	YEAR 2	YEAR 3
Partner	\$198	\$198	\$198
Manager	\$165	\$165	\$165
Senior	\$143	\$143	\$143
Graduate/Assistant	\$121	\$121	\$121

9.7 MANAGEMENT COMMITTEE

Report Information

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

Recommendation

1. That Council **APPROVE** the establishment of a Management Committee.
2. That the Management Committee **COMPRISE** a minimum of six members.
3. That in accordance with the provisions of the Local Government Act 1995, **APPOINTS BY ABSOLUTE MAJORITY** the following six Council members to the Management Committee:

Members:

1. *Cr*
2. *Cr*
3. *Cr*
4. *Cr*
5. *Cr*
6. *Cr*

4. That the Council approve the following terms of reference and delegations for the Management Committee:
 - Recommending to Council the Project Annual Plan, Project Budget and Project Milestones.
 - The establishment and variation of key performance indicators which will be used to measure the performance of the Development Manager.
 - Monitoring the Approved Project Budget (including any proposed variations to the Approved Project Budget).
 - Stage-by-stage cost determination and review.
 - Monitoring the Project's strategy, plans or concepts.
 - Monitoring the marketing and sales program for the Project.
 - Approval of sales schedules (including pricing) prior to the release of a stage of the Project.
 - Contracts to be entered into by any party with a value less than \$1,000,000.
 - Monitoring the Approved Project Program (including any proposed variations to the Approved Project Program).
 - The appointment of Project consultants and contractors with a value less than \$1,000,000.
 - The location of Stages of subdivision including the number of lots, Display village(s) (size, mix and locality).

- **Approval to the lodgement of Subdivision Applications with the Western Australian Planning Commission.**
- **Approval to marketing strategy and program.**
- **Monitoring the implementation of TPRC objectives.**
- **Generally monitor the performance of the Development Manager;**
- **Generally progress the Project.**
- **To provide regular confidential updates on progress to the Council.**

Voting Requirements

Absolute Majority

Report Purpose

To provide for the establishment and membership of a Management Committee.

Relevant Documents

Appendix: Nil

Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Background

The draft Development Manager's Agreement (DMA) proposes the formation of a Management Committee to progress and monitor the project. The Management Committee could effectively replace the PSC.

Comment

The draft DMA anticipates the Management Committee would be involved in the following matters:

- The establishment and variation of key performance indicators which will be used to measure the performance of the PM/SM.
- Monitoring the Approved Project Budget (including any proposed variations to the Approved Project Budget).
- Stage-by-stage cost determination and review.
- Monitoring the Project's strategy, plans or concepts.
- Monitoring the marketing and sales program for the Project.
- Approval of sales schedules (including pricing) prior to the release of a stage of the Project.
- Contracts to be entered into by any party with a value less than \$1,000,000.

- The Approved Project Budget (including details of costs incurred to date and forecast costs to complete).
- Monitoring the Approved Project Program (including any proposed variations to the Approved Project Program).
- The appointment of Project consultants and contractors with a value less than \$1,000,000.

In order for the Project to run in a timely and efficient manner it is considered that the Management Committee should have authority to manage and have delegate authority to make decisions. The composition and the Terms of Reference of the Management Committee need to reflect the following:

- The TPRC will set the strategic direction for the Project, approve an Annual Plan and Budget and Program.
- The need for expedient decision making to achieve program/milestones.
- Commercial sensitivities that will arise from such a business venture.
- Monitoring the budget and program for the Project.
- Monitoring the implementation of TPRC objectives.

It is expected that the Management Committee would be required to meet on a monthly. The Committee would provide regular reports on the project to keep Council informed.

It is recommended that the Council appoint the Management Committee and approve the following Terms of Reference:

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

9.8 PROJECT CONSULTANCIES - TENDERS

Report Information

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

Recommendation

That the Council AUTHORISE the CEO to invite tenders associated with the design and management of the Stage 1 subdivision plan, earthworks, civil and landscape construction for the following:

- **Town Planning/Urban Design;**
- **Civil Engineering;**
- **Survey;**
- **Landscape Architecture;**
- **Advertising/Marketing; and**
- **Any related consultancies.**

Voting Requirements

Simple Majority

Report Purpose

To seek approval for tender of various consultancies associated with Stage 1 development.

Relevant Documents

Appendix: Proposed Tender Briefs for the various consultancies
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Background

Given the progress of the Structure Plan it is anticipated that an Application for Approval of Stage 1 Subdivision Plan could be lodged late in 2010 or early in 2011, subject to satisfactory progress with the DEHWA and the environmental approvals under the EPBC Act.

It is proposed to appoint consultants to design and manage the following:

- Stage 1 Subdivision Plan
- Stage 1 earthwork, civil and landscape construction
- Marketing and Selling campaigns, advertising and media purchase

Consultants proposed to be appointed include Town planning/urban design, Civil Engineering, Survey, Landscape Architecture, Advertising/Marketing, Research. The scope of works for the various consultants is as follows:

Scope of Works – Civil Engineering

The consultant is to provide detailed engineering advice and reporting on project servicing and development costs and to assist in providing information for finalisation of structure planning and subdivision planning, environmental investigations, community consultation and participate as a key member of the project team. In addition, the consultant will undertake detailed engineering design and superintendence services for the project.

The engineering services being sought include the following:

- Engineering Services - Master Planning
- Detailed Design and Tender
- Contract Administration
- Cost Control
- Maintenance
- Approvals Liaison & Reporting

Scope of Works – Landscape Architecture

The consultant is to provide comprehensive landscape architecture/design services including the management of all landscape works. The landscape services being sought include the following:

- Preparation of a landscape master plan.
- Detailed design of all landscape works and irrigation services.
- Contract administration of all landscape works.

Scope of Works – Marketing Agency

The consultant is to provide comprehensive marketing agency services to the Project, including but not limited to strategic marketing, creative concepts, branding, media buying and negotiation, and marketing management.

Scope of Works – Survey Services

The consultant is to provide comprehensive survey and mapping services, including the management of all client and statutory processes. These include:

- Surround and control surveys
- Feature surveys
- Set out for construction services
- Pre calculation plans
- Deposited Plans
- Clearances management

Scope of Works – Town Planning & Urban Design

The consultant is to provide comprehensive town planning and urban design services in relation to the stage one subdivision application, preparation of detailed area plans, a review of the structure plan and general planning inputs.

The town planning and urban design services requested include:

- Subdivision application plans
- General planning and authority follow up
- Detailed area plans
- A review of the local district structure plan
- Any necessary scheme amendments
- Planning inputs into other consultant reports.

Attached at Appendix 9.8 is the proposed Tender Briefs for the various consultancies.

The value of Tenders will be outside current delegations to the Chief Executive Officer.

PROPOSED PROGRAM

Request for Tender Advertised	25 August 2010 + 28 August 2010
Closing Date	8 September 2010
Evaluation Process	9 September 2010 – 23 September 2010
TPRC Approval of preferred proponent	14 October 2010
Contract Award	21 October 2010

In order to have the appointment of the consultants dealt with in a timely manner it is considered that the Management Committee should have authority to manage the Tender process, and appoint the consultants referred to in this report.

9.9 TPRC STRUCTURE PLAN STATUS UPDATE

Report Information

Location: Not Applicable
Applicant: Not Applicable
Reporting Officer: Chief Executive Officer File Reference: 18.121.624

Recommendation

That the Council RECEIVE the status report in relation to the TPRC Structure Plan.

Voting Requirements

Simple Majority

Report Purpose

To advise status with Structure Plan approval.

Relevant Documents

Appendix: Nil
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Various Council meetings – most recent 24 June 2010 (Item 9.8 – TPRC Structure Plan Status Update)

Background

The Council at its meeting on 13 August 2009 considered the completed Structure Plan for the new urban development at Tamala Park.

The City of Wanneroo approved the Structure Plan for public advertising from 27 October 2009 to 7 December 2009. During the advertising period for the Structure Plan 17 submissions were received by the City of Wanneroo.

Comment

The Structure Plan was considered by the City of Wanneroo on 4 May 2010 at which time Council resolved to support a modified Structure Plan, subject also to a number of modifications being effected prior to final approval. It also resolved to refer the Structure Plan to the Western Australian Planning Commission for approval.

The statutory documentation will require modification in response to the WAPC current position on Structure Plans. The main changes relate to the following:

- Change the format of the Structure plan from A3 to A4;
- Simplification and combination of objectives;
- Simplification and combination of the DAP requirements;
- Requirements for land use permissibility within the wellhead protection buffer zone;
- The requirement for a noise assessment at the subdivision stage; and
- The requirement to prepare an Aboriginal Heritage Management Plan, as a condition of subdivision.

The Western Australian Planning Commission has not yet determined the Structure Plan. The following issues are delaying the approval of the Structure Plan:

1. The Department of Environment and Conservation (DEC) position on the Graceful Sun Moth (GSM). The GSM is declared specially protected fauna under the WA Wildlife Conservation Act 1950, and it is rare or likely to become extinct. It is listed as endangered under the Commonwealth Environmental Protection and Biodiversity Conservation Act 1999 (EPBC Act).
2. The Buffer Zone from the Tamala Park landfill site and potential implications on proposed residential development within the TPD.
3. Approval of a Local Water Management strategy by the Department of Water (DoW). DoW has requested additional requirements to the submitted Local Water Management Strategy.

There are on going discussions between the WAPC, DEC and DoW to have these matters resolved as a matter of priority.

A further update will be provided at the Council meeting.

9.10 STRUCTURE PLAN REFERRAL - ENVIRONMENTAL PROTECTION & BIODIVERSITY CONSERVATION ACT

Report Information

Location: Not Applicable
Applicant: Not Applicable
Reporting Officer: Chief Executive Officer File Reference: 18.121.624.9

Recommendation

That Council RECEIVE the report.

Voting Requirements

Simple Majority

Report Purpose

To provide a status report on the referral of the Structure Plan to the Department of Environment, Water, Heritage and the Arts (DEWHA) under the Environment, Protection and Biodiversity Conservation Act 1999 (EPBC Act).

Relevant Documents

Appendix: Nil
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Background

The Environmental Management Plans (EMP) prepared for the TPD identified potential habitat for Carnaby's Cockatoo and Graceful Sun Moth, both are listed as endangered under the EPBC Act.

The EPBC Act requires referral of any proposals that may impact on endangered species to the DEWHA.

Given the environmental values surrounding the TPD and the potential for habitat for Carnaby's Cockatoo and Graceful Sun Moth, their status as endangered under the EPBC Act, there is likely to be a requirement to refer the Structure Plan and EMP to DEWHA for approval. DEWHA has call in powers in the event proposals are not referred to it for consideration.

It was considered that any referral to DEHWA should occur following the completion of the Level 2 Flora survey and Graceful Sun Moth survey so that full information was available on these and other environmental matters.

At its meeting of February 2010 the Council approved the referral of the Structure Plan and Environmental Management Plan to the Department of Environment, Water, Heritage and the Arts, subject to the completion of the required environmental surveys. It also approved budget allocation for the necessary consultancy expenses.

Comment

All the field survey work for the Level 2 Flora survey and Graceful Sun Moth (GSM) survey has now been completed. As previously reported no DRF or endangered species were recorded as part the Level 2 Flora survey. In terms of GSM surveys two GSM specimens were found just within the western boundary on the TPRC landholding.

As advised at the Council meeting of 24 June 2010 preliminary discussions have commenced with representatives of the DEHWA and the office of the Minister for the Environment. The environmental consultants will provide a report and strategy for proceeding with the formal referral to the DEHWA.

Environmental consultants have been engaged (Eco Logical Australia) to prepare the necessary referral documentation.

The referral will need to demonstrate that acceptable environmental outcomes can be achieved for the project. It will need to address the following issues:

- The extent and quality of Carnaby's black cockatoo foraging and breeding habitat onsite and in the offset area.
- The significance of potential impacts to the Graceful sun moth.
- Mitigation measures proposed within the site to reduce impacts, which could include:
 - Altering the design of the site to retain areas of important habitat.
 - Use of habitat species in any proposed re-vegetation or rehabilitation works.
 - Maintenance of street trees and trees containing hollows throughout the site.
 - Provision for habitat plantings within residential lots.
 - Provision for the use of habitat species in street plantings throughout the site.
 - A management plan for habitat retained onsite.
- Present the 91.04 hectare Bush Forever Protection Area as a suitable and reasonable offset to compensate for residual impacts onsite (impacts that cannot be avoided or mitigated). This site will be presented as an actual gain to the regional conservation status of relevant species. This could involve:
 - Conservation in perpetuity of the area.
 - Management and rehabilitation of the area.
 - Funding for ongoing management of the area.
- No further offsets are proposed. However, based on DEHWA's position on other projects it may require further offsets. The offsets required by DEHWA are often based on a ratio of habitat area conserved compared to habitat lost. The actual ratio may depend on many issues, however, DEHWA's recent practice has been at least 6ha for every 1ha lost (6:1).

A further update will be provided at the Council meeting.

9.11 PROPOSAL TO ACQUIRE PORTION OF TPRC LAND – DEPARTMENT OF HOUSING

Report Information

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

Recommendation

That the Council:

- 1. NOTE the proposal by the Department of Housing to acquire portion of TPRC land.**
- 2. ADVISE the Department of Housing that at this stage the Council is not prepared to consider the sale of any of the Tamala Park landholding.**

Voting Requirements

Simple Majority

Report Purpose

To seek Council position on Department of Housing proposal to acquire portion of TPRC land.

Relevant Documents

Appendix: Nil
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Background

The Department of Housing has formally expressed its interest in the possible acquisition of all or portion of the Tamala Park landholding. Attached is a copy of the Department's correspondence.

The Department already has two major landholdings in the north-west corridor but indicates its strong interest in being represented in the Tamala Park project given its proximity to the Clarkson rail station and the opportunities for housing diversity and affordability.

The Department has identified the land east of Connolly Drive which comprises 37 hectares of being of particular interest as it offers the greatest scope for housing diversity and affordability given its proximity to the Clarkson Railway Station.

It has suggested a potential purchase price of between \$750,000 - \$800,000 per hectare. It is normal practice for the Department to negotiate a purchase price based on market value as assessed by a licensed valuer.

The Department has indicated its experience in joint venture projects, namely the Brighton project and Banksia Grove. The Department has also indicated its interest in partnering with the TPRC should this be of interest to the Council. Such an option may involve the Department paying to the TPRC a negotiated amount to secure a 50% share of the land.

Comment

Whilst the correspondence from the Department does not constitute a formal offer to purchase it does represent a serious proposal. The potential values nominated of between \$750,000 - \$800,000 indicated in the correspondence is considered to be approximate market values given that the Structure Plan, environmental approval and urban zoning have not yet been finalised.

The proposal does some opportunities for Council's consideration:

- It provides Member Councils the opportunity to obtain revenue from land which would have been developed and sold at a later part of the overall project.
- An opportunity to provide higher density and affordable housing in the Project in an advanced timeframe.
- It provides the option of entering into a joint venture with Department of Housing, an experienced affordable housing provider.

The Council previously took the view that it would not enter in joint venture proposal as it would lead to a lesser financial return. Given that the TPRC has sufficient capital to fund the initial stages of construction, the need for capital injection by joint venture partnership is not required. In addition a joint venture is usually based on shared decision making which would result in loss of control over the Project.

It is likely that other parties would be interested in acquisition in part of the TPRC land and may potentially offer higher values. Such an outcome is uncertain without seeking Expressions of Interest from a wider market.

The Local Government Act sets out the requirements for the disposal of Council property, which in terms requires a public tender process. This would preclude a direct sale to the Department of Housing without first having undertaken a tender process.

Given the imminent appointment of Satterley as Development Manager, it would seem appropriate to seek the Development Manager advice on such a proposal.

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