

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

# Meeting of Council

## AGENDA

**Thursday 21 February 2013**  
**City of Wanneroo, 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 Wanneroo, 23 Dundobar Road, Wanneroo 6.00pm on Thursday 21 February 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 Eleni Evangel	
City of Stirling	Cr Giovanni Italiano (CHAIRMAN) Cr David Michael Cr Terry Tyzack Cr Rod Willox	Cr Stephanie Proud
Town of Victoria Park	Mayor Trevor Vaughan (DEPUTY CHAIRMAN)	Cr David Ashton
City of Vincent	Mayor Alannah MacTiernan	
City of Wanneroo	Cr Frank Cvitan Cr Dianne Guise	Cr Bob Smithson Cr Stuart Mackenzie

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

**PRELIMINARIES**

**1. OFFICIAL OPENING**

**DISCLOSURE OF INTERESTS**

**2. PUBLIC STATEMENT/QUESTION TIME**

**3. APOLOGIES AND LEAVE OF ABSENCE**

**4. PETITIONS**

**5. CONFIRMATION OF MINUTES**

Council Meeting – 13 December 2012

**5A. BUSINESS ARISING FROM THE MINUTES**

**6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)**

**7. MATTERS FOR WHICH MEETING MAY BE CLOSED**

**8. REPORTS OF COMMITTEES**

- CEO Performance Review Committee Meeting – 31 January 2013
- Management Committee Meeting – 7 February 2013
- Audit Committee Meeting – 14 February 2013

**9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.18)**

**9.1 BUSINESS REPORT – PERIOD ENDING 14 FEBRUARY 2013**

Reporting Officer: Chief Executive Officer      File Reference: N/A

**Recommendation**

**That the Council RECEIVE the Business Report to 14 February 2013.**

**Voting Requirements**

Simple Majority

**Report Purpose**

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

**Relevant Documents**

Appendix: Nil  
Available for viewing at the meeting: Nil

**Background**

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

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

**Comment**

**1. Civil Construction - Status**

The following table provides an overview of the progress of civil works to date;

<b>Stage</b>	<b>Lots</b>	<b>Commencement of Construction</b>	<b>Original Practical Completion Date</b>	<b>Works Status</b>	<b>Titles</b>
4	48	20th August 2012	15 <sup>th</sup> February 2012	99% Complete – Works on schedule	February 2013
5	63	10 <sup>th</sup> December 2012	27 <sup>th</sup> June 2013	35% Complete – Works on schedule	June 2013

## 2. Bulk Earthworks

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

Stage	Commencement Date	Practical Completion Date	Works Status
Stage 5	13 <sup>th</sup> September 2012	20 <sup>th</sup> December 2012	- Works completed on 21 <sup>st</sup> December 2012. - PC achieved on 21 <sup>st</sup> January 2013.
Stage 7	8 <sup>th</sup> October 2012	15 <sup>th</sup> February 2013	- Works completed on 21 <sup>st</sup> December 2012. - PC achieved on 21 <sup>st</sup> January 2013.

## 3. Stage 1 Landscape works – Status

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

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
1 – Drainage Basin & Neerabup Rd	2 <sup>nd</sup> July 2012	22 <sup>nd</sup> October 2012	PC achieved 19 <sup>th</sup> December 2012.
1 – Lot 1/ Entry Statement	2 <sup>nd</sup> July 2012	22 <sup>nd</sup> October 2012	Deferred pending resolution of Lot 1 Built Form outcome.
1 – Stage 1B POS	2 <sup>nd</sup> July 2012	22 <sup>nd</sup> October 2012	PC achieved 19 <sup>th</sup> December.

## 4. Stage 4 Titles

Stage 4 titles are expected to be issued in March 2013.

## 5. Stage 3 Titles

Titles issued on 11<sup>th</sup> January 2013 and settlements commenced on 4<sup>th</sup> February 2013, with 20 settlements to date. An update on settlements will be provided at the meeting.

## 6. Stage 6A Titles

Titles issued on 11<sup>th</sup> January 2013 and settlements commenced on 4<sup>th</sup> February 2013, with 4 settlements to date. An update on settlements will be provided at the meeting.

## 7. Temporary Sales Office

The Temporary Sales Office is fully operational and is receiving good traffic.

## 8. Housing Construction

To date 4 Builders Homes have commenced within the Stage 2 Builders Display Village and 16 private homes are under construction.

## 9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF NOVEMBER & DECEMBER 2012

### Report Information

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

### Recommendation

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

- **30 November 2012; and**
- **31 December 2012.**

### Voting Requirements

Simple Majority

### Report Purpose

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

### Relevant Documents

Appendix: Monthly Statement of Financial Activity for the months ending 30 November 2012 and 31 December 2012.

Available for viewing at the meeting: Nil

### Local Government Act/Regulation

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

### Background

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

### Comment

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

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



**Agenda TPRC Meeting of Council – 21 February 2013**

<b>Interest Earnings</b>	Interest earnings are below budget projections as the investment principal is lower.
<b>Other Revenue</b>	The negative variance due to delay in settlements in Stage 2 & 3.
<b>Employee Costs</b>	The positive variance relates to timing of employee costs.
<b>Materials &amp; Contracts MTC</b>	The positive variance reflects that expenditure is below budget projections.
<b>Materials &amp; Contracts Other</b>	The positive variance due to timing of payments, but also recognises savings to the budget.
<b>Other</b>	The positive variance due to timing of payments, but also recognise savings to the budget.
<b>Professional/Consultant Fees</b>	The variance is due to timing of payments associated with civil design, planning and landscape which will adjust during the balance of year.
<b>Land Production Cost</b>	The variance is due to timing of payments associated with Bulk Earthworks for Stages 5, 7, 4 & 5 Civil works. Deferral of some works to 2013/14 and substantial savings of works.
<b>Utilities</b>	The positive variance due to timing of payments, but also recognises savings to the budget.
<b>Capital Items</b>	The positive variance due to timing of payments, but also recognises savings to the budget.

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

**Financial Snapshot as at 31 December 2012**

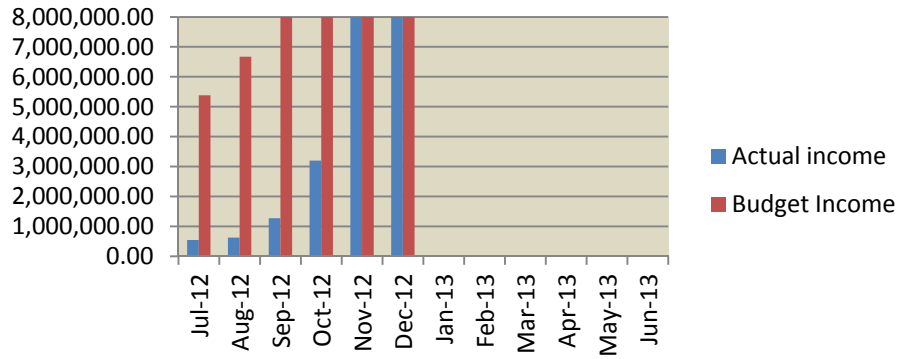
**TAMALA PARK REGIONAL COUNCIL  
FINANCIAL SNAPSHOT  
FOR THE PERIOD ENDING 31 JANUARY 2013**

	2012-13 ADOPTED BUDGET	2012-13 YTD BUDGET	2012-13 YTD ACTUAL	VARIANCE		VARIANCE
				FAVOURABLE	UNFAVOURABLE	
REVENUE	\$	\$	\$	\$	\$	%
Interest Earnings	449,000	269,400	315,816	46,416		17.2%
Other Revenue	42,793,252	17,240,260	7,900,691	0	(9,339,569)	-54.2%
	\$43,242,252	\$17,509,660	\$8,216,507	\$46,416	(\$9,339,569)	
<b>LESS EXPENDITURE</b>						
Depreciation	(19,320)	(12,172)	(6,084)	6,088		50.0%
Employee Costs	(620,651)	(377,997)	(277,419)	100,578		26.6%
Insurance	(11,300)	(11,300)	(9,303)	1,997		17.7%
Materials and Contracts MTC	(35,000)	(19,950)	-	19,950		100.0%
Materials and Contracts Other	(371,453)	(231,979)	(139,292)	92,687		40.0%
Other	(136,000)	(73,000)	(58,733)	14,267		19.5%
Professional /Consultant Fees	(763,535)	(480,824)	(168,460)	312,364		65.0%
Land Production Costs	(43,180,311)	(24,536,252)	(12,861,381)	11,674,871		47.6%
Utilities	(11,800)	(7,434)	(1,845)	5,589		75.2%
Capital Items	(80,000)	(80,000)	(65,044)	14,956		18.7%
Reimbursement of Rates	(90,000)	-	-	-		0.0%
	(\$45,319,370)	(\$25,830,907)	(\$13,587,561)	\$12,243,346	\$0	
Total	(\$2,077,118)	(\$8,321,247)	(\$5,371,054)	\$12,289,762	(\$9,339,569)	\$0

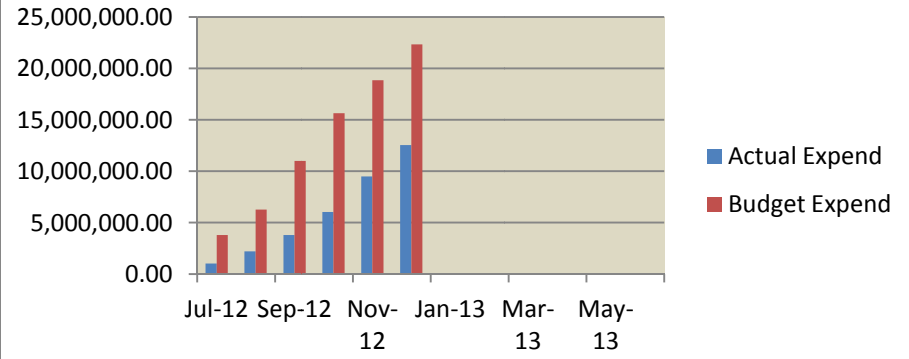
**Balance Sheet Summary as at 31 December 2012**

	Dec 31, 12	June 30, 12	\$ Change	% Change	Dec 31, 11
Cash and Investments	8,811,378.35	13,454,148.77	-4,642,770.42	-34.51%	12,831,819.75
Accounts Receivable	950,158.59	151,219.29	798,939.30	528.33%	0.00
Other Current Assets (inc Land Held for Resale)	30.00	1,030.00	-1,000.00	-97.09%	1,683,301.36
<b>Total Current Assets</b>	<b>9,761,566.94</b>	<b>13,606,398.06</b>	<b>- 3,844,831.12</b>	<b>-28.26%</b>	<b>14,515,121.11</b>
Fixed Assets	2,170,285.71	2,107,273.34	63,012.37	2.99%	2,069,802.65
<b>Total Assets</b>	<b>11,931,852.65</b>	<b>15,713,671.40</b>	<b>- 3,781,818.75</b>	<b>-24.07%</b>	<b>16,584,923.76</b>
Less Current Liabilities	411,933.53	593,801.12	-181,867.59	-30.63%	-93,627.59
Less Long Term Liabilities	9,862.66	9,862.66	0.00	0.00%	13,046.69
<b>Total Liabilities</b>	<b>421,796.19</b>	<b>603,663.78</b>	<b>-181,867.59</b>	<b>-30.13%</b>	<b>-80,580.90</b>
<b>Net Assets</b>	<b>11,510,056.46</b>	<b>15,110,007.62</b>	<b>- 3,599,951.16</b>	<b>6.56%</b>	<b>16,665,504.66</b>

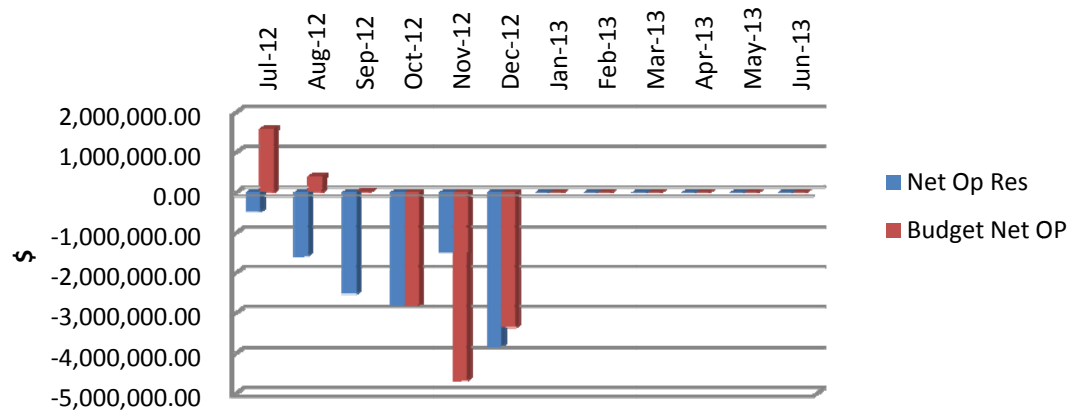
**Cumulative YTD Income V Budget**

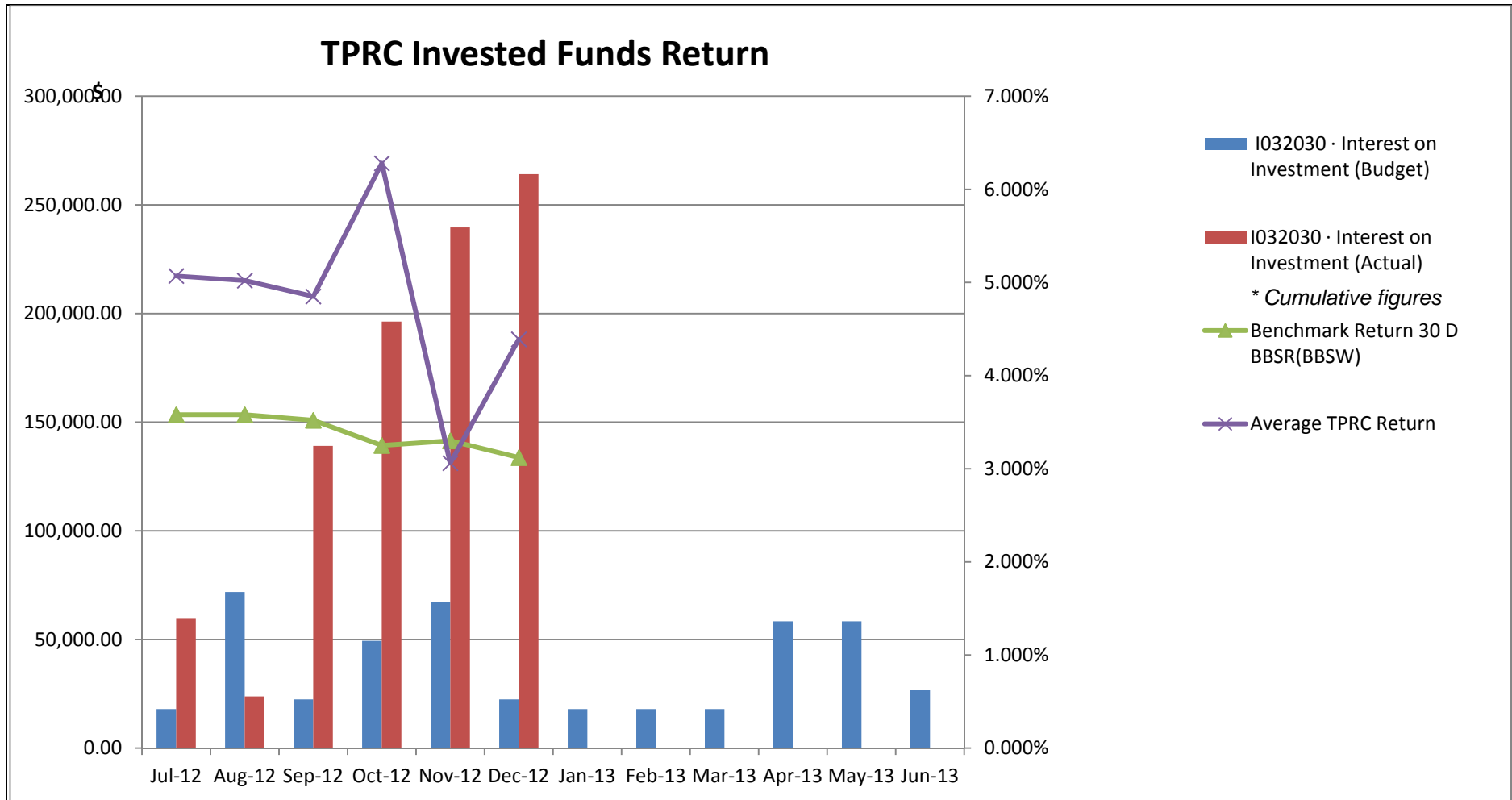


**Cumulative YTD Exp V Budget**



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





### **9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF DECEMBER 2012 & JANUARY 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 December 2012 and January 2013:**

- **Month ending 31 December 2012 (Total \$2,929,874.86)**
- **Month ending 31 January 2013 (Total \$2,384,131.74)**
- **Total Paid - \$5,314,006.60**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of payments made under the CEO's Delegated Authority for the months ending 31 December 2012 and 31 January 2013.

#### **Relevant Documents**

Appendix:

- Cheque Detail for Month Ending 31 December 2012 and 31 January 2013;
- Summary Payment List for December 2012 and January 2013.

Available for viewing at the meeting: Nil

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

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

#### **Background**

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

#### **Comment**

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

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

## **9.4 PROJECT FINANCIAL REPORT - DECEMBER 2012**

### **Report Information**

Reporting Officer: Chief Executive Officer File Reference: 1.88.246

### **Recommendation**

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

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Policy Reference**

N/A

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

N/A

### **Previous Minutes**

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

### **Financial/Budget Implications**

Review of Project Financial Report for December 2012.

### **Relevant Documents**

Appendix: Letter from Satterley Property Group dated 6 February 2013  
Available for viewing at the meeting: Nil

### **Background**

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

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

### **Comment**

The Satterley Property Group has prepared a Financial Report for December 2012 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 31 December 2012 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 \$10,831,638 under budget, with \$7,897,000 revenue received to date.
2. Expenditure is \$9,043,465 under budget, with under expenditure in the areas of Lot production, Landscape, Infrastructure and Sales and marketing.

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

- \$3.2M revenue received in FYE12 ahead of budget;
- \$7.62M revenue due to delay of 43 settlements;

The shortfall in revenue is primarily as a result of delays in settlements for Stage 1B, Stage 3 and Stage 6A lots. Substantial settlements are planned in February 2012. Since preparation of the SPG report additional settlement revenue of \$4.5M has been received.

In terms of expenditure a major part of the variance to budget can be attributed to the lag in payments for new works initiated since July. Significant payments were made in January/February 2013 and this is expected to continue over the coming months will as payments for earthworks and civil works contracts are realised.

## **9.5 SALES REPORT – PERIOD ENDING 14 FEBRUARY 2013**

### **Report Information**

Reporting Officer: Senior Project Officer File Reference: N/A

### **Recommendation**

**That the Council RECEIVE the Sales Report to 14 February 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. Lot sales up to 31 January 2013:

Budget Amount:	\$41,618,154
Received to Date:	\$ 7,895,037
Balance:	\$33,723,117

Income will be accommodated within this item.

### **Relevant Documents**

Appendix: Staging Plan  
Available for viewing at the meeting: Nil

### **Background**

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

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



**Comment**

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

	<b>LOTS RELEASED</b>	<b>SOLD</b>	<b>ON HOLD</b>	<b>STOCK</b>	<b>SETTLED</b>
<b>STAGE 1A</b>	24	24	-	-	24
<b>STAGE 1B</b>	11	11	-	-	7
<b>STAGE 2A</b>	24	24	0	-	24
<b>STAGE 3A</b> (Builders Release)	31	20	0	11	16
<b>STAGE 3B -</b>	12	12	0	-	4
<b>STAGE 4A</b>	34	34	0	0	-
<b>STAGE 4 B–</b> (Builders Release)	11	6	0	5	-
<b>STAGE 6A</b>	8	5	0	3	4
<b>TOTAL</b>	<b>155</b>	<b>136</b>	<b>0</b>	<b>19</b>	<b>79</b>

**Notes**

Stage 1B – Titles have been issued and 7 of the 11 lots have settled.

Stage 3A and 3B lot titles issued on 11<sup>th</sup> January 2013, with 20 lots settled to date.

Stage 6A titles issued on 11<sup>th</sup> January 2013, with 4 lots settled to date.

The Stage 5 and 2B online release has been completed and at the time of writing this report the allocation process for the lots was being undertaken. Satterley Property Group representatives will be in attendance to provide a further update as to sales results from the release.

## **9.6 LOCAL GOVERNMENT COMPLIANCE AUDIT FOR YEAR ENDED 31 DECEMBER 2012**

### **Report Information**

Reporting Officer: Chief Executive Officer File Reference: 13.127.229.0

### **Recommendation**

**That the Compliance Audit Return for the TPRC for the year ended 31 December 2012 be ADOPTED, RECORDED in the minutes, CERTIFIED and SENT to the Executive Director of the Department of Local Government, in accordance with the Local Government Act and Regulations.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To submit for adoption the TPRC Local Government Compliance report for the year ended 31 December 2012.

### **Relevant Documents**

Appendix: Compliance Audit Return for Tamala Park Regional Council 2012  
Available for viewing at the meeting: Nil

### **Policy Reference**

TPRC Audit Charter: Duties and Responsibilities of Audit Committee Clause 6 - To review the statutory compliance return and make a recommendation on its adoption to the Council.

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

- Local Government Act 1995: Section 7.13 Minister may require Compliance Audit
- Local Government (Audit) Regulations 1996: Regulation 13-15 Audit items and Procedure

### **Previous Minutes**

- Council Meeting – 16 February 2012 (Item 9.10 - Local Government Compliance Audit for Year Ended 31 December 2011)
- Council Meeting – 17 February 2011 (Item 9.4 – Local Government Compliance Audit for Year Ended 31 December 2010)
- Council Meeting – 11 February 2010 (Item 9.12 – Local Government Compliance Audit for Year Ended 31 December 2009)
- Council Meeting – 26 February 2009 (Item 9.10 - Local Government Compliance Audit for year ended 31 December 2008)
- Audit Committee Meeting – 21 February 2008 (Item 9.2 - Local Government Compliance Audit for year ended 31 December 2007)
- Council Meeting - 12 April 2007 (Item 9.6 - Compliance Audit Return – Year Ended 31 December 2006)

## Financial/Budget Implications

Nil

## Background

The Minister for Local Government has required that all Local Governments complete a compliance return in reference to the statutory obligations of Councils, Council Members, and the Local Government. The Compliance return requires answers to specific questions which seek performance answers and comments relative to specific provisions of the Local Government Act and Regulations.

The Compliance return is one of the tools to assist Local Governments and the Minister to understand how the local government is functioning and to promote a minimum standard of response to the statutory obligations set down in legislation.

The Compliance audit is to be:

- Conducted for the period 1 January to 31 December each year;
- Presented to the Council at a meeting of the Council;
- Adopted by the Council;
- Recorded in the minutes of the meeting at which it is adopted; and
- A certified copy with the relevant section of the Council minutes and any additional information explaining or qualifying the compliance audit is to be submitted to the Executive Director (DLGRD) by 31 March.

## Comment

The compliance return is broken down into the following parts:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Finance
- Local Government Employees
- Official Conduct
- Tenders for Providing Goods and Services

Some items mentioned in the return are not relevant to operations of the TPRC for the return period. These have been noted 'N/A'.

There was no adverse finding in reference to the Compliance Audit for the year ended 31 December 2012.

The Audit Committee considered the Local Government Compliance Audit Return at its meeting on 14 February 2013 and resolved to adopt, record in the minutes, certify and send the Compliance Audit Return to the Executive Director of the Department of Local Government, in accordance with the Local Government Act & Regulations.

In summary there are no compliance issues of concern to be reported.

## 9.7 ADOPTION OF THE 2012/2013 BUDGET REVIEW

### Report Information

Reporting Officer: Chief Executive Officer File Reference: 13.127.229.0

### Recommendation

**That the Council ADOPT the Budget Review with the variations for the period 1 July 2012 to 31 December 2012 detailed in the Budget Analysis Worksheet attached to Appendix 9.7.**

### Voting Requirements

Absolute Majority

### Report Purpose

To consider and adopt the budget review as prescribed in the Statement of Financial Activity for the period 1 July 2012 to 31 December 2012.

A Statement of Financial Activity incorporating year to date budget variations and forecasts to 30 June 2013 for the period ending 31 December 2012 is presented to Council for consideration. The Local Government (Financial Management) Regulations 1996, Regulation 33A, requires that a Regional Local Government conduct a budget review between 1 January and 31 March in each financial year. A copy of the review and determination is to be provided to the Department of Local Government within 30 days of the adoption of the review.

The budget review has been prepared to include information required by the Local Government Act 1995, Local Government (Financial Management) Regulation 1996 and the Australian Accounting Standards. Council adopted a 10% or \$5,000 whichever is the greater for the reporting of material variances to be used in the Statement of Financial Activity and annual budget review.

### Policy Reference

N/A

### Local Government Act/Regulation

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996: Reg 33A

### Previous Minutes

- Council Meeting – 17 February 2011 (Item 9.5 - TPRC Budget Review – 1 July 2010 to 30 June 2011)
- Council Meeting – 11 February 2010 (Item 9.13 – TPRC Budget Review 1 July 2009 to 30 June 2010 at 11 February 2010)
- Council Meeting – 26 February 2009 (Item 9.11 – TPRC Budget Review 1 July 2008 to 30 June 2009 at 26 February 2009)

## Financial/Budget Implications

Review of variances of TPRC 2012/13 budget.

## Relevant Documents

Appendix:  
Statement of Financial Activity;  
Statement of Surplus/Deficit;  
Statement of Closing Funds; and  
Budget Analysis Worksheet.

Available for viewing at the meeting: Nil

## Background

At its meeting of 13 December 2012 the Council received a review of the Project Cashflow (May12) for the 2012/2013 financial year submitted by the Satterley Property Group and approved its use as the basis of financial planning for the review of the TPRC Budget 2012/13.

The SPG review of the Project Cashflow (May12) identified significant variances in terms of Sales Income as a result of delays in settlements and under expenditure of Land Development costs as a result of savings and the deferral of some works. The SPG Project that Cashflow for 2012/13 is anticipated to be less favourable by approximately \$1M as a result of the variations stated above.

The review of the Project Budget also highlighted three major risks to achieving budget outcomes;

1. Stage 1, Lot 1 - Group Housing site \$1.16M, deferral of settlement to 2013/14 due to low demand for such a site;
2. Stage 5, Sales Income of \$4.3M could be deferred to 2013/14 with delays with the construction and clearances/titles programs;
3. Offsite Sewer for Eastern catchment, additional Water Authority requirements could lead to unbudgeted additional costs of \$1M. *Note: This issue has now been satisfactorily resolved and is not considered a risk.*

## Comment

A review of the approved TPRC budget for 2012/13 has been undertaken in accordance with the Financial Management Regulations. The mid year review also took account the SPG review of the Project Cashflow (May12), the latest sales/settlement information and actual construction program and cost information. It also took account of the current position in relation to the major project risks, identified above (1, 2 and 3) and noting that 1 and 2 will have an actual impact on the budget. The worksheets attached at Appendix 9.7 detail the actual expenditure, year to date, projected actual and expected variances. These are presented in a summary form below based on main groupings.

A summary of based on main income and expense groupings is listed below;

	Annual Budget	Projected Estimates to 30 June 2013	Variance Projected Estimates to Budget	Variance Projected Estimates as % of Budget
<b>INCOME</b>	<b>43,242,252</b>	<b>34,264,672</b>	<b>(8,977,580)</b>	<b>(20.76)%</b>
<b>EXPENSE</b>				
<b>GOVERNANCE.</b>	126,000	128,000	(2,000)	(1.59)%
<b>ADMINISTRATION</b>	1,044,524	952,362	92,162	8.82%
<b>CONSULTANT EXPENSE</b>	205,000	160,000	45,000	21.95%
<b>PROPERTY DEVELOPMENT- SERVICES</b>	7,312,419	5,753,073	1,559,346	21.32%
<b>LAND DEVELOPMENT COSTS</b>	36,461,427	29,763,905	6,697,522	18.37%
<b>TOTAL INCOME</b>	<b>43,242,252</b>	<b>34,264,672</b>	<b>(8,977,580)</b>	<b>(20.76)%</b>
<b>TOTAL EXPENSES</b>	<b>45,149,370</b>	<b>36,757,340</b>	<b>8,392,030</b>	<b>19.45%</b>
<b>OPERATING NET SURPLUS (DEFICIT)</b>	<b>(1,907,118)</b>	<b>(2,492,668)</b>	<b>(585,550)</b>	
<b>Other Items</b>				
Capital Expenditure – CEO Vehicle	(80,000)	(63,012)	16,988	15.00%
Reimbursement of Rates	(90,000)	(90,000)	0	0.00%
Opening Balance	13,465,258	13,012,597	(452,661)	(3.36)%
Non Cash Item – Depreciation Written Back	19,320	19,320	0	0.00%
<b>TOTAL NET SURPLUS (DEFICIT)</b>	<b>11,407,460</b>	<b>10,386,237</b>	<b>(1,021,223)</b>	

## **1. Income**

### Investment Income

Interest from investment was expected to be \$449,000 for 2012/13, however, interest earnings are below budget projections as the investment principal is lower as a result of lower sales income to date. Interest from investment is now estimated to be \$400,000 for 2012/13.

### Sales Income

Sales Income was budgeted at \$42,791,362, however, based on the SPG review of the Project Cashflow (May12) and in light of the latest sales/settlement information sales income is now forecast at \$33,862,782.

The major reasons for the variance are as follows;

- Stage 1 – Timing difference with \$3.16M received in 2011/12 instead of 2012/13.
- Stage 2 – Timing difference with delay in settlements \$2.08M deferred to 2013/14.
- Stage 4 – Timing difference with delay in settlements \$0.58M deferred to 2013/14.
- Stage 5 – Timing difference with delay in settlements \$2.1M deferred to 2013/14.

- Stage 1, (Lot 1- Group Housing site) to be deferred to 2013/14 as a result of low demand for such a site;

## **2. Administration**

There are a number of items with material variances of expenditure within Administration item (TPRC operating budget), which are identified in the Budget Analysis Worksheet. These generally relate to under expenditure of \$92,162 and have no significant impact on the TPRC budget or on the TPRC operation.

## **3. Consultant Expenses**

There is a potential saving of approximately \$45,000.

## **4. Property Development Services**

The following key variations are anticipated for Property Development Services items;

1. Direct Selling Expenses – (- \$0.89M) Savings of GST payable under Margin Scheme, and Deferral of expenditure associated with Development Managers fees to 2013/14.
2. Sales and Marketing – (- \$0.667M) Savings and deferral of expenditure to 2013/14.

## **5. Land Development Costs**

The following key variations are anticipated for Land Development Costs items;

1. Consultants – (+\$169,386) SPG recommends detailed design for an additional 230 lots, 130 in the central precinct and 100 in the western cell.
2. Special Sites Development – (- \$151,028) Deferral of portion of expenditure to be incurred in 2013/14.
3. Landscape – (- \$1.0M) Deferral of portion of expenditure to 2013/14.
4. Bulk earthworks – (- \$1.60M) – deferral of expenditure to 2013/14.
5. Lot Production – (- \$3.34M) Savings for Stages 3, 4 and 5; Deferral of portion of expenditure Stage 7 to be incurred in 2013/14.
6. Administration – (- \$161,239) Savings on expenditure.
7. Finance – (+ \$24,175) Allowance for bank fees and bank charges associated with finance facility, should it be required.
8. Debtors/Creditors – (+\$280,229) Represents the movement component of unpaid debtors.
9. Contingency – (- \$0.60M) Savings on expenditure, reflects low use of contingency in the first six months of 2012/13.

## **6. Surplus Brought Forward 2012**

The 2012 Annual financial Statement reports a surplus amounting to \$13,012,597. The 2012/13 adopted Annual Budget states a surplus \$13,465,258 a shortfall \$452,661 which represents an adjustment to gross of proceeds of lots and the recording into books of accounts of commissions paid and other minor expenses.

The Council approved, as part of its consideration of the TPRC budget 2012/2013, for 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. Consistent with this approval Westpac, Council's business bank, has approved a finance facility up to \$5 million, should it be required.

### **Summary**

There are significant material variances to items of expenditure within the TPRC operating budget, however, these generally relate to items of under expenditure and will not impact on the operation of the TPRC office.

The review of the TPRC budget 2012/2013 indicates significant variances in terms of income and expenditure and as a result the budget for 2012/13 is anticipated to be less favourable by approximately \$1,021, 023.

The TPRC Annual budget 2012/2013 also indicates a Net Surplus at the end of the year of \$11,407,460, it is now anticipated that the Net Surplus at year end will be \$10,386,237.

The review of the TPRC budget 2012/2013 shows the TPRC can meet all cashflow obligations for 2012/13. 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 2012/2013. This position will need to be carefully monitored by the TPRC. However, if settlements are delayed or unforeseen significant costs then the finance facility can be utilised without the need for a call upon local authority funds to meet any operating or capital expenditure.

The Audit Committee considered the Budget Review report at its meeting on 14 February 2013 and resolved to adopt the Budget Review with the variations for the period 1 July 2012 to 31 December 2012 detailed in the Budget Analysis Worksheet attached to Appendix 9.7.



## 9.8 SALES AND LOT RELEASE STRATEGY 2013

### Report Information

Reporting Officer: Chief Executive Officer File Reference: 1.88.246

### Recommendation

#### That the Council:

1. **APPROVE** the Sales and Lot Release Strategy (February 2013), submitted by the Satterley Property Group, as the basis of sales and marketing planning.
2. **ADVISE** the Satterley Property Group that it supports in principle the proposed staged sales releases within the western precinct (west of Marmion Avenue) in the Sales and Lot Release Strategy (February 2013), however, the cashflow implications of this proposal will need to be considered as part of the planning for the 2013/14 budget.
3. **DELEGATE** to the CEO authority to approve changes to the Sales and Lot Release Strategy (February 2013) to stage sizes and lot configuration and timing of stage releases, subject to the changes being minor and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.

### Voting Requirements

Absolute Majority

### Report Purpose

To consider the Sales and Lot Release Strategy (February 2013) prepared by the Satterley Property Group.

### Policy Reference

N/A

### Local Government Act/Regulation

N/A

### Previous Minutes

N/A

### Financial/Budget Implications

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

Budget Amount:	\$1,166,900
Spent to Date:	\$ 235,720
Balance:	\$ 931,180

## Relevant Documents

Appendix: Sales and Lot Release Strategy (February 2013);  
Staging Plan (as per Appendix 9.5)  
Available for viewing at the meeting: Development Managers Agreement

## Background

At its meeting of 18 September 2011 the Council approved the Sales and Lot Release Strategy, June 2011, submitted by the Satterley Property Group.

The Sales and Lot Release Strategy, June 2011 included the following;

- Releases of residential lots Stages 1-5,
- Presales Marketing and Registration of Interest Program
- Lot Sale and Release Methods
- Lot Sale Terms, Conditions & Incentives
- Incentives/Rebates
- Display Builders - terms, conditions and incentives

The Sales and Lot Release Strategy (June 2011) provided a successful framework for the sale of lots within the Phase 1 area. It has resulted in 154 lot sales and over 60 settlements to date.

## Comment

The Satterley Property Group has submitted the Sales and Lot Release Strategy (February 2013) for Councils consideration. This is intended to replace the Sales and Lot Release Strategy (June 2011) which is now superseded. It outlines the sales and lot release strategy proposed by the Satterley Property Group for Stages 7 to 19 in Catalina. This represents releases up to April 2017.

The Sales and Lot Release Strategy (February 2013) addresses the following components:

Sales and Lot Releases of residential lots Stages 7 to 19,

- Lot Sale and Release Methods.
- Timing, size and configuration of Release Stages.
- Sale Method builder releases.
- Sale Method public releases.

## Sales and Lot Releases

The Strategy proposes 18 staged sales releases, varying in size from 10 to 63 residential lots and is intended to satisfy sales demand from 2013 to 2017. The Strategy is based on a Rate of Sale of 180 lots per annum. The majority of the staged sales releases (14) are located within Central cell.

The location and size of the staged sales releases reflects the approved Project Cashflow approved by the Council 18 August 2011, submitted by the Satterley Property Group, as the basis of project and financial planning. It also seeks to maximise the efficient use of existing services and infrastructure and consolidate the development front within the central precinct. The proposed staging will also lead to early construction of Aviator Boulevard (Greenlink) which is important for pedestrian and traffic movement within the Project. It will also promote the early delivery of public transport within the Project.

In terms of the proposed staged sales releases within the western precinct (west of Marmion Avenue) these are proposed to commence in June 2015 which is earlier than anticipated in the approved Project Cashflow which identified commencement of sales activity in 2017. The SPG believes the necessary approvals could be obtained within this timeframe, it will assist with sales and marketing of the project, provide a sales product to another market segment and positive from a cash flow perspective as a result of high sales prices

Including the proposed staged sales releases within the western precinct (west of Marmion Avenue) in the Sales and Lot Release Strategy (February 2013) is supported for the reasons outlined above for the basis of sales and marketing planning. However, the SPG should be required to outline the cashflow implications of this proposal as part of the planning for the 2013/14 budget process.

#### Sale Method - Public releases.

The lot sale method proposed for public releases reflects the Sales Procedure – Private Purchaser Lots Strategy (September 2011), approved by Council at its meeting of 13 October 2011. The Strategy proposed that the disposal of the residential lots would be by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.

It considers that this process would more closely reflect commercial practice in the disposal of lots in a large land development. The requirement to advertise and consider a submission has not to date had any significant impact on sales.

The Sales Procedure – Private Purchaser Lots Strategy (September 2011) required potential purchasers registering online to nominate preselected lots, in order of receipt and compliance with preset terms and criteria. However, the SPG now recommends that rather than online registration, future public releases be undertaken from the sales office. This is recommended as the project has an established sales office and is moving into a more mature phase of its marketing. The SPG expect improved sales results due to increased contact between the sales professional and purchaser at the time of lot selection.

The method of sale and release of private residential lots has worked well to date, the proposed change so that future public releases are undertaken from the sales office is supported.

#### Sale Method - Builder releases.

The lot sale method for builder releases reflects the builder allocation lots process and the use of Put Option Deeds as approved by Council in April 2012. It involves disposal as builder allocation lots by public tender. Evaluation of tenders is based on selection criteria. The selection criterion is proposed to be as follows:-

- Experience in Medium Density Design and Construction
- Capacity to Meet Market Demand
- Building Design Sustainability Credentials
- Innovation
- Financial Capacity

The Strategy recommends the continued use of Put Option Deeds on the basis that it is beneficial to both the Council and builders. Put Option Deeds provide flexibility to both builders to market and pre-sell house and land packages without the need to commit funds with the up-front purchase of lots and the TPRC by providing security of sales by compelling builders to purchase any lots which are not sold, by a designated date.

This method has worked well to date and is supported.

The Sales and Lot Release Strategy (February 2013), submitted by the Satterley Property Group, provides an acceptable basis for sales and marketing planning for the period 2013 to 2017 and is recommended to Council.

## 9.9 STAGE 7 CIVIL WORKS CONTRACT AWARD

### Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

### Recommendation

#### That the Council:

1. **ACCEPT** the Catalina Stage 7 civil works pricing submitted by R J Vincent for the lump sum value of \$2,642,020 (excluding GST).
2. **APPROVE** a minor extension to RJ Vincent's contract term to allow completion of the Stage 7 civil works.
3. **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 31<sup>st</sup> January 2013 - Stage 7 - Civil Construction Recommendation.

Available for viewing at the meeting: Nil

### Report Purpose

To consider the award of a construction contract to undertake the Stage 7 civil works.

### 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 the following items:-

Item E145211 (Land Development – Lot Production):

Budget Amount:	\$18,701,829
Spent to Date:	\$ 7,068,325
Balance:	\$11,633,504

Expenditure is expected to be accommodated within the above item.

### Background

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

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

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

At its August 2012 meeting the Council adopted the TPRC 2012/13 Budget, which incorporated the commencement of construction of the Stage 7 lots by March 2013, with settlements commencing in September 2013.

The adopted Project Budget 2012/13 (May12) incorporated Sales Triggers, required to be met prior to commitment to construction works for various stages. The award of Stage 7 construction works, required the sale of 210 lots.

Stage 7 comprises 63 lots, including 28 traditional lots and 35 rear loaded cottage lots. It is anticipated that titles will issue in August 2013 with settlements commencing in September 2013.

### Comment

The TPRC has received a recommendation from the Satterley Property (attached as Appendix 9.9) to award a construction contract to RJ Vincent for Stage 7 civil works to the value of \$2,642,020 (excluding GST).

RJ Vincent's price is \$430,798 less than the TPRC budget allowance for the work. It should be noted the price includes a maximum guaranteed allowance for excavation in rock that assumes 100% of rock material being encountered and a \$200,000 contingency.

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

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

LOTS MARKETED FOR SALE

Stages 1, 2, 3, 4 & 6A (155 lots)

LOTS SOLD TO DATE

136 lots (excluding lots subject to Put Options Deeds)

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

The approved Sales Trigger of 210 lots required to be sold prior to the commitment of construction to Stage 7 has not been met. At the time of writing 136 lots have been sold and the 74 lot shortfall is largely accounted for by delays in lots being brought to market. To date 155 lots have been brought to market with 19 lots of stock on hand.

Tender submissions received for the allocation of the Stage 5 builders lots were considered by the Management Committee at its February meeting, where it resolved to approve the allocation of all 26 lots. Put Option Deeds have been distributed to builders and once these have been executed total lots sales will be 162.

The Stage 5 and 2B online release was undertaken on 12<sup>th</sup> February with strong demand received for the 45 lots. At the time of writing of this report the allocation of lots was not complete, however initial responses indicate that 25 lots should be contracted. An update of the allocation of the Stage 5 and 2B public release lots will be provided at the meeting.

The SPG has recommended that Council agree to the award of the Stage 7 civil works on the following basis:-

- 136 lots have been sold to date.
- 19 lots of stock are remaining.
- The Management Committee approved the allocation of all 26 of the Stage 5 Builders lots.
- Strong interest in the 45 lots in Stage 5 and 2B public release was received in the recently completed online release.

With the allocation of the 26 Stage 5 Builders lots converted into contracts, the results of the Stage 5 and 2B online release are expected to take total sales from the estate to approximately 187 lots. The results of the Stage 5 and 2B release confirm the SPG advice that strong interest in these lots existed and ongoing sales are expected to result in total sales satisfying the Stage 7 sales trigger shortly.

In view of the above, the Council's financial exposure is considered to be well managed.

The Council's award of a two year contract to RJ Vincent expires on the 30 June 2013. In submitting its price for the Stage 7 civil works RJ Vincent have set a construction period of 20 weeks resulting in a Practical Completion date of the 22 July 2013 and approximately 90% of the work completed prior to the expiration of contract on the 30 June 2013.

The contract term is therefore expected to exceed that of RJ Vincent's appointment by approximately 3 weeks. If a contract for the construction of the Stage 7 civil works is not awarded in February 2013, settlement for the Stage 7 lots will not be achieved in September 2013. Given the minor amount of the construction period being outside of RJ Vincent's approved contract term and to facilitate settlements from the Stage 7 lots in September, it is recommended the Council approve a minor extension to RJ Vincent's appointment, to facilitate the completion of the Stage 7 civil works.

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

## **9.10 STAGE 8 BULK EARTHWORKS CONTRACT AWARD**

### **Recommendation**

**That the Council:**

- 1. ACCEPT the Catalina Stage 8 Bulk Earthworks pricing submitted by R J Vincent for the lump sum value of \$1,450,135 (excluding GST).**
- 2. AUTHORISE the Chairman and CEO to sign and affix the TPRC common seal to the Contract.**

### **Voting Requirements**

Simple Majority

### **Relevant Documents**

Appendix: Satterley Property Group letter dated 31 January 2013 - Stage 8 bulk earthworks contract award recommendation

Available for viewing at the meeting: Nil

### **Report Purpose**

To consider the award of a construction contract to undertake Stage 8 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 the following items:-

Item E145215 (Land Development – Precinct 1 Bulk Earthworks):

Budget Amount:	\$ 5,403,765
Spent to Date:	\$ 2,082,827
Balance:	\$ 3,320,938

Expenditure is expected to be accommodated within the above item.



## Background

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

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

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

At its June 2012 meeting the Council adopted the Project Cashflow (May 2012), which includes completion of the Stage 8 bulk earthworks by June 2013.

## Comment

The TPRC has received a recommendation from the Satterley Property Group (attached as Appendix 9.10) to award a construction contract to RJ Vincent for Stage 8 Bulk Earthworks to the value of \$1,450,135 (excluding GST).

SPG's recommendation follows a review of RJ Vincent's pricing by Cossill and Webley (project engineers) which has verified rates to be consistent with the approved tendered rates and quantities to be within normal industry tolerances (attached as Appendix 9.10).

With respect to the Council's resolution of June 2011 regarding the appointment 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 through the Phase 1 and Stage 5 and 7 Bulk Earthworks and Stage 1, 2, 3, 4 and 6A subdivision works.

The Stage 8 bulk earthworks area is depicted on the Cossill and Webley plan provided under Appendix 9.10. They are located east of the Stage 7 bulk earthworks area, north of the Greenlink.

The proposed contract award is consistent with the program and timing of the approved TPRC budget. A construction period of 10 weeks has been set. Based on the commencement of the works occurring following the timely receipt of approvals from statutory authorities a completion date of the 23<sup>rd</sup> June is expected which is within RJ Vincent's approved contract term to the project.

Approval of the contract award is necessary in order to maintain construction progress in accordance with the project program. Given the proposed contract is consistent with the approved project budget and program, it is recommended to be awarded.

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

## 9.11 PHASE 1 PUBLIC ART IMPLEMENTATION PLAN

### Report Information

Reporting Officer: Senior Project Officer

File Reference: N/A

### Recommendation

#### That the Council:-

1. **APPROVE** the Phase 1 Public Art Implementation Plan dated January 2013, submitted by the Satterley Property Group for the implementation of public art within Phase 1 of the Estate.
2. **REQUEST** the Satterley Property Group to investigate further alternative funding options for the delivery of public art.
3. **ACCEPT** that Satterley Property Group has achieved Key Performance Indicator item 1.4.5 – TPRC Objective; Long term Health of the Social and Cultural Environment requires the Identification of Public Art opportunities of various levels and an action plan for implementation, subject to the receipt of a revised document addressing the above items.

### Voting Requirements

Simple Majority

### Report Purpose

To consider the Public Art Implementation Plan submitted by the Satterley Property Group dated January 2013, to guide the delivery of public art within the Phase 1 Area.

### Policy Reference

TPRC Procurement Policy

### Local Government Act/Regulation

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

### Previous Minutes

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

### Financial/Budget Implications

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

Item E145209 (Land Develop – Landscape):

Budget Amount:	\$4,511,491
Spent to Date:	\$ 629,305
Balance:	\$3,882,186

## Relevant Documents

Appendix: Satterley Property Group: Public Art Implementation Plan dated January 2013.  
Available for viewing at the meeting: Nil

## Background

At its meeting of 11 October 2012, the Council considered the Catalina Public Art Strategy prepared by Artsource, which provides high level guidance for the concept and location of public art within the Catalina Estate.

The Strategy analyses the site, stakeholders and historical and geographic context of the project and identifies key narratives recommended to be reflected in the production of public art within the Estate. A plan attached to the strategy depicts recommended locations for the positioning of differently scaled artwork pieces and options for implementation are described.

Following consideration of the Public Art Strategy the Council resolved to approve the implementation of public art within Phase 1 of the Estate, in accordance with the themes and narratives of the Public Art Strategy and funding set at 5% of the project budgets allowances for landscape works.

The Council also requested the Satterley Property Group (SPG) prepare a Public Art Implementation Plan for the delivery of public art within Phase 1, and consider options for a feature public art work within Phase 1, including alternative funding options. The Council further requested that the SPG undertake a review of public art outcomes within the Phase 1 area following completion and report to the Council.

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

## Comment

In accordance with the Council's request the SPG have provided a Public Art Implementation Plan (PAIP) dated January 2013, which is attached under Appendix 9.11. A discussion of its key components is provided below.

### Delivery of Public Art

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

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

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

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

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

The PAIP recommends the pre-selection of 3 artists based on artwork concepts presented in a design workshop in response to an advertised brief. Artists will also need to demonstrate their capacity to undertake the work through the provision of CV's and previous work experience. From the pre-selected artists the successful artist is to be approved following the further development and presentation of artwork concepts. The key steps of this process include:-

1. Agreement of a budget and key locations for Phase 1 public art.
2. Development and distribution of a public art brief.
3. Pre-selection of artwork concepts.
4. Presentation of concepts and selection of an artist.
5. Detailed design.
6. Seek approval from the City of Wanneroo.
7. Construction.
8. Documentation.
9. Review.

The above process is considered appropriate for achieving the Council's objectives in respect of public art and is supported.

#### Funding of Public Art

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

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

As a Local Government the TPRC is likely to be eligible for grants as a source of funding. Further investigations will be undertaken of these funding opportunities.

The SPG's examination of alternative funding for the provision of public art is considered to be limited and it is recommended it be requested to explore further options.

#### Location of Public Art

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

Of the artwork proposed within the phase 1 area, two types are recommended to involve the appointment of an artist. The first is the main sculpture within the Stage 4 POS area, for which the concept and design is recommended to be led by the artist. The second are the interpretative pieces at the entry points to the Biodiversity Conservation Area (BCA), which is

proposed to be undertaken collaboratively by the artist and Landscape Architect. This approach is supported as the interpretive features should not only demonstrate artistic creativity but be informative requiring the input of the Landscape Architect. These pieces represent the most significant and highly exposed locations of public art within the Phase 1 area and the involvement of an artist in the design and implementation of them is appropriate and is supported.

The PAIP presents an appropriate methodology for the design and delivery of public art within the Phase 1 Area of the Estate, reflecting the Council's decisions at its October 2012 meeting and desire to achieve public art demonstrating creativity and uniqueness.

**9.12 CATALINA CENTRAL DESIGN GUIDELINES – CENTRAL PRECINCT  
PROPOSED MODIFICATIONS**

**Report Information**

Reporting Officer: Senior Project Officer File Reference: 1.88.246

**Recommendation**

**That the Council APPROVE a modification to Catalina Central Design Guidelines – Single Residential Lots, (November 2011) to amend the minimum ceiling height for lots fronting Neerabup Rd to 32 courses.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider a proposed change to the Catalina Central Design Guidelines for Single Dwelling Lots.

**Policy Reference**

N/A

**Local Government Act/Regulation**

N/A

**Previous Minutes**

N/A

**Financial/Budget Implications**

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

Budget Amount:	\$1,166,900
Spent to Date:	\$ 235,720
Balance:	\$ 931,180

Expenditure will be accommodated within this item.

**Relevant Documents**

Appendix: SPG letter: Design Guideline Requirement – Mixed Use Lots, dated 1<sup>st</sup> February 2013

Available for viewing at the meeting: Catalina Central Cell Design Guidelines for Single Dwelling Lots

## Background

At its meeting of 15 December 2011 the Council approved the Catalina Central Design Guidelines – Single Residential Lots, (November 2011) for the Central precinct.

The Design Guidelines – Single Residential Lots sets out the Mandatory requirements and provides recommendations on design elements which assist in achieving good dwelling design.

The Design Guidelines aim to;

- Respond to the climate and conditions on and surrounding the lot;
- Include high quality design detailing to create an attractive character and contemporary appearance;
- Incorporate principles of environmental design and energy and water conservation; and
- Contribute to community safety and security.

The Design Guidelines include a mandatory minimum ground floor to ceiling height of 3.2m for dwellings located within the mixed use zone adjacent to Neerabup Rd.

## Comment

The Development Manager has recommended the Council remove the mandatory minimum ground floor to ceiling height of 3.2m for dwellings within the mixed use zone adjacent to Neerabup Road between Key Largo Drive and Maroochydore Way.

In the development of the Design Guidelines the minimum 3.2 metre ceiling height was included with a number of requirements to promote housing which was adaptable for mixed uses and the opportunity for living and working.

The Development Manager does not consider this to be practicable given the form of development, which are 7.5m wide medium density lots with level separation (retaining) from the street preventing universal access.

The Development Manager has advised all other medium density lots within the Catalina Central Cell are subject to a minimum building height requirement of 32 courses of brickwork and the 3.2m height requirement applying to the mixed use lots would result in 38 courses of brickwork and additional construction costs in the order of \$25,000 for a dwelling on a 7.5m wide lot.

The Development Manager believes that the impact of this requirement to affordability is unreasonable and has recommended the Design Guidelines be amended to reduce the minimum ceiling height for lots fronting Neerabup Rd to 32 courses in line with the building height requirement for other medium density housing lots.

The Development Manager recommendation to amend the minimum ceiling height for lots fronting Neerabup Rd to 32 courses is supported.

## 9.13 SUSTAINABILITY INITIATIVES PLAN

### Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

### Recommendation

#### That the Council:

1. **RECEIVE** the Catalina Sustainability Initiative Plan Annual Review and Reporting (December 2012) submitted by the Satterley Property Group.
2. **APPROVE** the implementation of shared bores to all front loaded lots within Stage 5.
3. **REQUIRE** a review to be presented of the outcomes of the Stage 4 Shared bore trial following implementation prior to approving its adoption within all future stages.
4. **ACCEPT** that Satterley Property Group has achieved Key Performance Indicator item 3.5.1 – Strategy and Planning; Sustainability requiring the annual review of the Sustainability Initiatives Plan and reporting of its implementation.

### Voting Requirements

Simple Majority

### Report Purpose

To review the Sustainability Initiatives Plan, September 2011 and report progress of its implementation.

### Policy Reference

N/A

### Local Government Act/Regulation

N/A

### Previous Minutes

- Council Meeting 15<sup>th</sup> December 2011 - Item 9.6: Sustainability Initiatives Plan (September 2011);
- Council Meeting – 12<sup>th</sup> April 2012; Development Managers Key Performance Indicators

### Financial/Budget Implications

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

- Item E145211 (Land Development – Lot Production):

Budget Amount: \$18,701,829

Spent to Date: \$ 7,068,325



Balance: \$11,633,504

- Item E145216 (Sales Expenditure – Direct Selling Costs):

Budget Amount: \$ 6,095,519  
 Spent to Date: \$ 387,239  
 Balance: \$ 5,708,280

- Item E145213 (Land Development – Community Development):

Budget Amount: \$ 84,917  
 Spent to Date: \$ 7,460  
 Balance: \$ 77,457

All the recommended initiatives can be accommodated within approved budget items.

**Relevant Documents**

Appendix: SPG Letter dated 20<sup>th</sup> December 2012: Catalina Sustainability Initiative Plan Annual Review and Reporting.

Available for viewing at the meeting: Development Manager KPIs (March 2012)

**Background**

At its meeting of 15<sup>th</sup> December 2011, the Council considered the Sustainability Initiatives Plan (SIP), and approved the implementation of the initiatives shown in the table below, with corresponding budget allocations:-

<b>SUSTAINABILITY INITIATIVE</b>	<b>APPROVED BUDGET</b>
Third Pipe (non potable water supply system) / Share Bore	\$3,500 per lot
Waterwise landscape package	\$4,500 per lot
Solar panels rebate	\$2,000 per lot
Fibre Optic service	\$1,000 per lot
Community Development	\$1,200 per lot
Waste recycling (housing construction)	\$2,000 per lot

At its meeting held on 12<sup>th</sup> April 2012, the Council approved revised KPI's, which required the Satterley Property Group (SPG) to undertake an annual review of the SIP and report on its implementation.

**Comment**

The SPG has submitted a 'Catalina Sustainability Initiative Plan Annual Review and Reporting' (December 2012) for consideration, attached at Appendix 9.13.

The SPG's review provides an update of the progress in implementing each of the sustainability initiatives approved by the Council. A discussion of each is provided below:-

Third Pipe (Non-potable Water Supply System)

The SPG review states that in developing a third pipe scheme, additional Water Corporation infrastructure requirements led to an escalation in the estimated cost of the system. As a

result of costs exceeding the approved budget, the Council opted for an alternative system of shared bores to be trialled for all traditional lots within Stages 1 and 4.

The SPG has provided the following status update in respect of the implementation of the shared bore trial:-

- Stage 1 bore location have been identified, however, due to titles being issued prior to adoption of the program it is still under development;
- Stage 4 bore and pipe locations have been identified and are protected by registered easements on titles;
- Tender documentation has been prepared to seek the appointment of a landscaping contractor to install the infrastructure; and
- The shared bore trial within Stage 4 was well received by purchasers.

The SPG has recommended the shared bore program be implemented in all stages beyond Stage 4.

The current stage of the development prevents the ability to undertake a review of the success of the shared bore trial. To date however, implementation of the shared bores has progressed well, the initiative has been well received by purchasers and it is expected to deliver the sustainability benefits of a non-potable water supply. Based on this it is recommended that the Council approve implementation of shared bores to all front loaded lots within Stage 5.

The decision to implement shared bores within all future stages of the development is recommended to be deferred until such time that implementation has been completed within a full stage of development and the success of the trial is able to be measured.

#### Waterwise Landscape Packages

The provision of waterwise gardens via landscaping packages was intended to assist Catalina's water conservation attributes, enhance the Estate presentation and provide a sales incentive to purchasers.

An initial budget of \$4,500 per lot was approved, however, due to the Council's decision to reallocate \$1,000 per lot from the third pipe initiative (as discussed above) the approved budget to \$5,500 per lot. The re-allocation was on the basis of the inclusion of the following initiatives:-

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

Home constructions within Stage 1 are expected to be completed in March 2013, at which time applications for waterwise front landscaping packages are expected to be received.

#### Solar Panels Rebate

SPG's review states that the terms of the \$2,000 per lot solar rebate approved by the Council have been included within all sales contract documentation. Home constructions within Catalina have not yet reached completion and no applications seeking the rebate have been received. The SPG expect to receive initial applications in March 2013.

### Fibre Optic Service

The SPG's review states that at its December 2011 meeting the Council adopted the initiative of providing fibre optic services to homes via NBN Co and to date pit and pipe infrastructure has been provided for within Stages 1, 2, 3, 4, 5 and 6A in readiness for cabling by NBN.

The Council's resolution in respect of this matter did not require provision of a fibre optic supply be provided by NBN but rather that the design of fibre optic systems be NBN compliant. This has occurred to date within all stages of the project.

The SPG sought confirmation from NBN Co as to when services are to be made available to residents. NBN have recently responded indicating connection to service not be possible until May/June of this year, due to mainline extensions required to be made to the regional exchange. Residents who occupy the estate prior to connection to the fibre network will be provided a telephone service via the Universal Service Obligation operated by Telstra.

### Community Development

The SPG's community development team have been appointed Community Development Manager for the Catalina Estate and has provided recommendations for community events, community sponsorship and welcoming initiatives to future residents.

Community development actions are anticipated to commence following occupation by first residents. The Community Development Manger has recommended an initial action in the form of a welcoming function, held at the temporary sales office.

### Waste Recycling (Housing Construction)

The Council approved the implementation of a program to recycle building construction waste material with an approved budget of \$2,000 per lot.

At its February 2013 meeting the Management Committee approved a tender submission from Instant Waste Management to establish and operate a Waste Management Program to collect, sort, store and reuse builders waste material generated from within the Catalina Estate. At the time of writing contractual documentation and discussions with Instant Waste Management were being held to initiate establishment of the program. Representatives of the Satterley Property Group will be in attendance to provide an update at the meeting.

### Enviro Development Certification

EnviroDevelopment (ED), is the Urban Development Institute of Australia's best industry model for measuring a projects sustainability credentials. Sustainability credentials are measured against six elements, *Energy, Water, Waste, Community, Ecosystem and Materials*.

In its consideration of the SIP at its December 2011 meeting, a report provided by Active Sustainability indicated that Catalina was placed to achieve up to five elements. The SPG review acknowledges that achieving this level of certification would position Catalina amongst a group of only 12 projects within Western Australia and has advised the continuation of the current approved sustainability initiatives to enable this.

The TPRC is shortly to engage a consultant to progress this matter.

### Conclusion

The SPG's review of the SIP indicates action on all approved initiatives is on schedule. A number of initiatives are yet to have commenced implementation due to the projects current stage of development, however, actions are scheduled to commence at an appropriate time, with a number expected to commence in the coming months with the completion of homes and occupation by residents.

The Sustainability Initiatives generally reflects a contemporary approach to urban development, however the Waste Management and Shared Bore Programs present opportunities to achieve results that exceed current industry practice.

The SPG review recommends no further sustainability initiatives be implemented at this time. This recommendation is supported, with the exception of approving the implementation of shared bores to all front loaded lots within future stages. It is recommended that at this stage the Council approve the further adoption of shared bores within Stage 5 only and defer the decision to implement the program within all future stages until a review of shared bores has occurred following installation within a full stage of development.

It is recommended the Council accept that the Satterley Property Group has achieved Key Performance Indicator item 3.5.1, requiring the annual review of the Sustainability Initiatives Plan and reporting of its implementation.

## **9.14 ELECTED MEMBER ALLOWANCES - DEPUTY OR ALTERNATE MEMBERS.**

### **Report Information**

Reporting Officer: Chief Executive Officer File Reference: 13.45.262.0

### **Recommendation**

#### **That Council:**

- 1. APPROVE attendance fees of \$140 per meeting for Deputy Members, to be made quarterly in arrears.**
- 2. APPROVE Deputy Members do not claim separate telecommunications, IT allowances or travelling allowance to meetings.**
- 3. APPROVE fees to be reviewed following the next ordinary Council elections (next scheduled for October 2013).**
- 4. APPROVE the TPRC budget 2011/13 being amended to accommodate Deputy Members Attendance fees, in accordance with 1.**

### **Voting Requirements**

Absolute Majority

### **Report Purpose**

To establish allowances to apply to deputy/alternative members until the next ordinary local government elections.

### **Relevant Documents**

Appendix: 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 – 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**

At its meeting of 15 December 2011 the Council approved elected member fees and allowances. At that time the Council did not authorise any payments to Deputy or Alternate Members attending TPRC Council meetings.

## **Comment**

Fees payable to Elected Members are at the election of the Council, within prescribed maximums under the Local Government (Administration) Regulations 1996.

The Local Government (Administration) Regulations 1966 Part 8 sets out the requirements for payments to Members. Clause 30 of the Regulations sets out the following payment guidelines for Deputy Members;

- Minimum - \$60 per meeting
- Maximum - \$140 per meeting

It is noted that the Mindarie Regional Council approved the payment of \$140 per meeting for Deputy Members.

It is recommended that Council approve Deputy Elected Members fees of \$140 per meeting in accordance with the Local Government (Administration) Regulations 1966. The Council has 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. It is recommended that this adopted practice be approved by Council to determine Deputy Elected Member's fees.

The adopted budget provisions for 2012/13 does not make allowance for payment Deputy Elected Members fees as proposed and the TPRC budget will need to be amended to accommodate these fees.

## 9.15 UDIA 2013 NATIONAL CONGRESS

### Report Information

Reporting Officer: Chief Executive Officer File Reference: 22.54.266.0

### Recommendation

**That the CEO be AUTHORISED to attend the 2010 Urban Development Institute of Australia National Congress in Melbourne to be held on 4 - 7 March 2011.**

### Voting Requirements

Simple Majority

### Report Purpose

To obtain authority for the TPRC CEO to attend the forthcoming 2013 Urban Development Institute of Australia National Congress in Melbourne.

### Relevant Documents

Appendix: UDIA National Congress 2013 Registration Brochure  
Available for viewing at the meeting: Nil

### Policy Reference

TPRC Delegation Register

### Local Government Act/Regulation

N/A

### Previous Minutes

N/A

### Financial/Budget Implications

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

Budget Amount:	\$1,166,900
Spent to Date:	\$ 253,593
Balance:	\$ 913,307

### Background

The 2013 Urban Development Institute of Australia (UDIA) National Congress will be held in Melbourne from 4 - 7 March 2013. The Congress is the lead event of the UDIA and brings together leading industry professionals, developers, state and local government personnel from around Australia.

The Congress theme is “**Population: Vision for a Nation**” and will examine the growing and changing nature of population and its effects on all facets of the industry from infrastructure and services to housing affordability and demand.

The Congress program includes presentations from expert practitioners from the industry, profiles from cutting edge and best practice projects and research that is being undertaken.

### **Comment**

The Congress focuses on the future, discussing and informing on issues of importance to the development industry into the future.

There are Congress presentations from international and Australian experts on a broad range of development industry issues, including:

- Population/Immigration
- Planning
- Productivity
- Participation
- Infrastructure
- Economy
- Social Conscience

The topics covered at the Congress are integral to the TPRC objectives and related to the areas currently being contemplated in the Catalina project. It will also provide an opportunity to visit significant projects in Melbourne which are considered to have excellence in urban design and infrastructure provision.

It is proposed that the CEO attend the Congress.

A copy of the Congress registration brochure is attached at Appendix 9.15.

Funds are available for attending the conference from budget item E041020 Conference Expenses. Attendance registration, travel, accommodation and incidental costs require a budget of approximately \$4,500.



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**