

TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 19 December 2013
City of Vincent, 6.00pm

TAMALA PARK
REGIONAL COUNCIL
(TPRC)
COMPRISES THE
FOLLOWING
COUNCILS:

Town of Cambridge
City of Joondalup
City of Perth
City of Stirling
Town of Victoria Park
City of Vincent
City of Wanneroo

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TAMALA PARK REGIONAL COUNCIL

Councilors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Vincent, 244 Vincent Street, Leederville at 6.00pm on Thursday 19 December 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 Louis Carr	
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Mayor Giovanni Italiano JP Cr David Michael Cr Terry Tyzack Cr Rod Willox AM JP	Cr Elizabeth Re JP
Town of Victoria Park	Mayor Trevor Vaughan	
City of Vincent	Cr Joshua Topelberg	
City of Wanneroo	Cr Dianne Guise Cr Brett Treby	Cr Frank Cvitan Cr Hugh Nguyen

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 – 17 October 2013
- Special Meeting of Council – 28 November 2013

5A. BUSINESS ARISING FROM THE MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.14)

9.1 BUSINESS REPORT – PERIOD ENDING 12 DECEMBER 2013

Report Information

Reporting Officer: Senior Project Officer

File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 12 December 2013.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Nil

Background

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

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

Comment

1. Civil Construction - Status

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

Stage	Lots	Commencement of Construction	Practical Completion Date	Works Status	Titles
8	53	24 th June 2013	22 nd November 2013	100% Complete – Awaiting PC inspection	Jan 2014
6C	10	10 th September 2013	19 th November 2013	PC achieved 8 th November 2013	Jan 2014
9	51	18 th November 2013	13 th May 2014	5% Complete – Works on Schedule	May 2014
10	30	16 th December 2013	6 th May 2014	Mobilisation – Works on Schedule	May 2014
Marmion Ave Intersection	N/A	12 th August 2013	19 th December 2013	95% Complete – Works on schedule	N/A

2. Bulk Earthworks - Status

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

Stage	Commencement of Construction	Practical Completion Date	Works Status
9 - 11	9 th September 2013	17 th February 2014	70% Complete – Works on Schedule

3. Landscape works – Status

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

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
Stage 3 & 4 PAWs	16 th August 2013	15 th November 2013	100% complete
Neerabup Road Verge	16 th August 2013	15 th November 2013	100% complete
Stage 6A	16 th August 2013	18 th October 2013	100% complete
Stage 4 POS	11 th November 2013	8 th March 2014	10% Complete - on Schedule

4. Stage 7 Titles

Titles for Stage 7 comprising 63 lots were issued on 30th October 2013. To date 59 of these lots have now settled.

5. Temporary Sales Office

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

6. Housing Construction

To date 23 Builders Homes have commenced construction within the Builders Display Village and 144 private homes are under construction. Approximately 30 residents have moved into homes within the estate.

7. Waste Management Program

Instant Waste Management (IWM) is providing monthly reports, identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 43 homesites for which builders have signed up to participate with the program.

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

8. Lot 1 Development

A Development Agreement has been executed between the TPRC and ABN Group and plans have been lodged with the City of Wanneroo for development approval.

Preliminary marketing has commenced and there has been good sales interest in the proposed apartments.

9. Builders Display Village and Catalina Sales Office

Construction of the northern sales office carpark has been completed and development approval for the overflow carpark has been received from the City of Wanneroo.

Construction of the Sales office has reached the 2nd storey and is scheduled to be completed by April 2014.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF SEPTEMBER & OCTOBER 2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

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

- **30 September 2013; and**
- **31 October 2013.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Monthly Statement of Financial Activity for the months ending 30 September 2013 and 31 October 2013

Local Government Act/Regulation

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

Background

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

Comment

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

Variances at October 2013 exceeding 10% were experienced in relation to the following:

Agenda TPRC Meeting of Council – 19 December 2013

Interest Earnings	Interest earnings exceed budget predictions as a result of timing of maturity of investments but expected to adjust to budget predictions in the next quarter.
Depreciation	The positive variance relates to timing.
Employee Costs	The positive variance is as a result of delaying the appointment of additional TPRC staff.
Insurance	The negative variance relates to timing of payments, this will be adjusted over the coming months.
Other	The negative variance relates to timing of councillor payments which will adjust through the balance of the financial year.
Capital Items	The negative variance relates to timing of payments, this will be adjusted over the coming months.
Income – Sale of Lots	The negative variation is as a result of delays in settlement of lots, this has been adjusted through September 2013 and will be brought back to budget over the next quarter.
Land Production Cost	Deferral of some works and delay in contractor payments expected to be adjusted to budget in the next quarter.

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

Financial Snapshot as at 31 October 2013

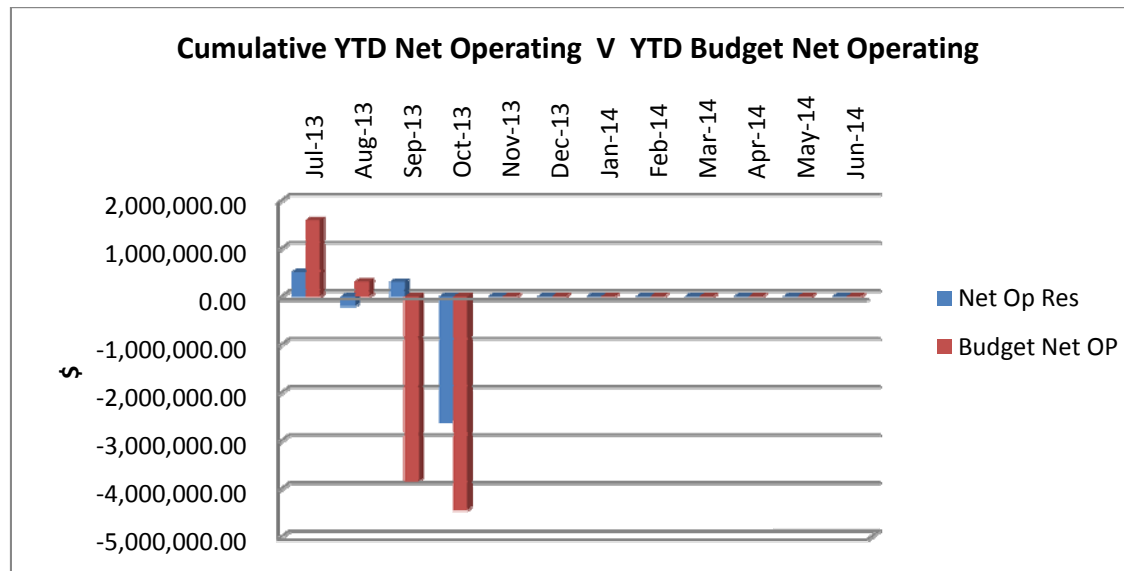
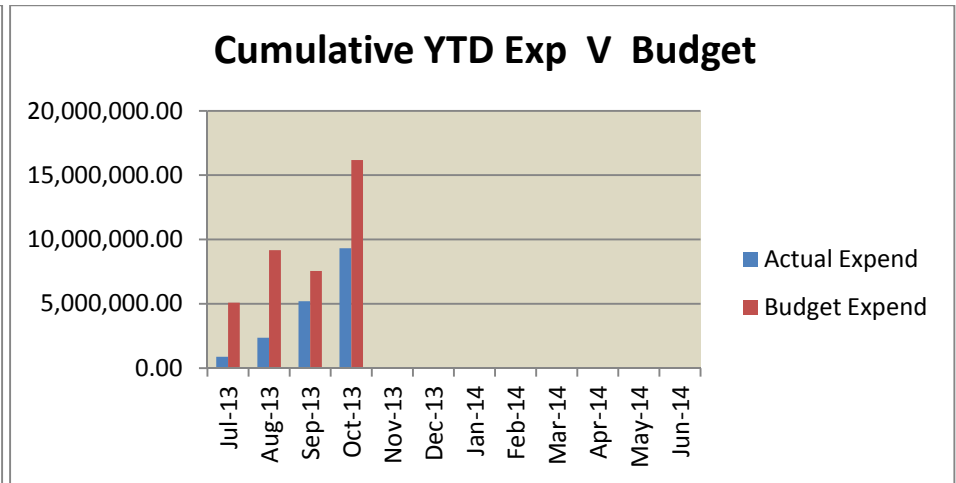
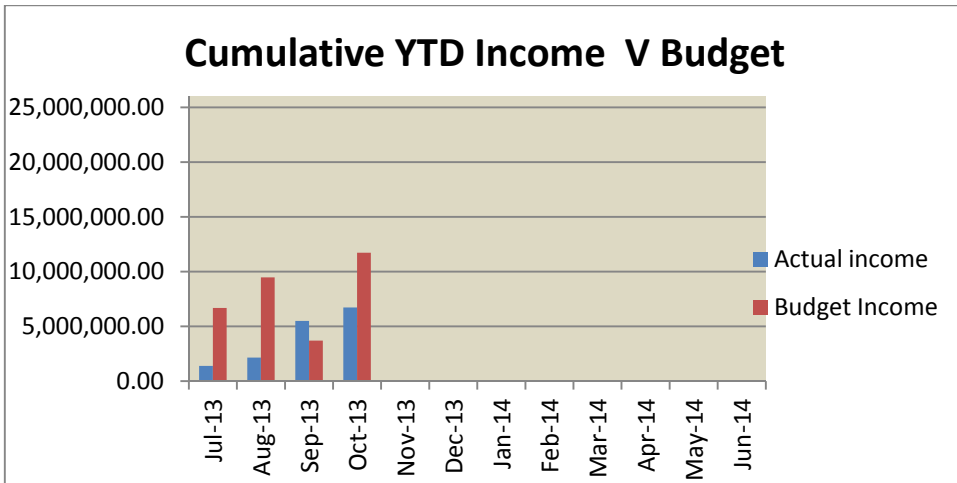
**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 31 OCTOBER 2013**

	2013-14	2013-14	2013-14	VARIANCE		VARIANCE
	ADOPTED BUDGET	YTD BUDGET	YTD ACTUAL	FAVOURABLE	UNFAVOURABLE	
REVENUE	\$	\$	\$	\$	\$	%
Interest Earnings	711,090	255,993	305,842	49,849		19.47%
Other Revenue	1,890	-	15,297	15,297		0
	\$712,980	\$255,993	\$321,139	\$65,146	\$0	
LESS EXPENDITURE						
Depreciation	(20,489)	(6,830)	-	6,830		100.00%
Employee Costs	(679,975)	(226,658)	(195,941)	30,717		13.55%
Insurance	(11,900)	(3,967)	(16,762)		12,795	-322.54%
Materials and Contracts	(348,450)	(116,150)	(57,236)	58,914		50.72%
Other	(161,050)	(53,683)	(19,741)	33,942		63.23%
Utilities	(10,000)	(3,333)	-	3,333		100.00%
Capital Items	(6,000)	(4,970)	(4,970)	-		0.00%
Members Equity						
-Income Sale of Lots - Subdivisions	45,640,484	11,472,046	5,060,155		6,411,891	-55.89%
-Income Other - Subdivisions	634,349	211,450	921,297	709,847		335.70%
-Professional /Consultant Fees	(100,000)	-	(13,343)		13,343	0.00%
-Land Production Costs	(45,700,319)	(15,266,773)	(8,557,603)	6,709,170		43.95%
-Contributions Returned	(10,400,000)	(3,466,666)	(220,404)	3,246,262		93.64%
	(\$11,163,350)	(\$7,465,534)	(\$3,104,548)	\$10,799,015	\$6,438,029	
Total	(\$10,450,370)	(\$7,209,541)	(\$2,783,409)	\$10,864,161	(\$6,438,029)	

Balance Sheet Summary as at 31 October 2013

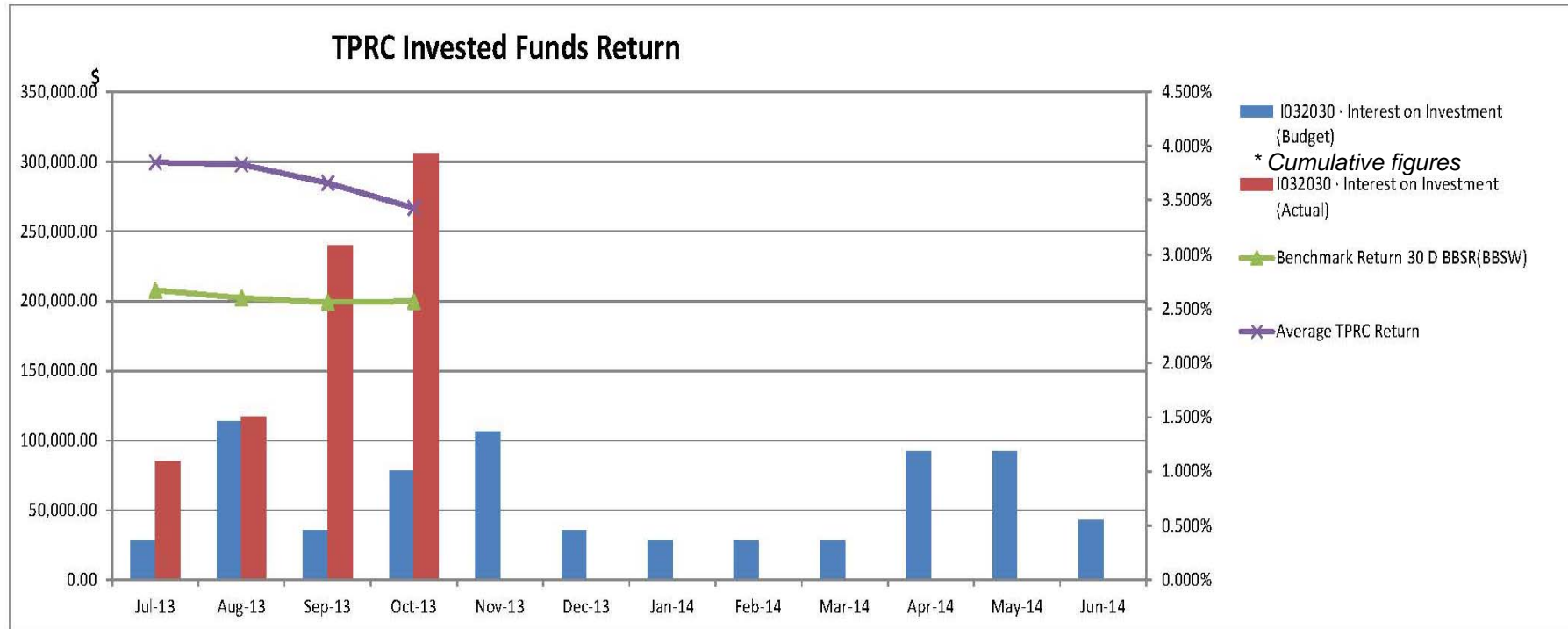
TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2013

	Actual 2012/13 \$	Actual 2013/14 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	25,985,602	22,774,818	-3,210,784	-12.36%
Trade and other receivables	507,774	807,283	299,509	58.98%
Total current assets	26,493,376	23,582,101	-2,911,275	-11.0%
Non-current assets				
Inventories	1,818,182	1,818,182	0	0.00%
Property, plant and equipment	145,610	150,580	4,970	3.41%
Total non-current assets	1,963,792	1,968,762	4,970	0.25%
Total assets	28,457,168	25,550,863	-2,906,305	-10.21%
Current liabilities				
Trade and other payables	315,542	187,676	127,866	40.52%
Provisions	109,418	109,418	0	0.00%
Total current liabilities	424,960	297,094	127,866	30.1%
Non-current liabilities				
Provisions	18,659	18,659	0	0.00%
Total non-current liabilities	18,659	18,659	0	0.0%
Total liabilities	443,619	315,753	127,866	28.8%
Net assets	28,013,549	25,235,110	-2,778,439	-9.9%



**TPRC Investments Summary
1 July 2013 – 31 October 2013**

		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Budget	I032030 · Interest on Investment (Budget)	28,444.00	113,774.00	35,555.00	78,220.00	106,664.00	35,555.00	28,444.00	28,444.00	28,444.00	92,442.00	92,442.00	42,662.00
Actual	I032030 · Interest on Investment (Actual)	84,758.00	116,770.00	239,882.00	305,842.00								
	Budget YTD	28,444.00	142,218.00	177,773.00	255,993.00	362,657.00	398,212.00	426,656.00	455,100.00	483,544.00	575,986.00	668,428.00	711,090.00
	Actual YTD	84,758.00	201,528.00	441,410.00	747,252.00								
Invested Funds													
A(-1+)	A01101/02 · Unrestricted At Call	237,939.66	2,728,175.48	317,967.10	451,731.49								
A(-1+)	A01103/06/07/09/12/13 · Fixed Term Dep	26,271,195.96	22,764,473.55	25,504,185.53	22,323,056.10								
	Act Invest 09-10	26,509,135.62	25,492,649.03	25,822,152.63	22,774,787.59	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 OCTOBER & NOVEMBER 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 October and November 2013:

- **Month ending 31 October 2013 (Total \$4,270,782.97)**
- **Month ending 30 November 2013 (Total \$3,596,935.58)**
- **Total Paid - \$7,867,718.55**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Cheque Detail for Month Ending 31 October 2013 and 30 November 2013;
- Summary Payment List for October 2013 and November 2013.

Local Government Act/Regulation

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

Background

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

Comment

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

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

9.4 PROJECT FINANCIAL REPORT – OCTOBER 2013

Report Information

Reporting Officer: Senior Project Officer File Reference: 1.88.246

Recommendation

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

Voting Requirements

Simple Majority

Report Purpose

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

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

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

Financial/Budget Implications

Review of Project Financial Report for October 2013.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 29th November 2013

Background

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

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

Comment

The Satterley Property Group has prepared a Financial Report for October 2013 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 October 2013 and is attached at Appendix 9.4.

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

1. Settlement revenue for the financial year to 31st October 2013 is \$5,214,546 under budget with \$6,257,500 revenue received to date.
2. Expenditure is \$5,072,522 under budget, with under expenditure in the areas of Landscape, Infrastructure, Finance and Sales and Office Building.

The SPG has advised the shortfall in sales revenue is attributed to 22 less settlements for the year to date, due largely to 18 lots that settled in FYE13, earlier than the approved project budget anticipated.

Since the preparation of the SPG report, an additional 60 lots have settled with revenue of \$12,726,000.

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 12 DECEMBER 2013

Report Information

Reporting Officer: Senior Project Officer

File Reference: N/A

Recommendation

That the Council RECEIVE the Sales and Settlements Report to 12 December 2013.

Voting Requirements

Simple Majority

Report Purpose

To advise the Council of the status of sales, settlements and sales releases.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Nil

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales of the TRPC 2013/2014 Budget.

Budget Amount:	\$45,640,484
Received to Date:	\$18,287,841
Balance:	\$27,352,643

Relevant Documents

Appendix: Staging Plan

Background

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

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

Comment

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

STAGE	LOTS RELEASED	SOLD	STOCK	SETTLED
STAGES 1 – 4, 5B	171	171	0	170
STAGE 2B	5	5	0	4
STAGE 5A	49	49	0	46
STAGE 6A	8	8	0	7
STAGE 7	32	32	0	29
STAGE 7B	31	31	0	30
STAGE 8	24	24	0	0
STAGE 8B	29	29	0	0
STAGE 9	11	9	2	0
STAGE 9B	40	0	40	0
TOTAL	400	358	42	286

Stage 9 Public Release

The Stage 9 public release took place on 23rd November 2013 with 35 registrations received for the 11 lots released. To date 9 contracts have been signed and the remaining 2 are scheduled for signing.

Stage 9 Builders Allocation Tender

The Stage 9 Builder Allocation Tender closed on the 25th November 2013, with 5 tenders received seeking lot allocations accounting for all 40 lots and is reported under Item 9.12 of this agenda.

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

9.6 ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 4.144.49.0

Recommendation

That the Council ADOPT the Annual Report of the Tamala Park Regional Council for the year ended 30 June 2013.

Voting Requirements

Absolute Majority

Report Purpose

To review the Annual Report for the TPRC for the year ended 30 June 2013.

Relevant Documents

Appendix: TPRC Annual Report 2012/2013
Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

- Local Government Act 1995: S5.3 Requires Local Government to prepare an annual report, with prescribed inclusions, for each financial year.
- Local Government Act 1995: S5.4 Requires Local Government to accept the Annual Report by 31 December.
- Local Government Act 1995: S5.5 requires availability of report to be advertised following report adoption by Local Government.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Previous Minutes

- Ordinary meeting of Council (13 December 2012) – Item 9.6: Annual Report
- Ordinary meeting of Council (13 October 2011) – Item 9.5: Annual Report

Background

The Council has a statutory obligation to provide an Annual Report of its operations including the following:

- Report by the Chairman of the Council;
- Report by the CEO;
- Detail of completion of statutory requirements;
- Detail of expenses paid to members;
- The audit report and completed financial report of the Council for the year under review.

The annual financial report is to be made available for public inspection.

Comment

The TPRC Annual Report for the year ending 30 June 2013 will be the seventh annual report produced by the Council. The report contains information on the Council formation and operation, the Tamala Park project and major activities of the TPRC. The Annual Report is attached at Appendix 9.6.

The report is required to be adopted by the Council by 31 December in each year and a copy of the adopted report must be provided for the Executive Director of the Department of Local Government.

The Annual Report is an opportunity to provide information on the work and objectives of the TPRC and the urban development at Tamala Park.

The Annual Report contains the Audit Report and the Annual Financial Report, for the year ended 30 June 2013, both of which have been completed. The current agenda contains a separate item in relation to the Annual Financial Report (refer Item 9.7).

The Audit Committee is to consider the Annual Report at its meeting on 17 December 2013. Council will be advised of the Audit Committee resolution at the meeting.

9.7 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2012 TO 30 JUNE 2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.48.0

Recommendation

That the Council RECEIVE the Annual Financial Report for the year ended 30 June 2013 and it be INCLUDED in the Annual Report of the TPRC Council.

Voting Requirements

Simple Majority

Report Purpose

To provide for review the audited financial report of the TPRC for the year ended 30 June 2013.

Relevant Documents

Appendix: Audited Annual Financial Report for the year ended 30 June 2013
Available for viewing at the meeting: Nil

Previous Minutes

- Council Meeting – 13 October 2011 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2010 to 30 June 2011)
- Council Meeting – 14 October 2010 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2009 to 30 June 2010)
- Council Meeting - 15 October 2009 (Item 9.16: TPRC Annual Financial Report for the Year 1 July 2008 to 30 June 2009)
- Council Meeting - 14 August 2008 (Item 9.9: Annual Financial Report for the year 1 July 2007 to 30 June 2008 – receipt of financial report and referral to Audit Committee)

Policy Reference

TPRC Audit Charter: Scope, includes review of Annual Financial Report and recommendation of adoption by the Council

Local Government Act/Regulation

- Local Government Act 1995: S6.4 - Requires Local Government to prepare annual Financial Report in prescribed form; balanced accounts and financial report for preceding year to be submitted to Auditor by 30 September.
- Local Government Act 1995: S7.2 - Requires accounts and financial report to be audited by an auditor appointed [according to prescribed procedures] by the Local Government.
- Local Government Act 1995: S7.9 - Requires Auditor to provide report on accounts and financial report to Chairman, CEO and Minister by 31 December.
- Regs - Local Government (Audit) 1996 R 9 Sets out Criteria for Conduct of Audit.

- Guideline 18 - Financial Ratios - Describes Financial Ratios required in financial reports.
- Regs - Local Government (Financial Management) 1996: R36-49 prescribes report inclusions.
- Regs - Local Government (Financial Management) 1996: R50 - CEO to forward copy of Financial Report to Executive Director within 30 Days of Audit.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Background

An Annual Financial Report is required to provide a comprehensive outline of financial activities of the TPRC for the public record and public inspection.

A series of legislative requirements must be observed in preparing the Annual Financial Report.

The Council's Audit Charter requires review of the report by the Audit Committee.

The report must be submitted for audit and included in the Council annual report for adoption no later than 31 December.

Comment

The accounts for the financial year have been balanced, the financial report prepared by Haines Norton (Accountants) and reviewed by Dom Carbone & Associates. The accounts and report have been submitted to the Council appointed Auditor (Macri Partners) for review.

The Auditor has completed audit of the documents and has provided the required management report which is required to be presented to the Chairman of the Council, the CEO and the Minister for Local Government. The report is considered in Item 9.8.

The accounts are in balance and there are no adverse comments or notifications from Council's accountants. The Council continues to utilise investment funds to operate the TPRC office.

The Audit Committee is to consider the Annual Financial Report at its meeting on 17 December 2013. Council will be advised of the Audit Committee resolution at the meeting.

9.8 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.19.382.0

Recommendation

That the Council;

- 1. RECEIVE the Auditor's report for the financial year ended 30 June 2013.**
- 2. NOTE that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2013.**

Voting Requirements

Simple Majority

Report Purpose

To facilitate review of the auditor's report as required by Regulation.

Relevant Documents

Appendix: Audit Report for Financial Year ended 30 June 2013 (draft)
Available for viewing at the meeting: Nil

Previous Minutes

- Council Meeting – 13 October 2011 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2011)
- Council Meeting – 14 October 2010 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2010)
- Council meeting – 15 October 2009 (Item 9.19: Review of the Auditor's Report for the Financial year Ended 30 June 2009)
- Audit Committee meeting – 4 December 2008 (Item 9.2: Review of the Auditor's Report for the Financial Year ended 30 June 2008)

Policy Reference

TPRC Audit Charter 6(f) and (h)

Local Government Act/Regulation

- Local Government Act Section 7.9(3) – Auditor is to provide a copy of the audit report within 30 days of completion to the Chairman, the CEO and the Minister.
- Local Government Act Section 7.12(3) – Local Government required to take action on matters raised in Audit Report.
- Local Government (Audit) Regulations 10.4 – Auditor may prepare a Management Report in addition to the Audit Report and copy to Chairman, the CEO and the Minister.

Background

The Local Government (Audit) Regulations require the Council's appointed Auditor to prepare an Auditor's report.

The report is to give the Auditor's opinion at;

- (a) The financial position of the local government
- (b) The results of the operations of the local government

Comment

The Council's appointed Auditor (Macri Partners) has completed its assessment for the financial year ending 30 June 2013. There are no adverse comments raised by the external auditor in its report.

There is a statutory obligation for the Council's appointed Auditor to meet with the Local Government at least once per annum. The Auditors (Mr Anthony Macri & Mr Mit Gudka) are to attend the Audit Committee meeting on 17 December 2013 to discharge this obligation.

The Audit Committee is to consider the Auditor's Report at its meeting on 17 December 2013. Council will be advised of the Audit Committee resolution at the meeting.

9.9 PROJECT CASHFLOW REVIEW – 2012/2013

Report Information

Reporting Officer: Chief Executive Officer File Reference: 1.88.246

Recommendation

That the Council

- 1. RECEIVE the review of the Project Cashflow (March 13) for the 2013/2014 financial year submitted by the Satterley Property Group.**
- 2. APPROVE the use of the review of the Project Budget 2012/13 (March13), submitted by the Satterley Property Group, as the basis of financial planning for the review of the TPRC Budget 2013/14.**

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the review of the Project Cashflow (March 13) for the 2013/2014 financial year.

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 approved Project Cashflow (March 13) for the 2013/2014.

Relevant Documents

Appendix: Project Cashflow Review (dated 4 December 2013)

Background

At its meeting of 22 June 2013 the Council resolved to approve the Project Budget 2013/2014 (March 2013), submitted by the Satterley Property Group, as the basis of financial planning for the 2013/2014 TPRC budget and receive the Project Budget 2014/2015 (March 2013) and Whole of Project Cashfow (2013-2026).

The Satterley review (December Review) of the Project Budget 2013/2014 (March 2013), encompasses the following;

1. Operations for Financial Year Ending 2014 (FYE2014).
2. Review of FYE2014.
3. Assumptions
4. Key Risks for achieving FYE2014 Budget
5. Review of Financial Year Ending 2015 (FYE2015)
6. Overall Project Position
7. Cash Requirement, Capital Return and Profit Distributions

The Satterley review and conclusions are attached at Appendix 9.9.

Comment

Project Budget 2013/2014 (March 2013)

The December Review indicates that the Project Budget 2013/2014 (March 2013) assumptions and predictions are still appropriate.

The Annual Cashflow Annual Summary (Appendix 9.9) identifies variations between the approved Project Budget 2013/2014 (March 2013) and the December Review. The variances are described in the SPG correspondence (dated 4 December 2013). These variances are summarised below:

Residential Lot Income	-\$3.34M	Reduced due in part to settlements for Stage 5 being received in FYE2013.
Direct selling costs	-\$2.912M	Decreased due to GST now being assessed as Item 4.
Landscaping	+\$0.601M	Increased due largely as a result of works for Stage 8 POS being brought forward from FYE2015.
Infrastructure costs	+\$0.279M	Increased due to works deferred from FYE2013 for the Marmion Green Link Intersection services and an increase in UXO - Search Western Cell costs.
Lot production/ Bulk earthworks	+\$1.734M	Increased due to Western Cell works brought forward and increase in scope of Western Cell works.
Administration	-\$0.118M	Reduced due to a revision of landscape maintenance requirements.
Finance	+\$1.282M	Increased due to the movement of the TPRC cash adjustment to FYE2014, and additional cash bond requirements
Debtor/Creditor Cash movements	+\$1.849M	Increase as creditor balances have decreased in FYE2014.

Based on the SPG December Review the following key outcomes are predicted for FYE 2014 in terms of Income, Development Costs, Distributions and Cash Position;

ANNUAL CASHFLOW	Budget 2013/14 (March 2013)	December Review	Variance
GROSS INCOME	\$38.29M	\$37.81M	-\$0.48M
DEVELOPMENT COSTS	\$35.85M	\$37.53M	+\$1.67M
DISTRIBUTIONS	\$8.00M	\$10.00M	+\$2.00M
CASHFLOW	\$2.45M	\$0.28M	-\$2.16M
CUMULATIVE CASH BALANCE	\$9.96M	\$13.52M	+\$3.55M

This review forecasts a net cashflow of \$0.3m for the year to 30 June 2014, which is \$2.2m less than the March 2013 budget. However, the overall cumulative cash position is approximately \$3.55M more favourable as a result of increased revenue received in FYE13 and lower development costs.

The December Review identifies four key risks to achieving budget outcomes;

- Stage 9 – delays in achieving titles in May 2014 would result in settlements deferred to FYE2015;
- Sales fallovers would result in sales and settlements targets not being reached.
- Price escalation not being achieved.
- Stage 4 group housing site - delays in the sale and settlement of the site at \$0.569M would result in the settlement deferred to FYE2015 ;

At this stage these matters pose a low risk, however, they are actively being pursued to minimise potential exposure to the TPRC and will be reported on in February 2014.

It is recommended that the SPG December Review (dated 4 December) of the Project Budget 2012/13 (March13) be used as the basis of financial planning for the review of the TPRC Budget 2013/14.

Project Cashflow 2014/15

The SPG has also reviewed the Project Cashflow 2014/15 (March 2013) for financial planning and information purposes. It is not intended to be endorsed by the Council at this time.

The following table shows the key outcomes predicted for FYE 2015 in terms of Income, Development Costs, Distributions, Cash Position and variances as a result of the December Review.

ANNUAL CASHFLOW	FYE 2015 (March13)	December Review	Variance
GROSS INCOME	\$49.33M	\$70.62M	+\$21.29M
DEVELOPMENT COSTS	\$39.11M	\$43.87M	+\$4.76M
DISTRIBUTIONS	\$14.00M	\$29.00M	+\$15.00M
CASHFLOW	\$10.22M	\$26.75M	+\$16.53M
CUMULATIVE CASH BALANCE	\$6.18M	\$11.27M	+\$5.09M

There are two significant variances predicted;

- Gross Income - Increased as a result of settled lots being increased from 200 to 250 lots. Recommended by SPG to capitalise on market conditions;
- Development Costs – Increased as a result of additional civil works to accommodate increased sales and settlements.

These forecasts should only be considered as a general guide for the Project Cashflow 2014/15, detailed planning and review is underway to more precisely determine the assumptions underlying the cashflow.

Catalina Whole of Project Review (2012-2027)

The SPG December Review also includes a high level review of the Whole of Project Cashflow, (March 2013). The December Review indicates that the Whole of Project Review (March 2013) assumptions and predictions are still generally appropriate, however, there are a number of variances which are described in the SPG correspondence (dated 4 December 2013).

The Table following shows the key outcomes predicted for FYE 2015 in terms of Income, Development Costs, Distributions, Cash Position and variances as a result of the December Review.

ANNUAL CASHFLOW	Budget 2013/14 (March 2013)	December Review	Variance
GROSS INCOME	\$681.58M	\$744.67M	+\$63.09M
DEVELOPMENT COSTS	\$356.41M	\$355.94M	-\$0.47M
PROJECT PROFIT	\$325.17M	\$388.73M	+\$63.56M
DISTRIBUTIONS	\$325.17M	\$388.73M	+\$63.56M

The most significant variance relates to Gross Income which is predicted to increase to \$744.67M which is \$63.09M higher than the previous forecast. This increase in Gross Income is attributed to the following;

- Income Special Sites – Increase revenue of \$3.1M.
- Direct Selling Expenses - Decreased by \$59.82M largely due to GST now being assessed as Item 4.

As reported to Council in August 2013, the Australian Taxation Office issued a Private Ruling which confirmed the seven local governments are considered 'State' for the purposes of the GST Act and some additional matters with the consequence that Item 4 of the GST Act can be utilised for the calculation of GST payable on land sales. This has the impact of reducing the GST liability on the 7 participant members.

The whole of project position provides a general guide to the long term cashflow direction of the project only. Due the inherent uncertainties associated with forecasting over the lengthy timeframe of the project's lifecycle, the position represented is only indicative and does not require any formal Council decision.

An SPG representative will be in attendance to provide further information of the December review.

9.10 UDIA 2014 NATIONAL CONGRESS

Report Information

Reporting Officer: Chief Executive Officer File Reference: 22.54.266.0

Recommendation

That the CEO be AUTHORISED to attend the 2014 Urban Development Institute of Australia National Congress in Brisbane to be held on 26-28 March 2014.

Voting Requirements

Simple Majority

Report Purpose

To obtain authority for the TPRC CEO to attend the forthcoming 2014 Urban Development Institute of Australia National Congress in Brisbane.

Relevant Documents

Appendix: UDIA National Congress 2014 Registration Brochure

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 E 041020 (Conference Expenses):

Budget Amount:	\$10,000
Spent to Date:	\$ 0
Balance:	\$10,000

Background

The 2014 Urban Development Institute of Australia (UDIA) National Congress will be held in Brisbane from 26-28 March 2014. The Congress is the lead event of the UDIA and brings together leading industry professionals, developers, federal, state and local government personnel from around Australia.

The Congress theme is “Rise Up” and will examine issues affecting the development industry such as political uncertainty, economic instability, international unrest,

increased confidence in the market, commercially sustainable industry and changing nature of population

The Congress program includes presentations from expert practitioners from the industry, profiles from cutting edge and best practice projects and research that are 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:

- Demographic trends
- Urban design
- Productivity
- Property Trends
- Infrastructure Supply
- Economic Impacts
- Housing Trends

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 Brisbane and surrounding areas which are considered to have achieved 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 9.10.

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.

9.11 DELEGATION AUTHORITY

Report Information

Reporting Officer: Chief Executive Officer File Reference: 22.21.294.26

Recommendation

That Council APPROVE the Delegation Register 2012/13 (dated December 2013), as amended.

Voting Requirements

Absolute Majority

Report Purpose

To request Council to approve modification to the Delegation Register.

Relevant Documents

Appendix: TPRC Delegation Register (updated December 2013)

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 15 December 2011 (Item 9.7 - Display Village Lots Tender & Allocation)
- Council Meeting – 24 June 2010 (Item 9.4 - Delegation Authority)
- Council Meeting – 11 February 2010 (Item 9.11 - Delegation Authority)
- Council Meeting – 13 August 2009 (Item 9.5 – Delegation Authority)
- Council Meeting – 9 August 2007 (Item 9.12 – Delegation Authority)

Background

The LGA provides that the Council may delegate powers to the CEO who, in turn, may delegate to other officers.

In 15 December 2011 the Council approved modifications to the Delegation Register 2011/12. The modifications approved by Council to the Delegation Register were required to enable the effective operation of the Tamala Park Regional Council office and more accurately reflect the delegations utilised by other local authorities.

Comment

The Delegation Register (Appendix 9.11) depicts a number of proposed changes which are intended to avoid repetition and to clarify the delegations.

Modifications are proposed to delegations relating to the management of the lot sales process in order to enable the efficient day to day operation of the Sales process and to provide clarity regarding delegation.

It is also proposed to authorise the CEO to grant approval to bulk earthworks, civil, infrastructure and landscape works, subject to rates being in accordance with Council approved rates for the relevant works and there being an appropriate budget allocation. The Council has approved Tenders (Earthworks and Subdivisions Work 05/2013 and Landscape 09/2013) for fixed rates for earthworks and subdivisional works and for landscape works for a period of two years. This is required to avoid delays in construction and landscape works.

The proposed modifications to the Delegation Register are highlighted at Appendix 9.11.

9.12 STAGE 9 BUILDERS ALLOCATION LOTS TENDER

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council

- 1. APPROVE the following allocation of the Stage 9 Builder Allocation Lots in accordance with the terms and conditions of Tender 14/2013:-**
 - a. Lot Parcels A, B and C to Bilton Corp**
 - b. Lot Parcel D to Homebuyers Centre**
 - c. Lot Parcel E to Prime Projects**
 - d. Lot Parcel F to Content Living**
 - e. Lot Parcel G to Affordable Living**
- 2. RESOLVE that in the event allocations in Recommendation 1 are not accepted by builders, that the lots be disposed of in the following manner:-**
 - a. 7.5m wide lots be tendered in accordance with the approved Allocation procedure, and the selection criteria, put option deeds and terms and conditions of the approved Builders Allocation Lots procedure.**
 - b. All other lots be disposed of by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.**
- 3. AGREE to modify the approved option period under Put Option Deeds to 16 weeks for all mandatory 2 storey lots disposed of via future Builder Allocation tenders.**

Voting Requirements

Simple Majority

Report Purpose

To consider the Stage 9 Builders Allocation tender.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

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

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales. Lot sales up to 30 November 2013:

Budget Amount: \$45,640,484
Received to Date: \$18,287,841
Balance: \$27,352,643

Relevant Documents

Appendix:

- Satterley Property Group Letter dated 5th December 2013 Stage 9 Builders Allocation Tender Report;
- Plan of Stage 9 Medium Density Lot Packages.

Background

Stage 9 comprises 51 lots, 11 traditional lots and 40 rear loaded cottage lots. It is anticipated that titles will be issued in May 2014, with settlements commencing in June 2014.

At its meeting of 21st February 2013, the Council approved the Lot Sale & Release Strategy (February 2013), which recommended sale of the Stage 9 lots via a combination of builder allocations and public release and stipulated a 12 week option period to be used within Put Option Deeds under the Medium Density Builder Allocation procedure.

The SPG has carried out an evaluation of the tenders, in conjunction with Council's Probity Auditor, which is presented in this report. The SPG has made a Declaration of Interest – Impartiality, consistent with Local Government Act clause 34(c) and the TPRC Code of Conduct (2012).

The Council's Auditor is aware of the Satterley Property Group Declaration of Interest - Impartiality and is satisfied that the procurement and evaluation process has been sound.

The TPRC office has carried out an independent review of the SPG evaluation of tenders and confirmed it is a fair and accurate assessment of the tender submissions.

Comment

The tender for the allocation of the Stage 9 builders' lots was advertised on the 9th November 2013. The lots were tendered as 7 parcels of between 3 to 8 lots, 4 of these parcels (A, B, C and D) included mandatory 2 storey homesites, with parcels A, B and C being comprised entirely of mandatory 2 storey lots. The arrangement of lot parcels and designation of mandatory 2 storey lots are depicted on the plan provided under Appendix 9.13.

The tender was undertaken in accordance with the approved selection criteria, which is summarised as follows:-

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

The lots were tendered to builders in accordance with the Allocation procedure contained within the approved Lot Sales and Release Strategy (February 2013) and the approved terms and conditions for Builders Allocation Lots.

At the close of the tender period on the 25th November 2013, 5 tender submissions had been received accounting for all 40 lots representing total sales revenue of \$8,463,000.

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

Tenderer	Selection Criteria No.						Total Score
	1 (25%)	2 (20%)	3 (20%)	4 (15%)	5 (10%)	6 (10%)	
Affordable Living	17.5	19	14	9	7	7	73.5
Content Living	17.5	18	14	10.5	7	8	75
Homebuyers Centre	22.5	20	16	12	8	9	87.5
Builton Corp	17.5	16	14	10.5	8	7	73
Prime Projects	20	17	14	9	7	7	74

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

On the basis of the evaluated scores and the allocation process stipulated within the tender document, the following allocations are recommended.

TENDERER	LOT PARCEL	NO. OF LOTS	SALES VALUE
Builton Corp	A	4	\$960,000
Builton Corp	B	3	\$734,000
Builton Corp	C	4	\$918,000
Homebuyers Centre	D	8	\$1,560,000
Prime Projects	E	7	\$1,439,000
Content Living	F	6	\$1,182,000
Affordable Living	G	8	\$1,670,000

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

The SPG has advised that Bilton Corp was the only builder to seek the allocation of lot parcels A, B and C, which are entirely comprised of mandatory 2 storey lots. The SPG has recommended that in the event Bilton Corp decides not to accept the allocation of any of these lot parcels, the lots be disposed of in the following manner:-

- 7.5m wide lots be retendered in accordance with the approved Builders Allocation procedure, and the selection criteria, put option deeds and terms and conditions.
- All other lots be disposed of by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.

In addition, the SPG has recommended that the option period for lots with a mandatory two storey requirement be extended from 12 weeks to 16 weeks, for future Builder Allocation tenders, to provide builders with a lengthier selling period, generally required for two storey homes. The SPG has provided this recommendation following liaison with builders regarding mandatory two storey lots and has advised that the proposed extension is expected to result in increased interest from builders in designated two storey homesites.

The 12 week option period approved under the Lot Sale and Release Strategy (February 2013), has operated well for single storey sites with strong responses received to previous Builder Allocation tenders. The reduced interest in lot parcels A, B and C within the Stage 9 Builders Allocation tender, indicates that the higher risk associated with 2 storey product has deterred some builders from seeking allocation of these lots. Providing a lengthier option period to allow builders more time to market and sell 2 storey house and land packages will assist in mitigating this risk and is expected to result in increased interest in this lot type. The SPG recommendation for a 16 week option period for mandatory 2 storey lots under future builders allocation tenders is supported.

9.13 LOT 248 GROUPED HOUSING SITE DEVELOPMENT AND DISPOSAL

Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

Recommendation

That the Council

- 1. APPROVE the disposal of Lot 248 by Public Tender in accordance with Section 3.58(2) of the Local Government Act 1995.**
- 2. APPROVE the following terms and conditions to form part of the Tender:-**
 - a. Offers to purchase being unconditional only;**
 - b. A deposit of 5% of the lot sale price paid within 3 days of acceptance;**
 - c. Settlement 60 days from contract of sale or 21 days from the issue of title, whichever is later;**
 - d. A minimum 1.5kW capacity photovoltaic solar power system being provided to all dwellings constructed;**
 - e. Participation in the Catalina Waste Recycling Program;**
 - f. Agreement to the Catalina Central Design Guidelines for Lot 248 Grouped Housing Site.**
- 3. APPROVE the Catalina Central Design Guidelines for Lot 248 Grouped Housing Site (November 2013).**
- 4. APPROVE the Catalina Central Design Guidelines for Lot 248 Grouped Housing Site (November 2013) being used as the basis of a restrictive covenant to be applied to the Lot 248 grouped housing site.**

Voting Requirements

Simple Majority

Report Purpose

To consider the Satterley Property Group's recommendations for the development and sale of the Lot 248 grouped housing site.

Relevant Documents

Appendix: SPG letter dated 5th December 2013.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting 17th October 2013 (Item 9.9 – Catalina Housing and Built Form Strategy)

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales of the TRPC 2013/2014 Budget.

Lot sales up to 30 November 2013:

Budget Amount: \$45,640,484
Received to Date: \$18,287,841
Balance: \$27,352,643

Background

Lot 248 is a 2,295m² lot zoned ‘Residential R60’, located adjacent to the Stage 4 POS with access provided by a rear access laneway (Pratt Lane) and frontage to Elsbury Approach and Pollock Way.

At its meeting of 17th October 2013 the Council accepted the Catalina Housing and Built Form Strategy (September 2013) which recommended that the Lot 248 Grouped Housing site be developed as a high quality development with the potential for two storey housing overlooking the Stage 4 park.

Comment

The Satterley Property Group (SPG) has provided recommendations for the development and disposal of the Lot 248 grouped housing site. A copy of this correspondence is attached under Appendix 9.14.

The SPG recommends Lot 248 be sold to a developer or builder by public tender as it provides a fair and transparent process that will provide all interested parties an opportunity to purchase the site. It also considers this method presents the best means of obtaining sales revenue from the site in accordance with the approved Project Budget, which forecasts sales revenue of \$594,350 by May 2014. It has recommended the following terms and conditions for the sale of Lot 248:-

- Deposit..... 5% of the purchase price within 3 days of acceptance
- Settlement Period..... 60 days from contract of sale or 21 days from the issue of title, whichever is later.
- Finance Unconditional
- Sustainability Initiatives A 1.5kV capacity photovoltaic solar power system being provided to all dwellings constructed
Participation in the Catalina Waste Management program
- POS/Fencing..... Constructed by builder in accordance with TPRC design
- Development Control Site specific design guidelines applied via restrictive covenant

The SPG has prepared design guidelines for Lot 248 which it recommends be imposed via restrictive covenants to achieve the built form recommendations contained within the Housing and Built Form Strategy (September 2013). A copy of the Catalina Central Design Guidelines for Lot 248 Grouped Housing Site (November 2013) is attached under Appendix 9.14

The Design Guidelines for Lot 248 are generally consistent with the approved design guidelines for the Catalina Central Cell, with the following additional requirements:-

- The front facade of the development is to be orientated toward the Stage 4 POS area.
- A minimum finished floor level for development fronting the Stage 4 POS area.
- A minimum of 50% of dwellings fronting the Stage 4 POS to be of two storey construction.
- A minimum of three different materials or colours at the developments elevation fronting the Stage 4 POS, with no one material occupying more than 80% of the area of the front elevation.
- The elevation of each dwelling fronting the Stage 4 POS to include mandatory features (such as gables, porticos, projected sill courses, verandahs, bay windows or balconies) major openings and/or courtyard and a minimum of one point of articulation.
- Front fencing abutting the Stage 4 POS to be constructed in accordance with designated specifications.

The SPG has held preliminary discussions with builders to obtain feedback in developing the design guidelines. These discussions have identified that the two storey height requirement is likely to deter some builders due to the additional cost of 2 storey construction. However, the SPG considers that in view of the sites position adjacent to the Stage 4 park, the high demand previously experienced for lots surrounding the Stage 4 park and the high standard of housing currently being developed within the park precinct, the site is likely to generate good sales interest.

The Built Form and Demonstration Housing Strategy (June 2011) and the Housing and Built Form Strategy (September 2013) both identified Lot 248 as a key site that presented the opportunity to achieve a high quality 2 storey built form outcome. It is recommended the Catalina Central Design Guidelines for Lot 248 Grouped Housing Site (November 2013) be adopted.

9.14 LANDSCAPE CONSTRUCTION WORKS CONTRACT – STAGE 8 POS AND NORTHERN BIODIVERSITY CONSERVATION AREA

Report Information

Reporting Officer: Senior Project Officer File Reference: 1.88.246

Recommendation

That the Council:

1. **ACCEPT** the pricing submitted by LD Total to undertake the following works in accordance with approved Tender 9/2013, subject to relevant statutory approvals being obtained:-
 - a) Stage 8 POS for the lump sum value of \$429,563 (excluding GST).
 - b) Northern Biodiversity Conservation Area for the lump sum value of \$287,675 (excluding GST).
2. **AUTHORISE** the Chairman and CEO to sign and affix the TPRC common seal to the Contract.

Voting Requirements

Simple Majority

Report Purpose

To consider the award to LD Total to undertake the Stage 8 Public Open Space and Northern Biodiversity Conservation Area landscape works.

Relevant Documents

Appendix:

- SPG letter dated 9th December 2013: Catalina: Stages 2, 6C, 8 POS and BCA Landscape Recommendation.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

- Council Meeting – 20 June 2013 (Item 9.6 Project Budget 2013/14).
- Council Meeting – 20 June 2013 (Item 9.11 Landscape Construction and Maintenance – Fixed rates Tender).

Financial/Budget Implications

Expenditure under this matter will be incurred under Item E145209 (Land Development – Landscape) of the TPRC 2013/2014 Budget:

Item E145209 (Land Development – Landscape):

Budget Amount: \$ 4,660,312
 Spent to Date: \$ 403,924
 Balance: \$ 4,256,388

Expenditure is expected to be accommodated within the above item.

Background

At its June 2013 meeting, the Council resolved to accept the tender submitted by LD Total for fixed rates for landscape and irrigation construction and maintenance works for a period of two years until June 2015. The award of further stages of works during the term of the contract is 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.

The Council also approved the Project Budget 2013/2014 (March 2013), submitted by the Satterley Property Group, which included construction of the Stage 8 Public Open Space (POS) and the Northern Biodiversity Conservation Area (BCA) to commence within FYE14.

Landscape design drawings have been submitted to the City of Wanneroo for approval.

Comment

The TPRC has received correspondence from the Satterley Property Group (SPG) recommending that the Council award the Stage 8 POS and Northern BCA landscaping works for the lump sum price of \$717,238 (excl GST). A copy of the SPG recommendation letter is attached under Appendix 9.15.

The table below provides a breakdown of LD Total’s submitted pricing. A comparison of the pricing of works to allowances contained within the approved Project Budget is also provided.

Item	LD Total Price	Budget Allowance (Incl 5% contingency)
Stage 8 POS	\$429,563	\$408,589
Northern BCA	\$287,675	\$270,941
Total	\$717,238	\$679,530

The proposed landscape works price exceeds allowances contained within the Project Budget by \$37,708. The landscape architect and SPG have confirmed all works have been priced in accordance with the approved contract rates and the additional costs are as a result of requirements to provide additional infrastructure. All

previous stages of landscape works in 2013/14 have been carried below budget and the SPG has advised the increased cost is offset by savings achieved to previous landscape stages and that landscape costs for FYE14 will remain within budget.

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

1. Emerge Associates has verified LD Total's pricing to be in accordance with the approved tendered rates.
2. At the time of writing 358 of the 400 lots released to the market had been sold. The remaining 42 lots are comprised of the Stage 9 lots, with contracts for 2 remaining public release lots scheduled to be signed prior to the meeting and an item included in this agenda, recommending the allocation of all 40 of the Builder Allocation Lots.

The above sales results are consistent with budget estimates and support the award of the Stage 8 POS and Northern BCA landscaping works.

3. LD Total has completed landscaping works to Stage 6A, Neerabup Road (Stages 3, 4 & 5) and the Stage 3 & 4 PAWs under the contract awarded to it in June 2013. The SPG and EA has advised that LD Total has completed these works to acceptable standards in timing and quality of the works.

It is recommended the Council accept the pricing submitted by LD Total and award it the following landscape construction contracts, in accordance with approved Tender 9/2013, subject to relevant statutory approvals being obtained:-

- a) Stage 8 POS for the lump sum value of \$429,563 (excl GST).
- b) Northern Biodiversity Conservation Area landscape works for the lump sum value of \$287,675 (excl GST).

10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN
13. MATTERS BEHIND CLOSED DOORS
14. GENERAL BUSINESS
15. FORMAL CLOSURE OF MEETING

APPENDICES