

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

# Meeting of Council

## AGENDA

**Thursday 20 June 2013**  
**City of Joondalup, 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 Joondalup, 90 Boas Avenue, Joondalup at 6.00pm on Thursday 20 June 2013.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



**TONY ARIAS**  
Chief Executive Officer

**MEMBERSHIP**

<b>OWNER COUNCIL</b>	<b>MEMBER</b>	<b>ALTERNATE MEMBER</b>
Town of Cambridge	Cr Corinne MacRae	Cr Simon Withers
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Jim Adamos	
City of Stirling	Cr Giovanni Italiano (CHAIRMAN) Cr David Michael Cr Terry Tyzack Cr Rod Willox	Cr Stephanie Proud
Town of Victoria Park	Mayor Trevor Vaughan (DEPUTY CHAIRMAN)	Cr David Ashton
City of Vincent	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 – 18 April 2013

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

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

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

**8. REPORTS OF COMMITTEES**

- Management Committee Meeting – 6 June 2013

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

**9.1 BUSINESS REPORT – PERIOD ENDING 13 JUNE 2013**

**Report Information**

Reporting Officer: Chief Executive Officer

File Reference: N/A

**Recommendation**

**That the Council RECEIVE the Business Report to 13 June 2013**

**Voting Requirements**

Simple Majority

**Report Purpose**

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

**Relevant Documents**

Appendix: Nil

**Background**

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

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

**Comment**

**1. Civil Construction - Status**

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

Stage	Lots	Commencement of Construction	Practical Completion Date	Works Status	Titles
5	63	10 <sup>th</sup> December 2012	27 <sup>th</sup> June 2013	85% Complete	May 2013
7	63	2 <sup>nd</sup> April 2013	20 <sup>th</sup> August 2013	40% Complete	September 2013

## 2. Bulk Earthworks - Status

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

Stage	Commencement of Construction	Practical Completion Date	Works Status
8	2 <sup>nd</sup> April 2013	12 <sup>th</sup> July 2013	80% Complete
Marmion Ave Intersection (earthworks)	2 <sup>nd</sup> April 2013	4 <sup>th</sup> June 2013	95% Complete – Works pending service authority underground service relocation works

## 3. Stage 1 Landscape works – Status

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

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
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.

## 4. Stage 5 Titles

Titles for Stage 5A comprising 49 lots were issued by Landgate on 20<sup>th</sup> May 2013. Titles for Stage 5B comprising 14 lots are expected to be issued in late July 2013.

## 5. Temporary Sales Office

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

## 6. Housing Construction

To date 17 Builders Homes have commenced construction within the Builders Display Village and 32 private homes are under construction. Two residents have moved into homes within the estate.

## 7. Waste Management Program

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

Discussions have been held with builders following the commencement of the program and a number of builders have advised of their intention to participate.

## **8. GST Status TPRC Project**

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

The TPRC and the participant Local Government member Councils adopted a conservative position given the significant impact of GST on the TPRC development and the participant Local Governments. EY recommended that the Local Governments seek a Private Ruling by the ATO confirming the participant Local Governments meet the requirements to be “State” under GSTR 2006/5 and utilise Item 4 of the GST Act. This position was supported by the member Local Governments in order to provide certainty on the matter into the future.

At its meeting of 18 April 2013 the Council authorised the Chief Executive Officer to take all necessary action to lodge the Private Ruling documentation for the ATO (Ernst & Young - 12 March 2013).

On the 7 May 2013 the Chief Executive Officer and EY consultants meet with officers of the ATO to discuss the Private Ruling proposal and lodge the necessary documentation. The ATO is currently assessing the private ruling request.

## **9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MARCH & APRIL 2013**

### **Report Information**

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

### **Recommendation**

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

- **31 March 2013; and**
- **30 April 2013.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix: Monthly Statement of Financial Activity for the months ending 31 March 2013 and 30 April 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 April 2013 exceeding 10% were experienced in relation to the following:



**Agenda TPRC Meeting of Council – 20 June 2013**

<b>Interest Earnings</b>	Interest earnings are above budget projections as the investment principal is higher than predicted.
<b>Other Revenue</b>	The negative variance due to delay in settlements in Stage 2B, 3 and 6A.
<b>Materials &amp; Contracts MTC</b>	The positive variance reflects savings of expenditure.
<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 recognises 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 is expected to remain under budget.
<b>Land Production Cost</b>	The variance is due to timing of payments associated with Bulk Earthworks for Stage 8 and Civil works for Stage 5 & 7. Deferral of some works to 2013/14 and substantial savings in civil and bulk earthworks.
<b>Utilities</b>	The positive variance recognises savings to the budget.
<b>Capital Items</b>	The negative variance is due to timing of payments but is expected to be on budget.

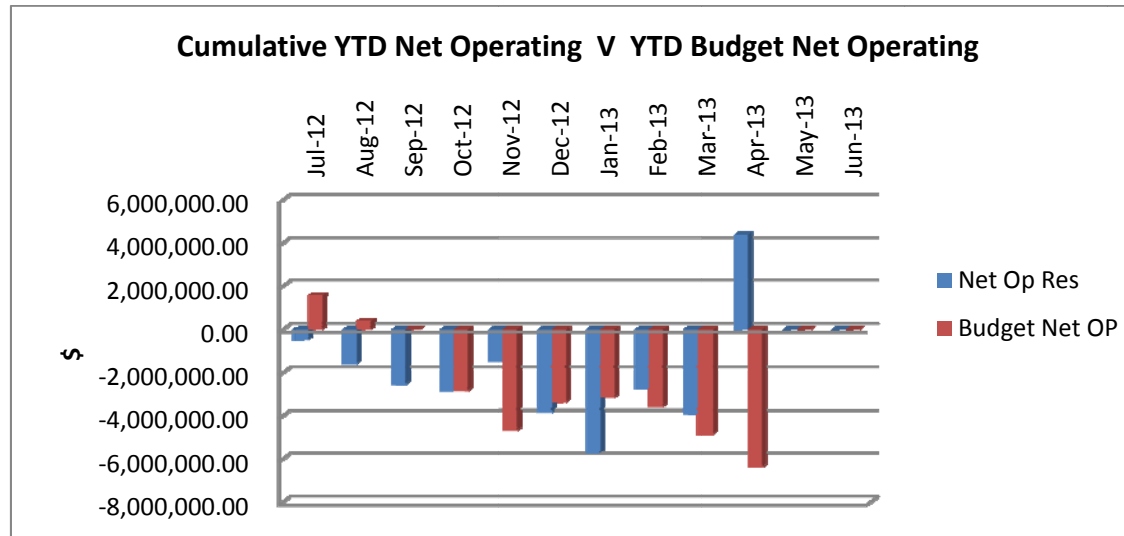
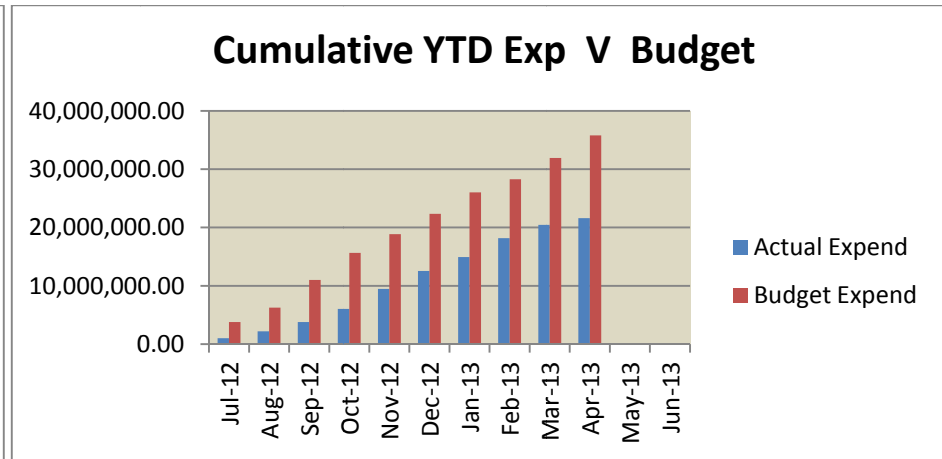
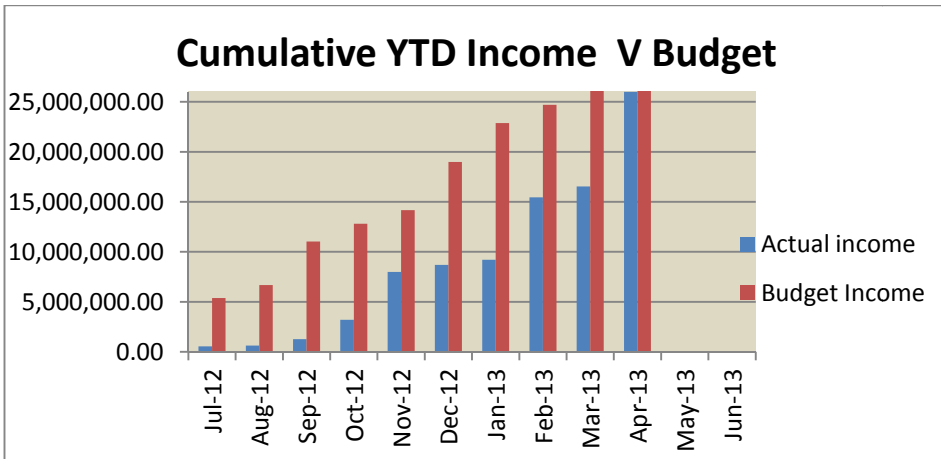
The information in the appendices is summarised in the tables below.

**Financial Snapshot as at 30 April 2013**

	2012-13 ADOPTED BUDGET	2012-13 YTD BUDGET	2012-13 YTD ACTUAL	VARIANCE		VARIANCE %
				FAVOURABLE	UNFAVOURABLE	
<b>REVENUE</b>	\$	\$	\$	\$	\$	%
Interest Earnings	449,000	343,680	392,596	48,916		14.2%
Other Revenue	42,793,252	29,137,104	23,667,151	0	(5,469,953)	-18.8%
	<b>\$43,242,252</b>	<b>\$29,480,784</b>	<b>\$24,059,747</b>	<b>\$48,916</b>	<b>(\$5,469,953)</b>	
<b>LESS EXPENDITURE</b>						
Depreciation	(19,320)	(16,100)	(6,084)	10,016		62.2%
Employee Costs	(620,651)	(467,459)	(419,198)	48,261		10.3%
Insurance	(11,300)	(10,438)	(10,119)	319		3.1%
Materials and Contracts MTC	(35,000)	(31,500)	-	31,500		100.0%
Materials and Contracts Other	(371,453)	(193,515)	(78,508)	115,007		59.4%
Other	(136,000)	(171,458)	(112,073)	59,385		34.6%
Professional /Consultant Fees	(763,535)	(577,922)	(187,382)	390,540		67.6%
Land Production Costs	(43,180,311)	(26,651,316)	(17,870,479)	8,780,837		32.9%
Utilities	(11,800)	(9,833)	-	9,833		100.0%
Capital Items	(80,000)	(47,259)	(64,247)	(16,988)		-35.9%
Contribution Refund	(90,000)	(67,500)	-	67,500		0.0%
	<b>(\$45,319,370)</b>	<b>(\$28,244,300)</b>	<b>(\$18,748,090)</b>	<b>\$9,496,210</b>	<b>\$0</b>	
Total	<b>(\$2,077,118)</b>	<b>\$1,236,484</b>	<b>\$5,311,657</b>	<b>\$9,545,126</b>	<b>(\$5,469,953)</b>	<b>\$0</b>
			\$4,075,173		\$4,075,173	

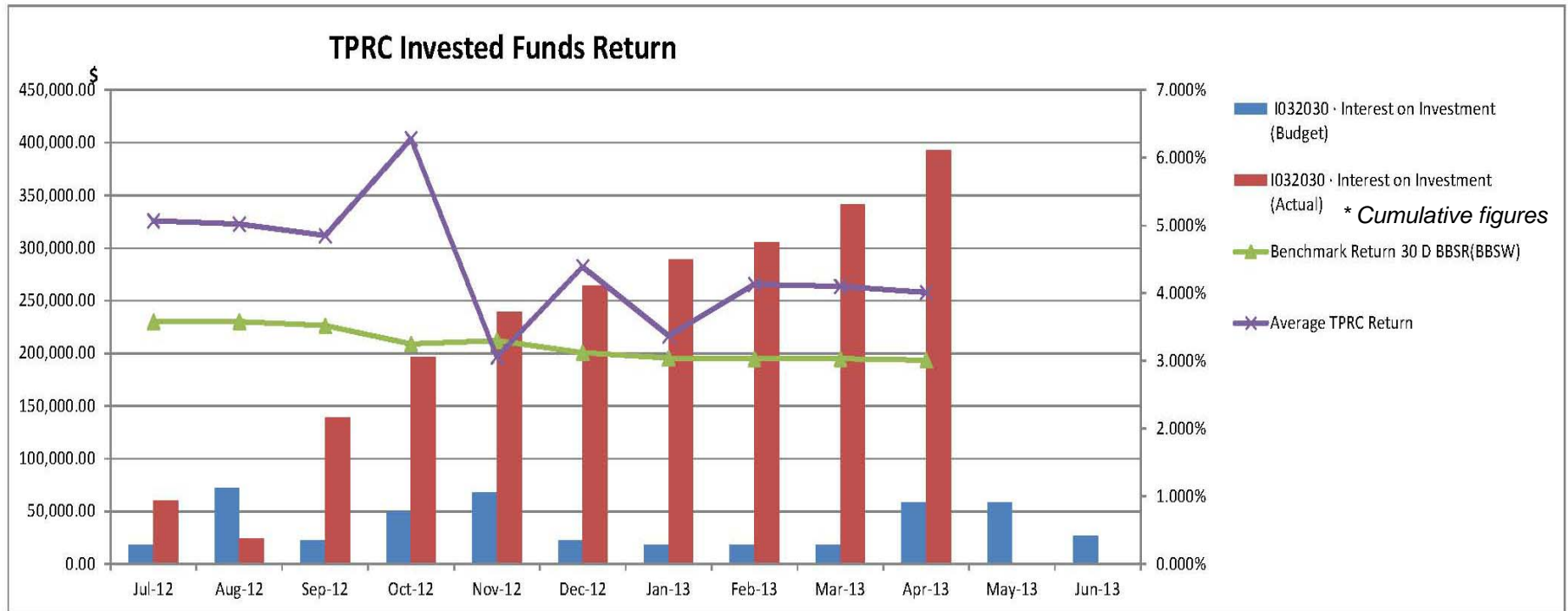
**Balance Sheet Summary as at 30 April 2013**

	April 30, 13	June 30, 12	\$ Change	% Change	April 30, 12
Cash and Investments	18,380,268.06	13,454,148.77	4,926,119.29	36.61%	10,638,850.04
Accounts Receivable	192,574.23	151,219.29	41,354.94	27.35%	0.00
Other Current Assets (inc Land Held for Resale)	50,991.87	1,030.00	49,961.87	4850.67%	946,305.51
<b>Total Current Assets</b>	<b>18,623,834.16</b>	<b>13,606,398.06</b>	<b>5,017,436.10</b>	<b>36.88%</b>	<b>11,585,155.55</b>
Fixed Assets	2,165,436.43	2,107,273.34	58,163.09	2.76%	2,132,992.38
<b>Total Assets</b>	<b>20,789,270.59</b>	<b>15,713,671.40</b>	<b>5,075,599.19</b>	<b>32.30%</b>	<b>13,718,147.93</b>
Less Current Liabilities	293,499.03	593,801.12	-300,302.09	-50.57%	68,019.15
Less Long Term Liabilities	9,862.66	9,862.66	0.00	0.00%	13,046.69
<b>Total Liabilities</b>	<b>303,361.69</b>	<b>603,663.78</b>	<b>-300,302.09</b>	<b>-49.75%</b>	<b>81,065.84</b>
<b>Net Assets</b>	<b>20,485,908.90</b>	<b>15,110,007.62</b>	<b>5,375,901.28</b>	<b>82.87%</b>	<b>13,637,082.09</b>



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

		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
Budget	I032030 · Interest on Investment (Budget)	17,960.00	71,840.00	22,450.00	49,390.00	67,350.00	22,450.00	17,960.00	17,960.00	17,960.00	58,370.00	58,370.00	26,940.00
Actual	I032030 · Interest on Investment (Actual)	59,839.97	23,790.57	139,120.00	196,324.00	239,622.00	264,124.00	289,363.00	305,769.00	340,840.00	392,596.00		
	<b>Budget YTD</b>	<b>17,960.00</b>	<b>89,800.00</b>	<b>112,250.00</b>	<b>161,640.00</b>	<b>228,990.00</b>	<b>251,440.00</b>	<b>269,400.00</b>	<b>287,360.00</b>	<b>305,320.00</b>	<b>363,690.00</b>	<b>422,060.00</b>	
	<b>Actual YTD</b>	<b>59,839.97</b>	<b>83,630.54</b>	<b>222,750.54</b>	<b>419,074.54</b>	<b>658,696.54</b>	<b>922,820.54</b>	<b>1,212,183.54</b>	<b>1,517,952.54</b>	<b>1,858,792.54</b>	<b>2,251,388.54</b>	<b>2,251,388.54</b>	
<b>Invested Funds</b>													
A(-1+)	A01101/02 · Unrestricted At Call	600.56	600.61	586,472.43	10,765.56	49,496.57	640,638.54	457,289.98	660,530.36	715,990.23	649,593.54		
A(-1+)	A01103/06/07/09/12/13 · Fixed Term Dep	12,749,344.11	11,368,134.46	10,999,806.44	10,125,312.50	11,268,005.04	8,170,739.81	6,539,228.14	9,455,743.50	8,971,143.03	17,730,674.52		
	<b>Act Invest 09-10</b>	<b>12,749,944.67</b>	<b>11,368,735.07</b>	<b>11,586,278.87</b>	<b>10,136,078.06</b>	<b>11,317,501.61</b>	<b>8,811,378.35</b>	<b>6,996,518.12</b>	<b>10,116,273.86</b>	<b>9,687,133.26</b>	<b>18,380,268.06</b>	<b>0.00</b>	<b>0.00</b>



### 9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF APRIL & MAY 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 April and May 2013:**

- **Month ending 30 April 2013 (Total \$545,631.76)**
- **Month ending 31 May (Total \$3,172,426.55)**
- **Total Paid - \$3,718,058.31**

#### Voting Requirements

Simple Majority

#### Report Purpose

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

#### Relevant Documents

Appendix:

- Cheque Detail for Month Ending 30 April 2013 and 31 May 2013;
- Summary Payment List for April and May 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 – APRIL 2013**

### **Report Information**

Reporting Officer: Chief Executive Officer File Reference: 1.88.246

### **Recommendation**

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

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Policy Reference**

N/A

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

N/A

### **Previous Minutes**

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

### **Financial/Budget Implications**

Review of Project Financial Report for April 2013.

### **Relevant Documents**

Appendix: Letter from Satterley Property Group dated 30 May 2013

### **Background**

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

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

### **Comment**

The Satterley Property Group has prepared a Financial Report for April 2013 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 30 April 2013 and is attached at Appendix 9.4.

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

1. Settlement revenue is \$10,802,314 under budget, with \$24,095,500 revenue received to date.
2. Expenditure is \$14,046,594 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;
- \$7.6M revenue due to delay of 40 settlements;

The shortfall in revenue is primarily as a result of delays in settlements for Stage 2B, Stage 3 and Stage 6A lots which included Department of Housing lots and Sales Precinct lots. The majority of these lots were settled in May 2013.

Since preparation of the SPG report the following lots have been settled:

- May 2013 - 22 additional lots with revenue of \$4,079,313; and
- June 2013 – 21 additional lots with revenue of \$4,929,500.

## **9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 13 JUNE 2013**

### **Report Information**

Reporting Officer: Senior Project Officer

File Reference: N/A

### **Recommendation**

**That the Council RECEIVE the Sales and Settlements Report to 13 June 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 30 April 2013:

Budget Amount:	\$33,862,782
Received to Date:	\$23,648,909
Balance:	\$10,213,873

### **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:

<b>STAGE</b>	<b>LOTS RELEASED</b>	<b>SOLD</b>	<b>STOCK</b>	<b>SETTLED</b>
<b>STAGE 1A</b>	24	24	-	24
<b>STAGE 1B</b>	11	11	-	11
<b>STAGE 2A</b> (Builders Display Homes)	24	24	-	24
<b>STAGE 2B</b>	8	8	-	7
<b>STAGE 2B</b> (Builders Release)	5	0	5	0
<b>STAGE 3A</b> (Builders Release)	31	31	-	31
<b>STAGE 3B</b>	12	12	-	11
<b>STAGE 4A</b>	34	33	1	31
<b>STAGE 4 B</b> (Builders Release)	12	8	4	6
<b>STAGE 5</b>	37	36	1	14
<b>STAGE 5</b> (Builders Release)	26	26	-	6
<b>STAGE 6A</b>	8	8	-	7
<b>STAGE 7</b>	32	24	8	0
<b>STAGE 7</b> (Builders Release)	31	15	16	0
<b>TOTAL</b>	<b>295</b>	<b>260</b>	<b>35</b>	<b>172</b>

**Notes**

The Stage 7 public release (32 lots) was released on 25th May 2013 via the online process. At the close of the registration period 44 compliant registrations had been received. Following the purchase allocation process 28 registered parties were allocated lots. The sales release and allocation process was overseen by the Council's probity advisor (Stantons International) which has confirmed its acceptance of the lot allocation process. To date 24 contracts have been presented to the TPRC for acceptance, with a further 4 expected during the week. The remaining 4 lots have been made available for sale by private treaty.

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

## **9.6 PROJECT BUDGET 2013/2014**

### **Report Information**

Reporting Officer: Chief Executive Officer File Reference: 12.66.48.0

### **Recommendation**

#### **That the Council:**

- 1. 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.**
- 2. RECEIVE the Project Budget 2014/2015 (March 2013) and Whole of Project Cashflow (2013-2026), submitted by the Satterley Property Group.**
- 3. APPROVE the Stage Sales Triggers, as recommended by the Satterley Property Group for 2013/14.**
- 4. ACCEPT that the Satterley Property Group has achieved Key Performance Indicator KPI 5.3.2 requiring the preparation of Project Budgets by March each year.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Project Budget 2013/2014 (March 2013) prepared by the Satterley Property Group.

### **Policy Reference**

N/A

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

Nil

### **Previous Minutes**

- Council Meeting – 14 April 2011 (Item 9.9 - Project Cashflow)
- Council Meeting – 21 June 2012 (Item 9.9 - Draft Project Budget 2012/2013)

### **Financial/Budget Implications**

Input to TPRC 2013/14 budget.

### **Relevant Documents**

Appendix: Letter from SPG dated 30 May 2013; Staging Plan

## Background

At its meeting of 21 June 2012 the Council approved the Project Budget 2012/13 (May 12) and received forecasts for FYE's 14 and 15, and Whole of Project Cashflow, submitted by the Satterley Property Group.

The approved Development Managers KPI 5.3.2 requires the Satterley Property Group to prepare Project Budgets by March each year. The Project Budget for 2013/2014 (March 2013), submitted by the Satterley Property Group is intended to provide the financial parameters for the 2013/2014 TPRC budget.

The Satterley Property Group has prepared the Project Budget 2013/14 (March 13) for the Council's consideration. The preparation of the project budget includes consideration of the following:

- Key Activities/Operations for Financial Year Ending 2014;
- Review of Financial Year Ending 2014;
- Assumptions;
- Key Risks for Project Budget 2013/14;
- Sales Triggers for Civil Construction;
- Review of Financial Year Ending 2015;
- Review of Whole of Project Position; and
- Cash Requirement, Capital Return and Profit Distributions.

The Satterley Property Group has also reported variances between the Project Budget 2013/14 (March 2013), current forecasts for FYE 15 and Whole of Project Cashflow with the forecasts considered by Council in June 2012 as part of its approval of the Project Budget 2012/13 (May 12).

## Comment

### Project Budget 2013/14 (March 2013)

The Project Budget 2013/14 (March 2013) is similar to the approved Project Budget 2012/2013 as it includes major Bulk Earthworks, Civil Works, Infrastructure and Landscape works and also proposes significant marketing strategies and initiatives. The Project Budget 2013/14 is based on the following key activities and key assumptions.

#### *Bulk Earthworks /Civil Construction*

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

#### *Infrastructure*

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

#### *Landscape Construction*

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

#### *Marketing*

- Completion of Builders Display village, Land Sales office and Charity Home;

- Continue Catalina branding;

*Sales/Settlements*

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

*Planning*

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

The Sales and Lot Release Strategy Plan (February 2013) attached under Appendix 9.6 depicts the extent of the above works stages and components.

The Table following shows the variance between the forecasts for FYE's 14 (May 2012) and the Project Budget 2013/14 (March 2013) for key outcomes predicted in terms of Income, Development Costs and Cash Position.

<b>ANNUAL CASHFLOW</b>	<b>FYE 2014 (May12)</b>	<b>Project Budget 2013/14 (March 13)</b>	<b>Variance</b>
GROSS INCOME	41.55M	38.30M	-3.25M
DEVELOPMENT COSTS	34.43M	35.85M	-1.42M
CASHFLOW	7.11M	2.45M	-4.66M
<b>DISTRIBUTIONS</b>	<b>8,000,000</b>	<b>8,000,000</b>	<b>0</b>

The SPG has reported on variances between the forecasts for FYE's 14 (May 2012) and the Project Budget 2013/14 (March 2013). Major variances are identified in FYE 14 Summary (Appendix 9.6) and are summarised as follows;

- Gross Income ( -\$3.25M); deferral of sales revenue for Stage 9 and 10, as a result of lot title program.
- The Land Sales office construction, fit out and car parks (+\$0.715M); costs deferred from FYE2013 to FYE2014.
- Landscaping works (+\$1.23M); deferral of Stage 4 Public Open Space to FYE2014.
- Infrastructure costs (+\$2.54M), deferral of Marmion Ave/Aviator Intersection to FYE2014, and bringing forward Western Precinct Pump station.
- Lot production costs (-\$4.04M), deferral of earthworks production for Stages 9-13 and significant savings.
- Sales and Marketing (-\$0.14m) some deferral but significant savings.
- Increase in debtor/creditor cash movement of \$0.666m as creditor balances have increased in FYE2014.

Key Risks for Project Budget 2013/14

The Satterley Property Group has identified the following items as key risks to achieving the Project Budget 2013/14 outcomes;

- Delays in achieving Stage 9 Titles;

- Sales fallovers may result in sales targets not being achieved;
- Price escalation is not achieved;
- Delays in the sale and settlement of the Stage1 and 4 group housing sites; and
- Unforeseen costs are encountered.

These matters are actively being pursued to minimise potential exposure to the TPRC and to achieve budget predictions.

**Sales Triggers for Civil Construction**

Previously approved Project Budgets have incorporated Sales Triggers which were required to be met prior to commitment to civil construction stages in order to manage the Council’s exposure of constructed lots. The Satterley Property Group has recommended the use of Sales Triggers for the Project Budget 2013/14 based on Sales Stock levels as shown in the Table below. The recommended Sales Triggers require a closing stock position of 35 lots or less prior to commitment to the next stage of civil construction, with the exception of the Stage 6B Phase 2 Builders Display Village, which has a different target market.

Sales Stage	Lots	Preselling Period	Sales Release Date	Titles	Construction Start (Actual - not payment)	Stock Level Trigger for Civil construction	Closing Stock Month Prior to Construction Start	Committed Construction Closing Stock including new construction stage	Comment
Stage 8	53	6	Aug-13	Feb-14	Aug-13	35	5	5	
Stage 6C	10	6	Oct-13	Apr-14	Nov-13	35	14	24	
Stage 9	51	6	Nov-13	May-14	Dec-13	35	8	89	Combined stages
Stage 10	30	4	Jan-14	May-14	Dec-13	35	8	89	Combined stages
Stage 11	45	6	Mar-14	Sep-14	Apr-14	35	18	63	
Stage 6B	25	6	Jul-14	Jan-15	Aug-14	35	62	87	Display Village
Stage 12	65	6	May-14	Nov-14	Jun-14	35	26	91	

The principle of maintaining substantial Sales Triggers is supported to manage the Council’s exposure and the proposed Sales Trigger requirement for a closing stock position of 35 lots or less is considered acceptable in managing Council’s exposure and providing a reasonable stock position for market demand.

**Project Cashflow 2014/15**

The Satterley Property Group has also reviewed the Project Cashflow 2014/15 for financial planning purposes and information. It is not intended to be endorsed by the Council at this time.

The Table following shows the variance between the forecasts for FYE’s 15 (May 2012) and the current forecast FYE’s 15 (March 2013) of key outcomes predicted in terms of Income, Development Costs and Cash Position.

<b>ANNUAL CASHFLOW</b>	<b>FYE 2015 (May12)</b>	<b>FYE 2015 (March13)</b>	<b>Variance</b>
GROSS INCOME	39.90M	49.33M	+9.43M
DEVELOPMENT COSTS	25.05M	39.11M	+14.06M
CASHFLOW	14.85M	10.22M	-4.63M
<b>DISTRIBUTIONS</b>	<b>15.00M</b>	<b>14.00M</b>	<b>-1.00M</b>

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.

#### Whole of Project Summary (2013-2026)

The SPG believes the recovery in the residential property market provides confidence in maintaining consistent sales price escalation, with current assumptions showing annual price escalation of between 5% - 6% for the remainder of the project. Costs for the project have been reviewed in line with latest available information.

The Satterley Property Group has undertaken a review of the Whole of Project Cashflow (March 2013) and compared the results to the Whole of Project Cashflow (May 2012) forecast.

The Whole of Project Cashflow review forecasts net profit of \$325.2M for the project, which is \$16.9M more than the May 2012 budget forecast. The main areas of variance are summarised below:

- Lot yield has increased by 81 lots;
- Improvement in gross income of \$12.9M;
- Land acquisition costs of \$11.8M for the WAPC land;
- Infrastructure costs increased by \$1.83M;
- Lot production costs have decreased by \$9.7M;
- Sales and marketing costs have decreased by \$3.0M; and
- Provision made for cash bonds of \$0.8M for the clearance of conditions of subdivision.

The Whole of Project Summary (2013-2026) 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 indicative only and does not require any formal Council decision.

#### Conclusion

The Project Budget 2013/14 (March 2013) is based on the Sales and Lot Release Strategy (February 2013), approved by the Council at its meeting of February 2013, as the basis of sales and marketing planning. It is also consistent with the financial parameters considered by Council at its meeting of 21 June 2012 when it approved the Project Budget 2012/13 (May 12) and received forecasts for FYE's 14 and 15, and Whole of Project Cashflow.

It provides a sound basis for the Catalina project for 2013/14 and it is recommended that it be used as the basis of financial planning for the 2013/2014 TPRC budget.

It is recommended that the Council accept that the Satterley Property Group has achieved Key Performance Indicator 5.3.2 requiring the preparation of Project Budgets by March each year.

At its meeting of 6 June 2013 the Management Committee considered the report on the Project Budget 2013/2014 (March 2013) prepared by the Satterley Property Group and resolved that Council;

1. *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.*
2. *RECEIVE the Project Budget 2014/2015 (March 2013) and Whole of Project Cashflow (2013-2026), submitted by the Satterley Property Group.*
3. *APPROVE the Stage Sales Triggers, as recommended by the Satterley Property Group for 2013/14.*
4. *ACCEPT that the Satterley Property Group has achieved Key Performance Indicator KPI 5.3.2 requiring the preparation of Project Budgets by March each year.*

Satterley Property Group representatives will be in attendance to present and explain the rationale and underlying assumptions of the Project Budget 2013/14 (March 2013), current forecasts for FYE 15 and Whole of Project Cashflow.



## 9.7 CEO PERFORMANCE REVIEW 2013

### Report Information

Reporting Officer: Executive Assistant File Reference: 22.118.740.0

### Recommendation

**That the Council APPROVE the proposal, dated 26 May 2013 for \$2,200 (inc GST) from WALGA Workplace Solutions to assist the Council with the CEO Performance Review.**

### Voting Requirements

Simple Majority

### Report Purpose

To consider a proposal from WALGA Workplace Solutions to assist the Council with the CEO Performance review.

### Relevant Documents

Appendix: WALGA Workplace Solutions CEO review proposal (dated 26 May 2013)

### Policy Reference

Not applicable

### Local Government Act/Regulation

Local Government Act requires performance review for the CEO and all employees annually.

### Previous Minutes

- Council Meeting – 16 February 2012 (Item 9.12 – CEO Performance Review 2011)
- Council Meeting – 11 October 2012 (Item 9.12 - CEO Performance Review 2012)

### Financial/Budget Implications

Expenditure under this matter will be incurred under item E145452 (Recruitment – Human Resources):

Budget Amount:	\$5,000
Spent to Date:	\$2,000
Balance:	\$3,000

### Background

The Council is required to undertake a performance review of the CEO annually.

The review is to commence in October, consistent with the engagement date of the CEO.

**Comment**

Attached at Appendix 9.7 is a proposal from WALGA Workplace Solutions to assist the Council with the CEO Performance review.

It is noted that Mr John Phillips - WALGA Workplace Solutions assisted the Council with the CEO Performance review in 2011 and 2012.

**9.8 DRAFT STRATEGIC COMMUNITY PLAN 2013-2023 AND CORPORATE BUSINESS PLAN 2013-2017**

**Report Information**

Reporting Officer: Chief Executive Officer File Reference: 4.121.1007.0

**Recommendation**

**That the Council;**

- 1. NOTE the changes to the draft Strategic Community Plan 2013-2023 and draft Corporate Business Plan 2013-2017.**
- 2. APPROVE the Strategic Community Plan 2013-2023 (June 2013) and the Corporate Business Plan 2013-2017 (June 2013) and forward to the Executive Director of the Department of Local Government for endorsement.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider approval of the draft Strategic Community Plan 2013-2023 and draft Corporate Business Plan 2013-2017.

**Relevant Documents**

Appendix:

- Draft Strategic Community Plan 2013-2023
- Draft Corporate Business Plan 2013-2017

**Policy Reference**

N/A

**Local Government Act/Regulation**

- 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 (11 October 2007) - Item 8.2: TPRC Annual Report for the year 1 July 2006 to 30 June 2007

**Financial/Budget Implications**

Expenditure for report preparation, advertising and printing will be incurred under the following items:-

Item E145207 (Land Develop – Land & Special Sites):

Budget Amount:       \$ 708,152  
Spent to Date:       \$     8,000  
Balance:               \$ 700,152

## **Background**

The Department of Local Government's Integrated Planning and Reporting Framework, requires all local governments to prepare a Strategic Community Plan and Corporate Business Plan in consultation with its community and stakeholders.

The process to develop the Strategic Community Plan and Corporate Business Plan is prescribed within the Local Government (Administration) Regulations 1996, with further guidance within the Department of Local Government's integrated Planning and Reporting Framework and Advisory Standards. The TPRC Plans meet the required legislative requirements. The Plans are required to be endorsed by the Council by 30 June 2013.

The Department of Local Government's Integrated Planning and Reporting Framework does not exempt Regional Councils from the preparation of a Strategic Community Plan and Corporate Business Plan, notwithstanding that a Regional Council is located within a Local Government area and covered by the relevant Local Government Strategic Community Plan. In the case of the TPRC the City of Wanneroo has prepared and endorsed a Strategic Community Plan and the future community at the TPRC project will be a stakeholder of the City of Wanneroo Strategic Community Plan.

At its meeting of Aril 2013 the Council resolved to approve the draft Strategic Community Plan 2013-2023 and draft Corporate Business Plan 2013-2017 for circulation to member local governments for review and comment for a period of 30 days.

The TPRC has prepared the draft Strategic Community Plan 2013-2023 and draft Corporate Business Plan 2013-2023 consistent with the Department of Local Government's Integrated Planning and Reporting Framework. These Plans set the strategic direction for the TPRC over the next ten years. The Plans have been informed by the following documents;

- Establishment Agreement
- Tamala Park Local Structure Plan
- TPRC Future Plan 2010 -2013
- Other strategies endorsed by the TPRC.

The draft Strategic Community Plan 2013-2023 recognises the extensive consultation undertaken over many years with the community and key stakeholders on the Tamala Park project. The draft Plan positions the TPRC to address the major challenges and opportunities over the next ten years and to therefore, achieve its aspirational objectives.

The draft Strategic Community Plan 2013-2023 identifies 5 themes in order to achieve the TPRC objectives, these are:

1. Built Environment
2. Environment
3. Social
4. Economic
5. Governance & Corporate Accountability

The draft Strategic Community Plan 2013-2023 contains objectives and strategies to achieve the TPRC vision for the Tamala Park project.

The draft Corporate Business Plan 2013-2017 reflects the strategic direction set by the draft Strategic Community Plan 2013-2023 and outlines the five-year program for the TPRC.

In terms of the structure, the draft Corporate Business Plan 2013-2017 has been developed to demonstrate:

- Direct alignment with the draft Strategic Community Plan 2013-2023;
- The Tamala Park Local Structure Plan;
- The Tamala Park Project Cashflow; and
- Legislative requirements.

The draft Strategic Community Plan 2013-2023 and draft Corporate Business Plan 2013-2017 were referred to member local governments for review and comment and made available for viewing on the TPRC website.

### **Comment**

At the close of the review period one submission was received, from, the City of Joondalup, noting a number of requirements in relation to the Department of Local Government's Integrated Planning and Reporting Framework. A copy of the submission is attached at Appendix 9.8.

A number of modifications have been to the draft Strategic Community Plan 2013-2023 and draft Corporate Business Plan 2013-2017 to meet all legislative requirements.

The changes do not materially affect the documents, but involves a better alignment of the strategies and recognition of the Tamala Park Project. These will be outlined at the meeting.

It is recommended that Council approve the Strategic Community Plan 2013-2023 (June 2013) and the Strategic Community Plan 2013-2023 (June 2013) and both documents be forwarded to the Executive Director of the Department of Local Government for endorsement.

## 9.9 CATALINA RISK MANAGEMENT PLAN

### Report Information

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

### Recommendation

#### That the Council:-

1. **APPROVE the Risk Management Plan (May 2013) and recommended mitigation actions submitted by the Satterley Property Group.**
2. **ACCEPT that the Satterley Property Group has achieved Key Performance Indicator item 8.4.1 – Relationships; Risk: To prepare a Risk Management Plan to identify and respond to project risk issues.**
3. **REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan and report to Council annually.**

### Voting Requirements

Simple Majority

### Report Purpose

To consider the Risk Management Plan dated May 2013 submitted by the Satterley Property Group.

### Policy Reference

N/A

### Local Government Act/Regulation

N/A

### Previous Minutes

Council Meeting – 12<sup>th</sup> April 2012; Development Managers Key Performance Indicators

### Financial/Budget Implications

N/A

### Relevant Documents

Appendix: Catalina Risk Management Plan dated May 2013.

### Background

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 prepare a Risk Management Plan (RMP) to identify and respond to project risk issues.

**Comment**

In accordance with KPI 8.4.1 Risk, The SPG has submitted the Catalina Risk Management Plan (RMP) to identify, assess and respond to project risk issues. A copy of the RMP is attached under Appendix 9.9.

The RMP identifies 21 risks which the SPG consider to be the most significant items of risk which may affect the Catalina project. Risks have been identified from the following areas:-

- Sales & Marketing
- Budget
- Planning and Environmental Approvals
- Engineering and Construction
- External Stakeholders
- Management

A quantitative assessment of all identified risks was undertaken by the SPG to assess the degree of each risk and identify those which have the greatest potential to negatively impact the project.

The SPG’s assessment has been undertaken by applying scores of 1 – 5 against the likelihood of occurrence and magnitude of impact for each item of risk using the scaling tables provided under Tables 1 & 2 of the RMP. These occurrence and impact ratings were then used to calculate a risk rating for each item (risk rating = occurrence x impact). The risk ratings have been used to categorise risks as low, medium or high, based on the following:-

Category	Risk Rating
Low	0 - 5
Medium	6 - 14
High	15 +

The SPG’s assessment resulted in the following items being categorised as high risk, representing those which present the greatest potential to negatively impact the Catalina project:-

- Item 1.3: Cashflow impacted by poor sales or delayed settlements

Significant delays in sales revenue could impact the projects ability to fund project works.

The SPG has assessed this risk with a rating of 15 and recommended it be mitigated by maintaining a minimum cashflow balance in the project budget and ensuring commitments to significant items of cost be scheduled to follow settlements. The SPG has further recommended the TPRC maintain a debt facility to cover cashflow in the event delays to settlements are experienced.

- Item 3.1: Lifting of urban deferred buffer does not meet cashflow expectations.

Delays to the landfill buffer zone being removed from the Catalina site could affect the development of the southern portion of the Central Precinct.

The SPG has assessed this risk with a rating of 15 and recommended mitigation actions of maintaining close liaison with the Mindarie Regional Council and commencing actions for the lifting of the urban deferred zoning as soon as movement of the buffer occurs.

- Item 3.4: Delays achieving statutory development approvals.

Delays in achieving approvals from statutory authorities such as the City of Wanneroo, WAPC, Department of Water, Main Roads WA, Department of Environment and Conservation and the Water Corporation could impact on the development program and affect cashflow.

The SPG has assessed this risk with a rating of 15 and recommended mitigation actions to include allowance of sufficient approvals periods within the project program and management of all statutory applications in accordance with the program. It has also recommended continued liaison with statutory authorities to maintain strong relationships with relevant departments to maintain the projects knowledge of authority requirements.

- Item 4.1: Timing of sales precinct infrastructure including Marmion Ave intersection, new land sales office and public open space.

Delays in the completion of the Sales Office and Marmion Avenue intersection to facilitate the opening of the Sales Precinct in conjunction with Builders Display Homes could have a major impact in terms of traffic movements and affect builders support of the project.

The SPG has afforded this item a rating of 16 and recommends continued liaison with servicing agencies to facilitate service relocation works and commencing actions for the design of public open space and landscaping areas in accordance with the project program.

- Item 4.4: Delays and increased cost of key infrastructure items including wastewater pumping stations, underpasses and intersection.

This risk relates to potential delays to the delivery of key infrastructure items and increases in cost of construction. Key infrastructure items are complex in design and construction and involve lengthier approvals processes, increasing the potential for changes required by approvals authorities.

The SPG has assessed this item with a rating of 15 and recommended the project program reflect early engagement with relevant servicing and approval authorities to allow sufficient time to obtain approvals and ensure good knowledge of assets is reflected in project budgeting.

The RMP provides detailed qualitative assessment of the above risks in order to understand their cause and potential impact to the project. The SPG has recommended mitigation actions for implementation to avoid, reduce or manage the impact of all identified risks, which are shown on the risk register contained within the RMP.

It should be noted all mitigation actions recommended by the SPG have been commenced and further actions have been implemented to manage identified risks.

The SPG has recommended that the RMP and identified items of risk be continually monitored and reviewed and an updated RMP be presented to the Council for its approval on an annual basis.



## Conclusion

The RMP identifies and analyses the major risks affecting the Catalina project, drawing out items of risk which have the greatest potential to negatively impact the project and provides recommendations to manage project risk. In comparison to its major competitors Catalina is considered a low risk project. This is due to the following attributes:-

- A location that provides enhanced proximity to the Perth CBD and existing communities, services and amenities;
- The approved status of the projects major planning and environmental statutory approvals; and
- The lack of debt held on the project.

The above factors are significant in reducing the overall risk profile of the project, particularly as the major risks identified by the RMP relate to project delivery and market uncertainty, to which the above factors are a negating influence.

The TPRC office has reviewed the risk register contained within the RMP and provided comment in respect of the SPG's assessment of risk items and recommended mitigation actions. These comments are provided on the copy of the risk register contained within the RMP under Appendix 9.9.

The SPG's recommendation for risks identified within the RMP to be monitored and reviewed on an ongoing basis, with an updated version of the RMP presented to the Council for approval annually is supported.

The methodology adopted by the SPG is a widely accepted approach to the identification and assessment of project risk which is consistent with AS/NZS 31000:2009, the adopted standard under ISO 9001. The RMP provides a valuable project management tool for managing risk affecting the Catalina project.

It is recommended the Council approve the RMP provided by the SPG and endorse the ongoing implementation of its recommended mitigation actions.

It is further recommended that the Council accept that the Satterley Property Group has achieved Key Performance Indicator item 8.4.1 – Relationships; Risk; Prepare Risk Management Plan to identify and respond to project risk issues.

At its meeting of 6 June 2013 the Management Committee considered the report on the Risk Management Plan (May 2013) prepared by the Satterley Property Group and resolved that Council;

1. APPROVE the Risk Management Plan (May 2013) and recommended mitigation actions submitted by the Satterley Property Group.
2. ACCEPT that the Satterley Property Group has achieved Key Performance Indicator item 8.4.1 – Relationships; Risk: To prepare a Risk Management Plan to identify and respond to project risk issues.
3. REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan and report to Council annually.

Satterley Property Group representatives will be in attendance to present and explain the rationale and underlying assumptions of the Project Budget 2013/14 (March 2013), current forecasts for FYE 15 and Whole of Project Cashflow.

**9.10 SPONSORSHIP PROPOSAL – 2013 INTERNATIONAL BIODIVERCITIES CONFERENCE**

**Report Information**

Reporting Officer: Senior Project Officer File Reference: 1.88.246

**Recommendation**

**That the Council;**

- 1. APPROVE the sponsorship of the 2013 International BiodiverCities Conference, as a Supporting Sponsor for a fee of \$5,000 (excl GST).**
- 2. APPROVE the provision of funds in the 2013/2014 TPRC budget to accommodate the Supporting Sponsor fee of \$5,000 and additional costs of \$5,000 for the design and production of promotional material for the Conference.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider sponsorship by the TPRC of the 2013 International BiodiverCities Conference.

**Policy Reference**

N/A

**Local Government Act/Regulation**

N/A

**Previous Minutes**

Nil

**Financial/Budget Implications**

Expenditure under this matter will be incurred in the 2013/14 budget, yet to be approved.

**Relevant Documents**

Appendix: City of Joondalup letter dated 20<sup>th</sup> February 2013

**Background**

The TPRC has received a letter from the City of Joondalup requesting consideration for TPRC sponsorship of the 2013 International BiodiverCities Conference to be held at the Joondalup Resort between the 9<sup>th</sup> – 11<sup>th</sup> September 2013.

## Comment

The City of Joondalup is hosting the 2013 International BiodiverCities Conference in partnership with ICLEI – Local Governments for Sustainability and WALGA.

The conference will host key note speakers headlined by Mr Tim Flannery and conduct seminars and site visits of local destinations over three days, addressing international environmental topics with a focus on biodiversity conservation.

Topics of presentation are to include:-

- Managing the impact of climate change on local biodiversity;
- Assessing and managing coastal vulnerability;
- Biodiversity for carbon sequestration;
- Partnerships to enhance biodiversity;
- Best practice examples of climate change adaption;
- Community education and public participation fostering biodiversity conservation; and
- Integration of biodiversity into the urban landscape.

The City of Joondalup's request letter has attached a sponsorship proposal (Appendix 9.10) that provides three options for sponsoring the event, described below:-

### Principal Sponsor

A Principal Sponsor is sought for a fee of \$20,000 (excl GST). The Principal Sponsor will be provided the following promotional benefits:-

- Corporate logo appearing on all newspaper advertising and publications relating to the conference including the conference dinner menu, acknowledgement in all media releases and a full page colour advertisement in the conference program.
- 8 MC promotions, a speaking opportunity at the conference dinner and acknowledgement at the conference opening and closing functions.
- 10 Pull-up banners at conference venues, display of the corporate logo on speaker lanyards and rotating display of corporate logo on the main presentation screen, with a multimedia presentation run during breaks.
- Promotional inserts in the conference showbag.
- Exhibition space for the first 2 days at conference venues.
- 8 tickets to the conference dinner.
- Control over the acceptance of other sponsors.

### Major Sponsors

Four Major Sponsors are sought for a fee of \$10,000 (excl GST) each. Major Sponsors will be provided the following promotional benefits:-

- Corporate logo appearing on all newspaper advertising and publications relating to the conference including the conference dinner menu and a half page colour advertisement in the conference program.
- 5 MC promotions and acknowledgement at the conference opening and closing functions.
- 2 Pull-up banners and rotating display of corporate logo on presentation screens.
- Promotional inserts in the conference showbag.
- Exhibition space for the first 2 days at conference venues.
- 2 tickets to the conference dinner.

Supporting Sponsor

Four Supporting Sponsors are sought for a fee of \$5,000 (excl GST) each. Supporting Sponsors will be provided the following promotional benefits:-

- Corporate logo appearing on all newspaper advertising and publications relating to the conference including the conference dinner menu and a quarter page colour advertisement in the conference program.
- 5 MC promotions and acknowledgement at the opening and closing functions and the conference dinner.
- Promotional inserts in the conference showbag.
- 1 Pull-up banner.
- Exhibition space for the first 2 days at conference venues.

The approved TPRC 2012/13 budget does not contain specific provision for sponsorship of corporate events, however should the Council wish to sponsor the conference provision could be made within the 2013/14 budget which is presently being formulated.

It should be noted that if the Council wishes to sponsor the conference additional costs estimated to be in the order of \$5K will be incurred in the design and production of promotional material.

At its meeting of 6 June 2013 the Management Committee considered the request from the City of Joondalup to sponsor the 2013 International BiodiverCities Conference and considered it was appropriate and beneficial for the Catalina project and resolved that Council approve the sponsorship of the BiodiverCities Conference, as a Supporting Sponsor for a fee of \$5,000 (excl GST).

## **9.11 LANDSCAPE CONSTRUCTION AND MAINTENANCE - FIXED RATES TENDER**

### **Report Information**

Reporting Officer: Senior Project Officer

File Reference: 1.88.246

### **Recommendation**

#### **That the Council:**

- 1. ACCEPT Tender 09/2013 (Landscape and Irrigation Construction and Maintenance Works) submitted by LD Total for the following;**
  - a. Landscape and Irrigation Construction and Two year Maintenance Works for the Stage 4 Public Open Space; Stage 3 and 4 Public Accessways; Stage 3, 4 & 5 Neerabup Road Verge; and Stage 6A Verge Works, for a lump sum value of \$1,864,468 (excluding GST), subject to obtaining all necessary statutory approvals.**
  - b. The award of further stages of landscape and irrigation construction and maintenance works based on the tendered Fixed rates, for a two year period (until June, 2015), with an option to extend a further 12 months (to June 2016), at the absolute discretion of the TPRC.**
- 2. AWARD further stages of works in accordance with item 1b above, at the absolute discretion of the TPRC and subject to;**
  - a. Approval of lump sum amounts, in accordance with the tendered rates,**
  - b. Market conditions and Sales Rates,**
  - c. Ongoing satisfactory performance of the contractor, during the execution of each separable portion of the contract.**
- 3. AUTHORISE the Chairman and the CEO to sign and affix the TPRC common seal to the Contracts.**

### **Voting Requirements**

Simple Majority

### **Declaration of Interest**

- Satterley Property Group
- Emerge Associates
- Mr Tony Arias (CEO)

### **Report Purpose**

To consider Tender submissions received for the Landscape and Irrigation Construction and Maintenance Works Tender, for fixed rates for a period of two years until June, 2015, with an option to extend a further 12 months to June 2016.

## Relevant Documents

Appendix:

- SPG letter dated 30<sup>th</sup> May 2013: Catalina: Stages 3 – 6A Landscape and Maintenance Irrigation Works; and
- Emerge Associates letter dated 27<sup>th</sup> May 2013: Landscape and irrigation Works Tender Assessment – Contract Number 09/2013

Available for viewing at the meeting:-

- DME Contractors tender submission
- Elegant Landscapes tender submission
- Horizon West tender submission
- Landscape Australia tender submission
- LD Total tender submission

## Policy Reference

Procurement Policy

## 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 in the 2013/14 budget, yet to be approved.

## Background

The TPRC advertised a call for tenders from Landscape Contractors to provide landscape and irrigation construction and maintenance services on the 3<sup>rd</sup> May 2013. Detailed design for landscaping of the Stage 4 POS area; Stage 3 and 4 Public Accessways; Neerabup Road Verge; and Stage 6A verge have been lodged with the City of Wanneroo and are pending approval.

The Tender sought fixed rates from Landscape Contractors to provide landscape and irrigation construction and maintenance services for stages of landscaping within the Catalina Estate at the sole discretion of the TPRC, for a period of two years until June, 2015, with an option to extend for a further 12 months to June 2016.

Tenderers were provided with design drawings of four stages of landscape works and required to complete pro-forma rates schedules to provide lump sum pricing to complete all stages of works. These stages were as follows:-

- A. Stage 4 Public Open Space.
- B. Stage 3 and 4 Public Accessways.
- C. Stage 3, 4 & 5 Neerabup Road Verge and Median Works.
- D. Stage 6A Verge Works

The Tender also required written submissions from tenderers addressing other components of the selection criteria, summarised in the table below.

SELECTION CRITERIA		
Item No.	Description	Weighting
1	Track Record and Experience in Similar Projects	30%
2	Availability of Resources and Capacity	10%
3	Organisational and Quality Management	5%
4	Safety and Environmental Management	5%
5	Price	50%

**Comment**

At the conclusion of the tender period five tender submissions had been received from the following landscaping contractors:-

- DME Contractors
- Elegant Landscapes
- Horizon West
- Landscape Australia
- LD Total

Tenders were assessed by an assessment panel comprising the following:-

- Wayne Burns (Senior Project Officer, Tamala Park Regional Council)
- Aaron Grant (Development Manager, Satterley Property Group)
- Shane Caddy (Director, Emerge Associates), project landscape architects.

The key objectives of the evaluation process were to:

- a. Make a recommendation, to the TPRC, as to the tender that best represents value for money;
- b. Ensure the assessment of responses is undertaken fairly according to predetermined criteria;
- c. Ensure adherence to the Procurement Policy; and
- d. Ensure that the requirements specified in the tenders are evaluated in a way that can be measured and documented.

The panel met to evaluate the tenders and was overseen by the Council's Probity Advisor (Mr Wade Dunstan – Stantons International). The project landscape architect, Emerge Associates (EA), prepared a tender evaluation report, attached at Appendix 9.11, which provides a record of the assessment panel's tender evaluation.

The table below provides a summary of the scores on the selection criteria the assessment panel awarded to each tender submission. The scores awarded for selection criteria item 5 (Price) were based on a comparison of the pricing of tenders undertaken by EA.

Tenderer	Selection Criteria No.					Total Score (%)
	1 (30%)	2 (10%)	3 (5%)	4 (5%)	5 (50%)	
DME Contractors	6	2	0	0	41.5	<b>49.5</b>
Elegant Landscapes	12	3	1	1	46.2	<b>63.2</b>
Horizon West	18	5	3.5	5	46.2	<b>77.7</b>
Landscape Australia	15	4	3.5	1.5	44.5	<b>68.5</b>
LD Total	21	6	3	5	50	<b>85</b>

Based on the assessment panel's evaluation the submission from LD Total was rated the highest of all tenders.

LD Total's tender submission was the lowest priced tender and received the highest cumulative score for the qualitative selection criteria items (items 1 – 4), with scores awarded for each item being either the highest or second highest of all tenders.

On the basis of its submission receiving the highest rating of all tenders EA has recommended that the TPRC award a works contract to LD Total for the Landscape and Irrigation Construction and Maintenance Works for a lump sum amount of \$1,864,468.35 (excl GST). EA has further recommended that LD Total be awarded further stages of work based on the tendered rates being held for a period of two years until June, 2015, with an option to extend a further 12 months to June 2016, at the absolute discretion of the TPRC.

EA has advised that LD Total have a good track record of performance on a number of high profile projects including the Catalina Stage 1 landscape construction works, and its tendered price is within the allowances contained within the project budget

EA's report has been reviewed by the Satterley Property Group (SPG) which has endorsed the recommendation to award a works contract to LD Total for the Landscape and Irrigation Construction and Maintenance Works for a lump sum value of \$1,864,468.35 (excl GST). The SPG has also endorsed the award of further stages of work based on the tendered rates supplied by LD Total for a period of two years until June, 2015, with an option to extend a further 12 months to June 2016, at the absolute discretion of the TPRC and subject to ongoing performance and market conditions.

The TPRC office has reviewed all tenders and EA's Tender Evaluation Report and is satisfied it presents an accurate record of the tender assessment panel's evaluation and a fair and accurate assessment of the tender submissions against the selection criteria.

The TPRC's probity auditor (Stantons International) has reviewed the tender and procurement process and provided a probity certificate confirming the tender evaluation process was free from bias or inequity and undertaken fairly and equitably in accordance with the process described within the tender and all relevant Local Government and TPRC procurement policies and probity requirements.

Costs for the construction of the Stage 3 – 6 landscaping works are within allowances provided within the current TPRC budget (May 12).

Based on the tender assessment it is recommended the Council accept the Tender received from LD Total as the preferred tenderer for the tendered Landscape and Irrigation Construction and Maintenance Works for a lump sum value of \$1,864,468.35 (excl GST); and a fixed rates contract for the award of further stages of work for a period of two years until June, 2015, with an option to extend it a further 12 months to June 2016 at the absolute discretion of the TPRC.



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