



TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 8 December 2016, 6:00pm
City of Wanneroo
23 Dundebur Road, Wanneroo

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

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Wanneroo, 23 Dundobar Road, Wanneroo on Thursday 8 December 2016 at 6:00pm.

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 John Chester Cr Kerry Hollywood	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Cr Karen Caddy Mayor Giovanni Italiano JP (Chairman) Cr David Michael Cr Rod Willox AM JP	Cr Terry Tyzack
Town of Victoria Park	Cr Keith Hayes	
City of Vincent	Mayor John Carey	Cr Jimmy Murphy
City of Wanneroo	Cr Dianne Guise (Deputy Chair) Cr Brett Treby	Cr Domenic Zappa Cr Hugh Nguyen

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

Council Meeting –20 October 2016

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 – 17 November 2016
- CEO Performance Review Committee Meeting – 22 November 2016

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.19)

9.1 BUSINESS REPORT – PERIOD ENDING 1 DECEMBER 2016

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVES the Business Report to 1 December 2016.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Staging Plan
- Landscape Schedule and Program FYE 2017

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 the status of current civil works:

Stage	Lots	Commenced Construction	Practical Completion Date	Works Status	Titles
Neerabup Road Intersection	-	14 March 2016	25 November 2016	100% complete	N/A
Stage 17A Civil Construction	25	24 October 2016	16 February 2017	15% complete	April 2017
Stage 25 Civil Construction	59	24 October 2016	5 May 2017	5% complete	May 2017

2. Catalina Beach – Bulk Earthworks Status

Bulk Earthworks for Stages 25-27 were completed in October 2016 ahead of the programmed practical completion date of 4 November 2016.

3. Landscape works – Status

A status report on Landscape Works proposed for FYE 2017 is attached at Appendix 9.1. The report details budget, detailed design and approval status and commencement and completion timeframes.

4. Housing Construction

The following table provides an overview of the current progress of housing construction to date. A significant number of homes are under construction in Stages 13-15.

Stage	Under Construction	Completed	Total
Stage 1	1	34	35
Stage 2	0	31	31
Stage 3	1	42	43
Stage 4	2	45	47
Stage 5	0	63	63
Stage 6	7	35	42
Stage 7	0	63	63
Stage 8	1	52	53
Stage 9	5	46	51
Stage 10	2	28	30
Stage 11	2	62	64
Stage 12	4	45	49
Stage 13	13	69	82
Stage 14A	12	51	63
Stage 15	26	27	53
Stage 18A	29	0	29
Total	105	693	798

5. Waste Management Program

Instant Waste Management is providing end-of-month reports identifying recycling achieved from waste collected from the Catalina Estate. The October report identifies 160 participating building sites to date, with a waste recovery rate of 95.6% (by weight) being achieved. To the end of October 2016 a total of 3,570 tonnes of waste has been recycled through the Waste Management Program.

6. Builders Display Village 2

To date, 21 builders' display homes have been completed and opened to the public within Display Village 2. The remaining display home is expected to be completed by mid December 2016.

7. Lot 1 – TPRC/ABN Development

Construction and landscaping of the 25 apartments is complete and all apartments have been sold and settled.

8. Sustainability Initiatives Plan – Supply Of Photo Voltaic Systems

At its meeting of 20 October 2016 the Council considered further information on the Sustainability Initiatives Plan (SIP), prepared by the Satterley Property Group and requested the CEO to investigate and report to Council on opportunities to supply Photo Voltaic Systems within the current \$2,000 Solar Rebate.

As requested by the Council the CEO in conjunction with the SPG has investigated opportunities to supply Photo Voltaic Systems within the current \$2,000 Solar Rebate.

Based on SPG experience on similar projects and discussions with the suppliers of Photo Voltaic Systems the TPRC is to seek Tenders for the supply of Photo Voltaic Systems within the Catalina Project. It is anticipated that the Tender will be released in December and the results of the Tender reported to Council in February 2017.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF SEPTEMBER & OCTOBER 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVES and NOTES the Statements of Financial Activity for the months ending:

- **30 September 2016; and**
- **31 October 2016.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Statement of Financial Activity for 30 September 2016
- Statement of Financial Activity for 31 October 2016

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.

Variations at 31 October 2016 exceeding 10% were experienced in relation to the following:

Interest Earnings	Interest earnings exceed budget predictions as a result of higher principal.
Depreciation	The positive variation is a result of timing and will adjust during the year.
Employee Costs	The positive variation is a result of timing and will adjust during the year.
Insurance	The positive variation is a result of timing and will adjust during the year.
Materials and Contracts	The positive variance is a result of timing and will adjust during the year.
Other	The negative variance relates to timing and will adjust during the year.
Utilities	The positive variance is a result of timing and will adjust during the year.
Income Sale of Lots – Subdivisions	The negative variance relates to fewer lot settlements.
Income Other - Subdivisions	The negative variance relates to timing and is expected to adjust during the year.
Land Production Costs	The positive variance relates to timing and will adjust during the year.

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

Financial Snapshot as at 31 October 2016

TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 31 OCTOBER 2016

	2016-17 Adopted Budget	2016-17 Budget YTD	2016-17 Actual YTD	Variance		Variance
				Favourable	Unfavourable	
	\$	\$	\$	\$	\$	%
REVENUE						
Interest Earnings	959,170	383,667	452,128	68,461		17.84%
Other Revenue	1,985	0	3,621	3,621		100.00%
	\$961,155	\$383,667	\$455,749	\$72,082	\$0	
LESS EXPENDITURE						
Depreciation	(21,024)	(6,938)	0	6,938		100.00%
Employee Costs	(752,311)	(248,263)	(183,881)	64,382		25.93%
Insurance	(17,756)	(17,756)	(10,227)	7,529		42.40%
Materials and Contracts	(492,112)	(159,097)	(62,007)	97,090		61.03%
Other	(177,517)	(44,879)	(38,494)		6,385	14.23%
Utilities	(18,000)	(5,940)	0	5,940		100.00%
Members Equity						
-Income Sale of Lots - Subdivisions	26,283,529	9,067,269	7,286,949		(1,780,320)	-19.63%
-Income Other - Subdivisions	4,794,250	3,617,000	0		(3,617,000)	-100.00%
-Land Production Costs	(32,546,354)	(12,603,333)	(4,644,049)	7,959,284		63.15%
-Profit distribution/Contributions Returned	(11,327,714)	0	0			
	(\$14,275,009)	(\$401,937)	\$2,348,291	\$8,141,163	(\$5,390,935)	
Total Change in Equity	(\$13,313,854)	(\$18,270)	\$2,804,040	\$8,213,245	(\$5,390,935)	

Balance Sheet Summary as at 31 October 2016

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Actual 2015-16 \$	Actual 2016-17 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	47,138,174	49,858,417	2,720,243	5.77%
Trade and other receivables	404,507	473,391	68,884	17.03%
Total current assets	47,542,681	50,331,808	2,789,127	5.9%
Non-current assets				
Inventories	1,800,000	1,800,000	0	0.00%
Property, plant and equipment	131,368	154,907	23,539	17.92%
Total non-current assets	1,931,368	1,954,907	23,539	1.22%
Total assets	49,474,049	52,286,715	2,812,666	5.69%
Current liabilities				
Trade and other payables	73,175	81,801	-8,626	-11.79%
Provisions	121,431	121,431	0	0.00%
Total current liabilities	194,606	203,232	-8,626	-4.4%
Non-current liabilities				
Provisions	56,652	56,652	0	0.00%
Total non-current liabilities	56,652	56,652	0	0.00%
Total liabilities	251,258	259,884	-8,626	-3.43%
Net assets	49,222,791	52,026,831	2,804,040	5.70%

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF SEPTEMBER & OCTOBER 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for the months of September and October 2016:

- **Month ending 30 September 2016 (Total \$948,444.02)**
- **Month ending 31 October 2016 (Total \$2,006,947.34)**
- **Total Paid - \$2,955,391.36**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 30 September 2016 and 31 October 2016.

Relevant Documents

Appendix:

- Cheque Detail for September & October 2016
- Summary Payment List for September 2016
- Summary Payment List for October 2016

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 Moore Stephens following completion of each month's accounts.

9.4 PROJECT FINANCIAL REPORT – OCTOBER 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVES the Project Financial Report (October 2016) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for October 2016 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Financial/Budget Implications

Review of Project Financial Report for October 2016.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 22 November 2016 with attached Financial Report

Background

At its meeting of 16 June 2016 the Council approved the Project Budget FYE 2017 (May 2016), submitted by the Satterley Property Group, as the basis of financial planning for the 2016/2017 TPRC budget.

KPI 4.8 of the Development Managers Key Performance Indicators; Financial, requires the preparation of monthly financial reports.

Comment

The Satterley Property Group has prepared a Financial Report for October 2016 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 2016 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$7.3M which is \$1.8M under budget with 8 less residential settlements for the year less year to date.
2. Expenditure was \$7.2M under budget, in the following areas:
 - Lot Production \$2.9M;
 - Landscape \$1.6M;
 - Infrastructure \$1.4M;
 - P&L expenditure \$1.2M.

The Satterley Property Group Financial Report provides greater details on the variations.

3. Lot Sales Value was \$5.5M unfavourable to budget due to 17 less lot sales year to date.

Satterley Property Group representatives will be in attendance to present the report.

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 1 DECEMBER 2016

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVES the Sales and Settlement Report to 1 December 2016.

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

N/A

Financial/Budget Implications

Income under this matter will be posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$ 26,283,529
Received to Date:	\$ 8,045,060
Balance:	\$ 18,238,469

Background

The Sales and Settlement Report provides the Council with a status update of sales and settlements for the Project.

The Staging Plan provided under Appendix 9.1 identifies the extent of the stage boundaries referenced within the report.

Comment

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

Stage	Release Date	Lots Released	Lot Sizes	Sold	Stock	Settled
Stages 1 – 11, 12B, 13A, 14A, 14 Builders and 14C	NA	632	NA	632	0	632
Stage 12A	May 2014	25	295-463	24	1	23
Stage 13B (Public)	Oct 2014	39	295-450	35	4	32
Stage 14B (Public)	Feb 2015	19	274-450	19	0	18
Stage 14B (Release 2)	July 2016	10	262-329	5	5	3
Stage 14D (Public)	June 2015	8	225–322	8	0	8
Stage 15A (Public)	July 2015	16	300–450	15	1	15
Stage 15B (Public)	Sep 2015	20	300–450	19	1	16
Stage 15C (Public)	Nov 2015	17	200–510	17	0	16
Stage 15D	Sep 2016	2	375-376	1	1	0
Stage 17A	Oct 2016	25	300-510	6	19	0
Stage 18A	March 2016	29	300-510	26	3	18
Total		842		807	35	781

The following table provides a summary of lot sizing and commentary of current “Aged Stock” on hand. Since the October Council meeting two “Aged Stock” lots have been sold.

Stage	Release Date	Lot Number	Price	M ²	Comment
12A	May 2014	305	\$304,000	447	Corner lot, side loaded, located on Aviator Boulevard, elevated, opposite future primary school site.
13B	October 2014	726	\$202,000	225	9m frontage, mandatory 2 storey, opposite POS.
13B	October 2014	727	\$202,000	225	9m frontage, mandatory 2 storey, opposite POS.
13B	October 2014	728	\$202,000	225	9m frontage, mandatory 2 storey, opposite POS.
13B	October 2014	758	\$202,000	225	9m frontage, mandatory 2 storey, opposite POS.
15A	February 2015	822	\$330,000	450	Regular lot, 15m frontage, quiet noise requirements.
15B	September 2015	841	\$257,000	300	Regular lot, located on the lower side of 2.5m rear retaining wall.
18A	March 2016	880	\$265,000	333	Regular lot, 11.1m frontage
18A	March 2016	921	\$262,000	318	Regular lot, 10.6m frontage

Note: \$8,000 rebate has been applied to the pricing of applicable lots.

Competition Analysis

The following table provides a summary of gross sales at competing developments in the northern corridor for the FYE 2017.

The SPG has expressed caution that competitor's sales results are indicative only based on information that the SPG is able to obtain in the marketplace.

Estate	Sales												YTD total	Size Range (m ²)	Price Range
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Allara	15	14	13	11									53	225-520	\$129,950-\$223,000
Burns Beach	2	3	3										8	336-859	\$380,000-\$975,000
Eden Beach	10	10	6	17									43	225-625	\$200,000-\$430,000
Catalina	8	11	9	5									33	225-448	\$210,000-\$315,000
Alkimos Beach	9	9	9	5									32	150-535	\$128,000-\$335,000
Amberton	15	12	11	15									53	188-526	\$160,000-\$275,000
Shorehaven	4	4	8	0									16	217-385	\$179,000-\$315,000
Trinity	8	4	5	10									27	298-542	\$198,000-\$280,000
Total	71	67	64	63									265		
CATALINA MARKET SHARE (%)	11.3%	16.4%	14.1%	7.9%									12.45%		

A summary of available stock in the corridor is provided in the table below. The table indicates that generally Burns Beach is the most expensive estate. Catalina has the most expensive 225m² lots and 450m² lots (along with Eden Beach).

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	Stock
Allara	149,950	169,000	193,000	223,000	47
Burns Beach	N/A	395,000	480,000	N/A	29
Eden Beach	200,000	245,000	289,000	339,000	48
Catalina	210,000	255,000	298,000	339,000	35
Alkimos Beach	186,000	230,000	265,000	300,000	105
Amberton	160,000	204,000	233,000	270,000	33
Shorehaven	199,000	265,000	287,000	N/A	48
Trinity	N/A	202,000	230,000	255,000	50
TOTAL					395

Stage 17A Public Release

The Stage 17A Public Release was held on 29 October 2016. The release comprised 25 lots generally ranging in area from 375m² to 450m². To date 6 lot contracts have been signed and a number of new leads are being pursued by the SPG.

9.6 SALE OF AGED STOCK - EARLY CONSTRUCTION REBATE

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVES** the correspondence on “Aged Stock” and the Early Construction Rebate prepared by the Satterley Property Group dated November 2016.
2. **NOT APPROVE** a 5% reduction of the approved lot prices of “Aged Stock”, as recommended by the Satterley Property Group.
3. **APPROVES** the extension of the payment of an Early Construction Rebate to the value of \$8,000 per lot for selected lots on the market for more than 6 months for contracts entered into after 8 December 2016 and until 30 June 2017, subject to the purchaser providing a copy of a signed Building Contract prior to settlement, with the rebate being paid to the purchaser(s) nominated builder within 6 months of the settlement of the lot.

Voting Requirements

Simple Majority

Report Purpose

To consider a request from the Satterley Property Group to reduce the pricing of “Aged Stock” in lieu of the Early Construction Rebate.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

- Council Meeting – 16 June 2016 (Item 9.6 Extension of Early Construction Rebate)
- Council Meeting – 18 February 2016 (Item 9.9 Extension of Early Construction Rebate)
- Council Meeting – 15 October 2015 (Item 9.10 – Project and Lot Sales Strategy)

Financial/Budget Implications

Income under this matter will be posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$40,743,130
Received to Date:	\$26,145,094
Balance:	\$14,598,036

Relevant Documents

Appendix: Letter from Satterley Property Group dated 3 November 2016

Background

At its meeting of 15 October 2015 the Council approved the use of an Early Construction Rebate to the value of \$8,000 per lot for selected lots with lot sizes up to 380m² until 31 January 2016.

The intent of the Early Construction Rebate was to provide an incentive to sell “Aged Stock” or difficult lots up to a lot area of 380m² and to promote construction within the Project. Lots that have been on the market for more than 6 months are considered “Aged Stock”.

At its meeting of 18 February 2016 the Council approved the use of the Early Construction Rebate until 30 June 2016, and in June 2016 approved a further extension until 30 December 2016, subject to the same terms and conditions.

The Satterley Property Group (SPG) has provided correspondence requesting the Council to consider a 5% reduction of the approved lot prices of “Aged Stock”, in lieu of extending the Early Construction Rebate. A copy of the correspondence is attached at Appendix 9.6.

Comment

The SPG has provided advice on current market conditions, indicating the low market confidence as a result of slowing population growth and weak consumer sentiment in the local economy.

The SPG has advised that strong competition between estates in the northern corridor continues and that a lack of urgency from purchasers has resulted in developers offering incentives and price reductions. SPG considers that to remain competitive and sell “Aged Stock” incentives are required.

Since the Early Construction Rebate was first approved in October 2015, it has assisted with the sale of 27 lots. The SPG considers that the 27 lot sales would not have been achieved without the Early Construction Rebate. The cost of the Early Construction Rebate will be \$216,000, based on the 27 lots sold to date.

The SPG acknowledges that the Rebate has been successful, however, also notes that the Rebate has not resulted in the sale of some of the “Aged Stock” older than 12 months and considers that an alternate strategy such as a “price reduction” may potentially result in the lots being sold.

The SPG recommends that rather than extending the Early Construction Rebate a price reduction of 5% is applied to “Aged Stock” (10 lots). The SPG has not identified a time limitation on the price reduction and is recommending a permanent price reduction.

The proposed 5% price discount would result in a reduction in lot prices of \$124,200 of the current approved lot pricing. This reduction equates to an average of \$12,420 per lot (\$4,420 per lot more than the currently approved \$8,000 Early Construction Rebate). The proposed reduction will potentially result in a negative impact to Budget of \$44,200. The SPG has not advised how the negative impact on TPRC budget will be addressed.

A list of the current “Aged Stock” including current approved pricing, the appointed valuers market value and SPG’s pricing based on a 5% reduction is provided in the following table.

Stage	Release Date	Lot Number	M²	Current Pricing	Valuers Market Value	SPG recommended Price (5% reduction inclusive)
12A	May 2014	305	447	\$304,000	\$295,000	\$288,000
13B	October 2014	726	225	\$210,000	\$205,000	\$199,500
13B	October 2014	727	225	\$210,000	\$205,000	\$199,500
13B	October 2014	728	225	\$210,000	\$205,000	\$199,500
13B	October 2014	757	225	\$210,000	\$205,000	\$199,500
13B	October 2014	758	225	\$210,000	\$205,000	\$199,500
15A	February 2015	822	450	\$330,000	\$325,000	\$313,500
15B	September 2015	841	300	\$257,000	\$250,000	\$244,150
18A	March 2016	880	333	\$265,000	\$260,000	\$251,750
18A	March 2016	921	318	\$262,000	\$255,000	\$248,900
Total				\$2,468,000	\$2,410,000	\$2,343,800

If supported by the Council the SPG recommended repricing would involve all lots being below the market value as determined by the Council appointed valuer and therefore Council would be required to make a resolution consistent with Section 3.58(4)(c)(ii).

3.58 (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include-*

(c) the market value of the disposition –

(ii) as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.

Advice has been sought from Mr Neil Douglas, Partner, McLeods - Barristers & Solicitors, Council appointed legal advisors. Mr Douglas has advised the *Local Government Act 1995* does not preclude the Council from selling land for less than the market value of that land as ascertained by a valuation. Although a local government (or regional local government) may generally seek a sale price that is higher than the market value, there is no obligation, legal or otherwise, to pursue that outcome.

The requirements of section 3.58(3) (a) (ii) would need to be observed which requires local public notice to be given of the ‘details of the proposed disposition’. These details include –

- (1) *‘the consideration to be received by the local government [or regional local government] for the disposition’; and*
- (2) *‘the market value of the disposition’ (section 3.58(4) (b) and (c)).*

The above is in accordance with the TPRC’s practice, to give local public notice of both the ‘sale price’ and the market value of the land.

Mr Douglas has advised that the overriding legal obligation is for the TPRC to exercise its judgment in determining how best to achieve the regional purpose, as set out in its Establishment Agreement, for the good government of persons in the region.

There would appear to be no obligation, legal or otherwise for Council to set a lot sale price that is higher than the market value, to pursue that outcome. However, there is concern that will start a trend in terms of the Catalina Project following competitors in order to achieve sales targets.

The Catalina Project is not subject to the debt, costs and financial pressures of its competitor developers and therefore it is not necessary to apply lot pricing below the market value. It should also be noted valuations for market value are typically conservative and that the SPG recommended pricing is already below the approved TPRC Budget.

It is noted that the Council has already approved a number of price reductions on the “Aged Stock”, including the lots that have been on the market for longer than 12 months. To date the total price reductions (below approved budget) on “Aged Stock” has been \$806,000.

There are a number of options available to the Council in relation to the sale of “Aged Stock”, including:

- Extend the Early Construction Rebate for a further six months until 30 June 2017;
- Approve the SPG’s recommendation for a 5% reduction of the approved lot pricing;
- Approve pricing in accordance with the appointed valuers “market value”.

Extension of the Early Construction Rebate

The Early Construction Rebate has worked well to date in selling “Aged Stock” including some of the older “Aged Stock”. Given the success of the Early Construction Rebate there is merit in extending the rebate. Discontinuing the Early Construction Rebate without providing a new incentive will make it difficult to sell the “Aged Stock” in the current market.

SPG 5% Lot Price Reduction

The basis for the SPG recommendation for a 5% price reduction appears arbitrary and has limited justification. The SPG has also not recommended a time limitation on the proposed 5% price reduction in order to generate motivation on the part of potential purchasers. The SPG has noted that a lack of urgency from purchasers has resulted in developers offering incentives and price reductions on other competitor estates. Other competitor estates have used price reductions for a specified period of time to provide some urgency for potential purchasers.

Should Council support the SPG recommendation for a 5% price reduction, then it is suggested it should have a specified period of time to in order to generate motivation and provide some urgency for potential purchasers.

The SPG has not indicated whether the proposed price reduction, below “market value”, creates negative perceptions of value of the land at Catalina and negative sentiments from purchasers, particularly those who have only recently purchased lots. It has also not

addressed whether the proposal will have a flow on effect on the future pricing and market valuations.

At the present time the Catalina Project is not subject to the cash flow pressures of its competitor developers and therefore it is not necessary to apply lot pricing below the market value.

“Market Value” Pricing

The option to reduce the pricing of the “Aged Stock” to “market value” as set by the TPRC’s appointed valuer would involve a minor discount to the current approved pricing but still provides a good financial incentive, in the order of \$5,000 to \$9,000 per lot.

Conclusion

As previously advised it is not uncommon for major projects to hold “Aged Stock”. The current level of “Aged Stock” (10 lots) is not significant, particularly given current market conditions.

It is considered that an incentive should be provided to encourage the sale of “Aged Stock”, however, the SPG recommendation for a 5% price reduction, which would be substantially below “market value” will potentially create negative perceptions of value of the land at Catalina and existing purchaser resentment.

The Early Construction Rebate has achieved good results to date and provides an incentive that creates a sense of urgency on the lots. It is also provided for in the TPRC budget. It is therefore recommended that the Early Construction Rebate is extended a further 6 months until 30 June 2017.

It should be noted that the Early Construction Rebate currently only applies to lots less than 380m² and that two of the ten lots considered as “Aged Stock” are larger in size. It’s further recommended that the minimum size be removed from the eligibility criteria to ensure that the option to provide the Early Construction Rebate is available to all “Aged Stock”.

9.7 PROJECT BUDGET FYE 2017 – MID-YEAR REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.26.894

Recommendation

That the Council:

- 1. RECEIVES the Mid-Year Review of the Project Budget FYE 2017 (October 2016), submitted by the Satterley Property Group.**
- 2. ACCEPTS that the Satterley Property Group has achieved Key Performance Indicator - Financial Management 4.5 Monitor the performance against the Approved Project Budget requiring the completion of a six monthly review of the approved Project Budget.**

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the Mid-Year review of the Project Budget for FYE 2017.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 13 August 2015 (Item 9.10 - Project Budget 2015/2016)

Financial/Budget Implications

Review of approved Project Cashflow (May 2016) for FYE 2017.

Relevant Documents

Appendix: SPG correspondence Catalina Mid-Year Review of the Project Budget (dated 8 November 2016)

Background

At its meeting of 16 June 2016 the Council resolved to approve the Project Budget FYE 2017 (May 2016), submitted by the Satterley Property Group (SPG), as the basis of financial planning for the TPRC Budget FYE 2017.

The approved Development Managers Key Performance Indicators (June 2014), KPI - Financial Management 4.5 *Monitor the performance against the Approved Project Budget* requires the Development Manager to complete a six monthly review of the approved Project Budget to meet the KPI. The Satterley Property Group (SPG) has completed a Mid-Year Review of the approved Project Budget FYE 2017 to satisfy KPI 4.5.

Comment

The SPG Mid-Year Review of the Project Budget for FYE 2017 addresses the following:

1. Financial Year Ending 2016 (FYE 2016)
2. Operations for Financial Year Ending 2017 (FYE 2017)
3. Review of FYE 2017
4. Key Risks for achieving FYE2017 Budget
5. Snapshot of Financial Year Ending 2018 (FYE 2018)
6. Project Forecast
7. Assumptions
8. Cash Requirement, Capital Return and Profit Distribution Capacity

The SPG Mid-Year Review correspondence is attached at Appendix 9.7.

Project Budget FYE 2017

The SPG Mid-Year Review (October 2016) forecasts a number of variations and recommends modifications in light of more recent financial information and current market conditions. Key variations are summarised below:

- Lot sales - increased by 10 lots due to the inclusion of sales from Stage 18B;
- Other Income - decreased by \$1.2M due to one proposed Stage 18B Group Housing Site not being available;
- Landscaping works - decreased by \$0.7M, due to some Catalina Beach landscaping costs being deferred to FYE 2018;
- Infrastructure costs - increased by \$2.4M due to primary school bulk earthworks reimbursement being deferred to FYE 2018;
- Lot production – decreased by \$1.3M as a result of the following:
 - Primary school bulk earthworks (\$1.5M) now deferred to FYE 2018;
 - Stage 25-28 bulk earthworks (\$0.7M) deferred to FYE 2019;
 - Stage 14B civil works (\$0.5M) decrease as costs incurred in FYE 2016;
 - Stage 17A civil works (\$0.6M) increase with works brought forward to FYE 2017;
 - Stage 18B civil works (\$1.5M) increase with works brought forward to FYE 2017;
 - Stage 25 civil works (\$0.4M) actual savings.

The following table shows the key outcomes predicted for FYE 2017 in terms of Income, Development Costs, Distributions, Cash Position and Variances between the approved Project Budget FYE 2017 (May 2016) and the Mid-Year Review (October 2016).

	Project Budget FYE 17 (May 2016)	SPG Mid-Year Review (October 2016)	Variance
Gross Income	\$27.22M	\$25.54M	-\$1.73M
Development Costs	\$28.68M	\$29.15M	+\$0.47M
Distributions	\$11.00M	\$11.00M	\$0.00M
Cashflow	-\$1.40M	-\$3.61M	-\$2.20M

The SPG Mid-Year Review identifies five key risks to achieving budget outcomes:

- Not achieving budgeted sales;
- Settlements forecast not being achieved in FYE 2017;
- Construction delays resulting in delays in titles issuing;
- Achieving budgeted sales prices;
- Higher sales fall over rates resulting in delayed settlements.

These matters are actively being pursued to minimise potential exposure to the TPRC and will continue to be closely monitored.

Project Forecast FYE 2018

The SPG has also reviewed the Project Forecast FYE 2018 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 2018 in terms of Income, Development Costs, Distributions, Cash Position and Variances between the Project Forecast FYE 2018 (May 2016) and the Mid-Year Review (October 2016) Forecast.

	Project Forecast FYE 2018 (May 2016)	SPG Mid-Year Review (October 2016)	Variance
Gross Income	\$35.38M	\$37.55M	+\$2.17M
Development Costs	\$38.43M	\$43.66M	+\$5.23M
Distributions	\$4.00M	\$4.00M	+\$0.00M
Cashflow	-\$3.05M	-\$6.11M	-\$3.06M

These estimates should only be considered as a general guide for the Project Forecast FYE 2018, detailed planning and review is underway to more precisely determine the assumptions underlying the FYE 2018 forecast.

Project Forecast (2011-2029)

At its meeting of December 2014, the Council approved the Project Forecast 2011-2029 (November 2014), submitted by the Satterley Property Group as the basis of project and financial planning.

As part of the Mid-Year Review the SPG has undertaken a review of the Project Forecast 2011-2029 (November 2014).

The Mid-Year Review forecasts an increase of \$1.8M in Project profit of \$354.6M from the SPG May 2016 forecast.

The current Project Forecast 2011-2029 (October 2016) provides a general guide to the long term position of the Project. Due to 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.

It is noted that the approved Development Managers Key Performance Indicators (June 2014), KPI - Financial Management 4.2 requires the completion of a Review of the Project Forecast every three years which is due in 2017.

Conclusion

The FYE 2017 Mid-Year Review (October 2016), prepared by the SPG, reflects a current position in relation to major budget assumptions such as lot yield, sales rates, development costs, escalation, GST and contingency. It has adopted a conservative approach to sale rates given current market conditions.

It is considered to provide a more accurate forecast of the Project Budget for FYE 2017. It provides a sound basis for the Catalina Project for the balance of FYE 2017 and should be used to inform the review of the TPRC Budget FYE 2017 which is to be presented for Council's consideration in February 2017.

It is recommended that the Council accept that the Satterley Property Group has achieved Key Performance Indicator - Financial Management 4.5 Monitor the performance against the Approved Project Budget requiring the completion of a six monthly review of the approved Project Budget.

SPG representatives will be in attendance to provide further information on the SPG FYE 2017 Mid-Year Review.

At its meeting of 17 November 2016 the Management Committee considered the SPG report on the Mid-Year Review of the Project Budget for FYE 2017 and resolved to recommend that Council:

- 1. RECEIVES the Mid-Year Review of the Project Budget FYE 2017 (October 2016), submitted by the Satterley Property Group.*
- 2. ACCEPTS that the Satterley Property Group has achieved Key Performance Indicator - Financial Management 4.5 Monitor the performance against the Approved Project Budget requiring the completion of a six monthly review of the approved Project Budget.*

9.8 CATALINA GROVE PRECINCT PLAN - UPDATE

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

- 1. RECEIVES the Catalina Grove Update (November 2016) prepared by Satterley Property Group.**
- 2. SUPPORTS Option 3 as the preferred Concept Plan for the Catalina Grove Precinct for the purpose of further consultation with the City of Wanneroo and State Authorities.**
- 3. REQUESTS the Satterley Property Group to:**
 - a) Undertake a cash flow feasibility analysis on Catalina Grove Concept Plan (Option 3) with a report to be presented for Council's consideration at its February 2017 meeting.**
 - b) Finalise a program for progressing the resolution of issues, detailed consultation with key stakeholders, finalisation of specialist consultants inputs and preparation and approval of an Amendment to the Tamala Park Local Structure Plan for Council's consideration at its February 2017 meeting.**

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the consultation undertaken on the Catalina Grove Precinct Plan and to progress a concept for Catalina Grove.

Relevant Documents

Appendix: SPG Letter: Catalina Grove – Local Structure Plan Review Update

Policy Reference

N/A

Local Government Act/Regulation

N/A

Financial/Budget Implications

N/A

Background

The Council considered the Catalina Precinct Plan, prepared by Urbis, at its October 2015 meeting which included the following key principles to guide the final design of the Precinct Plan:

- Mixed Use Zone – To rationalise the extent of mixed-used zoned land in line with economic and market research and to locate mixed use zoned land in optimal locations.
- Green Link and Public Open Space – To retain mature trees which create a sense of place and provide strong connections to surrounding green areas and POS.
- Retail Land Use – Relocate the commercial zoned land on Aviator Boulevard to Neerabup Road to frame the western entry to Catalina Grove and provide exposure to the commercial site.
- Road Network/Connections – To maximise and enhance the connection to Clarkson Train Station to drive the success of density in the north-eastern corner of the site. Promote the use of the underpass to achieve high levels of surveillance.
- Residential Density and Yield – Provide density in high amenity areas to underpin a vibrant community in Catalina Grove.

At its meeting of 21 April 2016 the Council resolved to receive the Catalina Grove Precinct Plan assessment undertaken by Satterley Property Group (SPG). The Council noted that the SPG analysis of the Catalina Grove Precinct Plan was not a detailed economic or feasibility assessment and requested the SPG to undertake a cashflow feasibility following further consideration of the Catalina Grove Precinct Plan by the project consultants and other specialist consultants.

The Council further requested that the SPG finalise a program for progressing the resolution of issues raised in its analysis of the Catalina Grove Precinct Plan, including the consultation with key stakeholders, including the City of Wanneroo, DoP, PTA and Main Roads.

The Council also advised the Satterley Property Group that the actions above needed to be undertaken in order to finalise the optimum design for Catalina Grove and report to Council prior to proceeding with any potential amendment to the Tamala Park Local Structure Plan relating to Catalina Grove.

Comment

The SPG has provided an update on the progress of the Catalina Grove Precinct Plan. A copy of the correspondence is attached at Appendix 9.8. The purpose of this report is to outline the concepts developed for Catalina Grove, discuss the consultation process and issues raised requiring further assessment and to provide a strategy for progressing a concept for Catalina Grove.

Following further review of the key principles and issues, three concept plans for Catalina Grove have been developed and assessed. The three concepts included a Low Density Concept (Option 1), High Density Transit Oriented Design Concept (Option 2) and Transit Oriented Development Concept Revision 2 (Option 3). Plans for each of the options are attached as part of SPG's letter at Appendix 9.8.

Option 1 (Low Density Concept)

- A conservative scenario focussed on traditional single residential lot product;
- Lots would typically range from 250m² to 510m²;
- Density range typically from R20 to R30 with minor R40 pockets;

- No allowance for mixed use or high density adjacent station or local centre;
- Centrally located POS based on EPBC conservation area;
- Local Centre shifted to Connolly Drive/Aviator Boulevard corner;
- No strong, direct road network link to the Station; and
- Greenlink' corridor to Station proposed as a linear open space and pedestrian connection.

Option 2 (Transit Oriented Design 1)

- Strong recognition of density and mixed use context provided by the Clarkson Station;
- Enhanced pedestrian, vehicle and public transport movement and connection options to Station;
- Greenlink and road connection strongly aligned to more directly feed into the Station
- Strong apartment focus close to station (R100/160);
- Higher proportion of medium density housing on Greenlink and near station (R40/R60);
- Less green title lots and less traditional lot sized product/higher proportion of apartment and medium density housing;
- Options for mixed use residential within the high density precinct;
- Local Centre shifted to Connolly Drive/Aviator Boulevard corner and also providing a density opportunity;
- Main street potential for Local Centre;
- More conservative product (R30/40) in pockets away from station and centre precincts; and
- Centrally located POS based on EPBC conservation area.

Option 3 (Transit Oriented Design 2)

- Provides a greater range of housing options and densities;
- Recognises the importance of the Station and Local Centre as contexts for density and diversity around amenity;
- Larger focus on locating density in concentrated areas with amenity, allowing for pockets of higher density housing/apartments;
- Enhanced pedestrian, vehicle and public transport movement and connection options to Station;
- Greenlink and road connection strongly aligned to more directly feed into the Station;
- Options for mixed use residential within the high density precinct and adjacent Local centre;
- Local Centre shifted to Connolly Drive corner for exposure and also providing a density opportunity;
- A main street proposed off the Local Centre to provide a focal point for residents of Catalina Grove;
- Opportunity for traditional product (R30/40) located away from the station and centre precincts to achieve diversity of product; and
- Potential to retain vegetation in pocket parks (more pocket parks).

Advice from the project planner CLE, the City of Wanneroo and Department of Planning has indicated that pursuing Options 2 or 3 will result in the need to undertake a Structure Plan Amendment, which is likely to take 6 – 9 months.

Concept Plan Consultation

Consultation has been undertaken with key authorities to clarify issues and receive support for the direction of the Catalina Grove Concept planning. The SPG and TPRC undertook consultation with officers of key authorities, including the City of Wanneroo (CoW), Perth Transit Authority (PTA), Department of Planning (DOP) and Main Roads of Western Australia (MRWA).

The consultation involved consideration on the issues and merits of all three options for the Catalina Grove Precinct. All key authorities support a review of the current Tamala Park Local Structure Plan.

There were a number of issues raised during consultation that need to be addressed prior to receiving approval for the Catalina Grove Precinct Plan. These included the following:

- Neerabup Bus/Vehicle/Pedestrian Underpass – The PTA has advised a preference for the underpass to be used for Transperth vehicles, pedestrians and cyclists. The CoW officers have expressed a view for the underpass to be available to private vehicles in order to connect to the Station Precinct and encourage activation of the Station Precinct.
- Mixed Use and Density - The DoP officers supported the rationalisation of the mixed use zoned area. The DoP also supported the objective of higher density and a proposed staging from west to east in order to establish the area and strategically release higher density sites to ensure they achieved the intended densities. The CoW acknowledged that the mixed use zoned area needed to be rationalised to locations that provide appropriate amenity/drivers for mixed use sites to be successful.
- Employment – The CoW supported the Option 3 concept which included reduced amounts of mixed use zoned land subject to employment addressing the City of Wanneroo’s Local Planning Policy 3.6 ‘Employment Policy’.
- Local Centre – CoW office and DoP office both supported the relocation of the Local Centre to Connolly Drive but identified a need for the design and layout of the Centre to appropriately address the public realm.
- Neerabup Road Access – MRWA has provided support for a left in left out access point off Neerabup Road. The major point of access to Catalina Grove will be the roundabout at the intersection of Connolly Drive and Aviator Boulevard.

Whilst no formal endorsement to any option was received, generally there was a preference and a higher level of support for Option 3.

In order to further progress planning outcomes and address the concerns raised by the key authorities, a number of external specialist consultant reports are required to be undertaken including retail/employment analysis, traffic analysis and bushfire management.

The findings of the reports combined with the project consultant’s inputs (engineer, planner and landscape architects) will allow SPG to undertake a detailed cash flow feasibility study on the preferred Catalina Grove Concept to present to Council.

Concept Plan Review

The SPG supports Option 3 as it provides a balanced concept that achieves appropriately located density sites, mixed use and commercial zoned land and meets the Council objectives on diversity, sustainability and density. It also recommends that the Structure Plan Amendment be prepared in conjunction with the cash flow feasibility study, with the Structure Plan Amendment to be lodged on acceptance of the Catalina Grove Precinct Plan.

The Project Planners (CLE) also support Option 3 as a well balanced concept that delivers significant planning benefits around density and amenity that is site responsive.

The consultation undertaken with relevant authorities also indicates a higher level of support for Option 3 on the basis of the potential for resolution of the key issues.

The TPRC management considers that Option 3 addresses the key principles set by Council and appropriately responds to the following areas:

Local Centre:

It identifies an optimal position for the Local centre on Connolly Drive and Aviator Boulevard, assisting in the creation of a Village 'hub' with a close relationship to the Green Link and nearby environmentally significant vegetation. It also provides the potential for main street opportunities in this area.

Mixed Use:

The mixed-use has been located off Neerabup Road providing the best opportunity for viable business uses and enhanced employment opportunities.

Connections:

It provides logical and direct connection to the Clarkson Train Station precinct which is required for the successful implementation of high density living. It provides for the Neerabup Road Underpass to cater for public transport, pedestrian, cycle and private vehicle movement as the most direct connection to the Clarkson Train Station.

Reconfiguration of Density:

It redistributes the high density sites southwards to include high amenity areas, including the proposed Local Centre and opposite environmentally significant vegetation. This will maximise opportunities for viable and quality high density housing.

Vegetation Protection/POS:

It seeks to retain mature trees as far as practicable in a re-aligned Green Link, parkland and in road reserves. This will provide a unique and high amenity setting within Catalina Grove.

Conclusion

The SPG considers Option 3 as the most optimum concept for the development of the Catalina Grove Precinct. The preliminary consultation undertaken to date with key authorities indicates a higher level of support for Option 3 rather than Options 1 or 2.

The TPRC management considers that Option 3 addresses the key principles set by Council and provides the opportunity for Catalina Grove to provide appropriate density targets, high quality and diverse housing, high amenity areas, a strong connection to Clarkson Station, a vibrant local centre and main street and retention of vegetation. It is also based on more current economic and market analysis for apartment and mixed use development for the site.

Council's support for Option 3 is sought in order to progress the Catalina Grove Precinct Plan by further detailed consultation with the City of Wanneroo and State Authorities. It will also enable the appointment of specialist consultants to address the issues raised to date.

This action will also enable SPG to undertake a cash flow feasibility for the Grove Precinct, as previously requested by Council.

At its meeting of 17 November 2016 the Management Committee considered the report on the consultation undertaken on the Catalina Grove Precinct Plan and to progress a concept for Catalina Grove and resolved to recommend that Council:

1. *RECEIVES the Catalina Grove Update (November 2016) prepared by Satterley Property Group.*
2. *SUPPORTS Option 3 as the preferred Concept Plan for the Catalina Grove Precinct for the purpose of further consultation with the City of Wanneroo and State Authorities.*
3. *REQUESTS the Satterley Property Group to:*
 - a) *Undertake a cash flow feasibility analysis on Catalina Grove Concept Plan (Option 3) with a report to be presented for Council's consideration at its February 2017 meeting.*
 - b) *Finalise a program for progressing the resolution of issues, detailed consultation with key stakeholders, finalisation of specialist consultants inputs and preparation and approval of an Amendment to the Tamala Park Local Structure Plan for Council's consideration at its February 2017 meeting.*

9.9 REVIEW OF PURCHASER TERMS AND CONDITIONS

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

- 1. APPROVES the following Sales Terms/Conditions and Incentives for all public release lots for the period December 2016 to December 2017:**
 - 1.1 Use of the 2013 REIWA Offer and Acceptance Contract with Special Conditions and Annexure.**
 - 1.2 A \$2,000 deposit to be used in the Sales Contracts for Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for Catalina Beach.**
 - 1.3 A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where finance is required.**
 - 1.4 A 21-day settlement period from finance approval or the issue of titles, whichever is the later.**
 - 1.5 A waterwise landscaping package to the front garden.**
 - 1.6 A \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.**
 - 1.7 Side and rear boundary fencing (behind the building line).**
 - 1.8 A \$1,000 rebate for all homes which include appropriate WELS rated fittings and fixtures.**
 - 1.9 Sales incentives (Items 1.5 – 1.8) subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.**

- 2. APPROVES the following Sales Terms/Conditions and Incentives for all builders release lots for the period December 2016 to December 2017:**
 - 2.1 Use of the 2013 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.**
 - 2.2 A \$2,000 deposit to be used in the Sales Contracts for Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for Catalina Beach.**
 - 2.3 A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where finance is required.**
 - 2.4 A 21-day settlement period from finance approval or the issue of titles, whichever is the later.**
 - 2.5 Provision of a \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.**
 - 2.6 A waterwise landscaping package to the front garden.**
 - 2.7 Sales incentives (items 2.5 and 2.6) subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months**

of settlement for single storey homes and 24 months of settlement for two storey homes.

3. **REQUESTS the Satterley Property Group to review the Sales Terms/Conditions and Incentives for public release and builder release lots and provide a report to Council for consideration in October 2017.**

Voting Requirements

Simple Majority

Report Purpose

To consider the purchaser Terms/Conditions and Incentives for the sale of lots for the period December 2016 to December 2017.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 10 December 2015 (Item 9.12 Review of Purchaser Terms and Conditions)

Financial/Budget Implications

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

Item E145216 (Direct Selling Expenses):

Budget Amount:	\$ 3,805,686
Spent to Date:	\$ 1,155,489
Balance:	\$ 2,650,197

Item E145211 (Land Development – Lot Production):

Budget Amount:	\$10,717,375
Spent to Date:	\$ 1,197,411
Balance:	\$ 9,519,964

Relevant Documents

Appendix: SPG letter dated 2 November 2016 Catalina Estate - Review of Purchaser Terms and Conditions

Background

At its meeting of 10 December 2015, the Council approved the Sales Terms/Conditions and Incentives for the sale of lots, recommended by SPG, which comprised the following:

Public Release Lots

1. Use of the 2013 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.
2. A \$2,000 deposit to be used in the Sales Contracts.
3. A finance approval period of 60 days, where finance is required.
4. A 21-day settlement period from finance approval or the issue of titles, whichever is the later.
5. Waterwise front landscaping packages.
6. A \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.
7. Side and rear boundary fencing (behind the building line).
8. A non-potable water supply to all front loaded lots within Stages 4, 5 & 7 of Catalina.
9. Sales incentives (items 5 – 8) being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.

Builders Allocation Lots

1. Use of the 2013 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.
2. A \$2,000 deposit to be used in the Sales Contracts.
3. A finance approval period of 60 days, where finance is required.
4. A 21-day settlement period from finance approval or the issue of titles, whichever is the later.
5. Provision of a \$2,000 rebate for all homes constructed with a minimum 1.5kV capacity photovoltaic solar power system.
6. Waterwise front landscaping package.
7. Sales incentives (items 5 and 6) being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.

At the December 2015 meeting, Council also requested the Satterley Property Group to review the Sales Terms/Conditions and Incentives for public release and builder allocation lots in twelve months and provide a report to Council.

Comment

The Satterley Property Group (SPG) has reviewed the Sales Terms/Conditions and Incentives for public release and builder release lots. A copy of the SPG's recommendation letter dated 2 November 2016 is attached under Appendix 9.9.

Public Release Lots Catalina Central

The SPG has advised that the Sales Terms/Conditions and Incentives for public release lots have operated well.

The SPG has recommended that the current Sales Terms/Conditions and Incentives (1-9 above) are maintained with the exception of the "non-potable water supply to all front loaded

lots within Stages 4, 5 & 7 of Catalina” which has been replaced with a \$1,000 rebate to purchasers for the installation of appropriate WELS rated fittings and fixtures, in accordance with Council’s decision in August 2016.

Public Release Lots Catalina Beach

The SPG recommends similar Sales Terms/Conditions for Catalina Beach with the exception of the deposit, to be increased to \$5,000 and the finance period to be reduced to 45 days.

The increase in deposit to \$5,000 and reduction in the finance approval period are supported as a way of ensuring prospective purchasers are more qualified which may assist in lower fall over/cancellation rates.

Builder Release Lots

The SPG recommends that current Sales Terms/Conditions and Incentives 1-7 (above) are appropriate and maintained, with the exception of Catalina Beach lots, which are recommended to include a \$5,000 deposit and 45 day finance period.

Conclusion

The current Sales Terms/Conditions and Incentives for public release lots and the builder release lots have operated well over the last 12 months under difficult market conditions.

The costs associated with the purchaser terms and conditions have been accounted for under Direct Selling Costs in the FYE 2017 Budget.

The SPG recommendations for purchaser Sales Terms and Conditions for public release and builders release lots for December 2016 – December 2017 are supported.

It is considered appropriate that the SPG be requested to review the Purchaser Terms and Conditions in twelve months, for Council’s consideration in October 2017.

At its meeting of 17 November 2016 the Management Committee considered the SPG report on purchaser Terms/Conditions and Incentives for the sale of lots for the period December 2016 to December 2017 and resolved to recommend that Council:

1. *APPROVES the following Sales Terms/Conditions and Incentives for all public release lots for the period December 2016 to December 2017:*
 - 1.1 *Use of the 2013 REIWA Offer and Acceptance Contract with Special Conditions and Annexure.*
 - 1.2 *A \$2,000 deposit to be used in the Sales Contracts for Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for Catalina Beach.*
 - 1.3 *A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where finance is required.*
 - 1.4 *A 21-day settlement period from finance approval or the issue of titles, whichever is the later.*
 - 1.5 *A waterwise landscaping package to the front garden.*
 - 1.6 *A \$2,000 rebate for all homes constructed with a minimum 1.5kW capacity photovoltaic solar power system.*
 - 1.7 *Side and rear boundary fencing (behind the building line).*

- 1.8 *A \$1,000 rebate for all homes which include appropriate WELS rated fittings and fixtures.*
- 1.9 *Sales incentives (Items 1.5 – 1.8) subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.*
2. *APPROVES the following Sales Terms/Conditions and Incentives for all builders release lots for the period December 2016 to December 2017:*
 - 2.1 *Use of the 2013 REIWA Offer and Acceptance Contract with Special Conditions and Annexures.*
 - 2.2 *A \$2,000 deposit to be used in the Sales Contracts for Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for Catalina Beach.*
 - 2.3 *A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where finance is required.*
 - 2.4 *A 21-day settlement period from finance approval or the issue of titles, whichever is the later.*
 - 2.5 *Provision of a \$2,000 rebate for all homes constructed with a minimum 1.5kW capacity photovoltaic solar power system.*
 - 2.6 *A waterwise landscaping package to the front garden.*
 - 2.7 *Sales incentives (items 2.5 and 2.6) subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.*
3. *REQUESTS the Satterley Property Group to review the Sales Terms/Conditions and Incentives for public release and builder release lots and provide a report to Council for consideration in October 2017.*

9.10 CATALINA SPONSORSHIP POLICY REVIEW 2016

Report Information

Reporting Officer: Project Coordinator

File Reference: 4.123.760

Recommendation

That the Council:

1. **APPROVES the Sponsorship Policy (November 2016).**
2. **DELEGATES to the Chief Executive Officer approval to determine sponsorship requests to a maximum of \$2,000 in accordance with the TPRC Sponsorship Policy.**

Voting Requirements

Absolute Majority

Report Purpose

To consider the review to the Sponsorship Policy (2015).

Relevant Documents

Appendix: Sponsorship Policy (November 2016)

Policy Reference

Sponsorship Policy (November 2015)

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 10 December 2015 (Item 9.11 – Sponsorship Policy)

Financial/Budget Implications

Expenditure for this matter will be posted under the following Items:

Item E145213 Community Development:

Budget Amount:	\$	192,500
Spent to Date:	\$	0
Balance:	\$	192,500

Item E145218 Sales and Marketing:

Budget Amount:	\$	663,734
Spent to Date:	\$	120,936
Balance:	\$	542,798

Background

At its meeting held on 10 December 2015 the Council approved the Sponsorship Policy (November 2015) to provide clear direction and guidelines for the TPRC to receive, assess and determine sponsorship proposals.

The Objective of the Sponsorship Policy is “to provide sponsorship that contributes to community building and community services/infrastructure and provides direct benefit to the Project”.

The Sponsorship Policy objectives can be achieved through the following:

- Environmental sustainability - promote environmental sustainability and/or protection of the natural environment;
- Youth Development – positive guidance for children and young adults, encouraging development of skills and contribution to the community;
- Culture, recreation and healthy lifestyle – promote the provision of community sport, health and wellbeing initiatives, and creative expression of cultural identity;
- Education and training opportunities – workshops, networking and training to develop community skills;
- Awareness and/or promotion of the Catalina Estate – enhance the profile of Catalina Estate and promote its attributes; and
- Build community capacity – promote new and existing groups to achieve self-sustainability.

The Sponsorship Policy provides for two types of sponsorship, ‘Community Sponsorship’ and ‘Project Sponsorship’ which could be considered for support by the TPRC. These are:

Community Sponsorship

This provides for the establishment and support of community groups within the Estate and for the support of community groups outside of the Estate that demonstrate a capacity to directly benefit and involve Catalina’s residents. Sponsorship for this category will be budgeted under Community Development to a total amount of \$5,000 with the maximum amount of \$1,000 being provided to any one organisation per annum.

Project Sponsorship

This provides sponsorship for organisations that provide branding opportunities for the Estate. The Policy requires that applications for this type of sponsorship demonstrate the benefits to the Estate. It is proposed that a budget of \$10,000 be made available within the marketing budget with a maximum of \$2,000 being granted to any one organisation per annum.

The Sponsorship Policy outlines the following sponsorship arrangements which could be considered:

- Matching Sponsorship: where the applicant group/organisation contributes a matching sum (equal to that requested from the TPRC);
- Small Event Sponsorship: aims to assist community groups and organisations to deliver small-scale events within Catalina Estate;

- Small Equipment Sponsorship: assists with the purchase of equipment that provides a means for community groups and organisations to become more self-sustainable and/or more diverse in the future.

Comment

While the TPRC has received limited requests for sponsorship to date, it is anticipated that as Catalina develops and more residents move into the Estate, that requests for sponsorship to foster local community groups is likely to increase.

It is considered that the current Policy addresses the intent of the TPRC's involvement in sponsorship and provides appropriate guidelines to support community and project recognition through sponsorship. Minor changes are proposed to the Policy as per the attached Appendix 9.10.

In order for TPRC management to administer the Policy it is suggested that the Council provide the CEO with delegation to determine sponsorship requests to a maximum of \$2,000 in accordance with the TPRC Sponsorship Policy.

At its meeting of 17 November 2016 the Management Committee considered the review to the Sponsorship Policy (2015) and resolved to recommend that Council:

1. *APPROVES the Sponsorship Policy (November 2016).*
2. *DELEGATES to the Chief Executive Officer approval to determine sponsorship requests to a maximum of \$2,000 in accordance with the TPRC Sponsorship Policy.*

9.11 MANAGEMENT COMMITTEE – TERMS OF REFERENCE/DELEGATIONS

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 13.45.657.0

Recommendation

That the Council APPROVES the Terms of Reference and Delegations to the Management Committee (December 2016).

Voting Requirements

Absolute Majority

Report Purpose

To review the Delegations to the Management Committee.

Relevant Documents

Appendix: Management Committee – Terms of Reference/Delegations (December 2016)

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 5.16 and 5.17 – Delegation to Committee.

Previous Minutes

Council Meeting - 10 December 2015 (Item 9.13 - Management Committee - Terms of Reference/Delegations)

Financial/Budget Implications

N/A

Background

At its meeting of 19 August 2010 the Council approved the establishment of a Management Committee and the Terms of Reference and Delegations.

At its meeting of December 2015 the Council reviewed the Terms of Reference and Delegations of the Management Committee and approved the following Terms of Reference and Delegations:

1. Recommending to Council the Project Annual Plan, Project Budget and Project Milestones.
2. The establishment and variation of key performance indicators which will be used to measure the performance of the Development Manager.
3. Monitoring the Approved Project budget (including any proposed variations to the Approved Project Budget).

4. Stage-by-stage cost determination and review.
5. Monitoring the Project's strategy, plans or concepts.
6. Monitoring the marketing and sales program for the Project.
7. Approval of sales schedules (including pricing) prior to the release of a stage of the Project.
8. Contracts to be entered into by any party with a value less than \$3,000,000.
9. Monitoring the Approved Project Program (including any proposed variations to the Approved Project Program).
10. The appointment of Project consultants and contractors with a value less than \$3,000,000.
11. The location of Stages of subdivision including the number of lots, Display village(s) (size, mix and locality).
12. Approval to the lodgement of Subdivision Applications with the Western Australian Planning Commission.
13. Approval of marketing strategy and program.
14. Monitoring the implementation of TPRC objectives.
 - 14.1 Generally monitor the performance of the Development Manager.
 - 14.2 Generally progress the Project.
15. To provide regular confidential updates on progress to the Council.
16. Approval of methods for the sale of project stages, from the sales procedures approved by the Council.

Comment

The approved Terms of Reference and Delegations for the Management Committee reflect that in order for the Tamala Park Project to run in a timely and efficient manner, and compete with surrounding residential estates the Management Committee should have authority to manage and have delegated authority to make decisions.

The approved Terms of Reference and Delegations have operated well over the past twelve months and removed the need for potential additional Council meetings and delays to program which could adversely affect the Tamala Park Project. The approved Terms of Reference and Delegations to the Management Committee are considered appropriate, however, a number of changes are proposed, as shown on the Terms of Reference/Delegations (December 2016) copy attached Appendix 9.11.

At its meeting of 17 November 2016 the Management Committee considered the report on the Management Committee – Terms of Reference/Delegations (December 2016) and resolved to recommend that Council APPROVES the Terms of Reference and Delegations to the Management Committee (December 2016).

9.12 COMMUNITY BATTERY STORAGE - CATALINA

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

- 1. RECEIVES the Satterley Property Group correspondence on a community battery storage facility at Catalina (November 2016).**
- 2. NOT proceed with the establishment and management of a community battery storage facility at Catalina at this time given the lack of support from Synergy, lack of detail relating to ongoing management and costs and the long term liability for a community battery storage facility.**
- 3. REQUESTS the Satterley Property Group to further review the feasibility and issues associated with the establishment and management of a community battery storage facility at Catalina as part of the review of the Sustainability Initiatives Plan to be undertaken in May 2017.**

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the feasibility of a community battery storage facility at Catalina Estate.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 11 August 2016 (Item 9.13 – Annual Plan FYE 2017)

Relevant Documents

Appendix: SPG Correspondence – Catalina Estate – Community Battery Storage Facility (November 2016)

Background

At its meeting of 11 August 2016 the Council approved the Annual Plan for FYE 2017. The Annual Plan FYE 2017 required the SPG to target three new initiatives utilising existing infrastructure in FYE 2017. The initiatives identified by the SPG were:

- Alternate Power Systems;
- Use of Sewer Infrastructure in the Catalina Beach Precinct; and
- Drainage – alternate below ground storage structures.

The SPG has provided correspondence following an investigation of the feasibility and issues associated with the establishment and management of a community battery storage facility at Catalina. A copy of the correspondence is attached at Appendix 9.12. The SPG has advised that the other two initiatives will be addressed and reported to Council at a later date.

Comment

A community battery storage system utilises electricity generated from household Photo Voltaic installations which is stored for later use and supplements the traditional electricity network. A community battery storage system generally works in the following manner:

- Household Solar Panels convert sunlight to Direct Current (DC) electricity.
- Any surplus DC electricity not used by the home owner is used to charge a community battery system, located in a secure facility.
- When the solar panels are not providing electricity to the home, the electricity stored in the community battery system is used.

The Alkimos Beach project, located in the northern corridor, off Marmion Avenue, is currently working with Synergy on a pilot scheme to store surplus energy captured by household PV systems in a community battery storage facility. It is understood that the stored electricity can be redrawn by participating households at a lower cost than grid supplied electricity.

The Alkimos Beach trial is estimated to cost approximately \$6.7 million over four years and is funded by the initiative partners Lend Lease, Landcorp and Synergy (which has committed \$3.3M via funding accessed from the Australian Renewable Energy Agency). The Alkimos Community Battery Storage Facility operates as follows:

- Alkimos residents have the option to participate.
- Participating households have solar PV cells that convert solar energy in to electricity. Any surplus electricity generated is stored to the community battery facility and recorded as a credit.
- The participating residents will have their peak costs offset by their credit.
- Alkimos residents are charged at the off-peak rate (25.06c/unit) instead of the peak rate (47.85c/unit) for all credits recorded, regardless of when the energy is consumed.

The SPG has indicated that current advice from Synergy indicates that the Alkimos model is not proving to be economical due to the high cost of the batteries and that it would not be feasible to undertake a similar community battery storage system within Catalina until the costs of the batteries are reduced significantly.

The SPG considers that once battery technology has improved and the cost of batteries reduced the trend is likely to be towards individual batteries in homes rather than a community system.

The SPG does not consider a community battery storage system as a viable option and does not recommend pursuing a community battery storage facility to supplement the current power system.

Conclusion

The TPRC currently undertakes a number of sustainability initiatives through the Sustainability Initiatives Plan including the supply of a rebate for Solar Panels installation and the provision of solar and wind powered lighting in Public Open Spaces.

The Council has requested the SPG to investigate options to improve participation rates for the Solar Panel take up. As indicated in the Business Report (Item 9.1 of this agenda) this is to be partially addressed by the proposal to proceed to tender for the installation of Solar Panels in Catalina.

At this stage, it would be premature to proceed with a community battery storage system at Catalina given the substantial costs, lack of support from Synergy and lack of detail relating to ongoing management and long term liability for a community battery storage facility. It is however recommended that the SPG be requested to further review the feasibility and issues associated with the establishment and management of a community battery storage facility at Catalina as part of the review of the Sustainability Initiatives Plan to be undertaken in May 2017.

9.13 COUNCIL MEETING SCHEDULE 2017

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 13.44.657

Recommendation

- 1. That the schedule of Council meetings dates be APPROVED for 2017 as follows:**
 - 16 February 2017 (City of Stirling)
 - 20 April 2017 (City of Joondalup)
 - 15 June 2017 (Town of Victoria Park)
 - 17 August 2017 (City of Wanneroo)
 - 12 October 2017 (City of Perth)
 - 7 December 2017 (City of Vincent)
- 2. That the commencement time for Council meetings BE 6:00pm.**
- 3. That Council meetings be HELD on a rotational basis at participant Council premises.**
- 4. That the schedule of Management Committee meetings dates be APPROVED for 2017 as follows:**
 - 16 March 2017
 - 18 May 2017
 - 20 July 2017
 - 14 September 2017
 - 16 November 2017
- 5. That the Management Committee meetings be held at the City of Stirling and the commencement time BE 5:00pm.**
- 6. That the schedule of meeting dates be ADVERTISED as required by the Local Government Act.**

Voting Requirements

Simple Majority

Report Purpose

To set ordinary Council meetings and Management Committee meetings dates for 2017 to facilitate advertising by the LGA.

Policy Reference

N/A

Local Government Act/Regulation

- Local Government Act Section 5.25(g)
- Local Government Administrative Regulation 12 - Publication of meetings open to public

Previous Minutes

Ordinary meeting of Council - 15 October 2015 (Item 9.13 - Meeting Schedule 2016)

Background

Councils are required to advertise dates of all Council and some other classes of meetings where delegated authority of the Council may be exercised. Advertising is required to provide the opportunity for members of the public to attend meetings and be informed about governance of the local authority. Where an advertised meeting date is changed re-advertising is required.

In the case of a Regional Council advertising occurs by publication in a newspaper circulating in the Regional Council area, by publication on the notice board on each of the participant local governments and publication of each of the libraries of the participant Councils.

Comment

Council meetings are mainly held on a Thursday, on a bi-monthly basis. The following schedule of Ordinary Council meetings and Management Committee meetings is proposed:

Ordinary Council Meetings

- 16 February 2017 (City of Stirling)
- 20 April 2017 (City of Joondalup)
- 15 June 2017 (Town of Victoria Park)
- 17 August 2017 (City of Wanneroo)
- 12 October 2017 (City of Perth)
- 7 December 2017 (City of Vincent)

Management Committee Meetings

- 16 March 2017
- 18 May 2017
- 20 July 2017
- 14 September 2017
- 16 November 2017

The Council has previously set the time for commencement of Ordinary Council meetings at 6:00pm as this seems to suit the convenience of most Council members. Meetings have previously been held at participant Council premises on a rotational basis. This provides an equal opportunity for each of the Councils to host the Regional Council.

Management Committee meetings are mainly held on a Thursday, in between Council meetings. The Committee has previously set the time for commencement of meetings at 5:00pm as this seems to suit the convenience of most Council members.

9.14 ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.144.49.0

Recommendation

That the Council ADOPTS the Annual Report of the Tamala Park Regional Council for the year ended 30 June 2016.

Voting Requirements

Absolute Majority

Report Purpose

To review the Annual Report for the TPRC for the year ended 30 June 2016.

Relevant Documents

Appendix: TPRC Annual Report 2015/2016

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

- Council Meeting - 10 December 2015 (Item 9.16 - Annual Report)
- Council Meeting - 11 December 2014 (Item 9.9 - 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;
- The Audit Report and completed Financial Report of the Council for the year under review.

The Annual Report is to be made available for public inspection.

Comment

The TPRC Annual Report for the year ending 30 June 2016 will be the eighth 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 9.14.

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 Tamala Park Project.

The Annual Report contains the Audit Report and the Annual Financial Report, for the year ended 30 June 2016, both of which have been completed. The Audit Report and the Annual Financial Report were approved for inclusion in the Annual Report by Council at its 20 October 2016 meeting.

9.15 DELEGATION AUTHORITY 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 22.21.294.26

Recommendation

That Council APPROVES the Delegation Register 2016 (December 2016), 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 2016)

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 5.42 – Delegation to CEO; Sect 5.46(2) – Review of Delegation.

Previous Minutes

- Council Meeting – 19 December 2013 (Item 9.11 – Delegation Authority)
- Council Meeting – 15 December 2011 (Item 9.7 - Display Village Lots Tender & Allocation)

Background

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

On 15 October 2015, the Council reviewed the Delegation Register and approved modifications to the Delegation Register October 2015. 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.

The Local Government Act, Section 5.46(2) requires that the Council review the Delegations annually.

Comment

The Delegation Register (October 2015) has been reviewed as required by the Local Government Act.

The Delegation Register (December 2016) includes minor modifications shown in Appendix 9.15.

It is recommended that the proposed delegations to the Chief Executive Officer as shown in the Delegation Register dated December 2016 be approved.

9.16 CHRISTMAS CLOSURE 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: N/A

Recommendation

That the TPRC administrative office be CLOSED over the Christmas period from 28 to 30 December 2016 (inclusive).

Voting Requirements

Simple Majority

Report Purpose

To advise and seek endorsement of a proposal to close the TPRC office over the Christmas period.

Relevant Documents

Attachments: Nil

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting - 10 December 2015 (Item 9.18 - Christmas Closure)
- Council Meeting - 11 December 2014 (Item 9.15 - Christmas Closure)

Background

Access to private consultants and professionals in Government offices is limited over the Christmas period because of the incidence of holiday absences and office closures.

In consequence of the above, the TPRC administration office may not be able to operate at an optimum level of efficiency and it is therefore proposed that the office close for the period when most professional and elected contacts will be unavailable.

Comment

Notwithstanding the above, the office will be attended for any essential matters by mobile phone and email.

In addition the TPRC website will have emergency contacts for the Development Managers, Civil and Landscape Contractors for contact in the case of emergency requirements.

9.17 STAGE 25 PUBLIC OPEN SPACE LANDSCAPE AND IRRIGATION CONSTRUCTION AND MAINTENANCE WORKS AND RATES TENDER

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

1. **ACCEPTS** the LD Total submission (dated November 2016), for the Stage 25 Public Open Space Landscape and Irrigation Construction and Maintenance Works in accordance with Tender 07/2016 for a lump sum value of \$2,159,952.95 (excluding GST), subject to obtaining all necessary statutory approvals.
2. **ACCEPTS** the fixed rates provided by LD Total in the tender submission (dated November 2016) for the award of Landscape and Irrigation Construction and Maintenance Works for further stages for a period of two years until December 2018, with an option to extend the contract a further 12 months to December 2019 at the absolute discretion of the TPRC, and subject to:
 - a. Approval of a lump sum, in accordance with the Tender 7/2016 rates;
 - b. The contract lump sum being in accordance with the approved TPRC budget and program for the works;
 - c. Market conditions and Sales Rates;
 - d. Ongoing satisfactory performance of the contractor, during the execution of each separable portion of the contract.
3. **AUTHORISES** the Chairman and the CEO to sign the Contract.

Voting Requirements

Simple Majority

Policy Reference

TPRC Procurement Policy

Local Government Act/Regulation

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

This item satisfies the requirements of Section 5.23 of the Local Government Act 1995, enabling it to be considered at a meeting, or part of a meeting, that is closed to members of the public, on the grounds that it deals with:

- c) *A contract entered into, or which may be entered into, by the TPRC and which relates to a matter to be discussed at a meeting (section 5.23(2)(c)); and*
- e) *A matter that if disclosed, would reveal –*
 - i) *Information that has a commercial value to a person; or*
 - ii) *Information about the business, professional, commercial or financial affairs of a person.**where the information is held by, or is about, a person other than the TPRC (section 5.23(2)(e)).*

Note: Applies to Appendices only.

Previous Minutes

Nil

Financial/Budget Implications

Expenditure under this matter will be incurred under the following Budget Items:

Item E145209 (Landscape):

Budget Amount:	\$6,807,816
Spent to Date:	\$ 441,985
Balance:	\$6,365,831

Relevant Documents

Appendix:

- SPG Recommendation – Catalina Landscape Construction Irrigation Construction and Maintenance Contractor – **(Confidential)**;
- Panel Report – Catalina Beach: Stage 25 Landscape and Irrigation Works Tender Assessment 07/2016 – Panel Evaluation Report - **(Confidential)**.

Available for viewing at the meeting:

- Tender Document 7/2016 – Stage 25 Landscape and Irrigation Construction and Maintenance Works;
- Evaluation Plan – Catalina Landscape, Irrigation and Maintenance Works;
- LD Total Tender Submission (November 2016).

Background

At its meeting of 20 June 2013, the Council accepted a fixed rates tender for Landscape and Irrigation and Maintenance works (Tender 09/2013) submitted by LD Total, for a two year term, expiring in June 2015, with potential for a one year extension at the discretion of the TPRC. The Council approved a one year contract extension to LD Total (from 20 June 2015 to 19 June 2016) at its meeting held 16 April 2015.

The TPRC advertised a call for tenders in the West Australian newspaper on 26 October 2016, to undertake landscape, irrigation and maintenance works on fixed rates for a period of two years, with an option to extend the contract a further 12 months for stages of landscape works at the Catalina Estate.

The tender included a number of packages of landscape, irrigation and maintenance works in Catalina Beach including the Stage 25 Public Open Space (POS). The Tender Document provides for the award of further separable portions of works for a two year period from the initial award based on fixed rates, with the option of a further year at the sole discretion of the TPRC.

The Tender (7/2016) outlined the following selection criteria:

1. Demonstrated Track Record and Experience (30%);
2. Availability of Resources, Capacity and Sub Contractors Nominated (10%);
3. Organisational and Quality Management (5%);
4. Safety and Environmental Management (5%); and
5. Tender Price (including a schedule of rates for each package of works provided (50%).

At the conclusion of the tender period on 16 November 2016, eight submissions were received in response to Tender 7/2016, from the following companies:

- Advantesting Civil Engineers
- BCL Group
- Environmental Industries
- Horizon West
- Landscape Elements
- LD Total
- Le Grove Landscaping
- MG Group

Comment

An Evaluation Panel was established consisting of SPG, Emerge Associates (Project Landscape Architects) and TPRC representatives to assess the tender submissions received. The Evaluation Panel comprised the following members:

- Luke Aitken, Project Coordinator, Tamala Park Regional Council
- Lauren Vidler, Development Manager, Satterley Property Group
- Shane Caddy, Director, Emerge Associates

An Evaluation Plan was prepared and circulated to each of the panel members. The purpose of the Evaluation Plan was to assist members of the Evaluation Panel in the assessment of the tender submissions. The Evaluation Plan provided information in relation to:

- a) The evaluation process and timetable of events;
- b) Scoring responses and procedural fairness; and
- c) Scoring sheets and a declaration of confidentiality and interest form to be completed by each panel member.

The key objectives of the evaluation process were to:

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

The Evaluation Panel met to review and evaluate the tenders. A copy of the Tender Evaluation Report, prepared by Emerge Associates, on behalf of the Evaluation Panel, is attached at Appendix 9.17 (**Confidential**).

Based on the Evaluation Panel's assessment the tender 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 tender submission receiving the highest rating of all tenders Emerge 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 \$2,159,952.95 (excl GST). Emerge 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 December 2018, with an option to extend a further 12 months to December 2019, at the absolute discretion of the TPRC.

Emerge has advised that LD Total has a good track record of performance on a number of high profile projects including the Catalina Estate Stages 1 - 15 landscape construction works, and its tendered price is within the allowances in the Project Budget.

Emerge's (Evaluation Panel) 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 \$2,159,952.95 (excl GST). The SPG has also recommended the award of further stages of work based on the tendered rates supplied by LD Total for a period of two years until December 2018, with an option to extend a further 12 months to December 2019, at the absolute discretion of the TPRC and subject to ongoing performance and market conditions.

The TPRC office has reviewed all tenders and Emerge's (Evaluation Panel) Report and is satisfied it presents an accurate record of the tender assessment 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 confirms the tender evaluation process appears to have been undertaken fairly and equitably in accordance with the process described within the tender and all relevant Local Government and TPRC procurement policies.

The total cost of the Stage 25 POS is \$2,159,952.95 (excl GST). The budget provision includes FYE 2017 - \$1,442,480 and FYE 2019 - \$1,329,564. It is noted that the FYE 2019 Stage 25 POS works are proposed to be brought forward to FYE 2018 as part of the SPG Mid-Year Budget Review.

The Stage 25 POS works are programmed to commence in May 2017 with completion in August 2017. Based on the program, the majority of payments for the Stage 25 POS works are to be made in FYE 2018.

The pricing provided by LD Total for the overall package of works is within Budget.

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 \$2,159,952.95 (excl GST); and a fixed rates contract for the award of further stages of work for a period of two years until December 2018, with an option to extend a further 12 months to December 2019 at the absolute discretion of the TPRC.

The TPRC office has reviewed SPG's advice and the Evaluation Panel's report, and is satisfied a fair and accurate assessment of tender submissions against the selection criteria contained has been undertaken. LD Total's proposal is considered to present a value for money outcome, in accordance with the objectives of the Council's Procurement Policy.

It is noted LD Total have satisfactorily performed all requirements under the previous contract.

9.18 CATALINA HOUSING AND BUILT FORM STRATEGY FYE 2017 - **CONFIDENTIAL**

CONFIDENTIAL

9.19 CEO PERFORMANCE REVIEW 2015/2016 - **CONFIDENTIAL**

CONFIDENTIAL

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