

CITY OF PALMERSTON

**Minutes of Council Meeting
held in Council Chambers
Civic Plaza, Palmerston
on Tuesday 16 May 2017 at 6.30pm.**

Mayor Ian Abbott
Chair

Any member of Council who may have a conflict of interest, or a possible conflict of interest in regard to any item of business to be discussed at a Council meeting or a Committee meeting should declare that conflict of interest to enable Council to manage the conflict and resolve it in accordance with its obligations under the Local Government Act and its policies regarding the same.

Audio Disclaimer

An audio recording of this meeting is being made for minute taking purposes as authorised by City of Palmerston Policy MEE3 Recording of Meetings, available on Council's Website.

Acknowledgement of Traditional Ownership

I respectfully acknowledge the past and present Traditional Custodians of this land on which we are meeting, the Larrakia people. It is a privilege to be standing on Larrakia country.

1 PRESENT

Elected Members:	His Worship the Mayor Ian Abbott (Chair) Deputy Mayor Sue McKinnon Alderman Athina Pascoe-Bell Alderman Andrew Byrne Alderman Paul Bunker Alderman Seranna Shutt
Staff:	Ricki Bruhn, Chief Executive Officer Mark Spangler, Director of Technical Services Ben Dornier, Director of Corporate Services Jan Peters, Director of Community Services Alyce Breed, Minute Secretary Maxie Smith, Acting Finance Manager
Gallery:	George Maly, Department of Infrastructure, Planning & Logistics Steven Conn, Department of Infrastructure, Planning & Logistics Michael Holmes, Department of Infrastructure, Planning & Logistics Martin Klopper, Elton Consulting Noel Fahey, Cazalys Palmerston & The Palmerston Golf Course 2 members of the public

2 APOLOGIES

Nil

3 CONFIRMATION OF MINUTES

Moved: Deputy Mayor McKinnon
Seconded: Alderman Pascoe-Bell

1. THAT the minutes of the Council Meeting held Tuesday, 2 May 2017 pages 9115 to 9125, be confirmed subject to the following alteration:
 - Minute Book Page Numbering be given to the additional pages commencing from 9126 to 9146.
2. THAT the Confidential minutes of the Council Meeting held Tuesday, 2 May 2017 pages 308 to 312, be confirmed.

CARRIED 8/2646 – 16/05/2017

4 MAYOR'S REPORT

M8-39

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

THAT Council receives Report Number M8-39.

CARRIED 8/2647 – 16/05/2017

5 REPORT OF DELEGATES

Nil.

6 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS BEEN GIVEN

Nil.

7 QUESTIONS (WITHOUT DEBATE) FOR WHICH NOTICE HAS NOT BEEN GIVEN

7.1 Confidential Information

Alderman Byrne asked several questions on the Street Lighting Condition Audit which were answered by the Mayor and Chief Executive Officer.

8 PETITIONS

Nil.

9 DEPUTATIONS/PRESENTATIONS

9.1 Update on Palmerston City Centre and Periphery Area Plan

Presentation by Mr George Maly, Project Manager and Mr Steven Conn, Project Officer
Department of Infrastructure, Planning and Logistics.

Alderman Shutt left Chambers at 7.09pm.

Alderman Shutt returned to Chambers at 7.10pm.

9.2 2017 NT PGA

Presentation by Mr Noel Fahey, General Manager Cazalys Palmerston and The Palmerston Golf Course.

10 CONSIDERATION OF MOTIONS FOR WHICH NOTICE HAS BEEN GIVEN

10.1 Street Naming Maluka Views Subdivision

Moved: Mayor Abbott
Seconded: Alderman Pascoe-Bell

1. THAT Council amend resolution 8/2284 – 18/10/2016 to read as follows:

Street Naming, Maluka Views Subdivision

THAT Council endorse the name 'Wilson Street' for both Road A/B within the Maluka Views subdivision in Gunn.

Tender TS2016/09 – Public Place Litter Collection (Roads and Bins)

1. *THAT Council award contract TS2016/09 – Public Place Litter Collection (Roads and Bins) to Akron Group NT Pty Ltd for the amount of \$209,933.84 (GST exclusive).*
2. *THAT the Mayor and Chief Executive Officer are granted consent to sign and seal all required contract documentation for the contract TS2016/09 – Public Place Litter Collection (Roads and Bins).*

CARRIED 8/2648 – 16/05/2017

11 COMMITTEE RECOMMENDATIONS

11.1 Governance and Organisation

Nil.

11.2 Economic Development and Infrastructure

Moved: Alderman Bunker
Seconded: Deputy Mayor McKinnon

THAT the minutes from the Economic Development and Infrastructure Committee meeting held on 11 May 2017, be received and noted and that Council adopts the recommendations made by the Committee with the exclusion of 11.2.2 and accordingly resolves as follows:-

11.2.1 Water Monitoring Services – Archer Landfill Site

1. THAT Council awards water quality monitoring services at the Archer Landfill site to Tropical Water Solutions for a period of one year.
2. THAT an annual budget be established for water monitoring at the Archer Landfill site.

11.2 Economic Development and Infrastructure (continued)

11.2.3 On-Street and On-Grade Parking Charges

1. THAT charging for on-street and on-grade parking commence on 5 June 2017.
2. THAT during the period from 5 June to 16 June 2017 any vehicle overstaying a parking ticket on more than 3 occasions will receive an infringement. Overstaying means by a period of more than 1hr in Zone A or failing to purchase or display a ticket within Zone B.

CARRIED 8/2649 – 16/05/2017

11.2.2 Yarrowonga Road North Roads Upgrade

Moved: Alderman Bunker
Seconded: Alderman Shutt

1. THAT Tulagi Road reconstruction to be deferred to 2018/19.
2. THAT Council tender in 2016/17 for the reconstruction of both Wallaby-Holtz Road and Yarrowonga Road.

CARRIED 8/2650 – 16/05/2017

Moved: Deputy Mayor McKinnon
Seconded: Alderman Shutt

3. THAT funding for the reconstruction of both Wallaby-Holtze Road and Yarrowonga Road comes from the following sources:

2016/17 Budget	\$599,277
2017/18 Budget	\$678,553

4. THAT the 2017/18 budget for the reconstruction of both Wallaby-Holtze Road and Yarrowonga Road consists of:

Roads to recovery funding	\$538,380
General Rates	\$140,173

CARRIED 8/2651 – 16/05/2017

11.3 Community Culture and Environment

Moved: Alderman Shutt
Seconded: Deputy Mayor McKinnon

THAT the minutes from the Community, Culture and Environment Committee meeting held on 3 May 2017, be received and noted and that Council adopts the recommendations made by the Committee with the exclusion of 11.3.1 and accordingly resolves as follows:-

11.3.2 Harvest Corner Community Garden Mural CCE/0703

THAT Council approves a mural to be painted on the wall of Gray Community Hall at the responsibility of Harvest Corner Community Garden, as proposed in Attachment A: Harvest Corner mural request letter.

11.3 Community Culture and Environment (continued)

11.3.3 Financial Support – Nepalese Association of the Northern Territory Inc CCE/0711

THAT Council supports a grant of \$3,500 to the Nepalese Association of the Northern Territory Inc for the 2016/17 financial year.

CARRIED 8/2652 – 16/05/2017

11.3.1 Goyder Square – Shade, Colour and Vibrancy CCE/0700

Moved: Alderman Shutt
Seconded: Deputy Mayor McKinnon

THAT Council accept the fee proposal from Turf Design to undertake the review of the shade, colour and vibrancy in Goyder Square.

3 VOTES FOR / 3 VOTES AGAINST

The Chair used his casting vote and declared the motion CARRIED 8/2653 – 16/05/2017

11.4 Risk Management and Audit Committee Meeting

Moved: Alderman Shutt
Seconded: Alderman Pascoe-Bell

THAT the minutes from the Risk Management and Audit Committee meeting held on 26 April 2017, be received and noted and that Council adopts the recommendations made by the Committee and accordingly resolves as follows:-

11.4.1 Financial Report

1. THAT Council approve the monthly financial report to include:
 - a full year forecast as required by the Local Government Accounting Regulations;
 - surplus/deficit format summary with comparison to budget as used in the Annual Budget found in the Municipal Plan;
 - financial sustainability ratios to be recommended to Council for the Municipal Plan.
2. THAT Council discuss how to better provide public access to the details of creditor payments and credit card transactions and whether this information needs to be included in the Monthly Financial Report to Council.

CARRIED 8/2654 – 16/05/2017

Moved: Mayor Abbott
Seconded: Alderman Shutt

THAT Council refers to the Governance and Organisation Committee how to provide better public access to the details of creditor payments and credit card transactions and whether this information needs to be included in the Monthly Financial Report to Council.

MOTION LOST

11.4 Risk Management and Audit Committee Meeting (continued)

Moved: Alderman Byrne
Seconded: Alderman Bunker

3. THAT staff provide a report to the Governance and Organisation Committee on the establishment of financial sustainability ratios for the municipal plan and how they are reported in the monthly financial report.

CARRIED 8/2655 - 16/05/2017

12 INFORMATION AGENDA

12.1 Items for Exclusion

Nil.

12.2 Receipt of Information Reports

Moved: Deputy Mayor McKinnon
Seconded: Alderman Pascoe-Bell

THAT the information items contained within the Information Agenda, be received.

CARRIED 8/2656 - 16/05/2017

13 DEBATE AGENDA

13.1 Officer Reports

13.1.1 Public Consultation Report – Companion Animal Management Plan 8/1163

Moved: Alderman Pascoe-Bell
Seconded: Alderman Shutt

1. THAT Council receives Report Number 8/1163.
2. THAT Council endorse and adopt the Companion Animal Management Plan in Attachment D to Report Number 8/1163.

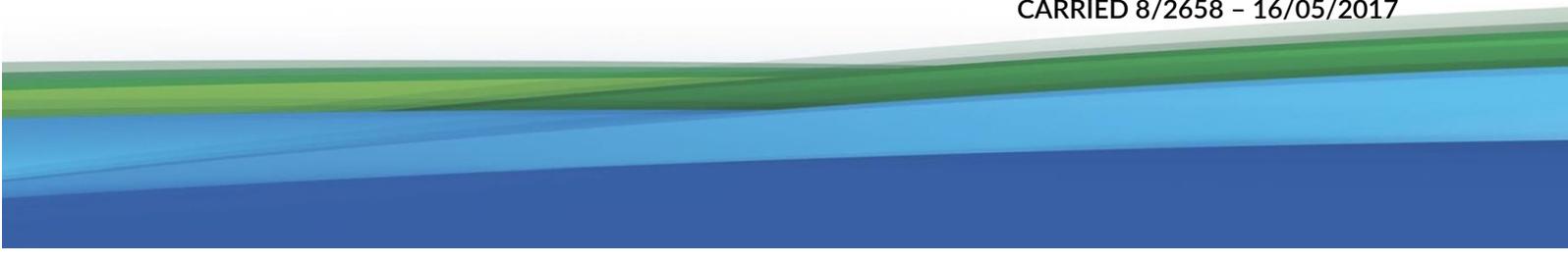
CARRIED 8/2657 - 16/05/2017

13.1.2 Goyder Square Playground Sand Replacement 8/1167

Moved: Alderman Shutt
Seconded: Deputy Mayor McKinnon

1. THAT Council receives Report Number 8/1167.
2. THAT the replacement of sand soft fall with rubber soft fall be included in the 2016/17 budget.

CARRIED 8/2658 - 16/05/2017



13.1.3 DRAFT Playground Risk Management Policy 8/1169

Moved: Alderman Shutt
Seconded: Alderman Pascoe-Bell

1. THAT Council receives and notes Report Number 8/1169.
2. THAT Council adopts the Playground Risk Management Policy RS03 in Attachment A to Report Number 8/1169.
3. THAT the playground risk mitigation works in Attachment B to Report Number 8/1169 be included in the 10 year Capital Works Program.

CARRIED 8/2659 – 16/05/2017

13.1.4 Animal Awareness Day – Annual Event 8/1170

Moved: Alderman Shutt
Seconded: Alderman Pascoe-Bell

1. THAT Council receives Report Number 8/1170.
2. THAT Council hold an Animal Awareness Day event annually at which free microchipping for existing registered dogs and free microchipping and free registration for new dogs be offered.
3. THAT an annual budget for an Animal Awareness Day event be established.

CARRIED 8/2660 – 16/05/2017

13.1.5 Queen's Baton Relay 8/1171

Moved: Alderman Pascoe-Bell
Seconded: Alderman Shutt

1. THAT Council receives Report Number 8/1171.

CARRIED 8/2661 – 16/05/2017

Moved: Mayor Abbott
Seconded: Alderman Pascoe-Bell

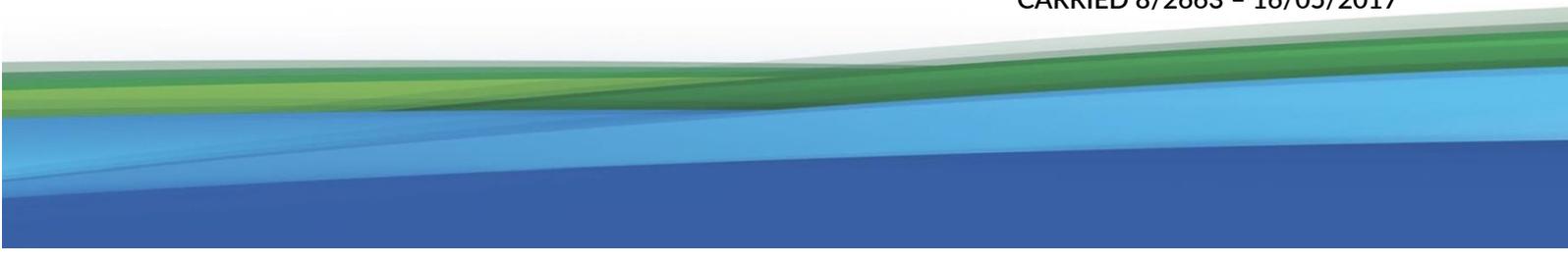
2. THAT the 2017 City of Palmerston Citizen of the Year recipient is nominated as the City of Palmerston Council Batonbearer for the 2018 Commonwealth Games Queens Baton Relay in Palmerston on Friday 2 March 2018.

CARRIED 8/2662 – 16/05/2017

Moved: Deputy Mayor McKinnon
Seconded: Alderman Shutt

3. THAT Council host a Commonwealth Games 2018 Queens Baton Relay community celebration event in Goyder Square on Friday 2 March 2018.

CARRIED 8/2663 – 16/05/2017



13.1.6 Northern Territory PGA Championship Sponsorship 8/1175

Moved: Alderman Bunker

Seconded: Alderman Shutt

1. THAT Council receives Report Number 8/1175.

CARRIED 8/2664 – 16/05/2017

Moved: Alderman Byrne

Seconded: Alderman Bunker

2. THAT Council approve sponsorship to Cazaly's Palmerston Club and The Palmerston Golf Course for the 2017 NT PGA Championship to the value of \$30,000 exclusive GST under the provision that should a Naming Rights sponsor not be secured that the rights revert to the City of Palmerston.

CARRIED 8/2665 – 16/05/2017

13.1.7 Closure of a Portion of Miller Court Road Reserve 8/1164

Moved: Alderman Byrne

Seconded: Deputy Mayor McKinnon

1. THAT Council receives Report Number 8/1164.
2. THAT Council resolve to close a portion of Miller Court road reserve as shown in Attachment A to the Report Number 8/1164.
3. THAT Council authorise the Mayor and Chief Executive Officer to seek consent from the ministers administering the Local Government Act and Control of Roads Act, per section 187 of Local Government Act.

CARRIED 8/2666 – 16/05/2017

Alderman Pascoe-Bell left Chambers at 8.39pm.

Alderman Pascoe-Bell returned to Chambers at 8.40pm.

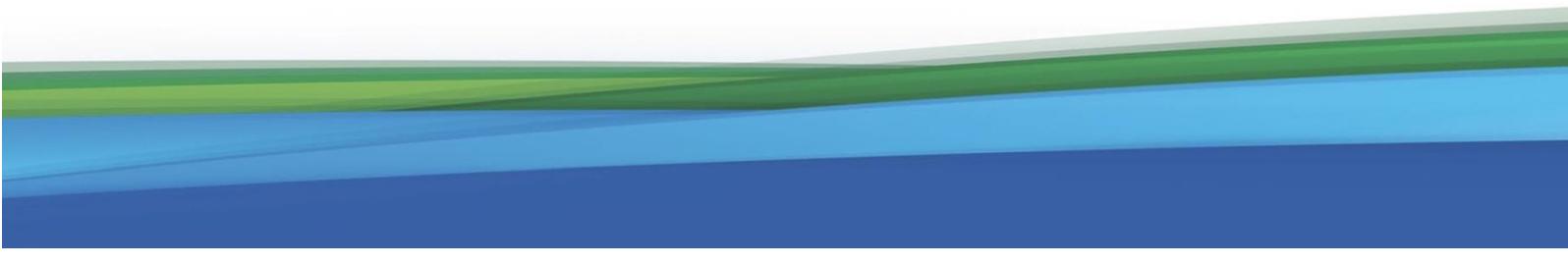
13.1.8 Community Benefits Scheme – April 2017 8/1174

Moved: Alderman Pascoe-Bell

Seconded: Deputy Mayor McKinnon

THAT Council receives Report Number 8/1174.

CARRIED 8/2667 – 16/05/2017



13.1.9 Financial Report for the Month of April 2017

8/1176

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

THAT Council receives Report Number 8/1176.

CARRIED 8/2668 – 16/05/2017

14 CORRESPONDENCE

14.1 Palmerston Pool and Recreation Centre Tender

Moved: Alderman Bunker
Seconded: Alderman Byrne

THAT Council receives the correspondence from Sarah Henderson in regards to the tender for the Recreation Centre and YMCA remaining in Palmerston.

CARRIED 8/2669 – 16/05/2017

15 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

15.1 Response to Previous Public Questions from Council Meeting held 2 May 2017 8/1165

Moved: Deputy Mayor McKinnon
Seconded: Alderman Byrne

THAT Council receives Report Number 8/1165.

CARRIED 8/2670 – 16/05/2017

16 PUBLIC QUESTION TIME

The Chair answered questions from the public relating to the release of information for a recent Ombudsman complaint received by Council.

17 OTHER BUSINESS

17.1 Alderman Pascoe Bell

Alderman Pascoe-Bell informed Council of her attendance at a new group in Palmerston addressing public concerns with gaps in youth services around Palmerston. Alderman Pascoe-Bell also attended a meeting with the Information Commissioner about privacy in the Cloud.

17.2 Rainbow Flag

Moved: Alderman Shutt
Seconded: Deputy Mayor McKinnon

THAT City of Palmerston fly a rainbow flag in Goyder Square until we have marriage equality in our country.

CARRIED 8/2671 - 16/05/2017

18 CONFIDENTIAL REPORTS

Moved: Alderman Pascoe-Bell
Seconded: Deputy Mayor McKinnon

18.1 Economic Development and Infrastructure Committee

Condition Audit on Street Lighting Assets

1. THAT pursuant to Section 65 of the Local Government Act, Council orders that the public be excluded from the meeting with the exception of the Chief Executive Officer, Director of Corporate Services, Director of Community Services, Director of Technical Services and Minute Secretary on the basis that the Committee considers it necessary and appropriate to act in a manner closed to the public in order to receive and discuss the Economic Development and Infrastructure Committee Recommendation in relation to confidential agenda item 18.1 Condition Audit on Street Lighting Assets and that Council is satisfied that the meeting should be conducted in a place open to the public is outweighed in relation to the matter because receiving, considering and discussing the recommendation involves:

(c) information that would, if publicly disclosed, be likely to:

(i) cause commercial prejudice to, or confer an unfair commercial advantage on, any person;
or

This item is considered confidential pursuant to Regulation 8 (c)(i) of the Local Government (Administration) Regulations.

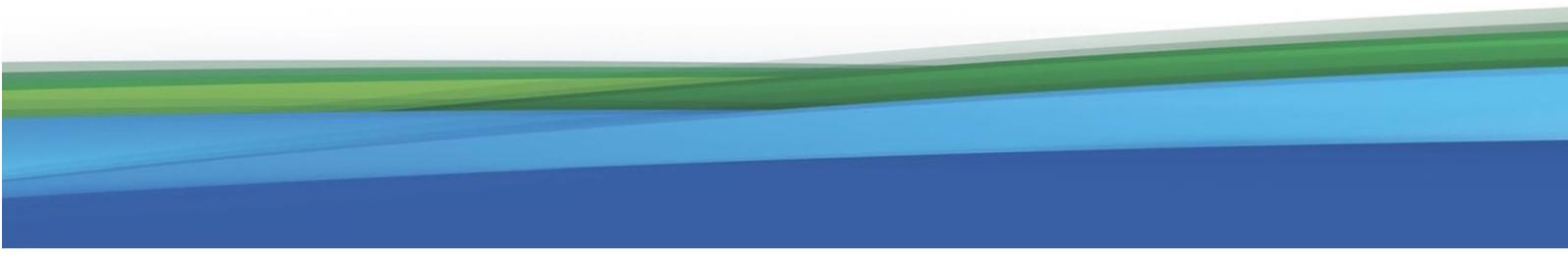
2. THAT Council orders that the minutes from the Confidential Council Meeting held on 16 May 2017 in relation to item number 18.1 Condition Audit on Street Lighting Assets remain confidential and not available for public inspection for a period of 12 months from the date of this meeting or a lesser period as determined by the Chief Executive Officer.

CARRIED 8/2672 - 16/05/2017

The meeting moved into the Confidential Session at 8:57pm.

19 CLOSURE

Meeting closed at 10.22pm



18.2 Moving decisions from the Confidential Session into the Open Session

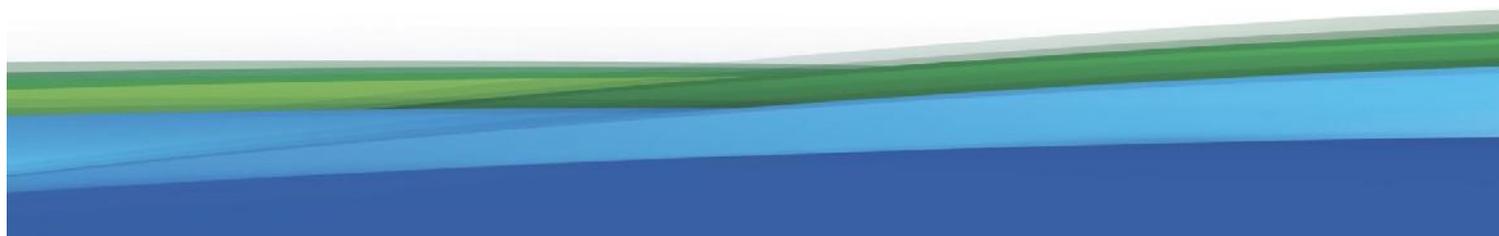
4.1 Economic Development and Infrastructure

THAT the confidential minutes from the Economic Development and Infrastructure Committee meeting held on 11 May 2017, be received and noted and that Council adopts the recommendations made by the Committee and accordingly resolves as follows:-

Condition Audit on Street Lighting Assets

EDI/258

1. THAT Council determine whether it wishes to carry out a condition audit on street lighting assets being transferred to Council on 1 January 2018.
2. THAT Council carry out a condition audit on street lighting assets being transferred to Council on 1 January 2018.
3. THAT the resolutions only come back into the open session.



CITY OF PALMERSTON

**Minutes of Confidential Council Meeting
held in Council Chambers, Civic Plaza, Palmerston
on Tuesday, 17 May 2016 at 9.11pm**

RELEASED TO THE PUBLIC RECORD

1. PRESENT

Elected Members: His Worship the Mayor Ian Abbott (Chair)
Deputy Mayor Seranna Shutt
Alderman Andrew Byrne
Alderman Athina Pascoe-Bell
Alderman Geoff Carter
Alderman Paul Bunker
Alderman Sue McKinnon

Staff: Ricki Bruhn, Chief Executive Officer
Mark Spangler, Director of Technical Services
Ben Dornier, Director of Corporate and Community Services
Alyce Breed, Minute Secretary

Gallery: Nil

2. APOLOGIES

Nil

3. CONFIRMATION OF MINUTES

Moved: Alderman Pascoe-Bell
Seconded: Alderman McKinnon

THAT the Confidential minutes of the Council Meeting held on Tuesday, 3 May 2016 pages 233 to 234, be confirmed subject to the following alterations:-

1. Minute Book Page 233 Gallery – that the word ‘Malidonis’ be replaced with ‘Kalidonis’.

CARRIED 8/2022–17/05/2016

4. OFFICER REPORTS

4.1 Sale of Land – Lot 10024, Palmerston Circuit, Palmerston - Update 8/0877

**TO REMAIN IN CONFIDENTIAL AND NOT AVAILABLE FOR PUBLIC INSPECTION AS
PER COUNCIL DECISION 8/2019 MINUTE BOOK PAGE 8589**

4.2 Appointment of Independent Chair – Internal Audit Committee

8/0887

Moved: Deputy Mayor Shutt
Seconded: Alderman Byrne

1. THAT Council receives Report Number 8/0887.
1. THAT Council offer the position of Independent Chair of the Internal Audit Committee to Mr Iain Summers for an initial term of two years.
2. THAT the resolutions only be released to the Public Record.

CARRIED 8/2027–17/05/2016

5. CORRESPONDENCE

5.1 Purchase of Lot 9542

Moved: Alderman Bunker
Seconded: Deputy Mayor Shutt

THAT Council receives correspondence in regards to the request to purchase Lot 9542 Yarrowonga received from Peter McGrath, dated 28 April 2016.

CARRIED 8/2028–17/05/2016

6. MOVE TO OPEN

Moved: Alderman Carter
Seconded: Deputy Mayor Shutt

THAT the Council move into the open session.

CARRIED 8/2029–17/05/2016

The meeting moved to the Open Session at 10.31pm

(Chair)

ITEM NO. 18.3 **Appointment of Independent Chair – Internal Audit Committee**

FROM: **Chief Executive Officer**

REPORT NUMBER: **8/0887**

MEETING DATE: **17 May 2016**

Municipal Plan:

4. Governance & Organisation

4.1 Responsibility

We are committed to corporate and social responsibility, the sustainability of Council assets and services, and the effective planning and reporting of Council performance to the community

Summary:

To appoint an Independent Chair to the Internal Audit Committee.

Background:

Council resolved at its meeting held 19 April 2016, that the current members of the Internal Audit Committee or their delegate and Chief Executive Officer interview the three applicants.

General:

The interviewing panel has conducted three interviews for the role of Chair of the Internal Audit Committee. The applicants interviewed included: -

- Ms Shelley Hewitt;
- Mr Steve Bartlett
- Mr Iain Summers

It should be noted that Alderman Pascoe-Bell was present for one of the interviews as Alderman Byrne was unable to be present.

The interview panel were unanimous in their decision to offer the position of Chair of the Internal Audit Committee to Mr Iain Summers.

The Internal Audit Committee Policy FIN09 allows for the Independent Member of the Committee to be appointed for a period of up to four years.

Financial Implications:

The sitting fee has been set at \$1,250 per quarter for the services of the Independent Representative.

Policy / Legislation:

Council Policy FIN09 – Internal Audit Committee

RECOMMENDATION

1. THAT Council receives Report Number 8/0887.
2. THAT Council offer the position of Independent Chair of the Internal Audit Committee to Mr Iain Summers for an initial term of two years.
3. THAT the resolutions only be released to the Public Record.

Recommending Officer: Ricki Bruhn, Chief Executive Officer

Any queries on this report may be directed to Ricki Bruhn, Chief Executive Officer on telephone (08) 8935 9902 or email ricki.bruhn@palmerston.nt.gov.au.

Schedule of Attachments:

Nil



Ben Dornier
Director of Corporate and Community Services
City of Palmerston

Re. Purchase of Lot 9542

Dear Ben.

I would like to again ask Palmerston City Council for the opportunity to purchase the above block of land.

I have in the past outlined my reasons for wanting to purchase this land and those reasons are well known to council, primarily it is to enable me to further develop the site. Many discussions have taken place in this regard of the past years with no real outcome.

Please put forward my expression of interest so that council may again consider their position on the matter. It may be somewhat premature to make any financial offering, this can be done if my request is accepted.

Your Truly

Peter McGrath
28/4/16

CITY OF PALMERSTON

**Minutes of Special Confidential Council Meeting
held in Council Chambers, Civic Plaza, Palmerston
on Thursday, 19 May 2016 at 5.18pm**

RELEASED TO THE PUBLIC RECORD

1. PRESENT

Elected Members: His Worship the Mayor Ian Abbott (Chair)
Deputy Mayor Seranna Shutt
Alderman Athina Pascoe-Bell
Alderman Andrew Byrne
Alderman Geoff Carter
Alderman Paul Bunker
Alderman Sue McKinnon

Staff: Ricki Bruhn, Chief Executive Officer
Mark Spangler, Director of Technical Services
Ben Dornier, Director of Corporate and Community Services
Alyce Breed, Minute Secretary

Gallery: Gerard Rosse, Manager Planning and Environment Services

2. APOLOGIES

Nil

3. DEPUTATIONS / PRESENTATIONS

Nil

4. OFFICER REPORTS

4.1 Sale of Land – Lot 10024, Final Offers

8/0891

Moved: Alderman McKinnon
Seconded: Alderman Byrne

1. THAT Council receives Report Number 8/0891.

CARRIED 8/2038–19/05/2016

Suspension of Standing Orders

Moved: Alderman Pascoe-Bell
Seconded: Alderman McKinnon

THAT Standing Orders be suspended to allow for open discussion.

CARRIED 8/2039–19/05/2016

Standing Orders were suspended at 5.19pm

Ben Dornier, Director of Corporate and Community Services entered Chambers at 6.29pm

Reinstatement of Standing Orders

Moved: Alderman Carter
Seconded: Alderman Pascoe-Bell

THAT Standing Orders be reinstated.

CARRIED 8/2040–19/05/2016

Standing Orders were reinstated at 7:37pm

4.1 Sale of Land – Lot 10024, Final Offers (continued)

8/0891

Moved: Deputy Mayor Shutt
Seconded: Alderman Carter

2. THAT Council accept the offer of \$1,850,000 (GST exclusive) from LK Athanasiou Group for the purchase of Lot 10024, Palmerston Circuit, Palmerston.
3. THAT the Mayor and Chief Executive Officer be authorised to sign and seal all required documentation to give effect to the sale of Lot 10024.

CARRIED 8/2041–19/05/2016

Alderman Pascoe-Bell called for a division – as a consequence the result of the above decision was set aside.

Upon dividing, 6 members voted in the affirmative, 1 member voted in the negative.

Members Voting in the Affirmative

Mayor Abbott
Deputy Mayor Shutt
Alderman Bunker
Alderman Byrne
Alderman Carter
Alderman McKinnon

Members Voting in the Negative

Alderman Pascoe-Bell

The Chair declared the motion CARRIED

Moved: Alderman Byrne
Seconded: Deputy Mayor Shutt

4. THAT proceeds from the sale of Lot 10024 be appropriated into the infrastructure reserve.

CARRIED 8/2042–19/05/2016

5. MOVE TO OPEN

Moved: Alderman Carter
Seconded: Alderman McKinnon

THAT the Council move into the open session.

CARRIED 8/2043–19/05/2016

The meeting moved to the Open Session at 7.45pm

(Chair)

ITEM NO. 5.1 **Sale of Land – Lot 10024, Final Offers**

FROM: Chief Executive Officer

REPORT NUMBER: 8/0891

MEETING DATE: 19 May 2016

Municipal Plan:

2. Economic Development

2.3 City Planning

We are committed to effective and responsible city planning which balances and meets both residential and commercial needs in our community

Summary:

To present details of final offers received for the sale of land comprising Lot 10024, Palmerston Circuit, Palmerston.

Background:

At the Council Meeting held on 17 May 2016, Council carried the following motions in relation to the sale of Lot 10024: -

- *THAT Council acknowledges the offers received for the sale of Lot 10024, Palmerston Circuit through the direct sale process;*
- *THAT after taking into account the independent valuation received for Lot 10024 and Ministerial Guideline No. 7 for the Disposal of Property, Council invite each of the parties who provided the initial offers, to submit their best and final offer for the purchase of Lot 10024;*
- *THAT offers be placed in the secure tender facility at the Council Office, Civic Plaza and close at 5.00pm Thursday 19 May 2016;*
- *THAT pursuant to Section 59 of the Local Government Act, a Special Council Meeting be held at 5.00pm Thursday 19 May 2016 in the Council Chamber, Civic Plaza where offers will be opened and further consideration given to the sale of Lot 10024, Palmerston Circuit;*
- *THAT offers include a statement of compliance to the City Centre Master Plan.*

These decisions were advised to the developers who made the initial offers and have indicated they will provide their best and final offers in accordance with this decision.

General:

Whilst price is a key consideration, the objectives contained within the Ministerial Guideline No. 7 – Disposal of Property also need to be considered: -

- *The process for the sale and disposal of land and other assets should be considered fair and transparent to ensure council obtains the best outcomes and price.*

It is also important to consider: -

- How the proposed development will meet the objectives of the Palmerston City Centre Master Plan;
- Previous project experience in undertaking mixed-use developments;
- Financial capacity to undertake the development;
- Contract conditions sought by the developers.

As the receipt of offers closes at 5.00pm on Thursday 19 May 2016, it would be appropriate for the Chair to open the Special Meeting and then immediately seek an adjournment to allow the Chief Executive Officer and one other person to retrieve the offers from the secure tender facility. These offers would then be opened before the Elected Members when this item comes up for consideration.

I will also have available printed copies of the valuation reports which were verbally reported on at the Council Meeting held on 17 May 2016.

Financial Implications:

Nil

Legislation / Policy:

Local Government Act;
Ministerial Guideline No. 7 – Disposal of Property

RECOMMENDATION

1. THAT Council receives Report Number 8/0891.
2. THAT Council accept the offer of \$_____ (GST exclusive) from _____ for the purchase of Lot 10024, Palmerston Circuit, Palmerston.
3. THAT the Mayor and Chief Executive Officer be authorised to sign and seal all required documentation to give effect to the sale of Lot 10024.

Recommending Officer: Ricki Bruhn, Chief Executive Officer

Any queries on this report may be directed to Ricki Bruhn, Chief Executive Officer on telephone (08) 8935 9902 or email ricki.bruhn@palmerston.nt.gov.au.

Schedule of Attachments:

Nil

CITY OF PALMERSTON

**Minutes of Confidential Council Meeting
held in Council Chambers, Civic Plaza, Palmerston
on Tuesday, 1 March 2016 at 7.02pm**

RELEASED TO THE PUBLIC RECORD

4.5 Sale of a Portion of Miller Court Road Reserve

8/0829

Moved: Alderman Bunker
Seconded: Alderman Pascoe-Bell

1. THAT Council receives Report Number 8/0829.

CARRIED 8/1862-01/03/2016

Alderman Shutt left Chambers at 7.51pm

Moved: Alderman Bunker
Seconded: Alderman Pascoe-Bell

2. THAT after giving due consideration to the Minister's guideline and that there is only one potential purchaser of the land, the portion of the Miller Court road reserve, approximately 200m² be offered to the adjoining land owners at a price of \$50,000 ex.gst subject to the following:
 - All road closure and subdivision costs to be paid by the purchaser.
 - This resolution be valid for a period of 2 years from the date of this resolution.
 - That the sale only proceed should the adjoining property be subdivided generally in accordance with Development Permit DP15/0429.
3. THAT subject to the developer meeting the requirements of this resolution the Mayor and Chief Executive Officer are granted delegation to sign and seal all required documentation for the sale of the portion of Miller Court road reserve.

CARRIED 8/1863-01/03/2016

Alderman Shutt returned to Chambers at 7.52pm

ITEM NO. 18.5 **Sale of a Portion of Miller Court Road Reserve**

FROM: **Director of Technical Services**

REPORT NUMBER: **8/0829**

MEETING DATE: **1 March 2016**

Municipal Plan:

3. Environment & Infrastructure

3.2 Assets and Infrastructure

3.2 We are committed to maintaining and developing community assets and infrastructure which meet the needs of our community

Summary:

At the ordinary meeting of Council held on 17th November 2015 Council resolved:

11.2.2 *Sale of a Portion of Miller Court Road Reserve* *EDI/0345*

1. *THAT Council approves in principle the sale of a portion of Miller Court to MiBro (NT) Pty Ltd.*
2. *THAT the Chief Executive Officer arrange a valuation and report back to Council.*
3. *THAT Council set the sale price after giving due consideration to the Unimproved Capital Value, the independent valuation and subdivision infrastructure construction costs.*

CARRIED 8/1755–17/11/2015

This report presents the land valuation and recommends a sale price.

General:

A valuation of the subject area of land has been performed and is presented in **Attachment A**. The valuation considers infrastructure construction costs, easements and encumbrances, zoning, land size and location.

In summary the approximately 200m² block has an estimated value of \$20,000.

Financial Implications:

Nil negative implications expected for Council.

Policy Legislation:

Local Government Sect 187 – Closing of Roads (**Attachment C**).

FIN15 Asset Disposal (**Attachment D**).

Ministerial Guideline 7: Disposal of Property (**Attachment E**).

RECOMMENDATION

1. THAT Council receives Report Number 8/0829.
2. THAT the portion of the Miller Court road reserve, approximately 200m² be sold to the adjoining land owners at a price of \$20,000 ex.gst subject to the following.
 - All road closure and subdivision costs to be paid by the purchaser.
 - This resolution be valid for a period of 2 years from the date of this resolution.
 - That the sale only proceed should the adjoining property be subdivided generally in accordance with Development Permit DP15/0429.
3. THAT subject to the developer meeting the requirements of this resolution the Mayor and Chief Executive Officer are granted delegation to sign and seal all required documentation for the sale of the portion of Miller Court road reserve.

Recommending Officer: Mark Spangler, Director of Technical Services

Any queries on this report may be directed to Mark Spangler, Director of Technical Services on telephone (08) 8935 9958 or email mark.spangler@palmerston.nt.gov.au.

Schedule of Attachments:

- | | |
|---------------|--|
| Attachment A: | Valuation Miller Court Road Reserve Gunn NT. |
| Attachment B: | Development Permit DP15/0429. |
| Attachment C: | Local Government Sect 187 – Closing of Roads. |
| Attachment D: | FIN15 Asset Disposal. |
| Attachment E: | Ministerial Guideline 7: Disposal of Property. |

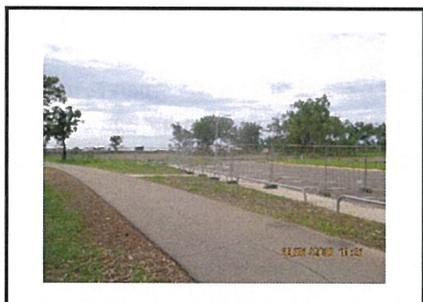
AM:GP012/16
28 January 2016

Darwin
Level 1, 82 Smith Street
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darwin@mcgees.com.au
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Valuation Miller Court Road Reserve, (Part Historical Lot 11498) Gunn NT 0832

Under instruction from:
Mr Jeetendra Dahal
A/Director Technical Services
City of Palmerston
PO Box 1,
PALMERSTON NT 0831

On behalf of:
Palmerston City Council

McGees (NT) Pty Ltd
ABN 16 057 793 370

Liability limited by a scheme approved under Professional Standards Legislation

Miller Court Road Reserve, Gunn NT 0832

BRIEF

Written instructions via e-mail, dated 19 January 2016, were received from Mr Jeetendra Dahal of City of Palmerston to assess the market value of part of the Miller Court road reserve for future transfer purposes. The property currently comprises vacant land devoid of any improvements and is currently identified for use as the road reserve for Miller Court.

Critical Issues include:

- The property is currently part of the Miller Court Road reserve and adjoins the future 'Maluka Views' Development. The developer of Maluka Views (MiBro Investments) has approached the City of Palmerston to acquire 199.7m² of the road reserve area to incorporate into the future development on the site.
- As per our instructions, the valuation methodology to be adopted is defined in the council report number EDI/186 Dated the 12 November 2015. The report has a recommendation from Mr Mark Spangler, Director of Technical Services, that the value of the road reserve be based on the englobo value of parcel Lot 11498, this instruction has been confirmed with Mr Jeetendra Dahal.
- We note that Lot 11498 was subdivided in August 2015 into two parcels being Lot 11510, which is now the site of the new Rydges Hotel Development and Lot 11511 being the balance of the land. Lot 11498 is no longer a legal parcel but for the purposes of this valuation we have considered it as the englobo allotment as per our instructions.
- Were the valuation of the road reserve to be based upon the englobo value of the current Lot 11511 there would be no substantial difference in the rate/m² adopted and therefore no substantial difference to the value of the area of road reserve under consideration.

This valuation is based on the following definition and is current as at the Date of Valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time, (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the expiration of 3 months from the Date of Valuation or such earlier date if you become aware of any factors that have an effect on the valuation.

Market Value

The International Valuation Standards Council (and as adopted by the Australian Property Institute) defines market value as:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

The value assessed assumes a professional marketing campaign and reflects a selling period of no more than six months.

DATE OF INSPECTION

29 January 2016

DATE OF VALUATION

29 January 2016

Miller Court Road Reserve, Gunn NT 0832

REAL PROPERTY DESCRIPTION

Date Registered: 28/07/2015

Volume 803 Folio 194

Duplicate Certificate as to Title issued? No

Title is Cancelled

SEARCH CERTIFICATE

Lot 11498 Town of Palmerston from plan(s) S2012/162B
Area under title is 43 hectares 2000 square metres

Owner:

Land Development Corporation (ABN 11 768 147 358)
of GPO Box 353, Darwin NT 0801

Easements:

Water supply Easement to Power and Water Corporation
Electronic communications Easement to Telstra Corporation Limited
Drainage Easement to City of Palmerston

Registered Date	Dealing Number	Description
20/08/2015	854888	Previous title is Volume 803 Folio 193 Application for issue of separate Titles pursuant to subdivision - now Lot(s) 11510,11511
End of Dealings		

Noted on the above Current Title Search are the following:

Lot 11498 on Registered Plan S2012/162B
Town of Palmerston,
Title Reference: Volume 803 Folio 194

As noted the Title has been cancelled and this is no longer a legal parcel. The site was sub-divided in August 2015 into two allotments currently being Lots 11510 and 11511.

We also note the area disclosed above is 43.02 hectares, our investigations indicate this is incorrect and the correct area of the land is 4.32ha.

REGISTERED OWNER

Land Development Corporation

Miller Court Road Reserve, Gunn NT 0832

EASEMENTS, ENCUMBRANCES & INTERESTS

1. Water supply Easement to Power and Water Corporation
2. Electronic Communications Easement to Telstra Corporation Limited
3. Drainage Easement to City of Palmerston

The easements largely impact the north eastern boundary along Roystonea Avenue. The communications easement traverses through the centre of the allotment.

We are not aware of any onerous easements, encumbrances or interest recorded on the Current Title Search or Plan, which are considered to have a detrimental effect on market value.

PLANNING

Administrative Authority: Development Consent Authority, Department of Lands, Planning and the Environment
Local Authority: Palmerston City Council
Local Plan: Northern Territory Planning Scheme
Zone: Future Development

The past zoning of the site was FD – Future Development. The area is being developed and will be known as ‘Maluka Views’ and will comprise a mix of commercial, retail and residential development.



Proposed zoning layout of englobo parcel 11498

Miller Court Road Reserve, Gunn NT 0832

LOCATION AND SERVICES

The property is located in the north of Palmerston and adjoins the CBD area. Palmerston is situated approximately 20kms south-east of Darwin via the Stuart Highway / Tiger Brennan Drive.

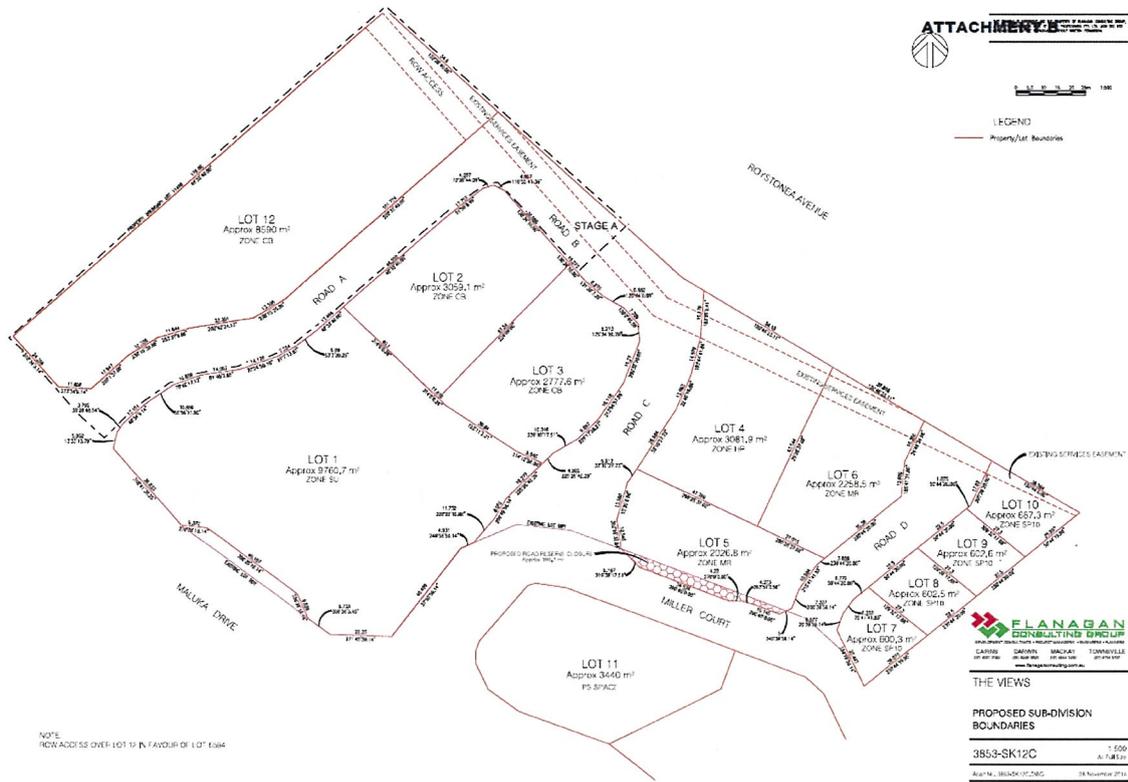
Palmerston has been one of the fastest growing cities in Australia over the past 5 – 10 years with significant land release and residential construction. The area has a CBD centre with commercial and retail buildings including two shopping centres. There is currently development of a further two shopping centres underway in Bakewell to the south and Yarrowonga to the north of the CBD. The Yarrowonga development is known as the 'Gateway' and is a significant commercial/retail site.



Darwin / Palmerston Region – Google Earth

Miller Court Road Reserve, Gunn NT 0832

The portion of road reserve under consideration is positioned along Miller Court and hatched in the plan below.



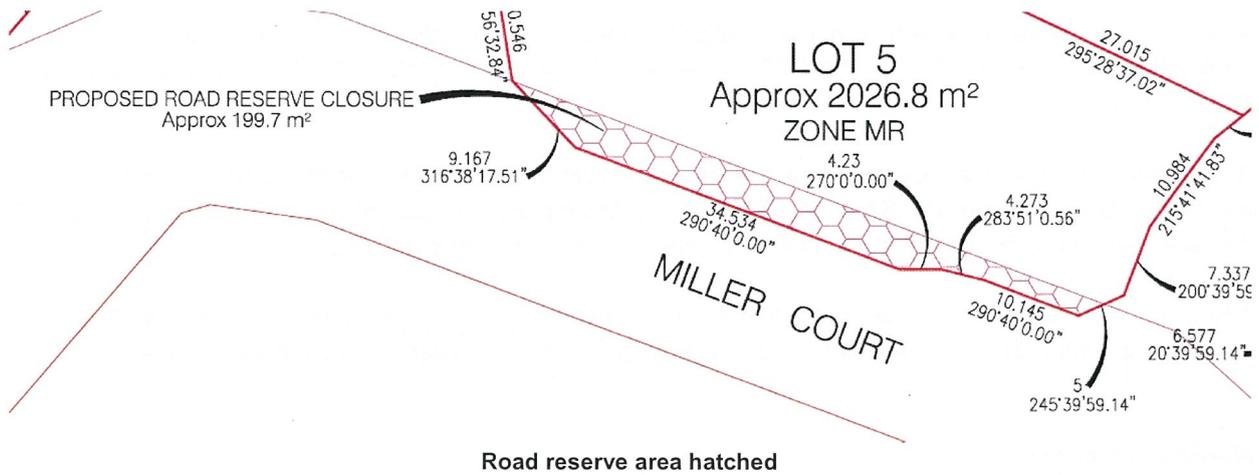
Proposed development plan – road reserve hatched



Approximate area of Road Reserve

Miller Court Road Reserve, Gunn NT 0832

The road reserve runs parallel with Miller Court and is positioned directly opposite a parcel which is slated for future development as public space. The total area as detailed on the plans is 199.7m² and will be incorporated into proposed Lot 5 which is to be zoned for medium density residential development. The portion has a frontage to Miller Court of approximately 59m and is a narrow section.



Miller Court Road Reserve, Gunn NT 0832

MARKET ANALYSIS

Sales History

The englobo parcel 11498 has been owned by the Land Development Corporation. Over the past several years there has been transactions undertaken over the site which are subject to development leases. Our research has given an insight into the recent history of the parcel as follows.

A development lease has been granted to MiBro Investments over allotment 11511 for consideration of \$3,500,000 GST inclusive (\$3,181,818 GST exclusive), this equates to a rate of \$102/m² over the total area of 31,300m² (3.13ha).

A development lease was entered into on the site of the Rydges Development in 2011, current lot 11510, for \$3,700,000 GST inclusive (\$3,363,636 GST exclusive), this equates to a rate of \$391/m² over the total area of that site being 8,600m². Freehold title to this allotment was issued in August 2015.

The two transactions above comprise the total land from the previous englobo parcel 11498 and the collective consideration totals \$6,545,454 GST exclusive equating to \$151.5/m² over the original 43,200m² area.

Market Commentary

Northern Territory Overview

According to the Northern Territory Economic Review, September 2015, the 2013 – 2014 financial year saw the Northern Territory Gross State Product (GSP) increase by 6.5% being the highest growth in Australia during that period, in comparison the national average growth was 2.5%. The Department of Treasury and Finance estimated the Territory will continue to grow by a further 6% during the 2014 – 2015 financial year though results are yet to be published. The CommSec – State of the States report dated July 2015 shows the Northern Territory being the third best performing economy which is down from first in January 2015 showing there has been some weakening over the past 12 – 18 months.

The estimated population of the Territory to the September quarter 2015 is 244,265 and has a very moderate growth of just under .4%. The trend population growth has been lower than predictions of recent years.

The Northern Territory remains the strongest job market in the country. The unemployment rate is the lowest nationally at 4.4%, however this is up from 3.6% in mid 2014.

Overall the Northern Territory economy continues to push forward mainly on the back of large scale projects, most notably, the Inpex LNG project and more recent significant Public Infrastructure spending. There is evidence these large scale projects do sway results. The lower than forecasted population statistics and the slight increase in unemployment do show that there is some softening in key indicators which will have a larger impact as the major projects near completion.

Development Land

Large scale development sites is a fairly limited market in the Darwin area due largely to the small supply of land and the level of Government ownership which sees many lots sold as development leases rather than freehold sites. The low levels of supply means the market is reasonably steady and not subject to the wider fluctuations of experienced in the residential, commercial and industrial spheres.

Miller Court Road Reserve, Gunn NT 0832

METHODOLOGY

We have been instructed to value the portion of road reserve based on the value of the englobo parcel Lot 11498. The allotment was an FD zoned site suitable for multi-use development subject to planning approval which is considered to be the highest and best use of the site evidenced by the recent development of the Rydges Hotel and current planning application to have parcels zoned for commercial and residential uses.

We have directly compared the englobo parcel 11498 to similar large scale development sites in the Darwin area and have made appropriate adjustments for variations in:

- location
- land size
- zoning implications
- access and site development suitability

After analysing the sales evidence we have adopted a rate per m² over the englobo lot to determine its value, this rate/m² has been applied to the area of road reserve under consideration to determine its value as per the agreed method of valuation in council report number EDI/186 dated the 12 November 2015.

The englobo parcel is a large site suitable for a multi-use development and is well positioned on the fringe of the Palmerston CBD area. The allotment has frontage to Roystonea Avenue to the north which is one of the main arterial roads through Palmerston and has seen increased traffic flow over the past several years as the population grows and from a more recent extension linking the road to Lambrick Avenue.

Miller Court Road Reserve, Gunn NT 0832

COMPARABLE EVIDENCE

In assessing the market value of the property we have obtained, inspected and analysed sales evidence of comparable development properties in the greater Darwin area.

In compiling the following market evidence we have relied on a range of external sources including publicly available information, subscription to information databases and information generally provided verbally by others such as real estate agents. In many instances we have not had access to the original source material. Although we have endeavoured to the best of our ability to confirm the accuracy of the information provided, we have had to rely on some of this information in good faith. We are unable to state with absolute certainty that the information upon which we have relied is consistent with the contractual arrangements between the relevant parties.

The following schedules detail those most comparable transactions which we have relied on in making our assessment:

Sales Evidence

395 Stuart Highway, Coolalinga
Sold for 3,400,000 GST exclusive **22/04/14**
Land Area: 89,600m²

A vacant development site positioned in Coolalinga, a newly established commercial / residential precinct in the rural area. The land has multiple zones applicable and no indication as to what development is proposed.

Equates to a rate of \$38/m².

Comparison:

A significantly larger site compared to the subject and it is an inferior location based in the rural area. The subject will hold a significantly higher rate overall.

15 Yarrowonga Road, Yarrowonga
Sold for \$2,039,216 GST exclusive **14/07/15**
Land Area: 20,800m²

A vacant development site positioned on the fringe of the Palmerston CBD. The property will form part of the new 'Gateway' development and has frontage to the Stuart Highway. The land use is limited to commercial/retail purposes.

Equates to a rate of \$98/m².

Comparison:

A smaller land area with more restrictive development controls. It will hold a lower rate/m² overall compared to the subject parcel.

Miller Court Road Reserve, Gunn NT 0832

17 Maluka Drive, Palmerston City
Sold for \$3,181,818 GST exclusive **Unconfirmed**
Land Area: 31,300m²

A vacant development site positioned on the fringe of the Palmerston CBD. The site is the balance of the previous englobo parcel 11498 and has been transferred via a development lease and will be the site of the 'Maluka Views' development.

Equates to a rate of \$102/m².

Comparison:

The site is the balance of the englobo parcel 11498. A large site with significant development potential remaining. The subject is comparable to this site.

Lot 13208 Crosby Street, Zuccoli
Sold for \$2,300,000 GST exclusive **21/08/2015**
Land Area: 12,500m²

A vacant development site situated in the newly developing suburb of Zuccoli. The site is earmarked as the future commercial and retail plaza and is positioned on the main road of the suburb.

Equates to a rate of \$184/m².

Comparison:

An inferior location positioned outside the CBD area and with considerably less exposure than the subject site. Will have a higher rate overall given the land size is much smaller.

15 Maluka Drive, Palmerston City
Sold for \$3,363,636 GST exclusive **25/08/15**
Land Area: 8,600m²

A vacant development site positioned on the fringe of the Palmerston CBD. The site was transferred subject to a development lease whereby a multi storey hotel was to be built. The development was recently completed and is a Rydges branded hotel. The development lease was granted in 2011.

Equates to a rate of \$391/m².

Comparison:

The site is a portion of the englobo parcel 11498 and is a much smaller site area overall. On this basis it will hold a much higher rate/m².

Miller Court Road Reserve, Gunn NT 0832

CONCLUSION

Specific Considerations

We have been instructed to value a portion of road reserve along Miller Court in the City of Palmerston. The council has been approached by the developers of Lot 11511 to acquire the area of road reserve to incorporate it into the future 'Maluka Views' development.

Mr Cameron Bowes of MiBro Investments wrote to Plamerston Council on the 2 October 2015 proposing to have the road reserve valued based upon the englobo value of parcel 11498 which was subsequently recommended by Mr Mark Spangler, Director of Technical Services of Palmerston City Council on the 12 November 2015.

The englobo parcel 11498 was cancelled in August 2015 and sub-divided into lots 11510 and 11511. Allotment 11510 is the site of the new Rydges hotel development and sold to a private development company subject to a development lease. The balance of the land is Lot 11511 which was sold to MiBro Investments with a development lease in place.

Our instructions are to value the land based on the englobo parcel 11498. We have derived a rate/m² based on comparable sales and this has been applied to the area of road reserve under consideration.

The sales evidence listed above shows a range for larger development sites between \$38/m² and \$391/m². The more comparable sales indicate a tighter range of between \$98/m² and \$184/m², these being larger sites and in more comparable locations.

The Coolalinga site is considered to be far inferior to the subject. It is a considerably larger site and is situated in the rural area lacking the amenities and advantages of this CBD site. The transaction of 15 Maluka Drive, whilst being a part of the englobo parcel under consideration will have a much higher rate based on the fact it is significantly smaller.

The Zuccoli development site shows a rate of \$184/m², at 12,500m² this is much smaller than the subject and therefore will hold a higher rate.

15 Yarrowonga Road is a large site with prominent position on the Highway. It is a more prominent site than the subject but the development potential is limited to commercial/retail use only. At 2.08ha it is a smaller site. Whilst it is smaller the lack of development potential compared to the subject means it will hold a slightly lower rate.

17 Maluka Drive is the balance of the previous englobo Parcel 11498 being the subject lot and provides the best indication of value. The site is slightly smaller given Lot 11510 and a roadway has been excised but has similar zoning implications and development potential. The site shows a rate of \$102/m² and is comparable to the subject.

Based on the above sales we determine a rate applicable to the englobo parcel 11498 would be \$100/m² - \$105/m².

Miller Court Road Reserve, Gunn NT 0832

Miller Court Road Reserve – Part englobo parcel 11498			
Land area		199.7	
Rate/m ²	100		105
Value	\$19,970		\$20,968.50
		Say	\$20,000

The calculations above show that based on a rate/m² of between \$100 and \$105 the portion of road reserve is valued at between \$19,970 and \$20,968.50 which we have rounded to \$20,000.

Miller Court Road Reserve, Gunn NT 0832

In accordance with our instructions and any qualifications detailed herein, we assess the Market Value of **Miller Court Road reserve (Part englobo Parcel 11498)** as at **29 January 2016** to be:

\$20,000
(Twenty Thousand Dollars)

Please note that in addition to any qualifications detailed herein, this valuation has been prepared on the basis that:

- the property is free of all easements, encumbrances and interests other than those listed and there are no encroachments outside the boundaries of the Plan;
- there are no actual or potential contamination issues affecting the value or marketability of the property;

This Valuation is made subject to the assumptions, remarks and qualifications contained in this REPORT and is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this REPORT.

Neither the whole nor any part of this REPORT or any reference thereto may be included in any document, circular or statement without our written approval of the form and context in which it will appear.

Neither McGees Property nor the signatory to this REPORT has any interest financial, pecuniary or otherwise in, or with parties associated with the subject of this assessment that would conflict with the independent valuation of the property. We confirm that this position will be maintained until the purpose for which this valuation is being obtained is completed.

McGEES PROPERTY



Anthony Murphy
B.Bus.Prop (Val) AAPI
B.Bus. Commercial Law
Certified Practising Valuer

Liability limited by a scheme approved under Professional Standards Legislation.

APPENDICES:

1. Report EDI/186, 12 November 2015
2. Letter from Cameron Bowes, 2 October 2015

Miller Court Road Reserve, Gunn NT 0832

Report EDI/186, 12 November 2015

ITEM NO. 9.3 **Sale of a Portion of Miller Court Road Reserve**

FROM: **Director of Technical Services**

REPORT NUMBER: **EDI/186**

MEETING DATE: **12 November 2015**

Municipal Plan:

3. Environment & Infrastructure

3.2 Assets and Infrastructure

3.2 We are committed to maintaining and developing community assets and infrastructure which meet the needs of our community

Summary:

In 2013 and 2014 the Land Development Corporation made representations to Council in relation to the purchase of 449m² of road reserve land in Miller Court, Gunn. As a result of these representations Council resolved at its ordinary meeting held on 18 March 2014 that:

11.2.1 Sale of Road Reserve – Miller Court Gunn

1. *THAT in accordance with Ministerial Guidelines 7; Disposal of Property clause 5(5), Council offer a portion of the Miller Court road reserve to the adjoining property owner at market value less 36% for Lot I and Lot J.*
2. *THAT Council deems private sale of portion of Millar Court Road reserve to be an appropriate method of disposal.*
3. *THAT Council upon acceptance of the offer the Chief Executive Officer be delegated authority as per section 32 of the Local Government Act to complete the contract of sale.*

CARRIED 8/0976–18/03/2014

Since the above Council resolution, the Maluka Views site has transferred to MiBro Investments, a private local developer and the development amended via a Concurrent Application approved in July 2015. The Concurrent Application amended the Subdivision layout and NT Planning Scheme zonings different to that considered by Council in March 2014. The effect of this approval is that the road reserve closure area has reduced from approximately 449m² to 199.7m². Furthermore, for clarity "Lot 1" referred to in the previous report is now labelled as Lot 5 in the approved layout (attached).

In October 2015 MiBro wrote to Council seeking to purchase the road reserve portion of Miller Court. In its letter to Council, MiBro has highlighted that contractually, the Development Agreement between MiBro and LDC requires the land be subdivided with Titles then being issued to MiBro prior to any sale to 3rd party being transacted.

Miller Court Road Reserve, Gunn NT 0832

The abovementioned development agreement now prevents the enactment of the previously resolved valuation method. As a result MiBro have proposed the following amended valuation and sale price methodology for the Road Reserve area:

1. The City of Palmerston and the developer (MiBro) agree to determine the sale price of the road reserve prior to the subdivision works commencing;
2. The City of Palmerston resolve to appoint a Valuer (or Valuer General) to value the road reserve closure land based upon the englobo value of parcel Lot 11498 to determine the sale price of the road reserve; and
3. The sale price be valid from the date of valuation until issue of titles for the subdivision or should that date be greater than twelve months then the sale price be indexed at Darwin CPI annually from date of valuation.

General:

Under the terms of the MiBro proposal Council would be committed to a sale price as determined by a third party. Council may wish to negotiate the sale of the portion of land in order to get the best value for this community asset.

While Council is not bound to adopt any proposed valuation method, the Development agreement does now restrict options for calculating a valuation post sale of any land.

Financial Implications:

The financial implications for Council as a result of this proposal relate to the final sale price for the land via the proposed valuation method. Council will not be required to expend funds in the process of subdivision and sale.

Legislation / Policy:

The Local Government Act permits Council to close a road or part of a road and sell that land subject to it being surplus to the Community's needs and the closure having consent of the Minister for Local Government.

The City of Palmerston Asset Disposal Policy FIN15 is also applicable.

RECOMMENDATION

1. THAT the Committee Receives Report Number ED/186,
2. THAT Council approves in principle the sale of a portion of Miller Court to MiBro (NT) Pty Ltd.
3. THAT the Chief Executive Officer arrange a valuation and report back to Council.
4. THAT Council set the sale price after giving due consideration to the Unimproved Capital Value, the independent valuation and subdivision infrastructure construction costs,

Miller Court Road Reserve, Gunn NT 0832

Recommending Officer: Mark Spangler, Director of Technical Services

Any queries on this report may be directed to Mark Spangler, Director of Technical Services on telephone (08) 8935 9958 or email mark.spangler@palmerston.nt.gov.au,

Schedule of Attachments:

Attachment A: Correspondence received from Cameron Bowes, Development Manager for MiBro (NT) Pty Ltd dated 2 October 2015.

Miller Court Road Reserve, Gunn NT 0832

Letter Cameron Bowes, 02 October 2015

2nd October 2015

Mr Mark Spangler
Director Technical Services
City of Palmerston
PO Box 1
PALMERSTON NT 0831



Via email mark.spangler@palmerston.nt.gov.au

Dear Mark,

We write in relation to the City of Palmerston resolution (# 8/0617) dated 13th March 2014 for the Sale of Land (Road Reserve) to facilitate The Views development (formerly "Maluka Views") as recommended by report EDI/056.

For background, Land Development Corporation made representations to CoP in relation to the purchase of the subject road reserve land which resulted in the resolution to approve the closure of a road reserve (Miller Court) and "set the sale price for the Miller Court road reserve at a rate 36% less than the unit sale price for Lot 1 in the Maluka Views Subdivision".

Concurrent Application approval in Development Permit PA2014 – 0919 DP15 04/29 dated 23rd July 2015 has an amended Subdivision and NT Planning Scheme layout (attached) different from that contemplated by CoP in March 2014. The effect of this approval is that the road reserve closure has reduced from approximately 449sqm to 199.7sqm. Also and for clarity "Lot 1" referred to in the previous report is now labelled as Lot 5 in the approved attached layout.

Contractually, the Development Agreement between MiBro and LDC requires the land be subdivided with Titles then being issued to MiBro prior to any sale to 3rd party being transacted. We therefore conclude that without a contract for pre-sale, we are unable to determine the purchase price with CoP as we are unable to apply the valuation method of "36% less than the unit sale price for Lot 1" approved by CoP.

In addition to the above complication through negotiation with CoP, MiBro is undertaking improvements at its own cost to Lot 10011 (Public Space) of Gunn for the benefit of the community which should be considered as the premium to the purchase price.

In accordance with above, MiBro proposes that:

1. *CoP and the developer (MiBro) agree to determine the sale price of the road reserve prior to the subdivision works commencing,*
2. *CoP resolve to appoint a Valuer (or Valuer General) to value the road reserve closure land based upon the engloba value of parcel Lot 11498 to determine the sale price of the road reserve,*
3. *The sale price be valid from the date of valuation until issue of titles for the subdivision or should that date be greater than twelve months then the sale price be indexed at Darwin CPI annually from date of valuation.*

MiBro (NT) Pty Ltd ACN 165 710 029 | GPO Box 1332, Darwin NT, 0801

Miller Court Road Reserve, Gunn NT 0832

The above method of moving forward with the sale and purchase of the land will provide a fair value and without complication.

We look forward to hearing from you in this regard and are open to any request for further meetings or deputations at upcoming meetings as necessary.

Regards,



Cameron Bowes
Development Manager for MiBro (NT) Pty Ltd
Email cameron@mibro.com.au
Mobile 0466 153 578

NORTHERN TERRITORY OF AUSTRALIA

Planning Act - sections 54 and 55

DEVELOPMENT PERMIT

DP15/0429

DESCRIPTION OF LAND THE SUBJECT OF THE PERMIT

Lot 10011
Lot 11498
Town of Palmerston
8 MILLER CT, GUNN
15 MALUKA DR, GUNN

APPROVED PURPOSE

To use and develop the land for the purpose of a subdivision to create 12 lots, in accordance with the attached schedule of conditions and the endorsed plans.

VARIATIONS GRANTED

Clause 11.2.2 (Infrastructure and Community Facilities in Residential Subdivisions) and Clause 11.2.3 (Lot Size and Configuration in Residential Subdivisions) of the Northern Territory Planning Scheme.

BASE PERIOD OF THE PERMIT

Subject to the provisions of sections 58, 59 and 59A of the Planning Act, this permit will lapse two years from the date of issue.



STEPHEN WARD
Delegate
Development Consent Authority

23 / 7 / 2015

DEVELOPMENT PERMIT

DP15/0429

SCHEDULE OF CONDITIONS**CONDITIONS PRECEDENT**

1. Prior to the endorsement of plans and prior to commencement of works (including site preparation), amended plans to the satisfaction of the consent authority must be submitted to and approved by the consent authority. When approved, the plans will be endorsed and will then form part of the permit. The plans must be drawn to scale with dimensions and two copies must be provided. The plans must be generally in accordance with the plans submitted with the application but modified to include the provision for direct pedestrian and cyclist access to the Roystonea Avenue cycle path from Road A and D, to the requirements of the Department of Transport, to the satisfaction of the consent authority.
2. Prior to the endorsement of plans and prior to the commencement of works (including site preparation), a schematic plan demonstrating the on-site collection of stormwater and its discharge into the local stormwater drainage system shall be submitted to and approved by the City of Palmerston or Department of Transport as the case may be, to the satisfaction of the consent authority. The plan shall include details of site levels and Council's and Department of Transport's stormwater drain connection point/s. The plan shall also indicate how stormwater will be collected on the site and be discharged to City of Palmerston's and Department of Transport's stormwater system including during minor and major storm events.
3. Prior to the endorsement of plans and prior to the commencement of works (including site preparation), the applicant is to provide written advice from the Department of Transport confirming that:
 - the proposed left-in, left out arrangement onto Roystonea Avenue has been approved, and
 - any services or service connections within NT Government controlled road reserves has been approved.
4. Prior to the commencement of works, an Erosion and Sediment Control Plan (ESCP), is to be submitted to and approved by the consent authority on the advice of the Department of Land Resource Management, and an endorsed copy of the Plan will form part of this permit. The ESCP is to be developed by a suitably qualified and experienced professional in erosion and sediment control planning and the IECA Best Practice Erosion and Sediment Control Guidelines 2008 may be referenced as a guide to the type of information, detail and data that should be included in the ESCP. The plan should detail methods and treatments for minimising erosion and sediment loss from the site during both the clearing and establishment phases. Information regarding erosion and sediment control and ESCP content is available at www.austieca.com.au and the DLRM website: <http://lrm.nt.gov.au/soil/management>.

GENERAL CONDITIONS

5. Works carried out under this permit shall be in accordance with the plans endorsed as forming part of this permit.

6. Any developments on or adjacent to any easements on site shall be carried out to the requirements of the relevant service authority to the satisfaction of the consent authority.
7. All existing and proposed easements and sites for existing and required utility services must be vested in the relevant authority for which the easement or site is to be created on the plan of subdivision submitted for approval by the Surveyor General.
8. All proposed roads and public open space reserves to be created on the plan of subdivision submitted for approval by the Surveyor General must be dedicated to the relevant Northern Territory or local government authority.
9. An appropriate truncation, to be determined in consultation with the Department of Transport, is to be provided to the property boundaries of proposed lot 4 at the intersection of proposed Road C with the Roystonea Avenue road reserve.
10. The owner of the land must enter into agreements with the relevant authorities for the provision of water supply, drainage, sewerage facilities, electricity supply and telecommunications to each lot shown on the endorsed plan in accordance with the authorities' requirements and relevant legislation at the time.
11. Stormwater drainage shall be wholly contained within the site and discharged into the local stormwater system to the standards and approval of Transport Infrastructure Division, Department of Transport and/or Palmerston City Council as the case may be. All proposed lots fronting Roystonea Avenue shall be graded such that the stormwater run-off from the properties is away from the road and is able to be collected within the development area and appropriately discharged into the local stormwater system.
12. Where unfenced, the Roystonea Avenue frontage is to be appropriately fenced in accordance with the Department of Transport's standards and requirements to deter unauthorised vehicular and/or pedestrian movement.
13. Soil erosion control and dust control measures must be employed throughout the construction stage of the development to the satisfaction of the consent authority.
14. Landscaping and development of open space (Lot 10011 Town to Palmerston) and streets/ roads shall be designed and constructed to the requirements of City of Palmerston and/ or the Department of Transport as the case may be, to the satisfaction of the consent authority and all approved works constructed at the owner's expense.
15. Engineering design and specifications for the proposed and affected roads, street lighting, stormwater drainage, vehicular access, pedestrian/ cycle corridors and streetscaping are to be to the technical requirements of City of Palmerston and/ or the Department of Transport as the case may be, to the satisfaction of the consent authority and all approved works constructed at the owner's expense.
16. All proposed work (including provision of services) within, or impacting upon the Roystonea Avenue shall be designed, supervised and certified on completion by a practicing and registered civil engineer, and shall be in accordance with the standards and specifications of the Chief Executive, Department of Transport. Drawings must be submitted to the Director Roads for Road Agency approval, Department of Transport, irrespective of approvals granted by other

Authorities. No works are to commence prior to approval and receipt of a "Permit to Work Within a Road Reserve".

17. Upon completion of any works within or impacting upon the Roystonea Avenue or other NT Government controlled road reserves, the road reserves shall be rehabilitated to the standards and requirements of the Department of Transport.
18. Prior to the issue of Part 5 clearance, the developer shall have carried out, as part of the subdivision works, and in accordance with AS3671-1989, "Acoustics – Road Traffic Noise Intrusion – Building Siting and Construction" an assessment by a suitably qualified person of the development's present and predicted future exposure to road traffic noise levels, and where required provide appropriate noise attenuation measures, on the advice of the Department of Transport and to the satisfaction of the consent authority. All noise attenuation works deemed necessary shall be carried out by and at the full cost of the developer and shall be wholly contained (including foundations) within the subject lot. All noise attenuation works deemed necessary, either by building materials and design or lot layout, shall be carried out by and at the full cost to the developer and shall be wholly contained within the subject lot.
19. The Roystonea Avenue verge fronting the subdivision area is to be topdressed, grassed and landscaped consistent with the Department's standards and approval.
20. The loads of all trucks entering and leaving the site of works are to be constrained in such a manner as to prevent the dropping or tracking of materials onto streets. This includes ensuring that all wheels, tracks and body surfaces are free of mud and other contaminants before entering onto the sealed road network. Where tracked/dropped material on the road pavement becomes a potential safety issue, the developer will be obliged to clean material off the road in an environmentally responsible manner.

NOTES

1. The Power and Water Corporation advises that the Water and Sewer Services Development Section (landdevelopmentnorth@powerwater.com.au) and Power Network Engineering Section (powerconnections@powerwater.com.au) should be contacted via email a minimum of 1 month prior to construction works commencing to determine the Corporation's servicing requirements, and the need for upgrading of on-site and/ or surrounding infrastructure.
2. The Developer, his Contractor or Service Provider is required to obtain a "Permit to Work within a Road Reserve" from the Manager Road Operations, Road Projects Division, Department of Construction and Infrastructure (2nd Floor, Highway House, Palmerston) prior to the commencement of any works within the Roystonea Avenue road reserve.
3. You are advised to contact the relevant service provider prior to construction works commencing in order to determine the relevant telecommunication network servicing requirements for the development, including the potential requirement to provide fibre ready telecommunication facilities.
4. All new roads are required to be named under the Place Names Act. You should immediately make application to the Place Names Committee to commence the road naming process. Contact the Place Names Unit on 8995 5333 or placenames.dpi@nt.gov.au. Further information can be found at <http://www.placenames.nt.gov.au>.

5. The Department of Land Resource Management (DLRM) advises that *Typhonium praetermissum* has been identified on lot 10011 in three locations and is listed as vulnerable under the Territory Parks and Wildlife Conservation Act. DLRM provide a range of mechanisms to mitigate the risk including:
- in situ conservation which entails excluding development from the key habitat areas and designating the land for conservation;
 - ex situ entails translocation of the threatened species;
 - offset arrangements.

The Flora and Fauna Division of the Department can provide additional advice about translocation or offset options if these are required.



Northern Territory Consolidated Acts

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LOCAL GOVERNMENT ACT - SECT 187

Closing of roads

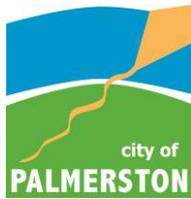
(1) A council may temporarily or permanently close a road, or part of a road, under its care, control and management.

(2) However, a road or part of a road is not to be permanently closed under subsection (1) unless:

- (a) any relevant procedural requirements prescribed by regulation have been satisfied; and
- (b) the following Ministers consent:
 - (i) the Minister responsible for the administration of the *Control of Roads Act* ;
 - (ii) the Minister responsible for the administration of this Act.

(3) Subject to any contrary agreement between a council and the Minister, if a road under the care, control and management of a council is vested in the Territory, and the road is permanently closed, the land comprising the road vests in the council in fee simple.

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Name:	Asset Disposal		
Type:	Council Policy		
Owner:	Chief Executive Officer		
Responsible Officer:	Manager Financial Services		
Approval Date:	[Approval Date]	Next Review Date:	[Next Review]

1 Purpose

This policy governs the disposal of non- current Assets at the City of Palmerston.

2 Principles

This policy follows the principles of AASB 116 of de-recognition of assets where the carrying amount of an asset shall be derecognised on disposal.

3 Definitions

For the purposes of this Policy, the following definitions apply:

Term	Definition
Asset	An asset is a resource controlled by Council as a result of past events and from which future economic benefits are expected to flow to the entity for more than 12 months. Assets include tangible items like property, plant and equipment and intangible assets like software.
Useful life	The useful life of an asset is the period over which an asset is expected to be available for use by Council.
Depreciable amount	The depreciable amount is the cost of an asset, or fair value less its residual value
Residual value	The residual value is the estimated amount that Council would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

4 Policy Statement

- 4.1 When an asset is sold and its selling price varies from the carrying amount in Council's balance sheet, a gain or loss on disposal will be recognised directly to the Income Statement in accordance with AASB 116.
- 4.2 If an asset is disposed before it has been fully depreciated, the carrying amount represents a loss on disposal and will be expensed.
- 4.3 Where an asset disposed of has been subject to revaluation, the net increment in the asset revaluation reserve relating to the disposed asset will be transferred to Accumulated Surplus. The amount transferred must not exceed the balance of the asset revaluation.
- 4.4 Partial disposal of an asset is recognised if a partial renewal/replacement has taken place and the carrying value of that disposed part in regards to AASB 116 can be identified.

- 4.5 The decision of disposal of assets with a maximum value of \$50,000 shall be made by the CEO or his delegates in consideration of Council's interests.
- 4.6 Disposal of property and facilities shall be determined by resolution of Council and in compliance with Ministerial Guideline 7: Disposal of Property.

5 Associated Documents

- 5.1 City of Palmerston Asset Capitalisation Policy
- 5.2 City of Palmerston Asset Revaluation Policy
- 5.3 City of Palmerston Asset Depreciation Policy
- 5.4 City of Palmerston Asset Management Policy
- 5.5 City of Palmerston Fleet Management Policy
- 5.6 City of Palmerston Finance Policy

6 References and Related Legislation

- 6.1 Northern Territory Local Government Act
- 6.2 Northern Territory Local Government (Administration) Regulations
- 6.3 Northern Territory Local Government (Accounting) Regulations
- 6.4 Australian Accounting Standards
- 6.5 Ministerial Guidelines

7. Disposal of Property

1. Objectives

The process for the sale and disposal of land and other assets should be considered, fair and transparent to ensure council obtains the best outcomes and price.

2. Background

Section 182(1) of the *Local Government Act 2008* provides that, "*Subject to the Minister's guidelines, a council may deal with or dispose of property of which the council is the owner.*"

3. General

- (1) Sale and disposal of land and other assets should be consistent with the council's economic, social and/or environmental objectives.
- (1) When considering options for the sale and disposal of land and other assets, council should look for opportunities to advance the objectives of the council's strategic plan.
- (2) Commercial confidentiality should apply to negotiations for sale and disposal of land and other asset transactions unless council decides otherwise.
- (3) In circumstances where there is a sale or disposal other than by tender process, as may be considered and determined by council on individual case merits, the reasons for entering into such contracts should be documented.

4. Authority to Dispose of Property

- (1) Property which has been purchased, or the purchase of which has been contributed to, by a funding source, may not be disposed of unless the terms of the funding agreement have been met. This includes any requirement to gain approval from the funding body to dispose of property.
- (2) Decisions for sale or disposal of real property must be made by council resolution unless council has delegated this authority.
- (3) Council may delegate authority under s32 of *the Local Government Act 2008*. For example, the CEO may be given a delegation to approve the sale or disposal of certain property.
- (4) Where council delegates such authority the delegation should be limited. For example, the CEO may have a delegation to dispose of property that fits certain criteria.

5. Method to be Used

Generally, council will sell or dispose of land and other assets through adoption of the following practices:

- (1) direct sale – advertisement for sale and the nature of the advertisement i.e. public notice, local paper etc;
- (2) quotation – seeking quotations for the sale of land and other assets;
- (3) selected tender – seeking tenders from a selected group of persons, companies, organisations, or other interested parties;
- (4) open tender – openly seeking, through advertisement, tenders, or buyers for Council, land and other assets; or
- (5) other means as deemed appropriate by council or the CEO (provided disposal has been authorised by council).

6. Considerations

- (1) In considering the method of disposal of an asset, council should consider a number of issues, for example:
 - (i) The potential for the council to obtain the best price.
 - (ii) The number of known potential purchasers of the land or assets.
 - (iii) The current and possible preferred future use of the land or assets.
 - (iv) The existence of local purchasers of the land or asset.
 - (v) The opportunity to promote local economic growth and development.
 - (vi) The total estimated value of the sale.
 - (vii) Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of the sale.
 - (viii) Compliance with statutory and other obligations
- (2) Council or its officers with delegated authority shall, when making decisions, act in accordance with the council's budget, relevant policies, plans, resolutions, and all relevant statutory or common law requirements.

7. Proceeds from Sale of Assets

Proceeds from the sale of assets (capital revenue) should be applied to purposes approved under council policy, for example the policy could include that proceeds are applied:

- (1) to the reduction of any debt associated with the asset acquisition or upgrade since the original purchase or construction; or
- (2) to offset the cost of replacement assets required for operations arising from identified asset sale; or
- (3) to a specific Reserve Fund if appropriate or to the asset replacement reserve.