

5 Resource Implications

5.1 Financial

The WPS2 6 December 2011 report to Council presented a possible contribution of \$50,000 from the developer for council to take on its stormwater management obligations.

Council staff have successfully negotiated an increased total contribution of \$328,376. This value results from a 100% transfer of the costs otherwise avoided by the developer as a result of not having to construct the required infrastructure.

The timing and receipt of payment will be subject to the developer applying for a certificate under Section 51 of the *Development Act 1999* for the division of that land. At this stage, award of Development Approval is imminent with discussions with the developer's representatives indicating that they would like to see the development commenced within the next 2 years.

5.1.1 Summary of WPS2 project financial position

At the 6 December 2011 meeting of Council, the WPS2 project was presented as being in a deficit of \$986K and that the shortfall and project contingency was to be addressed through early operation of the scheme utilising revenues received, and opportunities to be realised through supporting elements of other Council initiatives benefited through the project e.g.: Emerald Boulevard Reserve upgrade, Kangarilla landfill.

At the time of this report, the projected surplus of the WPS2 project is \$228K with consideration of:

- the outcomes of this agreement with Winwest Pty. Ltd
- the successful execution of a water supply agreement with the Boulderstone Abigroup Joint Venture to supply water for construction works associated with the duplication of the Southern Expressway
- actual savings realised on committed elements of the project, and potential savings on elements that are not yet complete
- committed and potential variations associated with Council's inherent risk in the contract eg: changes in scope and the costs associated with rock and shale encountered through the installation of the distribution network.

6 Next steps

Subject to Council approval of this report, the caveat will be lodged and registered with the Lands Title Office and administered in the context of the development.

Further updates will be provided to Council with regard to the WPS2 project as the construction draws to its conclusion by the end of June 2013.

