



Ordinary Meeting of Council

Thursday, 17 August 2023

Agenda

Notice of Meeting

Councillors of the Catalina Regional Council are advised that a meeting will be held Electronically on Thursday 17 August 2023 at 6:00pm.

A handwritten signature in black ink, appearing to read 'Chris Adams', is positioned above the printed name and title.

CHRIS ADAMS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Alaine Haddon-Casey	
City of Joondalup	Cr John Chester Cr Nige Jones	Cr Russ Fishwick Cr John Raftis
City of Perth	Cr Brent Fleeton	Cr Clyde Bevan
City of Stirling	Cr Tony Krsticevic Cr Suzanne Migdale Cr Bianca Sandri Cr Karlo Perkov	Cr David Lagan
Town of Victoria Park	Cr Bronwyn Ife	Cr Claire Anderson
City of Vincent	Cr Ashley Wallace	Cr Jonathan Hallett
City of Wanneroo	Cr Brett Treby Cr Glynis Parker	Cr Linda Aitken Cr Vinh Nguyen

1. OFFICIAL OPENING
2. APOLOGIES AND LEAVE OF ABSENCE
- DISCLOSURE OF INTERESTS
3. PUBLIC STATEMENT/QUESTION TIME
4. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION)
5. PETITIONS
6. CONFIRMATION OF MINUTES
 - 6.1. CONFIRMATION OF MINUTES
7. BUSINESS ARISING FROM MINUTES
8. ADMINISTRATION REPORTS AS PRESENTED
 - 8.1. BUSINESS REPORT – MONTH ENDING 31 JULY 2023
 - 8.2. STATEMENT OF FINANCIAL ACTIVITY - JUNE 2023
 - 8.3. LIST OF MONTHLY ACCOUNTS SUBMITTED - JUNE 2023
 - 8.4. SALES AND SETTLEMENT REPORT – MONTH ENDING 31 JULY 2023
 - 8.5. REVIEW OF MANAGEMENT COMMITTEE MEETINGS
 - 8.6. PROJECT FINANCIAL REPORT - JUNE 2023
 - 8.7. REVIEW OF PURCHASER TERMS, CONDITIONS AND INCENTIVES
 - 8.8. SPECIAL DEVELOPMENT SITES - STATUS REPORT
 - 8.9. CATALINA BEACH (WEST) DESIGN GUIDELINES
9. COMMITTEE REPORTS
 - AUDIT and RISK COMMITTEE (14 AUGUST 2023)
 - 9.1. POLICY REVIEW: PAYMENT OF DISTRIBUTIONS POLICY
 - 9.2. AUDIT and RISK COMMITTEE AUDIT CHARTER & ANNUAL AUDIT PLAN REVIEW
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 CHAIR
13. GENERAL BUSINESS
14. DECISION TO MOVE TO CONFIDENTIAL SESSION
 - 14.1. **CONFIDENTIAL:** REVIEW OF DELIVERABLES - DEVELOPMENT MANAGER'S KEY PERFORMANCE INDICATORS

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)).

15. FORMAL CLOSURE OF MEETING

6.1. CONFIRMATION OF MINUTES

Responsible Officer: Chief Executive Officer

Attachments: None

Voting Requirement: Simple Majority

Recommendation

That the minutes of the Ordinary Meeting of Council of 22 June 2023 be **CONFIRMED** as a true and accurate record of proceedings.

8.1. BUSINESS REPORT – MONTH ENDING 31 JULY 2023

Responsible Officer: Manager Project Coordination
Attachments: 1. Comment - Business Report
Voting Requirement: Simple Majority

RECOMMENDATION

That the Council RECEIVES the Business Report for the month ending 31 July 2023.

PURPOSE

The report provides information to the Council on key activities, programs and milestones.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and Effective governance environment.	Moderate
Action:	
SPG and CRC provide reports/information to Council Meetings.	

The report provides information to ensure the Council is well informed on the progress of key components of the Catalina Project.

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

With the completion of Stage 37 in Catalina Green and the extension of Longbeach Promenade in June 2023, there are presently two active stages of civil works. The following tables detail the status of all current civil works stages to 31 July 2023. The highlights of the past month include:

- Good progress with sewer, drainage, water and walls in Stage 31, on schedule with the construction program.
- Further progress with earthworks in Stage 38, on schedule with the construction program.

Details of civil construction progress for each current stage are provided in the following tables:

Stage 31			66 lots
Contractor Possession of Site			9 January 2023
Original Practical Completion Date			26 July 2023
Revised Practical Completion Date			11 October 2023
Construction Status			
Item	% Complete	Change since last report	Comments
Earthworks	90	0	Final top-dress of verges and lots to be completed.
Sewer	100	0	
Drainage	90	0	POS basin bubble-up drain to be completed.
Water/Gas	60	60	In progress.
Power/Comms	0	0	
Walls	40	40	In progress.
Roads	0	0	



Stage 31 Civil Works in progress



Completed Stage 37 Civil Works

Stage 38			37 lots
Contractor Possession of Site		24 May 2023	
Original Practical Completion Date		21 December 2023	
Revised Practical Completion Date		N/A	
Construction Status			
Item	% Complete	Change since last report	Comments
Earthworks	75	50	In Progress
Sewer	0	0	
Drainage	0	0	
Water/Gas	0	0	
Power/Comms	0	0	
Walls	0	0	
Roads	0	0	



Completed Longbeach Promenade extension – looking north

The next stage of civil works to commence is expected to be Stage 39 in Catalina Green. This stage will comprise 64 lots. A commencement date will be determined once all authority approvals are obtained and a new civil construction term contract is in place but is expected to be in October 2023.

2. Landscaping Works - Status

The following tables detail the status of all current landscape construction works to 31 July 2023. The highlights of the past month include:

- Progress with the Stage 36 park, entry statements and streetscapes in Catalina Green. The park and streetscape works are expected to achieve practical completion on 21 August 2023. Completion of the entry statements is expected in October 2023.
- Practical completion of the Stage 25 Phase 2 park in Catalina Beach.
- Commencement of the winter offset revegetation works in the coastal reserve to the west of Catalina - the works are required to satisfy offset revegetation obligations placed on the CRC by the clearing permit granted for the removal of vegetation to enable construction of the Beach Access Road and Carpark.
- Completion of the Stage 29 verge landscaping to the adjoining Bush Forever conservation reserve to the south of Catalina Beach.
- Commencement of the Longbeach Promenade extension verge landscaping works.
- Completion of design for the Foreshore Park and submission to the City of Wanneroo.

Stage 36 Park, Entry Statements and Streetscapes – Catalina Green	
Project Budget	\$3,027,226
Design and Approval	Status
Detailed Design	Complete
City of Wanneroo Works Approval	Issued – 14 November 2022
CRC Works Award Approval	Issued – 6 December 2022
Construction	
Contract Sum	\$2,217,613,13

Contractor Possession of Site			20 February 2023
Original Practical Completion Date			13 October 2023
Revised Practical Completion Date			N/A
Item	% Complete	Change since last report	Comments
Preliminaries	100	0	
Hardscapes	90	0	Rubber softfall and park furniture to complete.
Softscapes	90	65	Well progressed.
Consolidation	0	N/A	13-week consolidation period to commence from practical completion.



Stage 36 Park works in progress – adjacent to Neerabup Road, looking west

Stage 25 Phase 2 Park – Catalina Beach			
Project Budget			\$702,722
Design and Approval			Status
Detailed Design			Complete
City of Wanneroo Works Approval			Issued – 8 August 2022
CRC Works Award Approval			Issued – 27 June 2022
Construction			
Contract Sum			\$572,388.15
Contractor Possession of Site			16 January 2023
Original Practical Completion Date			2 July 2023
Revised Practical Completion Date			28 July 2023
Item	% Complete	Change since last report	Comments
Preliminaries	100	0	Complete
Hardscapes	100	0	Complete
Softscapes	100	25	Complete
Consolidation	0	N/A	13-week consolidation period to commence from Council acceptance of practical completion.



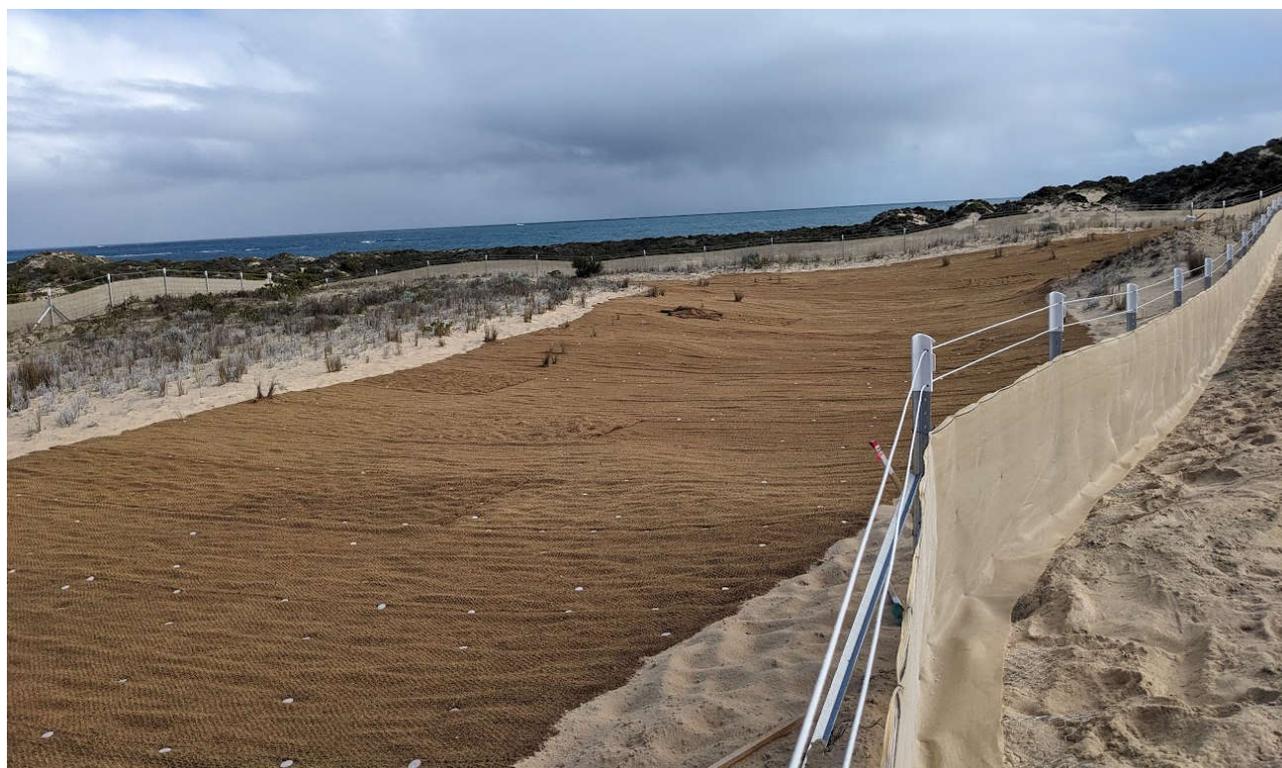
Stage 25 Phase 2 Park works

Stage 29 Streetscapes - Catalina Beach			
Project Budget		\$120,200	
Design and Approval		Status	
Detailed Design		Complete	
City of Wanneroo Works Approval		Issued – 8 December 2022	
CRC Works Award Approval		Issued – 27 April 2023	
Construction			
Contract Sum		\$58,990.91	
Contractor Possession of Site		12 June 2023	
Original Practical Completion Date		30 June 2023	
Revised Practical Completion Date		21 July 2023	
Item	% Complete	Change since last report	Comments
Preliminaries	100	100	Completed
Hardscapes	N/A	N/A	
Softscapes	100	0	Completed
Consolidation	0	0	Commenced 24 July 2023.

Longbeach Promenade Streetscapes - Catalina Beach			
Project Budget		\$102,200	
Design and Approval		Status	
Detailed Design		Complete	
City of Wanneroo Works Approval		Issued – 12 April 2023	
CRC Works Award Approval		Issued – 12 May 2023	
Construction			
Contract Sum		\$97,957.59	
Contractor Possession of Site		19 June 2023 (subject to civil works completion)	
Original Practical Completion Date		21 July 2023	
Revised Practical Completion Date		11 August 2023	

Item	% Complete	Change since last report	Comments
Preliminaries	90	90	In progress
Hardscape	25	25	In progress
Softscape	10	10	In progress
Consolidation	0	0	13-week consolidation period to commence from practical completion.

Offset Revegetation Works – west of Catalina Beach			
Project Budget		\$948,279	
Design and Approval		Status	
Detailed Design		Complete	
City of Wanneroo Works Approval		Issued – 1 March 2022	
CRC Works Award Approval		Issued – 21 April 2023 (Tender 01/2023)	
Construction			
Contract Sum		\$805,489 (includes 5 years maintenance)	
Contractor Possession of Site		12 June 2023	
Original Practical Completion Date		25 August 2023	
Revised Practical Completion Date		N/A	
Item	% Complete	Change since last report	Comments
Preliminaries	100	20	
Hardscape	N/A	N/A	No hardscape works involved.
Softscape	80	40	In progress.
Consolidation	N/A	N/A	Contract includes 5-year maintenance period of revegetated areas.



Offset revegetation works in progress at the Catalina Foreshore – Coir-matting and fencing installed in preparation for tubestock planting

Foreshore Park - Catalina Beach			
Project Budget		\$4,577,070	
Design and Approval		Status	
Detailed Design		Complete	
City of Wanneroo Works Approval		Pending	
CRC Works Award Approval		Pending City approval and Contractor pricing	
Construction			
Contract Sum		To be determined	
Contractor Possession of Site		To be determined	
Original Practical Completion Date		To be determined	
Revised Practical Completion Date		N/A	
Item	% Complete	Change since last report	Comments
Preliminaries	0	0	
Hardscape	0	0	
Softscape	0	0	
Consolidation	0	0	



Stage 31 Earthworks (looking east) include Foreshore Park and drainage basin preparation

3. Titles

The next titles to issue in the Project will be in Stage 31 (66 lots) in Catalina Beach in November 2023.

4. Housing Construction

The following table provides an overview of the current progress of housing construction to 31 July 2023. Substantial building activity is continuing across Catalina Beach Stages 27, 28 and 30. Homes are underway in Stage 18C in Catalina Central and Stage 36 in Catalina Green. Construction should be commencing on homes in Stages 29 (Catalina Beach) and 37 (Catalina Green) given the recent issue of titles and settlements that have been occurring.

Stage	Residential Lots	Homes Completed	Homes Under Construction	Lots Vacant
Stages 1, 3-15, 17A, 18A	807	852*	0	0
Stage 2	38	36	0	2
Stage 16A	17	16	1	0
Stage 17B	36	35	1	0
Stage 17C	1	0	0	1
Stage 18B	31	30	0	1
Stage 18C	28	0	12	16
25A & B	55	54	1	0
Stage 25C	4	2	1	1
Stage 26	38	35	2	1
Stage 27A	20	11	8	1
Stage 27B	23	6	15	2
Stage 28	34	21	10	3
Stage 29	43	0	0	43
Stage 30	35	5	20	10
Stage 36	57	0	19	38
Stage 37	48	0	0	48
Total	1,315	1,103	90	167
Change since 30/06/23	0	+3	-3	+0

**Homes Completed exceed Residential Lots due to grouped housing developments.*

5. Community Events

The new 11-home display village in Catalina Beach currently has five homes that have opened and construction of the remaining homes to be completed is well-advanced. An opening event is being planned for the afternoon of Saturday 2 September 2023, which will feature a series of information sessions styled for delivery to appeal to prospective high-end buyers with content on various home building-related topics, including a construction masterclass, lot selection, sustainable design, future-proofed floorplans and interior design. The information sessions will be held in various display homes. The event will conclude with an evening sundowner. All Councillors will be invited to the sundowner and are welcome to attend any of the information sessions. Further details will be provided in the invitations.



New Catalina Beach Display Village

6. Special Development Sites

Connolly Drive, Catalina Green

The Stage 36 civil works in Catalina Green included a 2ha commercial centre site located at the intersection of Connolly Drive and Expedition Drive. A tender for the sale of the site was awarded by the Council at its meeting of 17 February 2022 to Lightpoint Nominees Pty Ltd. Settlement of the sale of the site to Lightpoint was executed on 6 April 2023.

Lightpoint has obtained City of Wanneroo approval of a Local Development Plan, which sets parameters for development of the site, and is now preparing a development application. It has advised of its intention to commence construction in 2024.

Aviator Boulevard/Roulettes Parade Local Centre, Catalina Central

Stage 1 of the development of the Catalina Central commercial site comprised of a childcare centre was completed in May 2022. Stage 2 will include several shop tenancies (300m² nett lettable area) and a 170m² café. The Council at its meeting of 20 April 2023 agreed to an extension to the timeframe for completion of the development of Stage 2 by 31 May 2024, subject to the following milestones being met:

- Obtaining a building permit for the approved development by 30 June 2023; and;
- Commencing construction by 30 September 2023.

The CRC's approved completion timeframe extension was communicated to the owner of the site on 21 April 2023. The Stage 2 site owner has since advised that it has obtained a building permit from the City of Wanneroo, is currently finalising contractual arrangements to construct with a builder and is confident of commencing construction prior to the end of September 2023.

Rathmines Street, Catalina Central

A tender for the sale of proposed Lot 341 Rathmines Street, located on the corner of Aviator Boulevard and Connolly Drive in Catalina Central was awarded by the Council on 29 September 2022 to Accord Property. The contract for sale provides for Accord to undertake due diligence, including obtaining development approval and an agreement to lease, before confirming the purchase. The due diligence period was originally due to expire on 12 July 2023, however a one-month extension to 12 August 2023 was granted on 22 June 2023 to allow additional time for

preparation and submission of a development application and to finalise leasing arrangements.

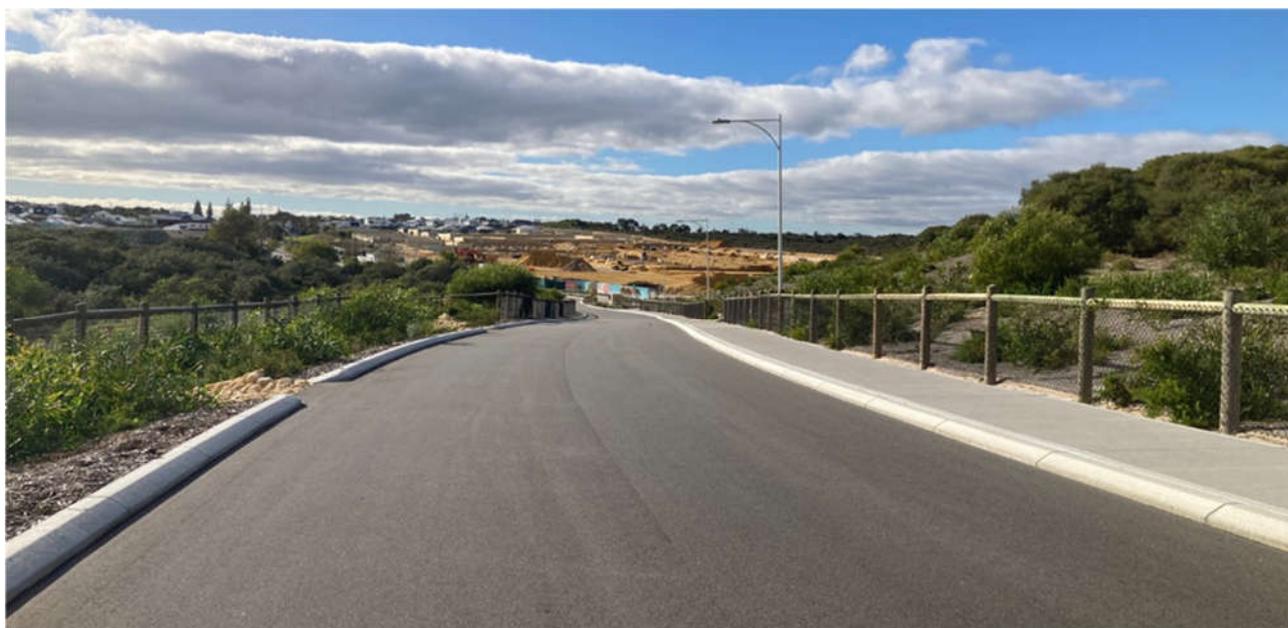
An update on the due diligence outcome and anticipated settlement timeframe will be provided in the next round of Management Committee and Council meeting agenda reports.

Strategic Sites

The Council at its meeting of 20 April 2023 considered an analysis of its remaining strategically important development sites within the Project and resolved to actively explore/pursue the following sites in the short term:

- Catalina Green Display Village;
- Catalina Beach Commercial Site;
- Catalina Beach Group Housing South;
- Catalina Green 7.5m Lots.

A progress report is provided in the attachment.



Foreshore Access Road – Verge revegetation now well-established. Stage 31 works in background

7. Urban Development Institute of Australia (UDIA) Awards for Excellence 2023

The CRC and Satterley have jointly submitted a nomination for the 2023 UDIA Awards for Excellence. The annual awards program is widely regarded as the pinnacle for the Western Australian urban development industry in respect to recognition of community creation, innovation and sustainability. Catalina has been nominated for the Master Planned Community category and will be competing against Curtin University's Exchange development and the Witchcliffe Eco-Village near Margaret River by Sustainable Settlements and Perron Developments Pty Ltd.

A booklet containing details of all projects nominated for an award can be downloaded from:
[https://www.udiaawa.com.au/wp-content/uploads/2023/07/Nominated-Projects-2023 .pdf](https://www.udiaawa.com.au/wp-content/uploads/2023/07/Nominated-Projects-2023.pdf)

The awards will be announced at a function on 16 September 2023.



Completed Stage 29 lots – ready for new homes



Stage 36 Park – taking shape

8.2. STATEMENT OF FINANCIAL ACTIVITY - JUNE 2023

Responsible Officer: Chief Executive Officer
Attachments: 1. SOFA (June)
2. Investment Report (June)
Voting Requirement: Simple Majority

RECOMMENDATION

That the Council **RECEIVES** and **NOTES** the Statement of Financial Activity for the month ending 30 June 2023.

PURPOSE

Submission of the Statement(s) of Financial Activity required under the *Local Government Act 1995*.

POLICY REFERENCE

N/A

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
- *Local Government (Audit) Regulations 1996*: Regulation 14 Compliance Audit Item

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 8	Risk Rating:
CRC Operations - Financial Management of CRC.	Low

Action:

Preparation and reporting on monthly accounts for Council approval.

The submission of the Statement(s) of Financial Activity is required under the *Local Government Act 1995* and necessary to ensure transparency and governance of financial activity.

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 attachment reflect the budget proposals and direction adopted by the Council.

Variances at 30 June 2023 exceeding 10% or \$5,000 (whichever is the greater) were experienced in relation to the following:

Revenue from Operating Activities	
Interest earnings	Interest earnings have exceeded budget expectations as interest rates have progressively increased.
Expenditure from Operating Activities	
Materials and Contracts	Materials and contracts are below budget due to lower use of contractors and consultants and more insourcing of tasks.
Utility charges	Yet to be billed for office electricity.
Financing Activities	
Payment of Member contributions	Significant underspend (\$14M or 39%) due to a combination of delays in some stages of works and infrastructure development and other projects being delivered under budget.
Payments return of equity	The return on equity position for Members exceeds budget estimates.
Payments from rates equivalent	Error in statements, budget allowance for this item was \$485,534. Underspend was due to a large reduction in rates compared to FYE 2022.

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

Financial Snapshot as at 30 June 2023

	2022-23 Amended BUDGET	2022-23 Budget YTD	2022-23 Actual YTD	Variance		Variance %
				Favourable	Unfavourable	
	\$	\$	\$	\$	\$	
REVENUE						
Interest Earnings	1,070,000	1,070,000	1,249,327	179,327		16.76%
Other Revenue	43,818	43,818	38,808		(5,010)	-11.43%
	\$1,113,818	\$1,113,818	\$1,288,135	\$179,327	(\$5,010)	
LE SS EXPENDITURE						
Depreciation	(43,510)	(43,510)	(43,931)		(421)	-0.97%
Employee Costs	(702,630)	(702,630)	(671,118)	31,512		4.48%
Insurance	(19,597)	(19,597)	(19,596)	1		0.01%
Interest	(3,240)	(3,240)	(3,366)		(126)	-3.89%
Materials and Contracts	(353,852)	(353,852)	(256,154)	97,698		27.61%
Other	(164,005)	(164,005)	(166,807)		(2,802)	-1.71%
Utilities	(6,829)	(6,829)	0	6,829		100.00%
Members Equity						
Income Sale of Lots - Subdivisions	41,247,399	41,247,399	38,048,256		(3,199,143)	-7.76%
Land Production Costs	(37,037,724)	(37,037,724)	(22,622,065)	14,415,659		38.92%
GST Withheld Member Councils	(3,077,580)	(3,077,580)	(2,233,210)	844,370		27.44%
Profit distribution/Contributions Returned	(20,485,534)	(20,485,534)	(21,864,570)		(1,379,036)	-6.73%
	(\$20,647,102)	(\$20,647,102)	(\$9,832,561)	\$15,396,069	(\$4,581,528)	
Total Change in Equity	(\$19,533,284)	(\$19,533,284)	(\$8,544,426)	\$15,575,396	(\$4,586,538)	

Statement of Financial Position as at 30 June 2023

	Actual	Actual	Variance	Variance
	2021-22	2022-23		
	\$	\$	\$	%
Current assets				
Cash and cash equivalents	52,296,465	43,645,428	(8,651,037)	-16.54%
Trade and other receivables	782,569	1,227,886	445,317	56.90%
Total current assets	53,079,034	44,873,314	(8,205,720)	-15.5%
Non-current assets				
Inventories	1,600,000	1,600,000	0	0.00%
Right of use assets	149,716	126,308	(23,408)	-15.64%
Property, plant and equipment	36,311	26,756	(9,555)	-26.31%
Total non-current assets	1,786,027	1,753,064	(32,963)	-1.85%
Total assets	54,865,061	46,626,378	(8,238,683)	-15.02%
Current liabilities				
Trade and other payables	162,938	478,787	(315,849)	-193.85%
Lease Liabilities	31,760	34,966	(3,206)	-10.09%
Provisions	21,788	27,532	(5,744)	-26.36%
Total current liabilities	216,485	541,284	(324,799)	-150.0%
Non-current liabilities				
Lease Liabilities	119,156	93,832	25,324	0.00%
Provisions	13,527	19,795	-6,268	-46.34%
Total non-current liabilities	132,683	113,627	19,056	14.36%
Total liabilities	349,168	654,911	(305,743)	-87.56%
Net assets	54,515,893	45,971,467	(8,544,426)	-15.67%

Investment Summary as at 30 June 2023

Cash Accounts

Face Value (\$)	Current Rate (%)	Institution	Credit Rating	Current Value (\$)	Deal No.
1,117,998.87	4.0053%	Macquarie Bank	A+	1,117,998.87	541301
1,117,998.87	4.0053%			1,117,998.87	

Term Deposits

Maturity Date	Face Value (\$)	Current Rate (%)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)
Jul-23	1,006,578.08	4.2000%	Suncorp Bank	A+	1,006,578.08	Nov-22	1,033,102.10	543545	26,524.02
Aug-23	2,000,000.00	4.6500%	AMP Bank	BBB	2,000,000.00	Nov-22	2,060,131.51	543519	60,131.51
Aug-23	3,000,000.00	4.6500%	AMP Bank	BBB	3,000,000.00	Nov-22	3,090,197.26	543520	90,197.26
Sep-23	1,000,000.00	4.4700%	Commonwealth Bank of Australia	AA-	1,000,000.00	Feb-23	1,017,635.07	543795	17,635.07
Sep-23	3,012,115.07	4.8400%	Westpac Group	AA-	3,012,115.07	Sep-22	3,123,152.36	543396	111,037.29
Oct-23	3,000,000.00	4.5800%	Westpac Group	AA-	3,000,000.00	Oct-22	3,097,873.97	543474	97,873.97
Nov-23	1,000,000.00	4.8200%	Westpac Group	AA-	1,000,000.00	Mar-23	1,014,261.92	543933	14,261.92
Dec-23	4,000,000.00	4.7200%	National Australia Bank	AA-	4,000,000.00	Mar-23	4,058,450.41	543931	58,450.41
Dec-23	2,500,000.00	5.1000%	Suncorp Bank	A+	2,500,000.00	Jun-23	2,508,732.88	544161	8,732.88
Dec-23	3,000,000.00	4.8500%	Westpac Group	AA-	3,000,000.00	Mar-23	3,046,241.10	543905	46,241.10
Jan-24	2,000,000.00	4.4900%	Commonwealth Bank of Australia	AA-	2,000,000.00	Jan-23	2,038,872.33	543716	38,872.33
Feb-24	1,004,763.01	4.9500%	Westpac Group	AA-	1,004,763.01	Feb-23	1,023,430.96	543888	18,667.95
Feb-24	1,009,374.25	5.0500%	Westpac Group	AA-	1,009,374.25	Feb-23	1,027,389.51	543853	18,015.26
Mar-24	2,000,000.00	4.8600%	Westpac Group	AA-	2,000,000.00	May-23	2,012,249.86	544120	12,249.86
May-24	3,000,000.00	5.0500%	AMP Bank	BBB	3,000,000.00	May-23	3,024,489.04	544062	24,489.04
May-24	1,500,000.00	5.1000%	AMP Bank	BBB	1,500,000.00	May-23	1,509,641.10	544099	9,641.10
May-24	3,000,000.00	4.9900%	National Australia Bank	AA-	3,000,000.00	May-23	3,012,714.25	544137	12,714.25
Jun-24	2,500,000.00	5.4800%	Suncorp Bank	A+	2,500,000.00	Jun-23	2,506,005.48	544204	6,005.48
Jun-24	2,500,000.00	5.5900%	Westpac Group	AA-	2,500,000.00	Jun-23	2,503,445.89	544220	3,445.89
	42,032,830.41	4.8886%			42,032,830.41		42,708,017.00		675,186.59

TAMALA PARK REGIONAL COUNCIL
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 30 June 2023

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

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**KEY TERMS AND DESCRIPTIONS
FOR THE PERIOD ENDED 30 JUNE 2023**

NATURE OR TYPE DESCRIPTIONS

REVENUE

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates, reimbursements etc.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

EXPENSES

EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets. Excluding Land.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2023**

BY NATURE OR TYPE

	Ref Note	Amended Budget (a)	YTD Budget (b)	YTD Actual (c)	Variance \$ (c) - (b)	Variance % ((c) - (b))/(b)	Var.
Opening funding surplus / (deficit)	2(c)	\$ 52,894,309	\$ 52,894,309	\$ 52,894,309	\$ 0	0.00%	
Revenue from operating activities							
Interest earnings		1,070,000	1,070,000	1,249,327	179,327	16.76%	▲
Other revenue		43,818	43,818	38,808	(5,010)	(11.43%)	▼
		1,113,818	1,113,818	1,288,135	174,317	15.65%	
Expenditure from operating activities							
Employee costs		(702,630)	(702,630)	(671,118)	31,512	4.48%	
Materials and contracts		(353,852)	(353,852)	(256,154)	97,698	27.61%	▲
Utility charges		(6,829)	(6,829)	0	6,829	100.00%	▲
Depreciation on non-current assets		(43,510)	(43,510)	(43,931)	(421)	(0.97%)	
Interest expenses		(3,240)	(3,240)	(3,366)	(126)	(3.89%)	
Insurance expenses		(19,597)	(19,597)	(19,596)	1	0.01%	
Other expenditure		(164,005)	(164,005)	(166,808)	(2,803)	(1.71%)	
		(1,293,663)	(1,293,663)	(1,160,973)	132,690	(10.26%)	
Non-cash amounts excluded from operating activities	2(a)	43,510	43,510	50,199	6,689	15.37%	▲
Amount attributable to operating activities		(136,335)	(136,335)	177,361	313,696	(230.09%)	
Financing Activities							
Payments of member contributions	1	(37,037,724)	(37,037,724)	(22,622,065)	14,415,659	38.92%	▲
Proceeds from member contributions	1	41,247,399	41,247,399	38,048,256	(3,199,143)	7.76%	
Payments of GST withheld	1	(3,077,580)	(3,077,580)	(2,233,210)	844,370	27.44%	▲
Payments for principal portion of lease liabilities	7	(33,576)	(33,576)	(33,086)	490	1.46%	
Payments return of contribution	1	(20,000,000)	(20,000,000)	(20,000,000)	0	0.00%	
Payments return of equity	1	(485,534)	(485,534)	(1,808,171)	(1,322,637)	(272.41%)	▼
Payments from rates equivalent	1	0	0	(56,399)	(56,399)	0.00%	▼
Amount attributable to financing activities		(19,387,015)	(19,387,015)	(8,704,675)	10,682,340	(55.10%)	
Closing funding surplus / (deficit)	2(c)	33,370,959	33,370,959	44,366,995	10,996,036	(32.95%)	▲

KEY INFORMATION

▲▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

Refer to Note 10 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

BASIS OF PREPARATION

This financial report has been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996*, prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Regional Council to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

THE LOCAL GOVERNMENT REPORTING ENTITY

All funds through which the Regional Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements.

SIGNIFICANT ACCOUNTING POLICES

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

ROUNDING OFF FIGURES

All figures shown in this statement are rounded to the nearest dollar.

PREPARATION TIMING AND REVIEW

Date prepared: All known transactions up to 10 July 2023

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2023

NOTE 1
CONTRIBUTED EQUITY

Movement in Financing Activities as Represented by:

	Land Sales	Development Expenses	Return of Contribution	Return of Equity	Rates Equivalent	Payments of Lease	GST Withheld	Total Movement
	Year to Date	Year to Date	Year to Date	Year to Date	Year to Date	Liabilities	Year to Date	Year to Date
	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023	30 June 2023
	\$	\$	\$	\$	\$	\$	\$	\$
Town of Victoria Park	3,170,688	(1,885,172)	(1,666,668)	(150,681)	(4,700)	(2,757)	(186,101)	(725,391)
City of Perth	3,170,688	(1,885,172)	(1,666,668)	(150,681)	(4,700)	(2,757)	(186,101)	(725,391)
Town of Cambridge	3,170,688	(1,885,172)	(1,666,668)	(150,681)	(4,700)	(2,757)	(186,101)	(725,391)
City of Joondalup	6,341,376	(3,770,344)	(3,333,332)	(301,362)	(9,400)	(5,514)	(372,202)	(1,450,778)
City of Wanneroo	6,341,376	(3,770,344)	(3,333,332)	(301,362)	(9,400)	(5,514)	(372,202)	(1,450,778)
Town of Vincent	3,170,688	(1,885,172)	(1,666,668)	(150,681)	(4,700)	(2,757)	(186,101)	(725,391)
City of Stirling	12,682,752	(7,540,688)	(6,666,664)	(602,724)	(18,799)	(11,030)	(744,402)	(2,901,555)
Total	38,048,256	(22,622,065)	(20,000,000)	(1,808,171)	(56,399)	(33,086)	(2,233,210)	(8,704,675)

	Land Sales	Development Expenses	Return of Contribution	Return of Equity	Rates Equivalent	Payments of Lease	GST Withheld	Total Movement
	Amended Budget	Amended Budget	Amended Budget	Amended Budget	Amended Budget	Liabilities Budget	Amended Budget	Amended Budget
	Amended Budget	Amended Budget	Amended Budget	Amended Budget	Amended Budget	Liabilities Budget	Amended Budget	Amended Budget
	\$	\$	\$	\$	\$	\$	\$	\$
Town of Victoria Park	3,437,283	(3,086,477)	(1,666,667)	(40,461)	0	(2,798)	(256,465)	(1,615,585)
City of Perth	3,437,283	(3,086,477)	(1,666,667)	(40,461)	0	(2,798)	(256,465)	(1,615,585)
Town of Cambridge	3,437,283	(3,086,477)	(1,666,667)	(40,461)	0	(2,798)	(256,465)	(1,615,585)
City of Joondalup	6,874,567	(6,172,954)	(3,333,333)	(80,922)	0	(5,596)	(512,930)	(3,231,168)
City of Wanneroo	6,874,567	(6,172,954)	(3,333,333)	(80,922)	0	(5,596)	(512,930)	(3,231,168)
Town of Vincent	3,437,283	(3,086,477)	(1,666,667)	(40,461)	0	(2,798)	(256,465)	(1,615,585)
City of Stirling	13,749,133	(12,345,908)	(6,666,666)	(161,846)	0	(11,192)	(1,025,860)	(6,462,339)
Total	41,247,399	(37,037,724)	(20,000,000)	(485,534)	0	(33,576)	(3,077,580)	(19,387,015)

Movement in Total Equity Represented by:

	Closing Balance	Movement in		Year to Date
	30 June 2022	Contributed Equity	Net Result	30 June 2023
	\$	\$	\$	\$
Town of Victoria Park	4,509,818	(725,391)	10,597	3,795,024
City of Perth	4,509,818	(725,391)	10,597	3,795,024
Town of Cambridge	4,509,818	(725,391)	10,597	3,795,024
City of Joondalup	9,019,634	(1,450,778)	21,194	7,590,050
City of Wanneroo	9,019,634	(1,450,778)	21,194	7,590,050
Town of Vincent	4,509,818	(725,391)	10,597	3,795,024
City of Stirling	18,042,083	(2,901,555)	42,387	15,182,915
Total	54,120,623	(8,704,675)	127,162	45,543,110

Total Movement in Equity **(8,577,513)**

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Notes	Amended Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities				
		\$	\$	\$
Adjustments to operating activities				
Movement in employee benefit provisions (non-current)		0	0	6,268
Add: Depreciation on assets		43,510	43,510	43,931
Total non-cash items excluded from operating activities		43,510	43,510	50,199

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

		Adopted Budget Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 30 June 2023
Adjustments to net current assets				
Add: Lease liabilities	7	33,577	31,760	34,966
Total adjustments to net current assets		33,577	31,760	34,966

(c) Net current assets used in the Statement of Financial Activity

Current assets				
Cash and cash equivalents	3	26,648,937	10,227,737	1,612,597
Financial assets at amortised cost	3	0	42,228,303	42,032,830
Receivables	4	350,000	595,395	1,210,721
Other current assets	5	10,000	27,600	10,800
Less: Current liabilities				
Payables	6	(91,644)	(162,938)	(472,421)
Lease liabilities	7	(33,577)	(31,760)	(34,966)
Provisions	8	(21,788)	(21,788)	(27,532)
Less: Total adjustments to net current assets	2(b)	33,577	31,760	34,966
Closing funding surplus / (deficit)		26,895,505	52,894,309	44,366,995

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Total Cash and Financial Assets	Institution	Interest Rate	Maturity Date
		\$	\$			
Current cash and current financial assets						
Municipal bank	Cash and cash equivalents	115,865	115,865	Westpac	Nil	Nil
Settlement Proceeds	Cash and cash equivalents	378,733	378,733	Westpac	0.34%	Nil
Cash Management	Cash and cash equivalents	310	310	Macquarie	0.25%	Nil
Accelerator	Cash and cash equivalents	1,117,689	1,117,689	Macquarie	1.85%	Nil
Term Deposit 4915	Financial assets at amortised cost	1,006,578	1,006,578	Suncorp	4.20%	Jul-23
Term Deposit	Financial assets at amortised cost	2,000,000	2,000,000	AMP	4.65%	Aug-23
Term Deposit	Financial assets at amortised cost	3,000,000	3,000,000	AMP	4.65%	Aug-23
Term Deposit 2250	Financial assets at amortised cost	3,012,115	3,012,115	Westpac	4.84%	Sep-23
Term Deposit	Financial assets at amortised cost	1,000,000	1,000,000	CBA	4.47%	Sep-23
Term Deposit 0647	Financial assets at amortised cost	3,000,000	3,000,000	Westpac	4.58%	Oct-23
Term Deposit	Financial assets at amortised cost	1,000,000	1,000,000	Westpac	4.82%	Nov-23
Term Deposit	Financial assets at amortised cost	3,000,000	3,000,000	Westpac	4.85%	Dec-23
Term Deposit	Financial assets at amortised cost	4,000,000	4,000,000	NAB	4.72%	Dec-23
Term Deposit 6177	Financial assets at amortised cost	2,500,000	2,500,000	Suncorp	5.10%	Dec-23
Term Deposit	Financial assets at amortised cost	2,000,000	2,000,000	CBA	4.49%	Jan-24
Term Deposit 2949	Financial assets at amortised cost	1,004,763	1,004,763	Westpac	4.95%	Feb-24
Term Deposit	Financial assets at amortised cost	1,009,374	1,009,374	Westpac	5.05%	Feb-24
Term Deposit	Financial assets at amortised cost	2,000,000	2,000,000	Westpac	4.86%	Mar-24
Term Deposit	Financial assets at amortised cost	1,500,000	1,500,000	AMP	5.10%	Apr-24
Term Deposit	Financial assets at amortised cost	3,000,000	3,000,000	AMP	5.05%	May-24
Term Deposit	Financial assets at amortised cost	3,000,000	3,000,000	NAB	4.99%	May-24
Term Deposit 6256	Financial assets at amortised cost	2,500,000	2,500,000	Suncorp	5.48%	Jun-24
Term Deposit 1023	Financial assets at amortised cost	2,500,000	2,500,000	Westpac	5.59%	Jun-24
Total		43,645,427	43,645,427			
Comprising						
Cash and cash equivalents		1,612,597	1,612,597			
Financial assets at amortised cost - current		42,032,830	42,032,830			
		43,645,427	43,645,427			

KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of net current assets.

The local government classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	0	455,526	83,772	7,897	0	547,195
Percentage	0.0%	83.2%	15.3%	1.4%	0%	
Balance per trial balance						
Sundry receivable						547,195
Accrued interest						663,526
Total receivables general outstanding						1,210,721

Amounts shown above include GST (where applicable)

KEY INFORMATION

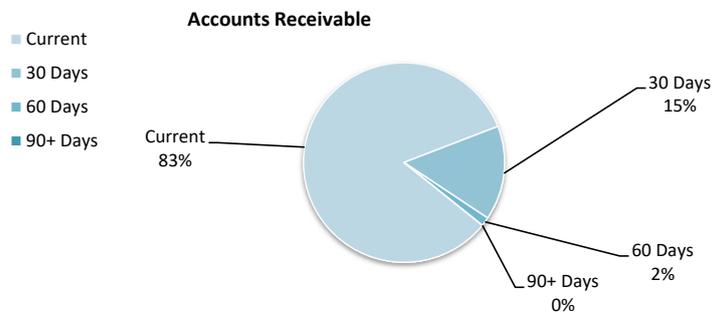
Trade and other receivables include amounts due from third parties for goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectable amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days and are classified as current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Regional Council measures them subsequently at amortised cost using the effective interest rate method.



	Opening Balance 1 July 2022	Asset Increase	Asset Reduction	Closing Balance 30 June 2023
Other current assets	\$	\$	\$	\$
Funds held by Settlement agent in Trust	27,600	46,500	(63,300)	10,800
Total other current assets	27,600	46,500	(63,300)	10,800

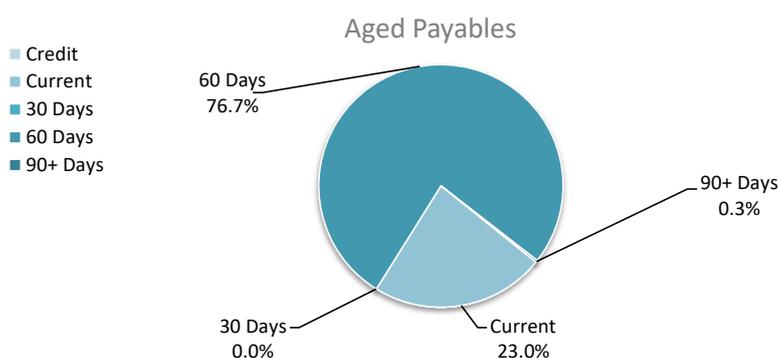
Amounts shown above include GST (where applicable)

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	67,609	0	225,301	750	293,660
Percentage	0%	23%	0%	76.7%	0.3%	
Balance per trial balance						
Sundry creditors						293,660
Accrued salaries and wages						6,922
ATO liabilities						15,258
Credit card						5,081
Accrued expenses						31,500
Deposits or bonds						120,000
Total payables general outstanding						472,421

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Regional Council prior to the end of the period that are unpaid and arise when the Regional Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.



Movement in carrying amounts

Information on leases	Lease No.	1 July 2022	New Leases		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Particulars		\$	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services										
2/369 Scarborough Beach Road, Innaloo	STIRLI/210937	87,082	10,968	0	(33,086)	(33,576)	64,964	53,506	(3,366)	(3,240)
Total		87,082	10,968	0	(33,086)	(33,576)	64,964	53,506	(3,366)	(3,240)
Current lease liabilities		31,760					34,966			
Non-current lease liabilities		119,156					93,832			
		150,916					128,798			

All lease repayments were financed by general purpose revenue.

KEY INFORMATION

At inception of a contract, the Regional Council assesses if the contract contains or is a lease. A contract is or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Regional Council uses its incremental borrowing rate.

All contracts classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

	Note	Opening Balance 1 July 2022	Liability transferred from/(to) non current	Liability Increase	Liability Reduction	Closing Balance 30 June 2023
		\$		\$	\$	\$
Other current liabilities						
Employee Related Provisions						
Annual leave		21,788	0	16,089	(10,345)	27,532
Long service leave		0	(6,268)	22,580	(16,312)	0
Total Employee Related Provisions		21,788	(6,268)	38,669	(26,657)	27,532
Total other current liabilities		21,788	(6,268)	38,669	(26,657)	27,532
Amounts shown above include GST (where applicable)						

KEY INFORMATION

Provisions

Provisions are recognised when the Regional Council has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Employee Related Provisions

Short-term employee benefits

Provision is made for the Regional Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Regional Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the calculation of net current assets.

Other long-term employee benefits

The Regional Council's obligations for employees' annual leave and long service leave entitlements are recognised as employee related provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur. The Regional Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Regional Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2023**

**NOTE 9
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

Description	Council Resolution	Classification	Non Cash	Increase in	Decrease in	Amended Budget
			Adjustment	Cash	Available Cash	Running Balance
			\$	\$	\$	\$
Budget adoption			0	26,895,505	0	26,895,505
Opening Surplus(Deficit)	16.02.2023 item 9.1	Opening Surplus(Deficit)	0	0	(4,863)	26,890,642
Interest earnings	16.02.2023 item 9.1	Operating Revenue	0	179,574	0	27,070,216
Other revenue	16.02.2023 item 9.1	Operating Revenue	0	32,818	(11,939)	27,091,095
Employee costs	16.02.2023 item 9.1	Operating Expenses	0	35,307	0	27,126,402
Materials and contracts	16.02.2023 item 9.1	Operating Expenses	0	46,707	(20,249)	27,152,860
Interest expenses	16.02.2023 item 9.1	Operating Expenses	0	0	(1,817)	27,151,043
Insurance expenses	16.02.2023 item 9.1	Operating Expenses	0	2,355	0	27,153,398
Other expenditure	16.02.2023 item 9.1	Operating Expenses	0	7,250	0	27,160,648
Payments for property, plant and equipment	16.02.2023 item 9.1	Capital Expenses	0	5,000	0	27,165,648
Payments of member contributions	16.02.2023 item 9.1	Capital Expenses	0	26,230,897	(2,204,539)	51,192,006
Proceeds from member contributions	16.02.2023 item 9.1	Capital Revenue	0	149,986	(19,059,126)	32,282,866
Payments of GST withheld	16.02.2023 item 9.1	Capital Expenses	0	1,088,093	0	33,370,959
			0	54,673,492	(21,302,533)	33,370,959

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 30 JUNE 2023**

**NOTE 10
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.
The material variance adopted by Council for the 2022-23 year is \$5,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Explanation of positive variances		Explanation of negative variances	
			Timing	Permanent	Timing	Permanent
	\$	%				
Revenue from operating activities						
Interest earnings	179,327	16.76%	▲			
Other revenue	(5,010)	(11.43%)			▼	
Expenditure from operating activities						
Materials and contracts	97,698	27.61%	▲			
Utility charges	6,829	100.00%	▲			
Non-cash amounts excluded from operating activities	6,689	15.37%	▲			
Financing activities						
Payments of member contributions	14,415,659	38.92%	▲			
Payments return of equity	(1,322,637)	(272.41%)			▼	
Payments from rates equivalent	(56,399)	0.00%			▼	
Closing funding surplus / (deficit)	10,996,036	(32.95%)	▲			



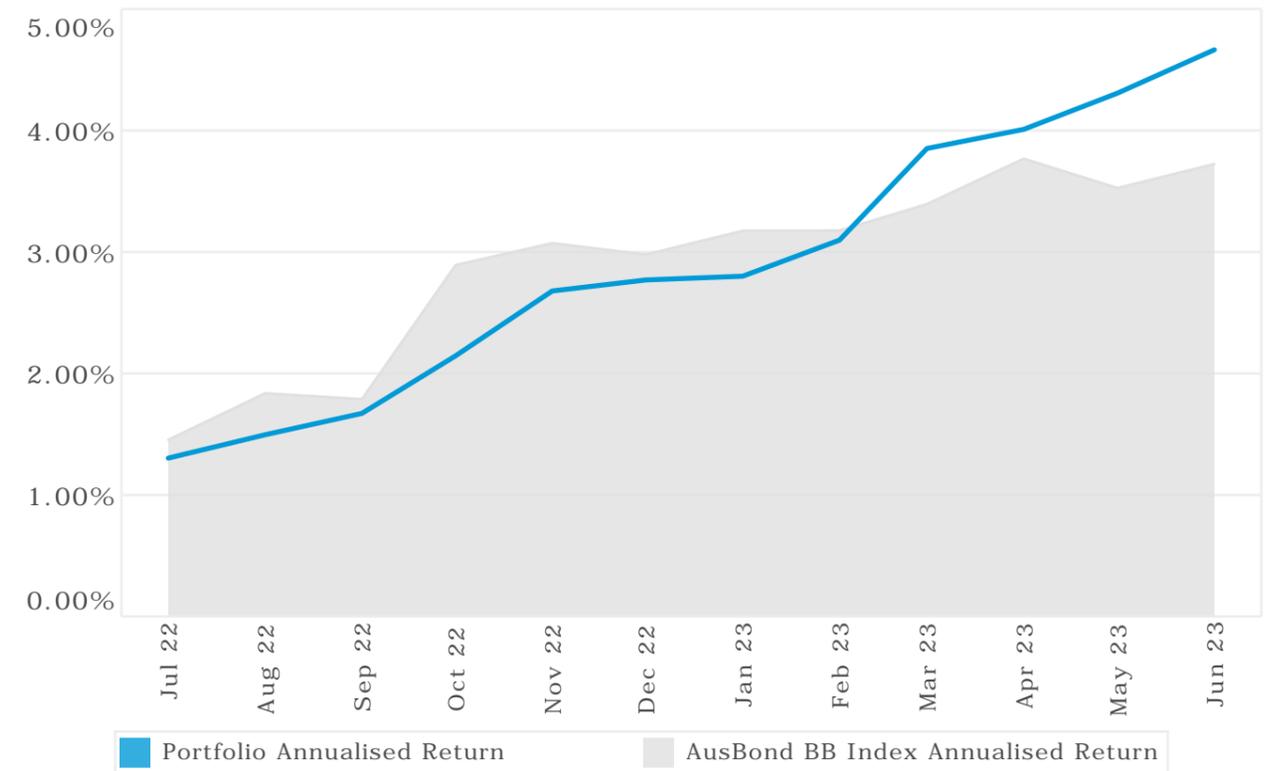
Investment Summary Report
June 2023



Investment Holdings

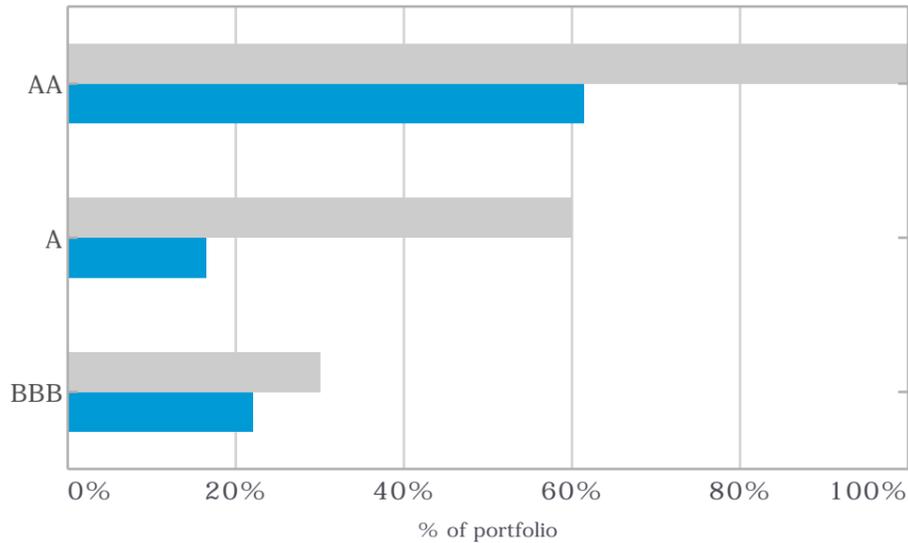
Investment Performance

	Face Value (\$)	Current Value (\$)	Current	Yield (%)
Cash	1,117,999	1,117,999		4.0053
Term Deposit	42,032,830	42,708,017		4.8886
	43,150,829	43,826,016		4.8657

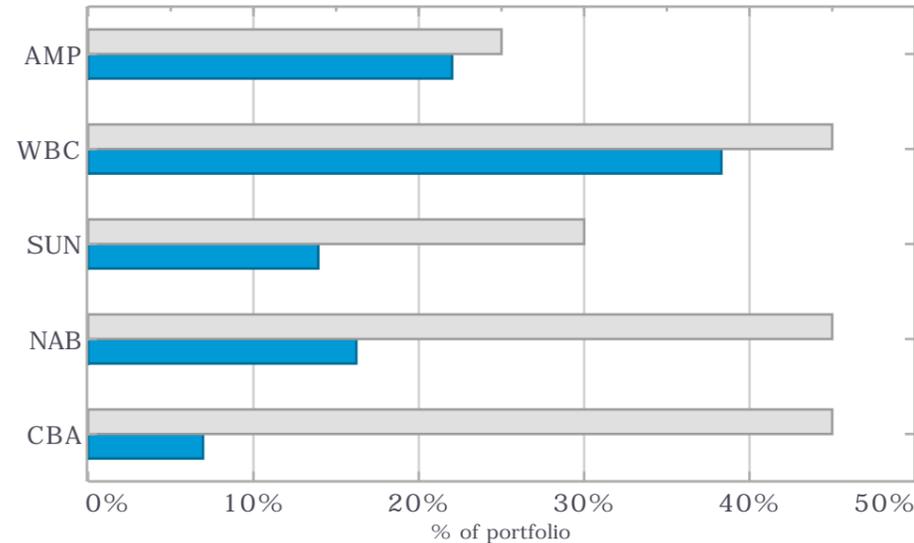


Investment Policy Compliance

Total Credit Exposure



Individual Institutional Exposures



Term to Maturities

	Face Value (\$)	Policy Max
Between 0 and 1 years	43,150,829	100% a
	43,150,829	

g Portfolio Exposure g Investment Policy Limit

Tamala Park Regional Council

Investment Holdings Report - June 2023



Cash Accounts

Face Value (\$)	Current Rate (%)	Institution	Credit Rating	Current Value (\$)	Deal No.	Reference
1,117,998.87	4.0053%	Macquarie Bank	A+	1,117,998.87	541301	Accelerator
1,117,998.87	4.0053%			1,117,998.87		

Term Deposits

Maturity Date	Face Value (\$)	Current Rate (%)	Institution	Credit Rating	Purchase Price (\$)	Purchase Date	Current Value (\$)	Deal No.	Accrued Interest (\$)	Next Interest Date	Reference
Jul-23	1,006,578.08	4.2000%	Suncorp Bank	A+	1,006,578.08	Nov-22	1,033,102.10	543545	26,524.02	At Maturity	690
Aug-23	2,000,000.00	4.6500%	AMP Bank	BBB	2,000,000.00	Nov-22	2,060,131.51	543519	60,131.51	At Maturity	687
Aug-23	3,000,000.00	4.6500%	AMP Bank	BBB	3,000,000.00	Nov-22	3,090,197.26	543520	90,197.26	At Maturity	689
Sep-23	1,000,000.00	4.4700%	Commonwealth Bank of Australia	AA-	1,000,000.00	Feb-23	1,017,635.07	543795	17,635.07	At Maturity	692
Sep-23	3,012,115.07	4.8400%	Westpac Group	AA-	3,012,115.07	Sep-22	3,123,152.36	543396	111,037.29	At Maturity	683
Oct-23	3,000,000.00	4.5800%	Westpac Group	AA-	3,000,000.00	Oct-22	3,097,873.97	543474	97,873.97	At Maturity	685
Nov-23	1,000,000.00	4.8200%	Westpac Group	AA-	1,000,000.00	Mar-23	1,014,261.92	543933	14,261.92	At Maturity	698
Dec-23	4,000,000.00	4.7200%	National Australia Bank	AA-	4,000,000.00	Mar-23	4,058,450.41	543931	58,450.41	At Maturity	697
Dec-23	2,500,000.00	5.1000%	Suncorp Bank	A+	2,500,000.00	Jun-23	2,508,732.88	544161	8,732.88	At Maturity	703
Dec-23	3,000,000.00	4.8500%	Westpac Group	AA-	3,000,000.00	Mar-23	3,046,241.10	543905	46,241.10	At Maturity	696
Jan-24	2,000,000.00	4.4900%	Commonwealth Bank of Australia	AA-	2,000,000.00	Jan-23	2,038,872.33	543716	38,872.33	At Maturity	691
Feb-24	1,004,763.01	4.9500%	Westpac Group	AA-	1,004,763.01	Feb-23	1,023,430.96	543888	18,667.95	Semi Annually	693
Feb-24	1,009,374.25	5.0500%	Westpac Group	AA-	1,009,374.25	Feb-23	1,027,389.51	543853	18,015.26	Semi Annually	695
Mar-24	2,000,000.00	4.8600%	Westpac Group	AA-	2,000,000.00	May-23	2,012,249.86	544120	12,249.86	At Maturity	700
May-24	3,000,000.00	5.0500%	AMP Bank	BBB	3,000,000.00	May-23	3,024,489.04	544062	24,489.04	At Maturity	702
May-24	1,500,000.00	5.1000%	AMP Bank	BBB	1,500,000.00	May-23	1,509,641.10	544099	9,641.10	At Maturity	699
May-24	3,000,000.00	4.9900%	National Australia Bank	AA-	3,000,000.00	May-23	3,012,714.25	544137	12,714.25	At Maturity	701
Jun-24	2,500,000.00	5.4800%	Suncorp Bank	A+	2,500,000.00	Jun-23	2,506,005.48	544204	6,005.48	At Maturity	704
Jun-24	2,500,000.00	5.5900%	Westpac Group	AA-	2,500,000.00	Jun-23	2,503,445.89	544220	3,445.89	Annually	
	42,032,830.41	4.8886%			42,032,830.41		42,708,017.00		675,186.59		

Tamala Park Regional Council

Accrued Interest Report - June 2023



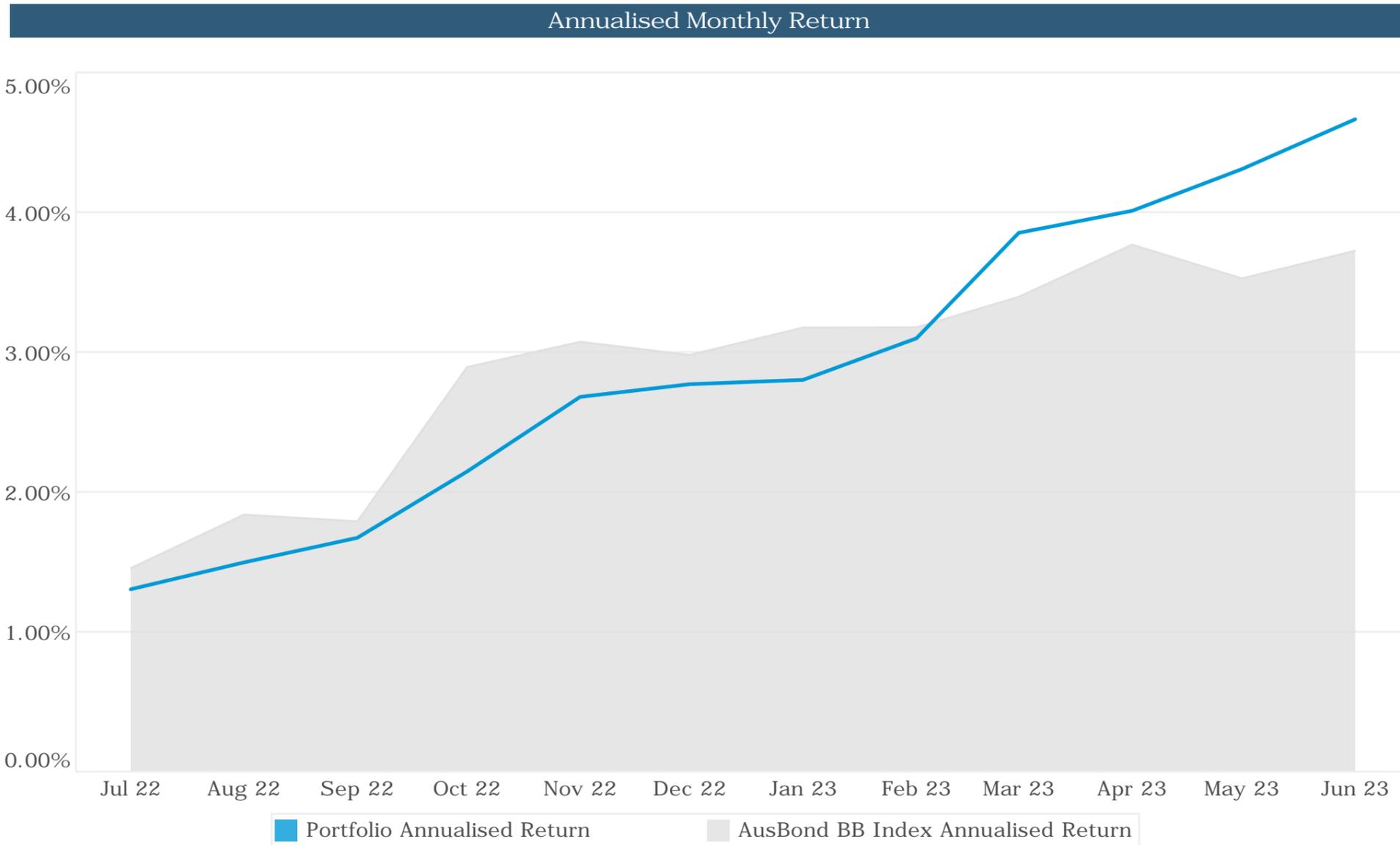
Investment	Deal No.	Comments	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Yield (% pa)
Bonds									
NT T-Corp Bond (Jun23) 0.70%	541265		3,000,000.00	Apr-21	Jun-23	21,000.00	14	805.48	0.70%
						21,000.00		805.48	0.70%
Cash									
Macquarie Bank	541301					3,602.20	0	3,602.20	4.01%
						3,602.20		3,602.20	4.01%
Term Deposits									
Commonwealth Bank of Australia	542933		3,000,000.00	Jul-22	Jun-23	106,282.19	5	1,586.30	3.86%
Suncorp Bank	543545		1,006,578.08	Nov-22	Jul-23	0.00	30	3,474.76	4.20%
AMP Bank	543519		2,000,000.00	Nov-22	Aug-23	0.00	30	7,643.84	4.65%
AMP Bank	543520		3,000,000.00	Nov-22	Aug-23	0.00	30	11,465.75	4.65%
Westpac Group	543396		3,012,115.07	Sep-22	Sep-23	0.00	30	11,982.44	4.84%
Commonwealth Bank of Australia	543795		1,000,000.00	Feb-23	Sep-23	0.00	30	3,673.97	4.47%
Westpac Group	543474		3,000,000.00	Oct-22	Oct-23	0.00	30	11,293.15	4.58%
Westpac Group	543933		1,000,000.00	Mar-23	Nov-23	0.00	30	3,961.65	4.82%
Westpac Group	543905		3,000,000.00	Mar-23	Dec-23	0.00	30	11,958.91	4.85%
National Australia Bank	543931		4,000,000.00	Mar-23	Dec-23	0.00	30	15,517.81	4.72%
Suncorp Bank	544161		2,500,000.00	Jun-23	Dec-23	0.00	25	8,732.88	5.10%
Commonwealth Bank of Australia	543716		2,000,000.00	Jan-23	Jan-24	0.00	30	7,380.82	4.49%
Westpac Group	543853		1,009,374.25	Feb-23	Feb-24	0.00	30	4,189.60	5.05%
Westpac Group	543888		1,004,763.01	Feb-23	Feb-24	0.00	30	4,087.88	4.95%
Westpac Group	544120		2,000,000.00	May-23	Mar-24	0.00	30	7,989.04	4.86%
AMP Bank	544062		3,000,000.00	May-23	May-24	0.00	30	12,452.05	5.05%
AMP Bank	544099		1,500,000.00	May-23	May-24	0.00	30	6,287.68	5.10%
National Australia Bank	544137		3,000,000.00	May-23	May-24	0.00	30	12,304.11	4.99%
Suncorp Bank	544204		2,500,000.00	Jun-23	Jun-24	0.00	16	6,005.48	5.48%
Westpac Group	544220		2,500,000.00	Jun-23	Jun-24	0.00	9	3,445.89	5.59%
						106,282.19		155,434.01	4.82%

Tamala Park Regional Council

Accrued Interest Report - June 2023



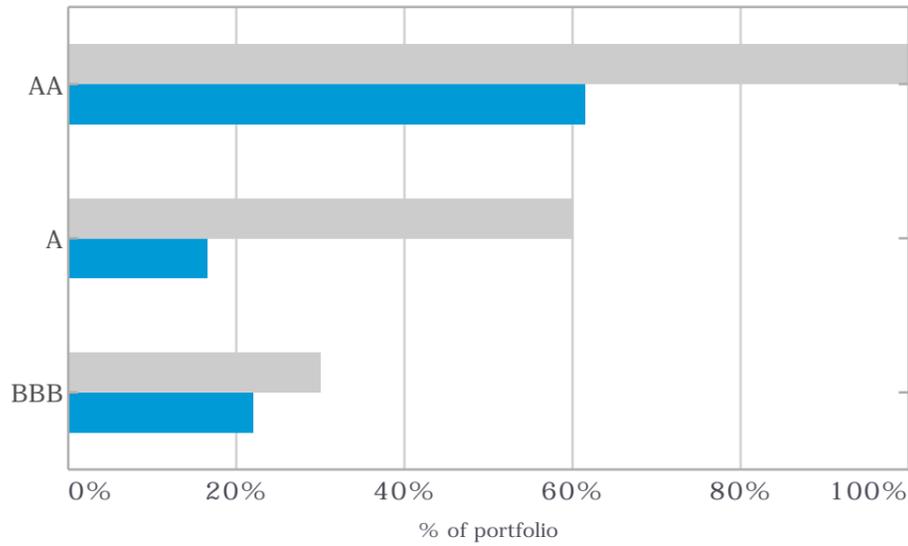
Investment	Deal No.	Comments	Face Value (\$)	Settlement Date	Maturity Date	Interest Received (\$)	Days	Interest Accrued (\$)	Yield (% pa)
<u>Grand Totals</u>						<u>130,884.39</u>		<u>159,841.69</u>	<u>4.66%</u>



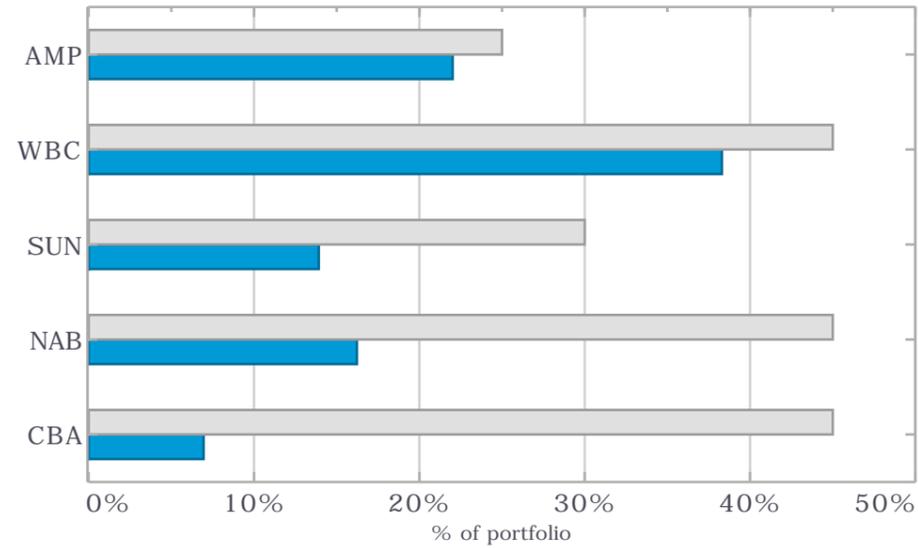
Historical Performance Summary (% pa)			
	Portfolio	Annualised BB Index	Outperformance
Jun 2023	4.66%	3.72%	0.94%
Last 3 months	4.33%	3.67%	0.66%
Last 6 months	3.79%	3.46%	0.33%
Financial Year to Date	2.89%	2.89%	0.00%
Last 12 months	2.89%	2.89%	0.00%



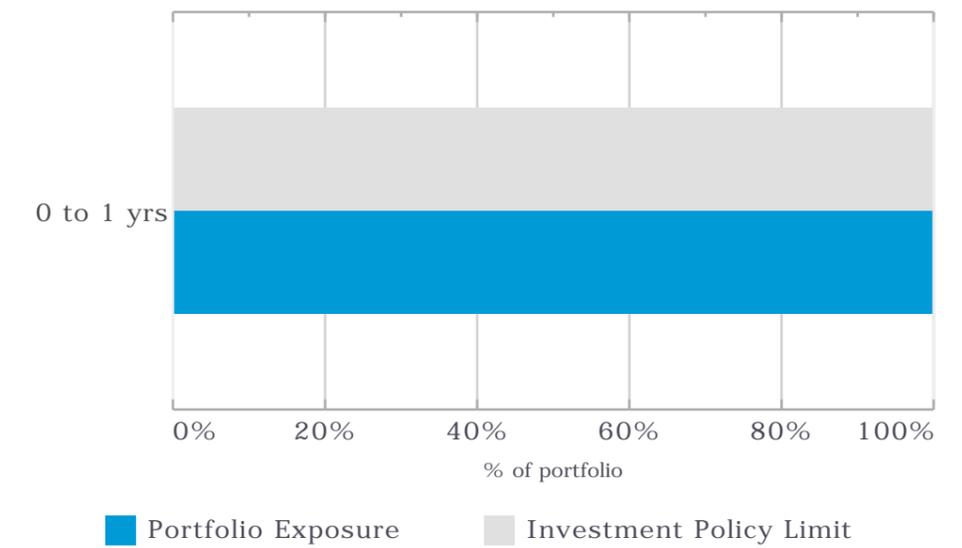
Total Credit Exposure



Individual Institutional Exposures



Term to Maturities



Credit Rating Group	Face Value (\$)	Policy Max
AA	26,526,252	100%
A	7,124,577	60%
BBB	9,500,000	30%
	43,150,829	

Institution	% of portfolio	Investment Policy Limit
AMP Bank (BBB)	22%	25%
Westpac Group (AA-)	38%	45%
Suncorp Bank (A+)	14%	30%
National Australia Bank (AA-)	16%	45%
Commonwealth Bank of Australia (AA-)	7%	45%
Macquarie Bank (A+)	3%	30%

Term to Maturity	Face Value (\$)	Policy Max
Between 0 and 1 years	43,150,829	100%
	43,150,829	

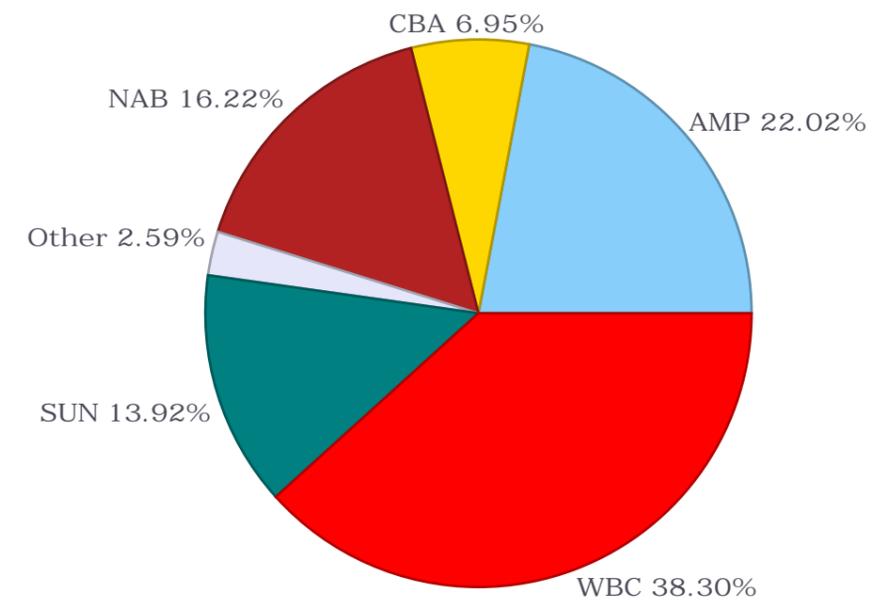
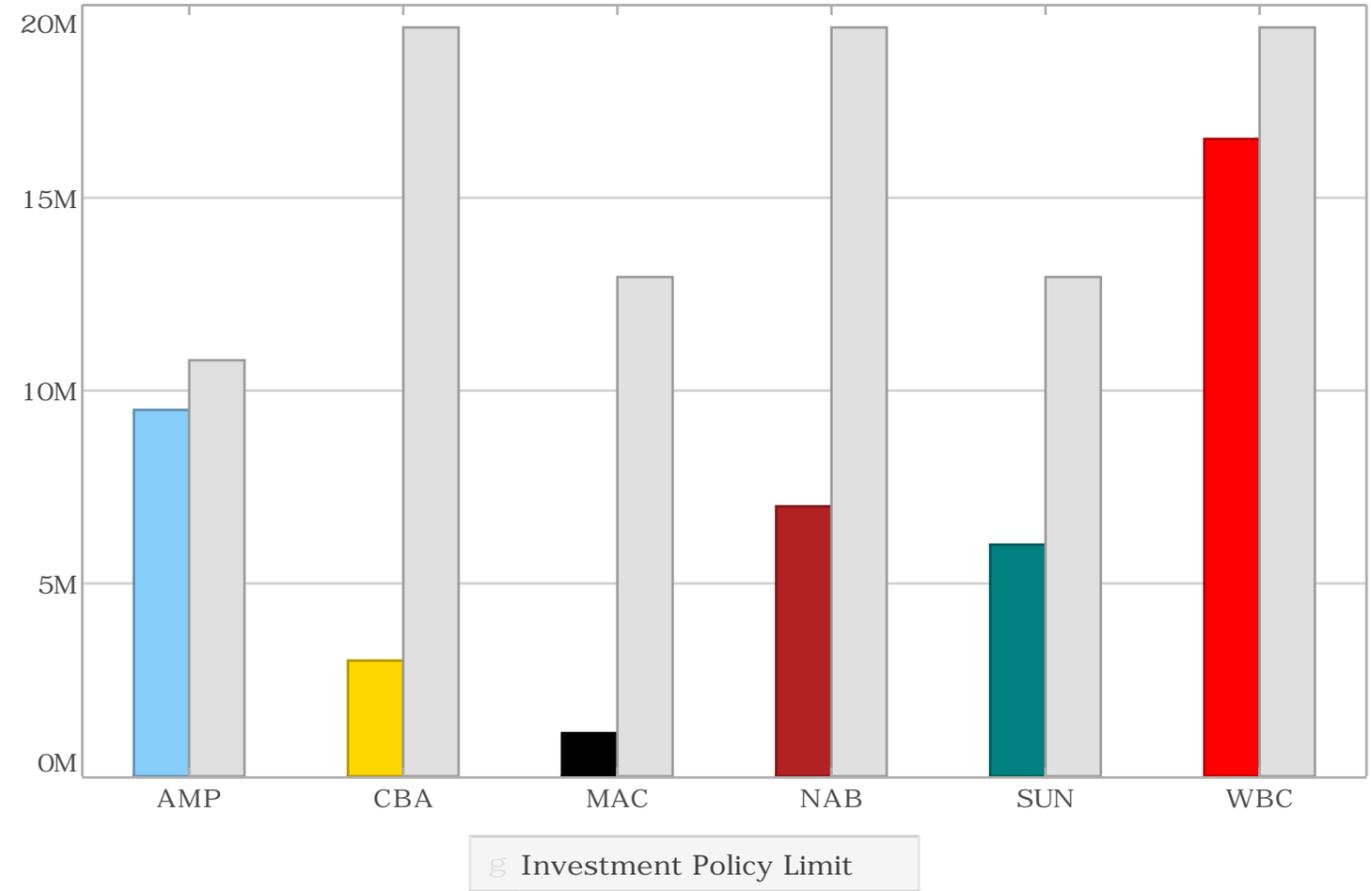
a = compliant
r = non-compliant



Individual Institutional Exposures

Individual Institutional Exposure Charts

	Current Exposures		Policy Limit		Capacity
AMP Bank (BBB)	9,500,000	22%	10,787,707	25%	1,287,707
Commonwealth Bank of Australia (AA-)	3,000,000	7%	19,417,873	45%	16,417,873
Macquarie Bank (A+)	1,117,999	3%	12,945,249	30%	11,827,250
National Australia Bank (AA-)	7,000,000	16%	19,417,873	45%	12,417,873
Suncorp Bank (A+)	6,006,578	14%	12,945,249	30%	6,938,671
Westpac Group (AA-)	16,526,252	38%	19,417,873	45%	2,891,621
	43,150,829				



Tamala Park Regional Council

Cashflows Report - June 2023

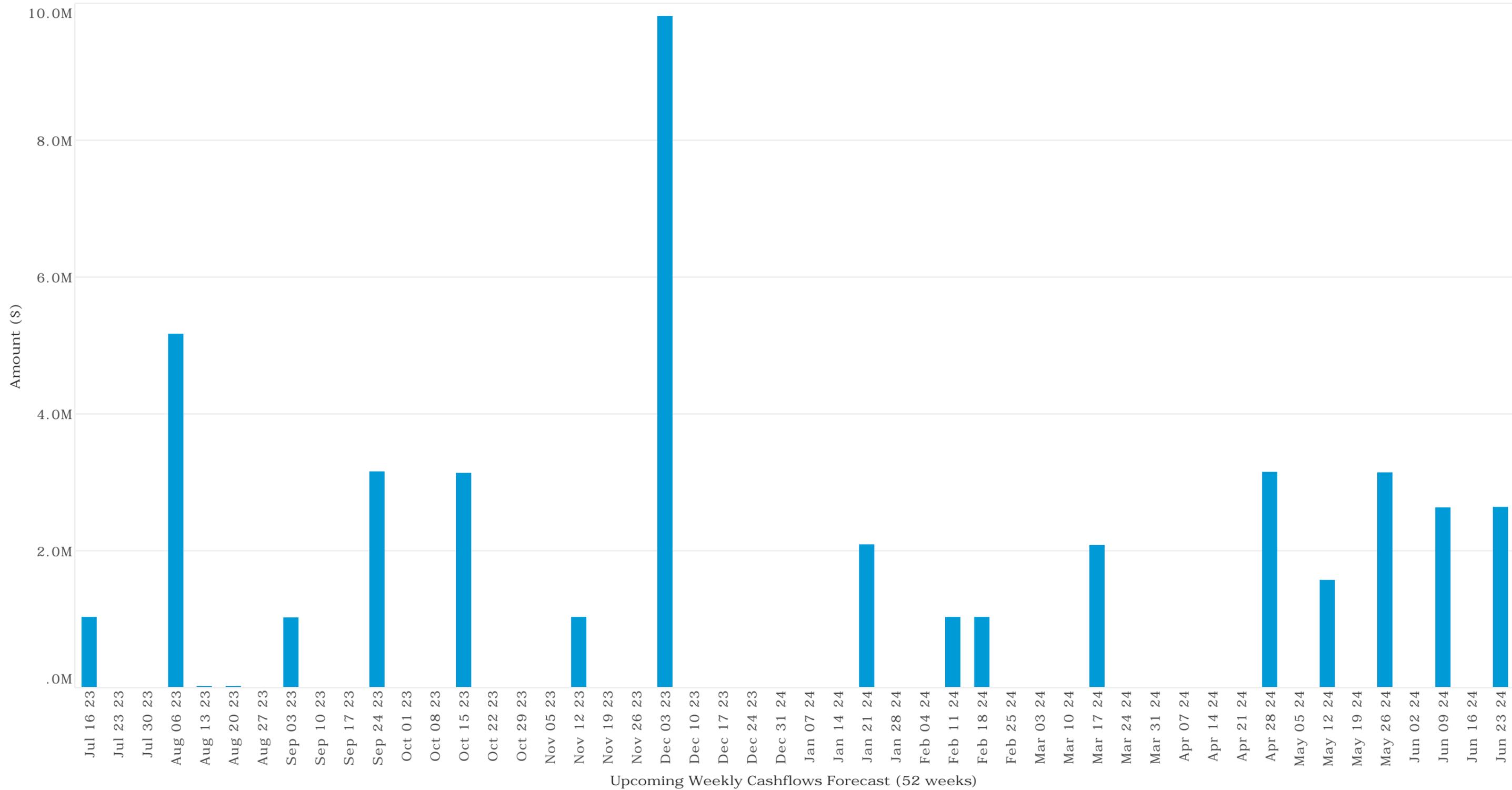


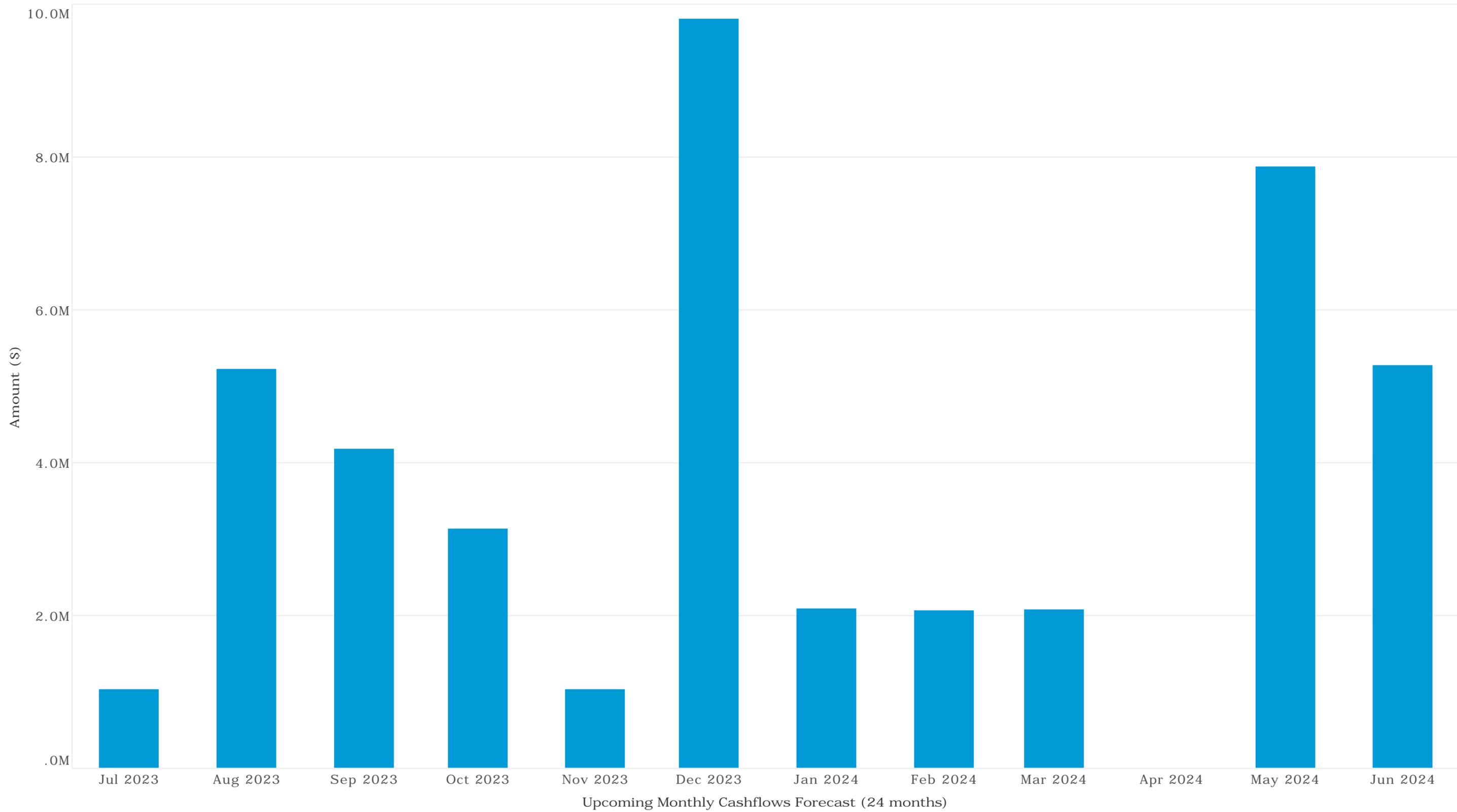
Actual Cashflows for June 2023

Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Amount
Jun-23	542933	Commonwealth Bank of Australia	Term Deposit	Maturity: Face Value	3,000,000.00
		Commonwealth Bank of Australia	Term Deposit	Maturity: Interest Received/Paid	106,282.20
<u>Deal Total</u>					<u>3,106,282.20</u>
Jun-23	544161	Suncorp Bank	Term Deposit	Settlement: Face Value	-2,500,000.00
<u>Deal Total</u>					<u>-2,500,000.00</u>
<u>Day Total</u>					<u>606,282.20</u>
Jun-23	541265	NT T-Corp Bond (Jun23) 0.70%	Bonds	Coupon Date	21,000.00
		NT T-Corp Bond (Jun23) 0.70%	Bonds	Maturity	3,000,000.00
<u>Deal Total</u>					<u>3,021,000.00</u>
Jun-23	544204	Suncorp Bank	Term Deposit	Settlement: Face Value	-2,500,000.00
<u>Deal Total</u>					<u>-2,500,000.00</u>
<u>Day Total</u>					<u>521,000.00</u>
Jun-23	544220	Westpac Group	Term Deposit	Settlement: Face Value	-2,500,000.00
<u>Deal Total</u>					<u>-2,500,000.00</u>
<u>Day Total</u>					<u>-2,500,000.00</u>
<u>Total for Month</u>					<u>-1,372,717.80</u>

Forecast Cashflows for July 2023

Date	Deal No.	Cashflow Counterparty	Asset Type	Cashflow Description	Amount
Jul-23	543545	Suncorp Bank	Term Deposit	Maturity: Face Value	1,006,578.06
		Suncorp Bank	Term Deposit	Maturity: Interest Received/Paid	28,493.05
<u>Deal Total</u>					<u>1,035,071.12</u>
<u>Day Total</u>					<u>1,035,071.12</u>
<u>Total for Month</u>					<u>1,035,071.12</u>





8.3. LIST OF MONTHLY ACCOUNTS SUBMITTED - JUNE 2023

Responsible Officer: Chief Executive Officer
Attachments: 1. Summary Payment List (June)
Voting Requirement: Simple Majority

RECOMMENDATION

That the Council:

- 1. RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for June 2023 - \$4,477,723.57**
 - 2. APPROVES the CEO Credit Card Statement for June 2023.**
-

PURPOSE

Submission of payments made under the CEO's Delegated Authority for the month of June 2023.

POLICY REFERENCE

N/A

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

PREVIOUS MINUTES

N/A

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 8	Risk Rating:
CRC Operations - Financial Management of CRC.	Low
Action:	

Preparation and reporting on monthly accounts for Council approval.

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 the Regulations that the 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, CRC procurement and other relevant policies.

Payments are reviewed by CRC Accountants Moore Australia following completion of each month's accounts.

**Tamala Park Regional Council
Summary Payment List
June 2023**

Date	Name	Description	Amount
01/06/2023	Employee costs	Wages for period 18/05/2023 - 31/05/2023	-15,760.65
01/06/2023	Burgess Rawson	Stage 38 Valuations (37 lots)	-2,035.00
01/06/2023	Chubb Fire & Security P/L	Sales Office fire service	-101.46
01/06/2023	City of Stirling	GST owing April 2023	-225,300.45
01/06/2023	City of Vincent	GST owing March 2023	-763.00
01/06/2023	City of Wanneroo	Local Development Plan - Stages 36-38	-401.32
01/06/2023	Hepcal, T & I	WELS Rebate (Lot 2166)	-1,000.00
01/06/2023	Moore Australia (WA) Pty Ltd	Compilation of SOFA (April 2023)	-2,310.00
01/06/2023	My Property House P/L	Builder Rebate (Lot 3108)	-11,000.00
01/06/2023	New Living Cleaning	Sales Office Cleaning (19/05/2023)	-231.00
01/06/2023	Officeworks	Office supplies	-148.61
01/06/2023	Prudential Investment Services	Investment Portfolio Services (May 2023)	-1,815.00
01/06/2023	Starr, S	Reimbursement of milk x 2	-6.50
01/06/2023	Tim Davies Landscaping P/L	Landscape maintenance supervision (March 2023)	-3,949.06
01/06/2023	Treacy Fencing	Fencing services	-15,131.27
01/06/2023	UDIA (WA)	Staff training	-287.00
01/06/2023	Western Power	Stage 37 Phase 2 Post Clearance (MS018557)	-12,370.68
01/06/2023	Canon Australia Pty Ltd	Photocopying (21/04/2023 - 20/05/2023)	-38.82
01/06/2023	Water Corporation	Sales Office water usage charges (16/03/2023 - 17/05/2023)	-223.42
01/06/2023	City of Wanneroo	GST owing April 2023	-112,650.23
01/06/2023	Australian Super	Superannuation for period 18/05/2023 - 31/05/2023	-2,411.71
12/06/2023	Westpac Bank	Payment of credit card charges - June 2023	-279.15
14/06/2023	WAPC	Stages 41-44 Subdivision Application Fees	-12,934.00
15/06/2023	Employee costs	Wages for period 01/06/2023 - 14/06/2023	-15,957.99
15/06/2023	Australian Super	Superannuation for period 01/06/23 - 14/06/23	-2,411.71
15/06/2023	Beaver, David	Solar Panel Rebate - Lot 2164	-2,000.00
15/06/2023	Burgess Rawson	GST Valuations (May 2023)	-770.00
15/06/2023	City of Stirling	GST (May 2023), rent & ICT support	-20,081.80
15/06/2023	City of Vincent	GST May 2023	-3,877.00
15/06/2023	Cossill and Webley	Engineering services	-45,643.55
15/06/2023	Dominic Carbone and Assoc	GST Management Services (May 2023)	-957.00
15/06/2023	hyd20 Hydrology	UWMP & GWL	-3,388.00
15/06/2023	Insight Enterprises Aus	Server Software Assurance (as per quote 0226212024)	-1,688.08
15/06/2023	Kevin Smith Cleaning Services	TPRC office cleaning (May 2023)	-145.71
15/06/2023	LD Total	Landscaping rebates	-16,551.31
15/06/2023	Marketforce	Statutory advertising	-3,683.23
15/06/2023	McMullen Nolan Group	Surveying services	-25,757.60
15/06/2023	Neverfail	Bottled water x 3	-46.10
15/06/2023	Niche Planning Studio	Green Concept Plan, Retainer & Stage 38 LDP	-16,225.00
15/06/2023	Nutrien Water	Landscape maintenance services	-61,145.52
15/06/2023	O'Sullivan, Simon	Reimbursement of mobile phone charges	-58.19
15/06/2023	R J Vincent and Co	Civil works	-1,615,854.82
15/06/2023	Redman Solutions	Resolve Annual Subscription (01/07/23 - 30/06/2024)	-16,500.00
15/06/2023	Stantons International	Probity services for Landscape Architect Tender	-551.25
15/06/2023	Starr, S	Milk x 2	-6.50
15/06/2023	Tim Davies Landscaping P/L	Landscaping design & supervision	-16,745.47
15/06/2023	UDIA (WA)	UDIA Seminar (A practical application of the ACH Act)	-50.00
15/06/2023	Vocus Pty Ltd	Business Internet (June 2023)	-162.80
15/06/2023	Synergy	Power charges	-912.75
15/06/2023	Telstra	Final bill for ex-CEO mobile (July 2021)	-56.32
20/06/2023	Australian Taxation Office	IAS (May 2023)	-14,416.00
21/06/2023	City of Wanneroo	GST owing May 2023	-7,753.60
29/06/2023	Employee costs	Wages for period 15/06/23 - 28/06/23	-15,760.64
29/06/2023	Adams, Chris	Mobile phone bill (May 2023)	-58.19

**Tamala Park Regional Council
Summary Payment List
June 2023**

29/06/2023	Apace	Tubestock	-9,889.44
29/06/2023	Burgess Rawson	Stages 29 & 31 valuation fees	-1,265.00
29/06/2023	Capital Transport Services	Courier charges (June 2023)	-36.76
29/06/2023	Churchill, S & Magee, L	Solar Panel Rebate - Lot 2175	-2,000.00
29/06/2023	City of Joondalup	Rates equivalent payment for 2022/23 financial year	-9,399.61
29/06/2023	City of Stirling	Rates equivalent payment for 2022/23 financial year	-18,799.23
29/06/2023	City of Vincent	Rates equivalent payment for 2022/23 financial year	-4,699.80
29/06/2023	City of Wanneroo	Rates equivalent payment for 2022/23 financial year	-9,399.61
29/06/2023	Clarkson Cougars	Marquee sponsorship (Clarkson Little Athletics Club)	-2,000.00
29/06/2023	Coterra Environment	Environmental consulting services (May 2023)	-7,052.38
29/06/2023	Direct Office Furniture	Desk & mobile drawers	-504.00
29/06/2023	ELO Digital Office	Upgrade to V20 - Payment 2	-11,088.00
29/06/2023	Freedom Fairies	Resident mixer BBQ entertainment	-550.00
29/06/2023	Ideal Living	Building plan assessments (May 2023)	-1,287.00
29/06/2023	Jones, Nige	Reimbursement of airfares to Property Congress 2023	-444.27
29/06/2023	LD Total	Landscaping services	-416,540.01
29/06/2023	Match & Wood Pty Ltd	Digital advertising	-83,764.92
29/06/2023	New Living Cleaning	Sales Office cleaning	-462.00
29/06/2023	Next Level Signage	Beach GHS installation of fence banners	-6,033.50
29/06/2023	Of Note Design	Catalina Green March Signage Part 1	-1,650.00
29/06/2023	Officeworks	Office supplies	-83.60
29/06/2023	R J Vincent and Co	Civil works	-1,527,719.09
29/06/2023	Town of Cambridge	Rates equivalent payment for 2022/23 financial year	-4,699.80
29/06/2023	Town of Victoria Park	GST May 2023 & rates reimbursement	-8,576.80
29/06/2023	Treacy Fencing	Fencing services	-16,265.59
29/06/2023	Australian Super	Superannuation for period 15/06/23 - 28/06/23	-2,411.71
29/06/2023	Canon Australia Pty Ltd	Photocopying (21/05/23 - 20/06/23)	-80.41
29/06/2023	Synergy	Power charges	-656.58
			<u><u>-4,477,723.57</u></u>

8.4. SALES AND SETTLEMENT REPORT – MONTH ENDING 31 JULY 2023

Responsible Officer: Manager Project Coordination
Attachments: 1. Comment - Sales & Settlement Report
 2. Staging Plan
Voting Requirement: Simple Majority

RECOMMENDATION

That the Council RECEIVES the Sales and Settlement Report for the month ending 31 July 2023.

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 from settled sales is posted under item I145011 (Income on Lot Sales):

Budget Amount:	\$	40,078,630
Received to Date:	\$	4,852,333
Balance:	\$	35,226,297

Note: Refers to Budget FYE 2024, not yet adopted.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and CRC provide reports/information to Council Meetings.	

The report provides information on Catalina Project sales/settlements and variances to ensure the Council is well informed on sales and market trends.

BACKGROUND

The Sales and Settlement Report provides the Council with a status update of sales and settlements for the Project. The Staging Plan identifies the extent of the stage boundaries referenced within the report.

COMMENT

Table 1 provides a summary of the Catalina Estate Sales and Settlement position for lots released up to 31 July 2023.

Table 1: Summary of Sales and Settlement of Lots – Catalina Estate

Stage	Precinct	Release Date	Lots Released	Lot Sizes (m ²)	Sold	Stock	Settled
Completed Stages		-	1142	174 – 20,000	1142	0	1142
Stage 17 (Lot 341)	Central	Aug-21	1	6,907	1	0	0
Stage 18C (1)	Central	Sep-21	21	183 - 558	21	0	19
Stage 18C (2)	Central	Nov-21	4	150 -155	4	0	3
Stage 29 (1)	Beach	May-22	14	315 - 450	13	1	11
Stage 29 (2)	Beach	Sep-22	12	315 - 470	10	2	7
Stage 29 (3)	Beach	Mar-23	17	294 - 485	11	7	6
Stage 31 (1)	Beach	Jun-23	12	375 - 450	3	9	0
Stage 36 (1)	Green	Oct-21	21	313 - 591	21	0	19
Stage 36 (2)	Green	Dec-21	14	300 - 450	13	1	13
Stage 36 (3)	Green	Feb-22	7	188 - 484	6	1	5
Stage 37 (1)	Green	July-22	19	303 - 450	19	0	5
Stage 37 (2)	Green	Feb-23	13	313 - 475	12	1	3
Stage 37 (3)	Green	Feb-23	3	328 - 370	3	0	0
Stage 37 (4)	Green	Apr-23	13	188 - 595	11	2	2
Stage 38	Green	May-23	36	225-576	15	21	0
Total			1,349	150 – 20,000	1,305*	45	1,235
Change since 30 June 2023			0		+21	-20	+16
<i>* 'Sold' figures include 14 lots pending advertising and contract-acceptance.</i>							

As at 31 July 2023, the Project had 70 lots under contract: 11 unconditional, 45 conditional and 14 pending advertising and acceptance.

Sales for FYE 2023 are shown in Table 2a.

Table 2a: Summary of Sales for FYE 2023 against Budget – Catalina Estate

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 2023
Budget Nett Sales	7	2	6	0	8	8	8	8	8	8	8	8	79
Actual Gross Sales	10	6	10	6	8	4	7	12	14	17	17	15	126
Cancellations	3	4	4	6	7	2	3	1	3	2	2	3	40
Actual Nett Sales	7	2	6	0	1	2	4	11	11	15	15	12	86
Nett Sales Variance to Budget	0	0	0	0	-7	-6	-4	+3	+3	+7	+7	+4	+7

Nett sales results achieved over FYE 2023 exceeded budget by seven sales. Sales results since February 2023 have been particularly strong.

Historical sales by financial years are shown in the following chart:

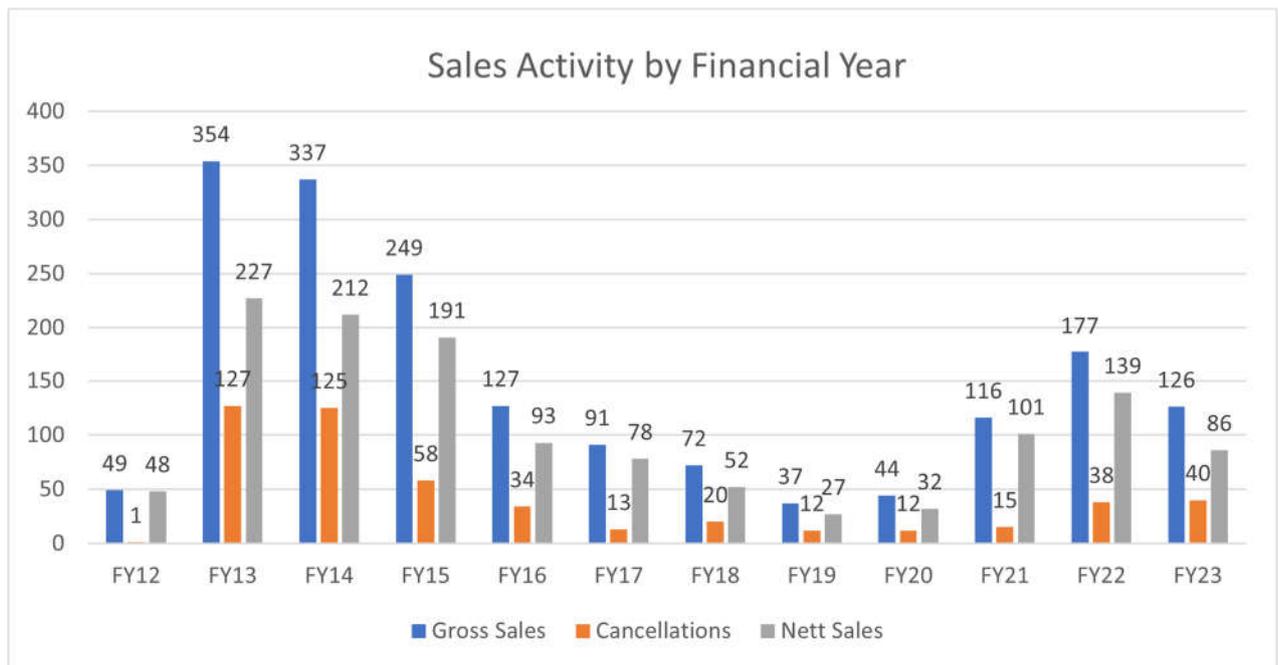


Table 2b details sales for the year to date in FYE 2024. The strong sales momentum achieved in late FYE 2023 continued into the first month of the new financial year with 21 nett sales, 14 more than budget.

Table 2b: Summary of Sales for FYE 2024 against Budget – Catalina Estate

	Jul	YTD	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 2023
Budget Nett Sales	7	7	7	7	7	7	4	14	8	8	8	8	8	93
Actual Gross Sales	21	21												

Cancellations	0	0												
Actual Nett Sales	21	21												
Nett Sales Variance to Budget	+14	+14												

Settlements

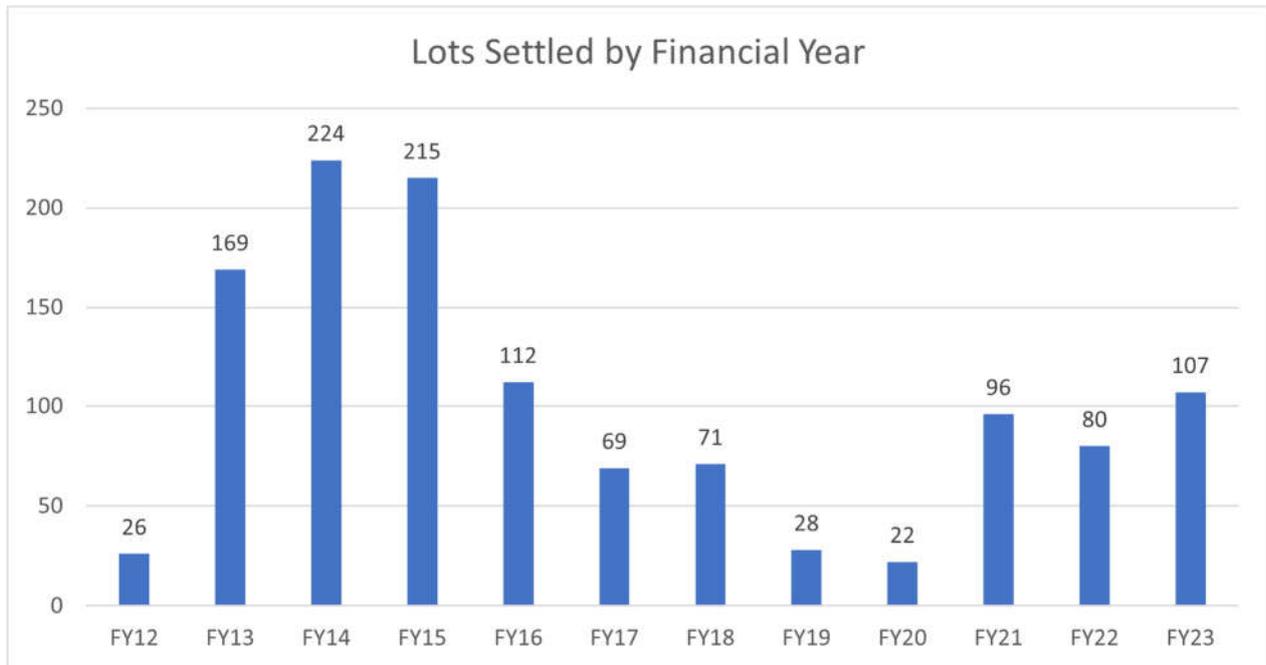
Settlements for FYE 2023 are shown in Table 3a.

Table 3a: Summary of Settlements for FYE 2023 against Budget – Catalina Estate

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 2023
Budget	10	6	2	1	12	17	12	12	6	3	15	14	110
Actual	10	6	2	1	22	10	6	6	3	11	14	16	107
Variance	0	0	0	0	+10	-7	-1	-6	-3	+8	-1	+2	-3

Settlements achieved in FYE 2023 fell three lots short of budget.

Historical settlements by financial years are shown in the following chart:



Settlements achieved for the year to date in FYE 2024 are shown in Table 3b.

16 lots settled in July 2023, exceeding budget by six lots. Settled lots were comprised of four lots in Stage 29 (Catalina Beach), two lots in Stage 36 (Catalina Green) and 10 lots in Stage 37 (Catalina Green).

Table 3b: Summary of Settlements for FYE 2024 against Budget – Catalina Estate

	Jul	YTD	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 2024
Budget	10	10	7	6	8	6	8	12	17	12	9	8	11	114
Actual	16	16												
Variance	+6	+6												

Available Stock

21 nett sales were achieved over the past month, 15 in Catalina Green and six in Catalina Beach.

Available stock as at 31 July 2023 is set out in Table 4.

Table 4: Summary of Available Stock as at 31 July 2023 – Catalina Estate

Stage	Precinct	Stock	Change since 30 June 2023	Title Status	Anticipated Title Date
Stage 29	Beach	9	-3	Titled	N/A
Stage 31	Beach	9	-3	Untitled	October 2023
Stage 36	Green	2	-1	Titled	N/A
Stage 37	Green	3	-7	Titled	N/A
Stage 38	Green	21	-7	Untitled	January 2024
Total		44	-21		

Northern Corridor Estates Analysis

Tables 5 and 6 provide a comparison summary of sales, available stock and lot pricing between Catalina and other developments in the north-west corridor.

Table 5: Summary of Sales in Northern Corridor (July 2022 to June 2023)

ESTATE	July	August	September	October	November	December	January	February	March	April	May	June	12 Month Total Sales
Alkimos Beach (Alkimos)	-4	7	0	3	3	9	1	2	3	8	15	16	63
Alkimos Vista (Alkimos)	5	1	3	1	3	3	0	2	0	12	18	19	67
Allara (Eglinton)	-2	9	3	1	2	3	9	7	13	10	12	11	78
Amberton (Eglinton)	23	16	20	33	14	4	5	4	23	18	18	30	208
Catalina (Clarkson Mindarie)	7	2	9	0	1	2	4	3	8	11	16	14	77
Eden Beach (Jindalee)	5	-3	-1	9	8	2	9	6	8	14	7	9	73
Elevale	2	4	4	19	-2	7	3	11	3	7	7	8	73
Jindowie Estate	15	1	0	-3	6	6	3	10	10	5	1	1	55
Shorehaven (Alkimos)	4	9	2	6	5	3	3	6	7	5	11	8	69

Trinity (Alkimos)	8	8	5	2	9	13	3	13	3	10	12	11	97
TOTAL	63	54	45	71	49	52	40	64	78	100	117	127	860
CATALINA SHARE (%)	11.1 %	3.7 %	20.0 %	0.0 %	2.0 %	3.9 %	10.0 %	4.7 %	10.3 %	11.0 %	13.7 %	11.0 %	8.95%

Table 6: Average of Price of Available Lots in Northern Corridor Estates (as at 30 June 2023)

Estate	225sqm	300sqm	375sqm	450sqm	500sqm +	Total Dwellings	Available	Last Report
	Price (\$)	Price (\$)	Price (\$)	Price (\$)	Price (\$)			
Allara	\$148,000	\$168,000	\$210,000	\$240,000	\$260,000	3,405	32	33
Alkimos Beach	\$165,000	n/a	n/a	\$280,000	\$340,000	2,413	7	16
Amberton	\$198,000	\$233,000	n/a	\$300,000	\$347,000	2,500	13	14
Banksia Grove	n/a	n/a	n/a	n/a	n/a	1,580	0	0
Catalina Central	n/a	n/a	n/a	n/a	n/a	2,480	0	0
Catalina Beach	n/a	\$390,000	\$430,000	\$495,000-\$510,000	n/a		24	15
Catalina Green	\$150,000	\$240,000	\$285,000	\$316,000	\$350,000		41	44
Eden Beach	n/a	\$245,000	\$329,000	\$422,000	\$440,000	1,100	32	24
Elevale	n/a	\$214,000	\$230,000	\$261,000	n/a	197	20	10
Jindowie	n/a	\$144,000	\$155,000	n/a	\$228,000	1,800	5	5
Shorehaven	n/a	\$243,000	\$276,000	\$305,000	\$358,000	2,800	4	20
Burns Beach	n/a	n/a	\$530,000	\$580,000	n/a	n/a	12	12
Trinity	\$178,000	\$215,000	\$234,000	\$287,000	n/a	2,500	10	13
						Total	200	206

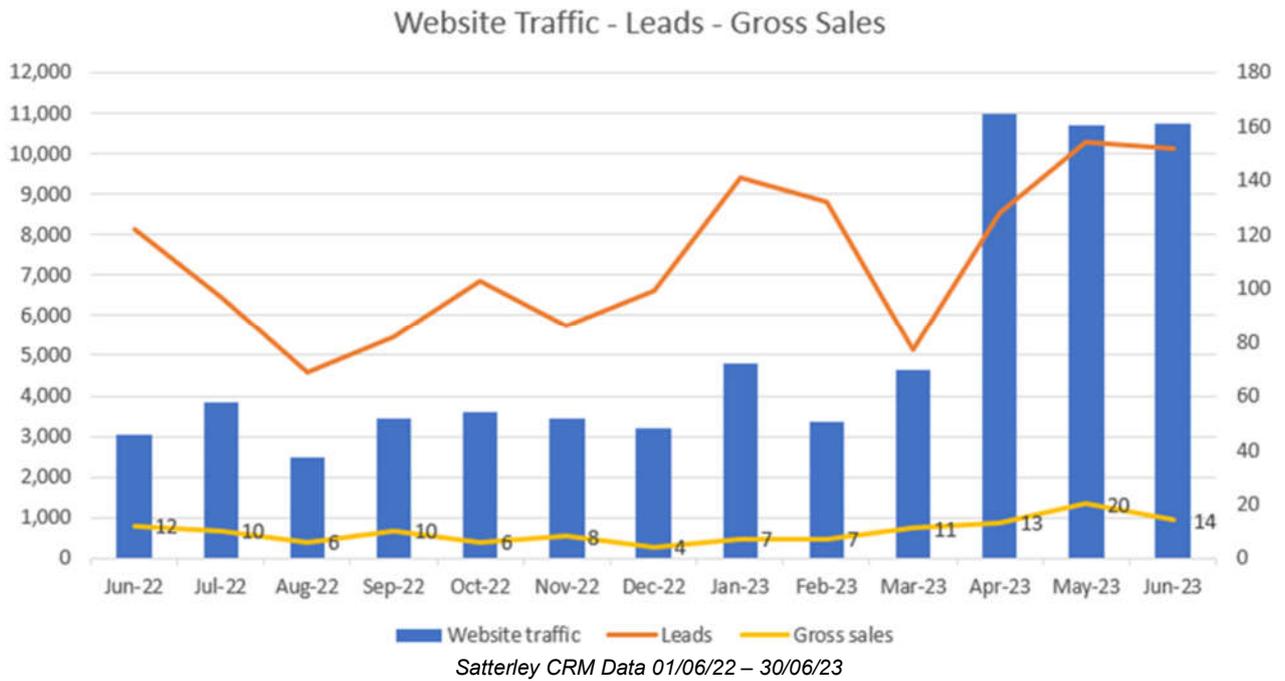
Catalina’s market share of the comparison estates for FYE 2023 was 8.95%, though between March and June 2023 it exceeded the notional 10% target on the back of a strong sales performance of the last quarter.

Catalina’s available lots increased by six to 65 lots between reporting periods, while competitors’ stock decreased by 12 lots (8.2% decrease).

The competitor sales results information in Table 5 is provided by developers to Satterley on a voluntary basis. Peet, as developer of Burns Beach Estate, does not provide sales information through this process. However, information on this Estate’s current lot pricing has been included in Table 6. Peet is understood to have achieved nett sales over FYE 2023 of only one to two lots each month, which is thought to be reflective of significant price increases it has made. It has approximately 200 traditional sized lots remaining until it completes the Project and its current pricing shown in Table 6 should be regarded as base prices and vary upwards depending on ocean views.

Marketing

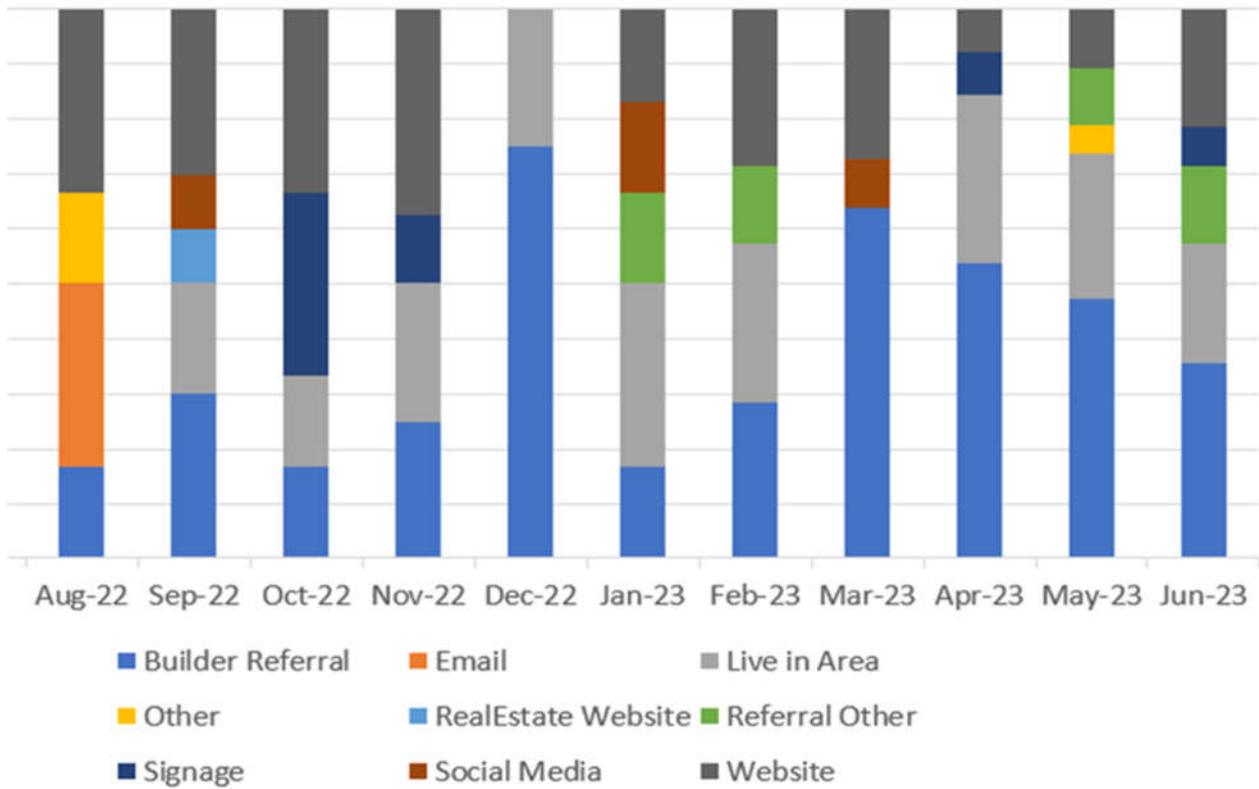
Catalina’s website traffic in June 2023 was again strong. Leads (152) reflect noticeable growth compared to June 2022 (119). The main lead sources continued to be from the website and social media. Gross sales in the final quarter of FYE 2023 have been very strong.



The lead source types of 'builder referral' and 'live in area' witnessed a small drop in June 2023 from the previous month, while other lead source types have been steady. Website leads have increased.



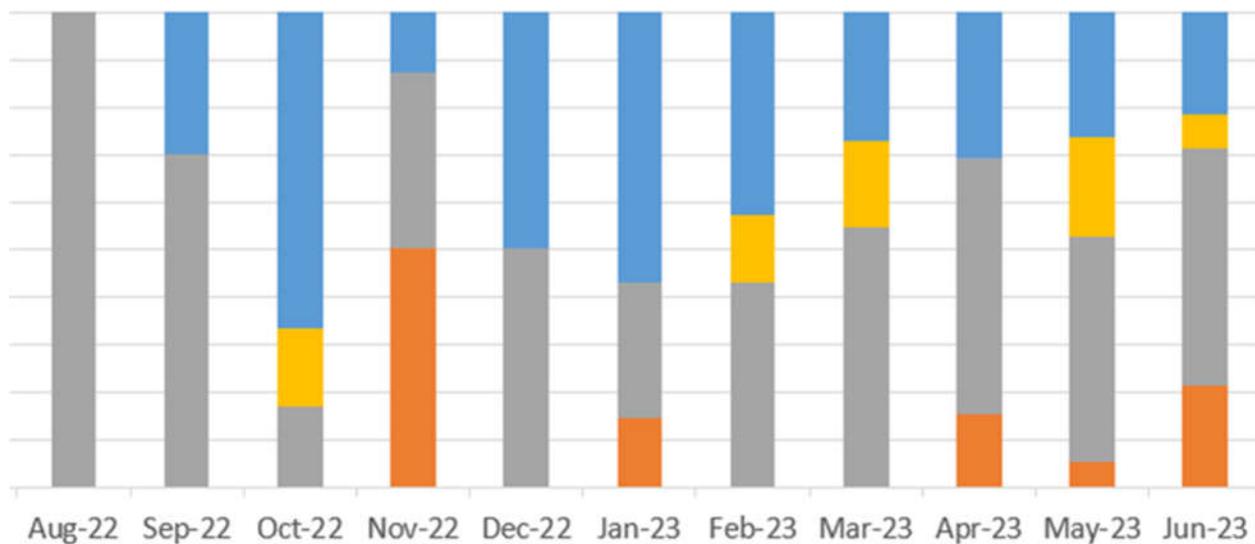
Lead Source Gross Sales



Satterley CRM Data 01/08/22 – 30/06/23

Catalina continues to see a strong presence of first home buyers and there has been a noticeable rise in downsizers in June 2023. Retail investors, while still present, have experienced a decline from their significant presence in the previous month. These variations in buyer types may be influenced by the stock levels at Catalina Green compared to Catalina Beach.

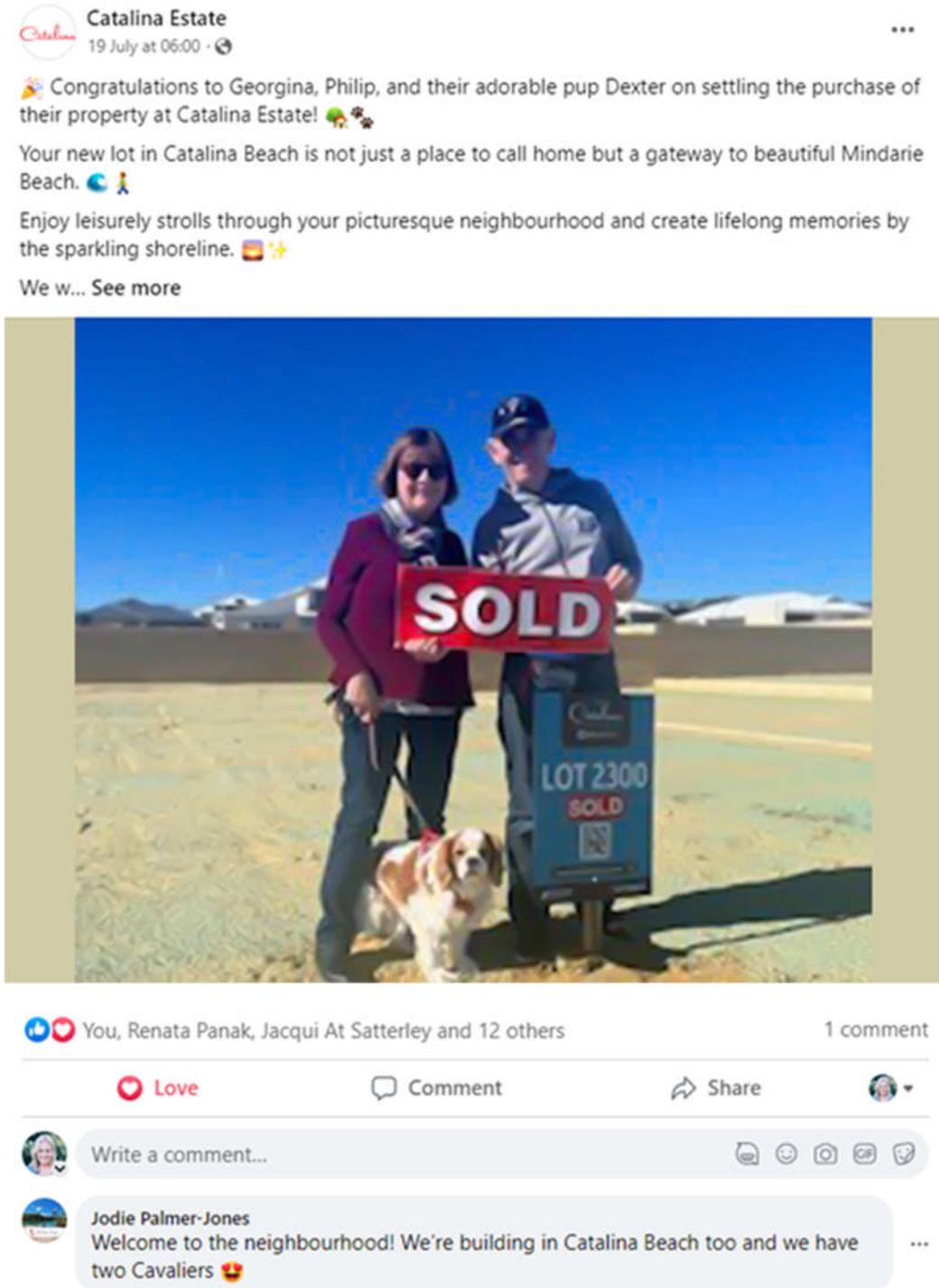
Buyer Type Gross Sales



Satterley CRM Data 01/08/22 – 30/06/23

Recent signage activity includes revision of the artwork for the proposed Catalina Green Information Bay, installation of new vinyl banners along the Longbeach Promenade extension and installation of lot plate signs for Stages 29 and 37.

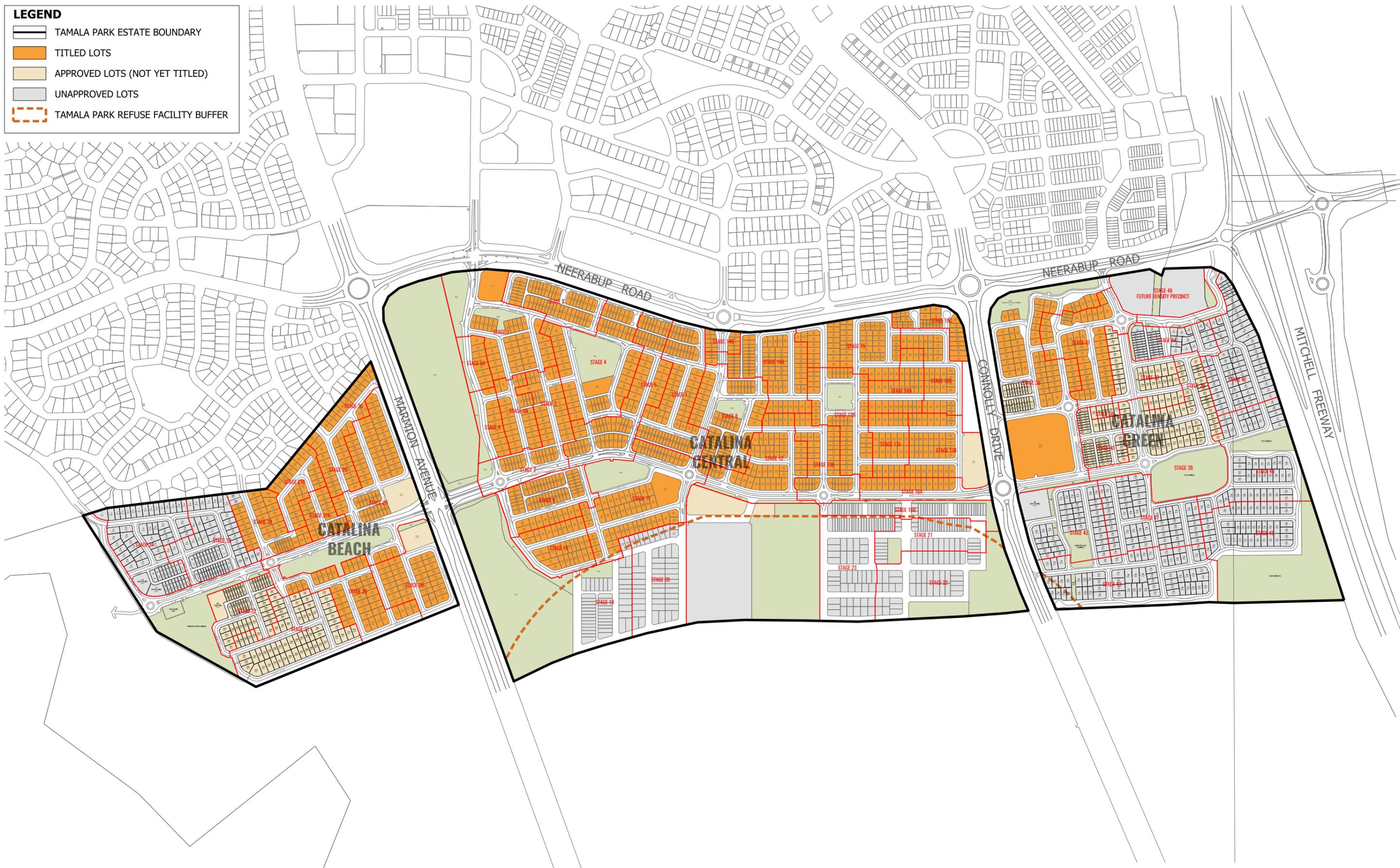
In support of the Catalina social media strategy, recent purchasers in Catalina Beach were contacted to arrange for a photograph of themselves on their lot holding a sold sticker. A Facebook post was created to demonstrate social proof, showcase Catalina's happy customers, and contribute to building a positive brand image.



Upcoming signage includes repositioning and reskinning of existing signs in Catalina Beach, addressing signage visibility issues in Catalina Central caused by tree growth, with a plan to reskin and reposition signs for better visibility.

LEGEND

-  TAMALA PARK ESTATE BOUNDARY
-  TITLED LOTS
-  APPROVED LOTS (NOT YET TITLED)
-  UNAPPROVED LOTS
-  TAMALA PARK REFUSE FACILITY BUFFER



ESTATE LAYOUT & STAGING PLAN
Catalina Estate, TAMALA PARK

Aerial supplied by:	0	80	160	240	320	400	480m
Aerial Date Stamp:							
Survey supplied by: MNG							
Plan Number: NPS1059 - 023	Scale: 1:8000 @A3	Date Issued: 04.07.2023	©Niche Planning Studio				
Revision Number: B	<small>DISCLAIMER: Town Planning compliance is subject to approval from the Tamala Park Regional Council and a suitable town planner will need to be appointed. All Dimensions, Areas and Calculations are subject to Detailed Survey and Design before Town Planning Permit application. This plan has been prepared for illustrative purposes only and should not be used as a means to judge any properties value or yield potential.</small>						
Drawn By: JP							
Client: Tamala Park Regional Council							



8.5. REVIEW OF MANAGEMENT COMMITTEE MEETINGS

Responsible Officer:	Chief Executive Officer
Attachments:	1. Comment - Management Committee Meetings
Voting Requirement:	Simple Majority

RECOMMENDATION

That Council:

1. **HOLD in-person, whole of Council Strategic Planning Sessions in lieu of the scheduled 21 September 2023 and 16 November 2023 CRC Management Committee Meetings.**
 2. **CANCEL the planned Strategic Project and Advisory meeting that is currently scheduled for 19 October 2023, post the Ordinary Meeting of Council**
 3. **CONSIDERS the future of the CRC Management Committee meetings at the December Ordinary Meeting of Council as a component of setting meeting dates for the TPRC for the 2024 calendar year.**
-

PURPOSE

To discuss the future of Management Committee meetings as requested by Councillors at the July CRC Management Committee Meeting.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

S5.8 of *Local Government Act 1995*: A local government may establish committees of three or more persons to assist the Council and to exercise the powers and discharge the duties of the local government that can be delegated to committees.

PREVIOUS MINUTES

Council Meeting - 8 December 2022 (Item 8.8: Management Committee & Revised Meeting Schedule 2023)

FINANCIAL/BUDGET IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and Effective governance environment.	Moderate
Action:	
Review of meeting structure to determine appropriate mechanisms for CRC Councillor involvement in decision making.	

BACKGROUND

In December 2022 Council considered the dates, locations and method for its various meetings for the 2023 calendar meeting. At that meeting Council resolved to hold six (6) Ordinary Council Meetings, five (5) Management Committee and three (3) Strategic and Project Advisory Meetings.

The Strategic and Project Advisory Meetings were a new addition to the meeting schedule. The aim of these additional meetings was/is to provide an opportunity for more informal discussion and interaction between CRC staff and Councillors on strategic issues/ opportunities that are impacting on the organisation. To date two (2) of these sessions have been held with positive feedback from staff and Councillors on the usefulness of the meetings.

At the time of establishing these meetings, the concept of disbanding the Management Committee was canvassed but not supported by Council on the basis that the Councillors felt that the Management meetings still added value for Council/Councillors.

During General Business of the July Management Committee Cr Krsticevic raised this matter and requested that the issue be brought back to Council at the August meeting for further consideration.

COMMENT

In addition to Ordinary Meetings of Council, the CRC has traditionally held five (5) Management Committee Meetings per annum. These meetings are formally constituted meetings of the Council that are approved under Section 5.8 of the *Local Government Act*. As a formal Committee of Council, the Management Committee is bound by the structure and formalities required under the LG Act. While the meetings tend to be less formal than Council meetings, they are held under standing orders and hence provide less opportunity for interaction, discussion and debate than is the case in a non-statutory, workshop environment.

While the Management Committee has historically provided value in that it afforded an opportunity for review and discussion on key items prior to formal Council decisions and had some ability to make Delegated Decisions on behalf of the CRC, there is duplication of effort currently occurring with the majority of items that are being presented/discussed at Management Committee also appearing in the following month’s Ordinary Council Meeting Agenda. Additionally, attendance at Management Committee is lower with an average of 4.8 attendees at the last six meetings.

The December 2022 report indicated that the Management Committee rarely had the opportunity to utilise the Delegated Authority that it was provided by Council. As the table below indicates, this trend has continued with few binding decisions being made by the Committee with the vast majority of items being subsequently presented to Council.

Management Committee	2022	2023*	Total
Number of Meetings	5	3	8
Number of Items on Agenda	26	16	42
Number of Delegated Decisions Made	3	0	3 (7%)

* To date

Council has a number of options in relation to this matter.

OPTION 1 – Do Nothing

Council has established meeting dates for 2023 and could elect to continue to adhere to this pre-determined schedule. This is consistent with previous practice and would give the opportunity for the new Council (post the October 2023 Local Government elections) to consider this matter.

OPTION 2 – Replace the CRC Management Committee Meetings with more informal Strategic Workshops

Council could elect to immediately disband the Management Committee meetings and replace them with Strategic Workshops.

OPTION 3 – Cancel the planned September Management Committee Meeting and replace it with a Strategic Workshop.

Hosting a strategic workshop in lieu of the Management Committee Meeting would allow staff to brief/update on key strategic issues that are progressing within the organisation.

OPTION 4 – Cancel the planned September Management Committee Meeting.

Council could elect to not hold the September Management Committee meeting and not hold any meeting in lieu of that meeting. This option could be considered prudent on the basis that the meeting would be relatively close to Local Government elections and organizational strategy potentially shifts with a new elected Council on board.

After reviewing current and planned work programs, staff are recommending that OPTION 3 listed above is pursued. This option is supported as:

- It is unlikely that there will be any items on the September Management Committee Agenda that the Committee will make a binding, delegated decision on.
- There are a number of ‘bigger picture’ issues that could be workshopped with Council in September including:
 - Progress of the MRC Collaboration opportunity;
 - Strategic sites development; and
 - Sales strategy for Catalina in an environment where the organisation’s land assets are depleting rapidly through high sales volumes.
- Administratively, hosting Strategic Workshops is far less resource intensive from a staff perspective and staff feel like they obtain greater value from these sessions than from Management Committee meetings.
- It allows the ‘new’ Council to consider its meeting schedule, including whether to retain the Management Committee or not, when it convenes post the October 2023 Local Government elections.

CONCLUSION

Councillors have been requested by the Management Committee to review whether they would prefer that the CRC Management Committee continues to operate or is disbanded. Officers have reviewed the options and have recommended that the September and November CRC Management Committee meetings be cancelled and replaced with Strategic Workshops. Furthermore, it is recommended that the Council consider the appropriateness (or otherwise) of continuing to operate the Management Committee structure when they consider the 2024 meeting dates at the December Council meeting.

8.6. PROJECT FINANCIAL REPORT - JUNE 2023

Responsible Officer: Manager Project Coordination
Attachments: 1. Catalina Jun 23 Finance Report
Voting Requirement: Simple Majority

RECOMMENDATION

That the Council RECEIVES the Project Financial Report (June 2023) submitted by the Satterley Property Group.

PURPOSE

To consider the Project Financial Report for June 2023 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 June 2023.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 2	Risk Rating:
Strategic - Stable and effective governance environment.	Moderate
Action:	
SPG and CRC provide reports/information to Council Meetings.	

The report provides information to the Council on Catalina Project financial outcomes in particular, revenue, expenditure and variances to ensure transparency and governance of financial activity.

BACKGROUND

At its meeting of 16 June 2022, the Council approved the Project Budget FYE 2023, submitted by the Satterley Property Group (Satterley). The Budget was reviewed in November 2022 and the Council approved an updated Budget at its meeting of 8 December 2022.

The Development Manager's Key Performance Indicators 2020 - Governance, requires the preparation of monthly progress reports.

COMMENT

Satterley has prepared a Catalina Financial Report for June 2023 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period 1 June 2023 to 30 June 2023.

This report identifies the following main areas of variance:

As tabled below, the overall nett financial position exceeds the June budget projections.

	Projected Budget (July-June)	Actual YTD (July-June)	Variance	% Variance
Revenue	32,145,059	31,903,000	(242,059)	-0.75%
Expenditure	30,775,580	20,823,427	9,952,154	-32.34%
Nett	1,369,479	11,079,573	9,710,095	+709.03%

Expenditure

- Lot Production (excluding bonds): \$5.46M under budget. While a considerable portion of this under-expenditure is due to delays in the delivery of stages, there are also some 'real' budget savings as project stages are being delivered under budget allocations. This is due to a combination of good project management and the fact that considerable contingencies were included in initial budget estimates that have not been fully utilised.
- Landscaping: \$4.08M under budget. This is primarily due to delays in the delivery of works programs. The vast majority of these under-budgeted funds will be expended, just later than was initially anticipated.
- Infrastructure Spend: \$1.43M under budget. This is primarily due to delays in the construction of Longbeach Promenade (which was completed in June 2023), but includes real budget savings, with works being delivered for costs that are under the allocated budget.
- Clearance Bonds: \$1.34M unfavourable. Several bonds currently being held by the City of Wanneroo are expected to be released in August 2023.

Revenue

Income: \$242K below expectations.

As indicated in previous Project Financial Report updates, the Catalina Project budgets have traditionally been set with very aggressive development and sales targets which have proven to be unattainable due to market conditions and contractor availability. While the targets have not been achieved, the nett project budget position has always beaten budget expectations.

Budget expectations have been bettered as Project budgets have been set conservatively with considerable contingencies, variation budgets and allowances being included. These are regularly under-utilised/not required and hence the actual Project budget performance has historically, significantly exceeded the budget from a nett bottom line position. While achieving a positive nett bottom line when compared to budget is a good result, the approved FYE 2024 Budget more accurately reflects the likely development and budget parameters for the forthcoming financial year (and beyond).

24 July 2023

Mr Chris Adams
Chief Executive Officer
Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Dear Chris

Catalina Financial Report for June 2023

Please find attached the Catalina Financial Report for June 2023. This report has been prepared on a cash basis and compares actual income and expenditure to the December 2022 approved budget for the period 1 June 2023 to 30 June 2023.

YTD residential settlement revenue for FY2023 was \$31.9m which is \$0.2m unfavorable to budget on 4 fewer settlements due to a favourable lot mix. Special site revenue for the year to date was \$7.15 million.

Year to date Sales for FYE2023 was \$24.22m and \$1.23m unfavourable to budget due to 5 less residential sales.

Overall year to date cashflow for FYE2023 is \$10.16m favourable to budget per the approved 'December 2022' budget, with \$13.78m net cashflow against a budgeted net cashflow of \$3.62m. The main areas of expenditure variances are summarised below:

- Lot Production (excl. Bonds) is \$5.46m under budget, noting the following variances:
 - Stages 36-37 Earthworks \$775k under budget due to savings;
 - Completed stages \$332k under budget due to unused contract sums;
 - Stage 18C \$886k under budget due to delayed works and savings;
 - Stage 25 \$21k under budget due to savings;
 - Stage 26 \$14k under budget due to savings;
 - Stage 27A \$7k under budget due to savings;
 - Stage 27B \$163k under budget due to savings;
 - Stage 28 \$12k under budget due to savings;
 - Stage 29 \$782k under budget due to delayed works and savings;
 - Stage 30 \$526k under budget due to savings;
 - Stage 31 \$988k over budget due to timing variances;
 - Stage 32 \$170k under budget due to delayed works;
 - Stage 36 \$1.64m under budget due to delayed works and savings;
 - Stage 37 \$1.16m under budget due to delayed works and savings;
 - Stage 38 \$9k over budget due to minor timing variances;
 - Stage 39 \$32k over budget due to minor timing variances;

- Landscaping is \$4.08m under budget, noting the following variances:

- Preliminary Landscaping Consultancy \$491k under budget due to delayed designed and constructions;
- Environmental landscaping \$79k under budget due to minor timing variances;
- Central Connolly Drive \$37k under budget due to minor timing variances;
- Central Green Link \$81k under budget due to minor timing variances;
- Beach Display Village Verge \$7k under budget due to minor timing variances;
- Beach Portofino Verge South \$149k under budget due to minor timing variances;
- Beach Park 2 \$334k under budget due to delays in works program;
- Beach Foreshore POS Area 1 \$667k under budget due to delays in works program;
- Beach foreshore Access area 1 \$126k under budget due to minor timing variances;
- Beach Malla Way Medians \$21k under budget due to minor timing variances'
- Green POS 1 Phase 1 \$1.82m under budget due to delays on site;
- Green Central Bore, Pump & Filtration Unit \$8k under budget due to minor timing variances;
- Water \$103k under budget due to unused contract sums;
- Beach Offset Area Reveglinitia \$34k under budget due to minor timing variances;
- Beach Stg 29 Landscaping \$124k under budget due to delays on site;

- Infrastructure Spend is \$1.43m under budget, noting the following variances:
 - Connolly Drive Blvd \$245k under budget due to savings;
 - Additional allowance to scheme underpass \$416k under budget due to timing of scheme costs;
 - Portofino Extension \$41k under budget due to savings;
 - Longreach Prom Extension \$668k under budget due to delays on site and savings;
 - Rubbish Removal \$58k under budget due to unrequired works;

- Clearance bonds are \$1.34m unfavourable to budget – timing.

- Indirect Consultants are \$139k under budget - timing.

- Special sites are \$182k under budget, noting the following variances:
 - Catalina Green Commercial Site \$9k over budget due to timing of spend;
 - Stage 17B GHS is \$191k under budget due to costs no longer required;

- P&L expenditure is \$893k under budget, noting the following variances:
 - Sales & Marketing is \$241k under budget due to timing of spend and some savings;
 - Community and Development \$110k under budget due timing of spend and savings;
 - Maintenance \$330k under budget due to savings as result of handover and tender;
 - Legal Fees \$38k under budget – no spend required at present;
 - Contingency \$514k under budget – not required
 - Rates & taxes \$426k over budget – budget omission;
 - Security \$27k under budget – no spend required at present;
 - Sundry Office Expenses \$13k under budget – no spend required at present;
 - Training \$19k under budget – no spend required at present;
 - Valuations \$18k under budget due to timing of spend;
 - \$9k under budget - combined minor variances for other Overheads.



Please refer to the attached Cashflow Analysis for a more detailed analysis of actual to budget variances. Should you have any queries on this report, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Ross Carmichael'.

Ross Carmichael
General Manager Finance

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - June 2023			YEAR TO DATE - June 2023			Bud Comparison: Dec 22 Approved
Job Description	Account Description	MTH ACT Jun 2023	MTH BUD Jun 2023	Variance	YTD ACT Jun 2023	YTD BUD Jun 2023	Variance	Comments regarding variance
REVENUE								
Settlements	Settlement revenue	6,013,000	4,795,544	1,217,456	31,903,000	32,145,059	(242,059)	106 settlements YTD ex GST Margin scheme.
Margin GST	Margin GST	(52,102)	(65,244)	13,142	(359,046)	(487,314)	128,268	GST Margin Scheme applied (Burgess Rawson valuations)
Direct Selling Costs		(269,282)	(333,779)	64,497	(1,438,552)	(1,868,634)	430,082	Includes Commission and Management Fees
Interest Income		0	0	0	4,302	658	3,644	Penalty interest income on settlements
Forfeited Deposits		0	0	0	0	0	0	
Other Income	Special sites revenue	0	2,365,165	(2,365,165)	6,226,030	8,274,256	(2,048,226)	1 special site settlement YTD
Rebate Allowance		(54,833)	(314,737)	259,904	(299,948)	(1,342,386)	1,042,439	Construction Recycling, Fencing, Landscape, Shared Bore, Solar, and Display Builder Rebates
		5,636,783	6,446,948	(810,165)	36,035,786	36,721,639	(685,853)	
LOT PRODUCTION								
Completed Earthworks								
Earthworks Stages 36-37	Siteworks / Earthworks	44,923	0	(44,923)	64,583	839,642	775,059	
	Authorities Fees	0	0	0	0	0	0	
	Direct Consultants	0	0	0	0	0	0	
Total Earthworks Stage 36-37		44,923	0	(44,923)	64,583	839,642	775,059	under budget due to unused contract sums, savings reflected in June 2023 budget update
Completed Stages								
Stage 18C	Siteworks / Earthworks	2,225	333,215	333,215	1,000	333,215	332,215	Unused contract sums
	Authorities Fees	0	2,225	2,225	1,194,293	2,019,253	824,960	
	Direct Consultants	0	10,087	10,087	226,406	235,673	9,267	
	Direct Consultants	0	7,805	7,805	31,991	83,370	51,379	under budget due to minor timing variance with delayed works, savings reflected in June 2023 budget update
Total Stage 18C		2,225	20,117	17,892	1,452,691	2,338,297	885,606	
Stage 25	Siteworks / Earthworks	0	0	0	0	0	0	
	Authorities Fees	0	20,894	20,894	0	20,894	20,894	
	Direct Consultants	0	0	0	0	0	0	
Total Stage 25		0	20,894	20,894	0	20,894	20,894	under budget due to savings, reflected in June 2023 budget update
Stage 26	Siteworks / Earthworks	0	0	0	0	0	0	
	Authorities Fees	0	13,689	13,689	0	13,689	13,689	
	Direct Consultants	0	0	0	0	0	0	
Total Stage 26		0	13,689	13,689	0	13,689	13,689	under budget due to savings, reflected in June 2023 budget update
Stage 27A	Siteworks / Earthworks	0	0	0	0	0	0	
	Authorities Fees	0	7,205	7,205	0	7,205	7,205	
	Direct Consultants	0	0	0	0	0	0	
Total Stage 27A		0	7,205	7,205	0	7,205	7,205	under budget due to savings, reflected in June 2023 budget update
Stage 27B	Siteworks / Earthworks	0	0	0	55,817	45,000	(10,818)	
	Authorities Fees	0	0	0	0	141,841	141,841	
	Direct Consultants	0	0	0	1,250	33,330	32,080	
Total Stage 27B		0	0	0	57,067	220,171	163,103	under budget due to savings, reflected in June 2023 budget update
Stage 28	Siteworks / Earthworks	0	0	0	0	0	0	
	Authorities Fees	0	12,248	12,248	0	12,248	12,248	
	Direct Consultants	0	0	0	0	0	0	
Total Stage 28		0	12,248	12,248	0	12,248	12,248	under budget due to savings, reflected in June 2023 budget update
Stage 29	Siteworks / Earthworks	764,617	356,209	(408,409)	3,378,909	3,992,746	613,837	
	Authorities Fees	0	15,490	15,490	314,602	443,068	128,466	
	Direct Consultants	7,595	7,355	(240)	52,881	92,096	39,215	under budget due to minor timing variance with delayed works along with savings of ~\$500k to be reflected in June 2023 budget update
Total Stage 29		772,212	379,053	(393,159)	3,746,392	4,527,909	781,517	
Stage 30	Siteworks / Earthworks	0	0	0	87,015	577,810	490,794	
	Authorities Fees	0	12,608	12,608	0	28,922	28,922	
	Direct Consultants	0	0	0	20,437	26,860	6,423	
Total Stage 30		0	12,608	12,608	107,452	633,592	526,140	under budget due to unused contract sums, savings of ~\$500k reflected in June 2023 budget update.
Stage 31	Siteworks / Earthworks	952,130	0	(952,130)	1,115,533	0	(1,115,533)	
	Authorities Fees	0	0	0	0	0	0	
	Direct Consultants	5,880	22,937	17,057	161,560	288,607	127,047	
Total Stage 31		958,010	22,937	(935,073)	1,277,093	288,607	(988,486)	over budget due to minor timing variances
Stage 32	Siteworks / Earthworks	0	0	0	0	0	0	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - June 2023			YEAR TO DATE - June 2023			Bud Comparison: Dec 22 Approved
Job Description	Account Description	MTH ACT Jun 2023	MTH BUD Jun 2023	Variance	YTD ACT Jun 2023	YTD BUD Jun 2023	Variance	Comments regarding variance
	Authorities Fees	0	0	0	0	0	0	
	Direct Consultants	0	28,780	28,780	0	169,848	169,848	
Total Stage 32		0	28,780	28,780	0	169,848	169,848	
Stage 36	Siteworks / Earthworks	3,776	0	(3,776)	3,449,693	4,737,000	1,287,307	
	Authorities Fees	0	28,098	28,098	351,680	710,642	358,962	
Stage 36	Direct Consultants	5,431	0	(5,431)	78,147	74,433	(3,714)	
Total Stage 36		9,207	28,098	18,891	3,879,520	5,522,075	1,642,555	under budget due to timing variance with delayed works along with savings of ~\$400k to be reflected in June 2023 budget update.
Stage 37	Siteworks / Earthworks	562,533	0	(562,533)	1,639,360	2,688,773	1,049,413	
	Authorities Fees	12,371	17,291	4,921	369,831	426,660	56,829	
	Direct Consultants	5,220	18,866	13,646	164,230	218,230	54,001	
Total Stage 37		580,124	36,158	(543,967)	2,173,421	3,333,664	1,160,243	under budget due to timing variance with delayed works along with savings of ~\$500k to be reflected in June 2023 budget update.
Stage 38	Siteworks / Earthworks	104,452	0	(104,452)	104,452	0	(104,452)	
	Authorities Fees	0	0	0	396	0	(396)	
	Direct Consultants	1,053	22,835	21,782	106,267	202,606	96,339	
Total Stage 38		105,505	22,835	(82,670)	211,115	202,606	(8,509)	over budget due to minor timing variances
Stage 39	Siteworks / Earthworks	0	0	0	0	0	0	
	Authorities Fees	0	0	0	0	0	0	
	Direct Consultants	32,850	(0)	(32,850)	32,850	(0)	(32,850)	
Total Stage 39		32,850	(0)	(32,850)	32,850	(0)	(32,850)	over budget due to brought forward works with engineering g design.
Various Stages	Clearance Bonds	0	350,000	350,000	2,676,348	1,337,899	(1,338,448)	Over budget due to delay in bond returns
TOTAL LOT PRODUCTION		2,505,057	1,287,836	(1,217,220)	15,679,532	19,801,560	4,122,029	Within budget
LANDSCAPING		0	0	0	0	0	0	
Completed Landscaping		0	0	0	0	0	0	
Preliminary Landscaping Consultancy	Landscape Consulting	22,987	113,950	90,964	165,241	657,056	491,815	
Environmental Landscaping	Landscape Construction	0	9,327	9,327	99,031	177,659	78,628	
Central Connolly Drive	Landscape Construction	0	0	0	1,068,207	1,105,670	37,463	
Central Green Link	Landscape Construction	0	0	0	843,653	924,529	80,876	
Beach Display Village Verge	Landscape Construction	3,756	2,970	(786)	12,156	18,963	6,807	
Beach Portofino Verge - South	Landscape Construction	4,518	0	(4,518)	698,909	848,047	149,139	
Beach Park 2	Landscape Construction	78,611	0	(78,611)	241,066	575,256	334,191	
Beach Foreshore POS Area 1	Landscape Construction	0	667,260	667,260	44,800	712,060	667,260	
Beach Foreshore Access Area 1	Landscape Construction	923	16,123	15,200	215,074	340,915	125,841	
Beach Malacca Way Medians	Landscape Construction	0	5,203	5,203	0	20,608	20,608	
Green Connolly Drive Phase 1	Landscape Construction	0	0	0	(171,741)	(171,741)	0	
Green POS 1 Phase 1	Landscape Construction	294,621	179,993	(114,628)	919,809	2,739,924	1,820,115	
Green POS 1 Phase 2	Landscape Construction	0	0	0	15,446	15,446	0	
Green Central Bore, Pump & Filtration Unit	Landscape Construction	0	10,407	10,407	62,932	71,416	8,483	
Water	Landscape Construction	0	11,708	11,708	0	102,843	102,843	
Beach Mews Rd	Landscape Construction	0	0	0	0	0	0	
Beach Offset Area Reveginitia	Landscape Construction	8,990	43,292	34,302	8,990	43,292	34,302	
Beach Stage 29 Landscaping	Landscape Construction	0	0	0	0	124,390	124,390	
TOTAL LANDSCAPING		414,406	1,060,233	645,827	4,223,831	8,306,333	4,082,502	majority of variance due to delay in stage 36 and Beach park 2 landscaping (inclusive of consultancy) as result of delay in civils, costs to normalise over coming months. Minor savings across several line items within landscaping
INDIRECT CONSULTANTS		28,085	26,884	(1,201)	143,551	256,407	112,857	
Planning - indirect	Planning	28,085	26,884	(1,201)	143,551	256,407	112,857	
	Architect	0	563	563	12,415	8,914	(3,501)	
	Environmental	6,411	3,410	(3,001)	58,499	40,464	(18,035)	
	Geotechnical	0	883	883	0	7,755	7,755	
	Title - Survey & Legal fees	1,090	3,464	2,374	36,797	35,471	(1,326)	
	Engineering fees	2,601	7,220	4,619	37,797	70,982	33,185	
	Miscellaneous Consultants	600	969	369	23,657	10,132	(13,525)	
	Planning - fire & safety	0	0	0	2,500	2,500	0	
	Planning - Hydrology	3,080	3,026	(54)	10,590	27,691	17,101	
	Planning - Sustainability	0	1,544	1,544	7,000	13,564	6,564	

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - June 2023		
Job Description	Account Description	MTH ACT Jun 2023	MTH BUD Jun 2023	Variance
	Acoustic & Noise Consult	0	113	113
	Tree Mapping	0	0	0
TOTAL INDIRECT CONSULTANTS		41,868	48,078	6,210

YEAR TO DATE - June 2023		
YTD ACT Jun 2023	YTD BUD Jun 2023	Variance
0	993	993
3,100	0	(3,100)
335,906	474,874	138,968

<i>Bud Comparison: Dec 22 Approved</i>
Comments regarding variance
minor variance due to timing of works, timing of invoicing and unused budget

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - June 2023			YEAR TO DATE - June 2023			Bud Comparison: Dec 22 Approved
Job Description	Account Description	MTH ACT Jun 2023	MTH BUD Jun 2023	Variance	YTD ACT Jun 2023	YTD BUD Jun 2023	Variance	Comments regarding variance
Administration	Audit and Tax	1,221	0	(1,221)	8,614	1,078	(7,536)	
	Cleaning	693	1,041	348	8,574	11,872	3,298	
	Computer Costs	0	520	520	0	4,571	4,571	
	Couriers	0	312	312	0	2,742	2,742	
	Electricity & Gas	1,427	1,041	(386)	16,670	10,559	(6,111)	
	Insurance	0	520	520	0	4,571	4,571	
	Legal fees	0	4,336	4,336	0	38,090	38,090	
	Licenses & Fees	0	520	520	3,977	7,015	3,038	
	Postage, Print & Stationery	0	520	520	0	4,571	4,571	
	Sundry Office Expenses	92	1,561	1,469	374	13,712	13,338	
	Training	0	2,168	2,168	0	19,045	19,045	
	Valuations	3,700	3,469	(231)	17,750	35,622	17,872	
	Rates & Taxes	223	0	(223)	460,572	34,944	(425,627)	
	Maintenance	56,757	87,833	31,076	576,988	906,835	329,847	
	Security	0	3,122	3,122	0	27,425	27,425	
Total Administration		64,113	106,964	42,851	1,093,519	1,122,651	29,132	major varalrnc timing of rates and taxes, small v arriacen with timing and unused susm across other line items.
Finance	Contingency	2,225	150,525	148,300	777,988	1,291,652	513,664	
	Contingency Offset Transfer	(2,225)	(2,225)	0	(777,988)	(777,988)	0	
Total Finance		0	148,300	148,300	0	513,664	513,664	
Total P&L Expenditure		155,516	323,259	167,743	1,433,019	2,326,315	893,297	
Grand Expense Total		3,539,984	3,317,794		22,256,445	33,101,895	10,845,450	Within budget

Contingency Summary

YTD Budget	1,291,652
Contingency Transferred (Actual & Budget)	(777,988)
Contingency not yet used	513,664

List of Contingency items transferred year to date

Period	Job Description	Amount
Oct-22	Stage 29 Civils & Earthworks CL5	161,725
Nov-22	Stage 29 Civils & Earthworks CL6	168,300
Dec-22	Central Green Link Landscape	82,740
Jan-23	Stage 18C Civils CL 10	84,493
Feb-23	Stage 18C Civils CL 11	137,565
Mar-23	Stage 18C Civils CL 12	66,967
Apr-23	Stage 18C Civils CL 13	41,006
May-23	Stage 18C Civils CL 14	32,968
		775,763

Budget Transfers

List of Budget items transferred year to date

Period	Job Description	Amount
Oct-22	Contingency	(369,587.80)
Oct-22	Stage 29 Civil	369,587.80
Dec-22	Green Neerabup Rd Phase 1	(607,710.00)
Dec-22	Green Connolly Dr Phase 1	(729,103.47)
Dec-22	Green POS 1 Phase 1	1,851,798.77
Dec-22	Green Streetscapes Phase 1	(514,985.30)
		0

Note: Actual Contingency spend in prior years is reported against the job that the spend relates to.

1.0 Management Accounts

1.1 KEY STATISTICS

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	Lots Produced (titles)		Sales		Settlements		Distributions	
	Actual	Budget (Dec-22)	Actual	Budget (Dec-22)	Actual	Budget (Dec-22)	Actual	Budget (Dec-22)
Prior Years	1,138	1,138	1,200	1,200	1,112	1,112	97,000,000	97,000,000
Jul-2022	-	-	7	7	10	10	-	-
Aug-2022	-	-	2	2	6	6	-	-
Sep-2022	-	-	6	6	2	2	-	-
Sep Qtr	-	-	15	15	18	18	-	-
Oct-2022	28	28	-	-	1	1	-	-
Nov-2022	57	48	5	8	22	12	-	-
Dec-2022	-	-	(2)	8	10	17	10,000,000	10,000,000
Dec Qtr	85	76	3	16	33	30	10,000,000	10,000,000
Jan-2023	-	-	4	8	6	12	-	-
Feb-2023	-	-	4	8	6	12	-	-
Mar-2023	-	-	7	8	3	6	-	-
Mar Qtr	-	-	15	24	15	30	-	-
Apr-2023	43	91	11	8	10	3	10,000,000	-
May-2023	-	-	18	8	14	15	-	-
Jun-2023	48	-	12	8	16	14	-	10,000,000
Jun Qtr	91	91	41	24	40	32	10,000,000	10,000,000
PTD	1,314	1,305	1,274	1,279	1,218	1,222	117,000,000	117,000,000
Full 2022/23 Year	176	167	74	79	106	110	20,000,000	20,000,000
2023/24		144		149		136		20,000,000
2024/25		191		144		148		17,000,000

- There were 12 sales and 16 settlements for June.

1.2 Sales & Settlements

	MTH Act	MTH Bgt (Dec-22)	YTD Act	YTD Bgt (Dec-22)	PTD Act	PTD Bgt (Dec-22)
Residential						
- Sales #	12	8	74	79	1,274	1,279
- Sales \$	4,156,500	2,692,659	24,218,500	25,455,829	354,023,000	355,260,329
- Sales \$/lot	346,375	336,582	327,277	322,226	277,883	277,764
- Settlements #	16	14	106	110	1,218	1,222
- Settlements \$	6,013,000	4,795,544	31,903,000	32,145,059	337,257,500	337,499,559
- Settlements \$/lot	375,813	342,539	300,972	292,228	276,894	276,186
Special Sites						
- Sales #	-	-	2	1	6	5
- Sales \$	-	-	9,900,000	6,500,000	13,672,000	10,272,000
- Sales \$/lot	-	-	4,950,000	6,500,000	2,278,667	943,000
- Settlements #	-	-	1	1	5	5
- Settlements \$	-	-	7,150,000	6,500,000	10,922,000	10,272,000
- Settlements \$/lot	-	-	7,150,000	6,500,000	2,184,400	2,054,400
Lots Under Contract						
- Unsettled sales #	56		Unconditional	14	Titled	
- Unsettled sales \$	16,765,500		Conditional	42	1,318 incl. Spec sites	
- Unsettled sales \$/lot	299,384					

Special sites under contract:

	Bud Settlement	Fct Settlement
Lot 341 (Stg 17B)	2,750,000	Jun-23
	<u>2,750,000</u>	Dec-23

1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u> (Dec-22)	<u>Variance</u>
<u>Income</u>			
Settlement Revenue	6,013,000	4,795,544	1,217,456
Margin GST	(52,102)	(65,244)	13,142
Direct selling costs	(269,282)	(333,779)	64,497
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	2,365,165	(2,365,165)
Rebate Allowance	(54,833)	(314,737)	259,904
	<u>5,636,783</u>	<u>6,446,948</u>	<u>(810,165)</u>
<u>Development costs</u>			
WAPC Land Acq.	-	-	-
Lot production	2,505,057	937,836	(1,567,220)
Clearance Bonds	-	350,000	350,000
Landscaping	414,406	1,060,233	645,827
Consultants	41,868	48,078	6,210
Infrastructure	423,138	598,388	175,250
Special Sites	-	-	-
	<u>3,384,468</u>	<u>2,994,534</u>	<u>(389,934)</u>
<u>Overheads</u>			
Sales & marketing	88,903	52,601	(36,302)
Community Develop.	2,500	15,395	12,895
Administration	64,113	106,964	42,851
Finance/Contingency	-	148,300	148,300
	<u>155,516</u>	<u>323,259</u>	<u>167,743</u>
Net Cashflow	<u>2,096,799</u>	<u>3,129,155</u>	<u>(1,032,356)</u>

1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u> (Dec-22)	<u>Variance</u>
<u>Income</u>			
Settlement Revenue	31,903,000	32,145,059	(242,059)
Margin GST	(359,046)	(487,314)	128,268
Direct selling costs	(1,438,552)	(1,868,634)	430,082
Interest Income	4,302	658	3,644
Forfeited Deposits	-	-	-
Other Income	6,226,030	8,274,256	(2,048,226)
Rebate Allowance	(299,948)	(1,342,386)	1,042,439
	<u>36,035,786</u>	<u>36,721,639</u>	<u>(685,853)</u>
<u>Development costs</u>			
WAPC Land Acq.	-	-	-
Lot production	13,003,184	18,463,661	5,460,477
Clearance Bonds	2,676,348	1,337,899	(1,338,448)
Landscaping	4,223,831	8,306,333	4,082,502
Consultants	335,906	474,874	138,968
Infrastructure	565,922	1,992,501	1,426,579
Special Sites	18,236	200,313	182,077
	<u>20,823,427</u>	<u>30,775,580</u>	<u>9,952,154</u>
<u>Overheads</u>			
Sales & marketing	298,999	540,000	241,001
Community Develop.	40,501	150,000	109,499
Administration	1,093,519	1,122,651	29,132
Finance/Contingency	-	513,664	513,664
	<u>1,433,019</u>	<u>2,326,315</u>	<u>893,297</u>
Net Cashflow	<u>13,779,341</u>	<u>3,619,744</u>	<u>10,159,597</u>

1.5 Bonds

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	<u>823,255</u>	<u>3,499,603</u>	<u>3,499,603</u>
	<u>823,255</u>	<u>3,499,603</u>	<u>3,499,603</u>

Bonds relate to stages 18C, 25, 29, 30, 36, 37, Connolly Drive & Portofino Promenade early clearances.

2.0 PROFIT & LOSS

	<u>MTH Act</u>	<u>MTH Bgt</u> (Dec-22)	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u> (Dec-22)	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u> (Dec-22)
- Revenue \$ (Stlmts)	6,013,000	4,795,544	1,217,456	31,903,000	32,145,059	(242,059)	337,257,500	337,499,559
- Revenue \$/lot	375,813	342,539		300,972	292,228		276,894	276,186
- Selling & GST \$	183,018	480,908	297,890	2,700,282	3,439,443	739,161	29,343,173	30,082,334
- Selling & GST \$/lot	11,439	34,351		25,474	31,268		24,091	24,617
- Cost of sales \$	2,470,732	2,196,260	(274,472)	13,384,512	16,056,745	2,672,233	120,029,939	122,702,171
- Cost of sales \$/lot	154,421	156,876		126,269	145,970		98,547	100,411
- Gross profit \$	<u>3,359,251</u>	<u>2,118,376</u>	<u>1,240,875</u>	<u>15,818,206</u>	<u>12,648,872</u>	<u>3,169,334</u>	<u>187,884,388</u>	<u>184,715,054</u>
- Gross profit \$/lot	209,953	151,313		149,228	114,990		154,256	151,158
- Gross profit Mgn %	55.87%	44.17%		49.58%	39.35%		55.71%	54.73%
- Special Sites \$	-	1,159,603	(1,159,603)	4,639,849	5,540,864	(901,015)	6,731,808	7,632,823
- Other income \$	-	-	-	4,302	658	3,644	291,188	287,545
- Sales & Marketing \$	118,486	134,535	16,049	363,593	1,309,965	946,372	3,040,211	3,986,584
- Administration \$	85,086	106,370	21,283	1,098,408	1,117,431	19,023	7,029,164	7,048,187
- Finance/Other \$	1,841	-	(1,841)	31,883	9,724	(22,159)	230,064	207,905
- Contingency \$	-	150,525	150,525	-	1,291,655	1,291,655	4,091	1,295,746
- Net profit \$	<u>3,153,838</u>	<u>2,886,550</u>	<u>267,288</u>	<u>18,968,473</u>	<u>14,461,619</u>	<u>4,506,854</u>	<u>184,603,854</u>	<u>180,097,001</u>
- Net profit \$/lot	197,115	206,182		178,948	131,469		151,563	147,379

- Year to date Gross profit is \$3.17m favourable on 4 less settlements due to lot mix, favourable selling costs and cost of sales per lot.
- Year to date Overheads are \$2.23m below budget due to:
 - Marketing 946k favourable - savings;
 - Admin \$19k unfavourable - (Rates & Taxes unfav \$475k - missed in budget offset by savings R&M \$370k and various other savings);
 - Unused Contingency \$1.29m.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	<u>YTD Act</u>	<u>Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmts)	31,903,000	32,145,059	(242,059)
- Revenue \$/lot	300,972	292,228	
- Selling & GST \$	2,700,282	3,439,443	739,161
- Selling & GST \$/lot	25,474	31,268	
- Cost of sales \$	13,384,512	16,056,745	2,672,233
- Cost of sales \$/lot	126,269	145,970	
- Gross profit \$	<u>15,818,206</u>	<u>12,648,872</u>	<u>3,169,334</u>
- Gross profit \$/lot	149,228	114,990	
- Gross profit Mgn %	49.58%	39.35%	
- Special Sites \$	4,639,849	5,540,864	(901,015)
- Other income \$	4,302	658	3,644
- Sales & Marketing \$	363,593	1,309,965	946,372
- Administration \$	1,098,408	1,117,431	19,023
- Finance \$	31,883	9,724	(22,159)
- Contingency \$	-	1,291,655	1,291,655
- Net profit \$	<u>18,968,473</u>	<u>14,461,619</u>	<u>4,506,854</u>
- Net profit \$/lot	178,948	131,469	

2.1 GROSS PROFIT ANALYSIS

Actual

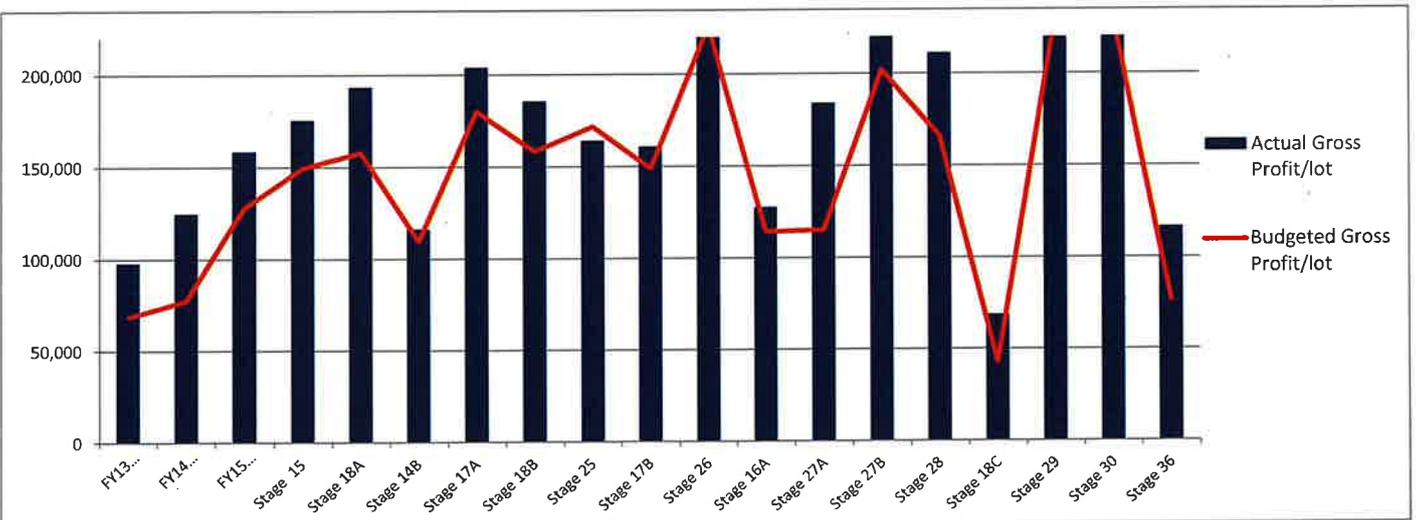
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
Incentives Writeback				-5,599,217		5,599,217		
FY13 Stages	2012 / 2013	51,375,500	220,496	28,570,159	122,619	22,805,341	97,877	44.39%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,477,309	118,248	25,847,691	124,868	51.36%
FY15 Stages	2014 / 2015	77,688,000	275,489	32,963,408	116,892	44,724,592	158,598	57.57%
Stage 15	15-Dec-15	15,444,000	280,800	5,791,567	105,301	9,652,433	175,499	62.50%
Stage 18A	27-May-16	8,626,000	297,448	3,015,429	103,980	5,610,571	193,468	65.04%
Stage 14B	28-Oct-16	2,444,000	244,400	1,281,011	128,101	1,162,989	116,299	47.59%
Stage 17A	20-Feb-17	7,774,000	310,960	2,674,295	106,972	5,099,705	203,988	65.60%
Stage 18B	13-Jun-17	8,792,000	283,613	3,035,185	97,909	5,756,815	185,704	65.48%
Stage 25	8-Aug-17	20,323,000	350,397	10,802,146	186,244	9,520,854	164,153	46.85%
Stage 17B	22-May-18	9,827,500	272,986	4,038,425	112,178	5,789,075	160,808	58.91%
Stage 26	26-Sep-19	14,125,500	371,724	5,669,441	149,196	8,456,059	222,528	59.86%
Stage 16A	25-Jan-21	4,514,000	265,529	2,344,352	137,903	2,169,648	127,626	48.06%
Stage 27A	24-Feb-21	6,341,000	317,050	2,661,467	133,073	3,679,533	183,977	58.03%
Stage 27B	20-Apr-22	9,355,000	406,739	4,017,669	174,681	5,337,331	232,058	57.05%
Stage 28	1-Sep-21	12,770,000	375,588	5,591,783	164,464	7,178,217	211,124	56.21%
Stage 18C	26-Oct-22	5,033,000	201,320	3,311,740	132,470	1,721,260	68,850	34.20%
Stage 29	21-Apr-23	8,410,000	420,500	4,014,136	200,707	4,395,864	219,793	52.27%
Stage 30	25-May-22	13,595,000	388,429	4,878,477	139,385	8,716,523	249,044	64.12%
Stage 36	2-Nov-22	10,495,000	262,375	5,834,331	145,858	4,660,669	116,517	44.41%
		<u>337,257,500</u>		<u>149,373,112</u>		<u>187,884,388</u>		

- Values for actuals are based on 'settled lots only' for the relevant stages.

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%
FY 15 Stages	Aug-14	76,167,089	273,000	40,469,170	145,051	35,697,919	127,950	46.87%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%
Stage 18B	Jun-16	8,584,690	276,925	3,677,414	118,626	4,907,276	158,299	57.16%
Stage 18C	Oct-22	5,563,000	198,679	4,363,541	155,841	1,199,459	42,838	21.56%
Stage 25	Aug-17	19,696,448	345,552	9,915,141	173,950	9,781,307	171,602	49.66%
Stage 17B	Dec-17	10,496,494	291,569	5,131,807	142,550	5,364,687	149,019	51.11%
Stage 26	Jun-19	14,347,000	377,553	5,766,060	151,738	8,580,940	225,814	59.81%
Stage 16A	Dec-20	4,498,002	264,588	2,555,841	150,344	1,942,161	114,245	43.18%
Stage 27A	Dec-20	6,251,840	312,592	3,951,378	197,569	2,300,462	115,023	36.80%
Stage 27B	Feb-22	9,345,000	406,304	4,698,534	204,284	4,646,466	202,020	49.72%
Stage 28	Jul-21	12,669,500	372,632	7,027,024	206,677	5,642,476	165,955	44.54%
Stage 18C	Oct-22	5,563,000	198,679	4,363,541	155,841	1,199,459	42,838	21.56%
Stage 29	Apr-23	19,190,000	446,279	9,365,867	217,811	9,824,133	228,468	51.19%
Stage 30	Dec-21	13,520,000	386,286	5,434,179	155,262	8,085,821	231,023	59.81%
Stage 36	Oct-22	18,086,000	231,872	12,110,457	155,262	5,975,543	76,610	33.04%
		<u>358,203,794</u>		<u>201,398,166</u>		<u>156,805,628</u>		

- Values for budget are based on 'total lots' for the relevant stages.



Catalina

Finished Lots & Cost of Lots Sold calculations to 30 Jun 2023

Title date:	Completed	Completed	7-Nov-12	8-Aug-17	8-Aug-17	25-Jan-21	24-Feb-21	20-Apr-22	1-Sep-21	25-May-22	26-Oct-22	2-Nov-22	27-Feb-23	21-Apr-23	22-Jun-23	TOTAL
	Spec Sites	Resi Stages	Central Cell Sales Office	Stage 25 Sales Office	Stage 25 GHS Lot 2179	Stage 16A	Stage 27A	Stage 27B	Stage 28	Stage 30	Stage 18C	Stage 30	Stage 36 Lot 3128	Stage 29	Stage 37	
Direct costs																
Civil Construction			89,540	83,260	253,163	932,193	707,388	901,496	2,223,532	792,261	1,769,211	3,773,787	-	3,997,295	1,916,824	
Siteworks				75,529	245,432	926,009	652,600	838,953	2,165,633	706,851	1,701,800	3,633,649	-	3,823,355	1,816,124	
URD Power				7,731	7,731	2,403	27,152	40,143	57,899	60,410	42,411	121,869	-	148,940	47,000	
Third Pipe																
General						3,790	20,000	23,000	-	25,000	25,000	18,269	-	25,000	25,000	
MATV							7,636								28,800	
Sewer headwks			5,660	4,514	4,514	101,201	113,955	138,339	196,552	213,570	171,524	249,566	7,463	259,143	289,910	
Local authority fees			4,363	615	615	28,623	17,424	6,930	14,962	9,466	18,412	31,691		22,895	20,550	
Local authority scheme costs			2,705					8,954		14,405	10,426	21,225		15,490	17,291	
Survey & legal fees			1,003	945	945	16,150	21,000	25,428	31,487	39,574	35,227	65,579	1,196	41,074	44,260	
Engineering fees			5,557	2,750	12,341	77,057	58,349	88,238	116,545	98,586	87,167	271,035		140,105	162,800	
Sales Office Build Cost			330,780													
Finished Goods Adjustments	31,206	1,281,787	28,238				14,482	60,165	32,920	437,720						
	420,826	57,554,106	411,370	92,084	271,578	1,155,224	932,598	1,229,550	2,615,998	1,605,582	2,091,967	4,412,883	8,659	4,476,002	2,451,735	
Earthworks Allocation	260,179	14,495,542	12,091	18,574	66,681	112,605	303,183	542,975	642,426	-	131,588	539,279	569,141	-	528,899	
Indirect Costs																
Land																
Infrastructure	84,898	8,359,526	7,165	7,879	31,674	176,806	245,746	511,942	381,466	731,652	201,965	477,101	255,846	686,670	469,380	
Landscape	118,628	13,546,018	9,006	16,613	66,785	409,039	568,530	975,581	725,814	1,394,271	587,095	1,386,889	752,534	2,019,738	1,380,610	
TOTAL COST	884,530	93,955,192	439,633	135,150	436,718	1,853,674	2,050,057	3,260,048	4,365,704	3,731,505	3,012,615	6,816,152	1,586,180	7,182,410	4,830,624	
Lots	3	1,004	1	1	1	17	20	23	34	35	28	57	1	43	48	
COST PER LOT	294,843	93,581	439,633	135,150	436,718	109,040	102,503	141,741	128,403	106,614	107,593	119,582	1,586,180	167,033	100,638	
Lots settled	3	1,004	1	-	-	17	20	23	34	35	25	40	1	20	-	1,223
COST OF LOTS SETTLED	884,530	93,955,192	439,633	-	-	1,853,674	2,050,057	3,260,048	4,365,704	3,731,505	2,689,835	4,783,265	1,586,180	3,340,656	-	122,940,279
Stage Area (m2)	10,900	332,827	320	255	1,795	6,632	6,615	9,933	13,721	13,416	8,396	21,808	20,012	17,349	18,597	
Cost per m2	81	282	1,374	530	243	280	310	328	318	278	359	313	79	414	260	
Avg lot size	3,633	332	320	255	1,795	390	331	432	404	383	300	383	20,012	403	387	

Other cash expenditure

Direct Selling & Proj Mgt Costs
Marketing costs
Administration
Finance
Contingency

30,623,022
3,040,211
7,029,164
230,064
4,091

TOTAL COSTS	163,866,831
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PERIODIC ANALYSIS	Month	YTD	PTD	PY Jun-22
Lots settled	16	107	1,223	1,116
Cost of lots settled	2,470,732	14,970,693	122,940,282	107,969,589
Direct selling costs	183,018	3,624,252	30,623,022	26,998,770
Marketing costs	118,486	363,593	3,040,211	2,676,619
Administration	85,086	1,098,408	7,029,164	5,930,756
Finance	1,841	31,883	230,064	198,181
Contingency	-	-	4,091	4,091
TOTAL COSTS	2,859,162	20,088,829	163,866,834	143,778,006

Catalina COGS Calc

30-Jun-23

Job	Titled Date	Direct Cost	Indirect Cost	COGS Total	Lot #	Titled	Untitled	COGS/Lot	Settled Lots	PTD COGS	Per Accounts	Variance	Finished Goods	FG/Lot
140-01-001	17-Oct-2012	4,004,839	637,443	4,642,282	35	35	-	132,637	35	4,642,282	4,642,282	-	-	-
140-01-002	7-Nov-2012	3,429,204	598,332	4,027,537	37	37	-	108,852	37	4,027,537	4,027,537	-	-	-
140-01-003	14-Jan-2013	3,002,658	554,241	3,556,899	43	43	-	82,719	43	3,556,899	3,556,899	-	-	-
140-01-004	20-Mar-2013	3,371,482	800,585	4,172,067	47	47	-	88,767	47	4,172,067	4,172,067	-	-	-
140-01-005	20-May-2013	4,894,899	968,068	5,862,967	63	63	-	93,063	63	5,862,967	5,862,967	-	-	-
140-01-06A	18-Jan-2013	483,435	179,725	663,160	8	8	-	82,895	8	663,160	663,160	-	-	-
140-01-06B	19-Jan-2015	1,100,352	510,130	1,610,482	24	24	-	67,103	24	1,610,482	1,610,482	-	-	-
140-01-06C	3-Apr-2014	671,286	211,296	882,581	10	10	-	88,258	10	882,581	882,581	-	-	-
140-01-007	31-Oct-2013	4,146,749	938,488	5,085,238	63	63	-	80,718	63	5,085,238	5,085,238	-	-	-
140-01-008	16-Jan-2014	4,389,068	881,805	5,270,874	53	53	-	99,450	53	5,270,874	5,270,874	-	-	-
140-01-009	8-May-2014	4,640,905	814,395	5,455,300	51	51	-	106,967	51	5,455,300	5,455,300	-	-	-
140-01-010	8-May-2014	2,460,031	595,126	3,055,157	30	30	-	101,839	30	3,055,157	3,055,157	-	-	-
140-01-011	1-Oct-2014	4,797,823	1,320,873	6,118,696	64	64	-	95,605	64	6,118,696	6,118,696	-	-	-
140-01-012	3-Dec-2014	3,225,081	1,064,585	4,289,666	49	49	-	87,544	49	4,289,666	4,289,666	-	-	-
140-01-13A	30-Mar-2015	2,965,498	717,571	3,683,069	37	37	-	99,542	37	3,683,069	3,683,069	-	-	-
140-01-13B	11-May-2015	2,739,324	986,155	3,725,479	45	45	-	82,788	45	3,725,479	3,725,479	-	-	-
140-01-014	4-Jun-2015	3,619,629	1,347,229	4,966,858	63	63	-	78,839	63	4,966,858	4,966,858	-	-	-
140-01-015	15-Dec-2015	3,073,171	1,243,145	4,316,316	55	55	-	78,478	55	4,316,316	4,316,316	-	-	-
140-01-18A	27-May-2016	1,453,614	760,239	2,213,853	29	29	-	76,340	29	2,213,853	2,213,853	-	-	-
140-01-14B	28-Oct-2016	784,420	224,347	1,008,767	10	10	-	100,877	10	1,008,767	1,008,767	-	-	-
140-01-017	2-Feb-2017	1,194,140	730,941	1,925,081	25	25	-	77,003	25	1,925,081	1,925,081	-	-	-
140-01-18B	13-Jun-2017	1,266,620	876,513	2,143,133	31	31	-	69,133	31	2,143,133	2,143,133	-	-	-
140-01-18C	26-Oct-2022	2,223,555	789,060	3,012,615	28	28	-	107,593	25	2,689,834	2,689,834	0	322,780	107,593
140-02-025	8-Aug-2017	6,444,321	1,929,606	8,373,927	58	58	-	144,378	58	8,373,927	8,373,927	-	-	-
140-01-17B	22-May-2018	1,556,232	1,222,995	2,779,227	36	36	-	77,201	36	2,779,227	2,779,227	-	-	-
140-02-026	26-Sep-2019	2,334,871	1,791,711	4,126,582	38	38	-	108,594	38	4,126,582	4,126,582	-	-	-
140-01-16A	25-Jan-2021	1,267,829	585,845	1,853,674	17	17	-	109,040	17	1,853,674	1,853,674	-	-	-
140-02-27A	24-Feb-2021	1,235,782	814,276	2,050,058	20	20	-	102,503	20	2,050,058	2,050,058	-	0	-
140-02-27B	20-Apr-2022	1,772,525	1,487,523	3,260,048	23	23	-	141,741	23	3,260,048	3,260,048	-	-	-
140-02-028	1-Sep-2021	3,258,423	1,107,280	4,365,703	34	34	-	128,403	34	4,365,703	4,365,703	-	-	-
140-02-029	21-Apr-2023	4,476,001	2,706,408	7,182,409	43	43	-	167,033	20	3,340,655	3,340,655	-	3,841,754	167,033
140-02-030	25-May-2022	1,605,582	2,125,923	3,731,505	35	35	-	106,614	35	3,731,505	3,731,505	-	0	-
140-03-036	2-Nov-2022	1,322,717	1,863,990	6,816,153	78	57	21.00	119,582	40	4,783,265	4,783,265	0	2,032,888	119,582
140-03-037	22-Jun-2023	6,735,725	1,849,990	4,830,624	48	48	-	100,638	-	-	-	-	4,830,624	100,638
140-70-001	7-Nov-2012	423,461	16,171	439,633	1	1	-	439,633	1	439,633	439,633	-	-	-
140-70-004	12-Dec-2013	20,322	41,798	62,119	1	1	-	62,119	1	62,119	62,119	-	-	-
140-70-005	8-Aug-2017	110,657	24,492	135,149	1	1	-	135,149	-	-	-	-	135,149	135,149
140-70-007	17-Oct-2012	222,150	87,611	309,761	1	1	-	309,761	1	309,761	309,761	-	-	-
140-70-008	1-Oct-2014	438,532	74,117	512,649	1	1	-	512,649	1	512,649	512,649	-	-	-
140-70-009	27/2/23	577,801	1,008,380	1,586,181	1	1	-	1,586,181	1	1,586,181	1,586,181	-	-	-
140-70-028	8-Aug-2017	338,259	98,459	436,718	1	1	-	436,718	-	-	-	-	436,718	436,718
98,078,972		36,586,867		134,540,195	1,337	1,316	21.00		1,223	122,940,282	122,940,282	-0	11,599,913	

8.7. REVIEW OF PURCHASER TERMS, CONDITIONS AND INCENTIVES

Responsible Officer:	Manager Project Coordination
Attachments:	1. Comment - Purchaser Terms, Conditions, Incentives
Voting Requirement:	Simple Majority

RECOMMENDATION

That the Council:

1. **APPROVES** the following Purchaser Terms, Conditions and Incentives for public release lots in Catalina Estate for the period August 2023 to August 2024:

Already released stock in Catalina Beach and Catalina Green and future Catalina Beach releases (maintain current terms, conditions and incentives, as follows):

- 1.1 Use of the REIWA Offer and Acceptance Contract with Special Conditions and Annexure.
 - 1.2 A \$2,000 deposit to be used in the Sales Contracts for lots in Catalina Green and a \$5,000 deposit to be used in the Sales Contracts for lots in Catalina Beach.
 - 1.3 A finance approval period, where finance is required, of 60 days for lots in Catalina Green and 45 days for lots in Catalina Beach.
 - 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 3.0KW capacity photovoltaic solar power system, with an additional \$1,000 rebate paid where the system includes integrated battery storage.
 - 1.7 Side and rear boundary fencing (behind the building line).
 - 1.8 A \$1,000 rebate for all homes that 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 applicable Design Guidelines within 24 months of settlement for single storey homes and 30 months of settlement for two storey homes.
-

Future releases in Catalina Green (from Stage 39)

As for current releases, with the following additions:

- 1.10 An additional \$2,000 rebate for all homes constructed with a minimum 3.0KW capacity photovoltaic solar power system (total of \$4,000), with an additional \$1,000 rebate paid where the system includes integrated battery storage.
 - 1.11 Waterwise front landscaping package to also include:
 - 1.11.1 Wi-fi enabled smart meter and irrigation controller.
 - 1.11.2 Increased number and size of included tree stock.
 - 1.12 An eco-smart lifestyle bundle including:
 - 1.12.1 Heat pump hot water system (capped at \$1,500).
 - 1.12.2 Energy efficient air-conditioning monitor or thermostat (capped at \$300).
 - 1.12.3 Home Energy monitor (capped at \$350).
2. REQUESTS the Satterley Property Group to review the Purchaser Terms, Conditions and Incentives for Catalina and provide a report to the Council for consideration in August 2024.

PURPOSE

To consider purchaser terms, conditions and incentives for the sale of Catalina lots for the period between August 2023 and August 2024.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

Local Government Act 1995: Sect 3.58 – Disposal of Property

PREVIOUS MINUTES

Council Meeting – 18 August 2022 (Item 9.1 Purchaser Terms and Conditions)

FINANCIAL/BUDGET IMPLICATIONS

Expenditure under this matter will be incurred under item E145216 (Direct Selling Expenses):

Budget Amount:	\$	3,772,577
Spent to Date:	\$	236,438
Balance:	\$	3,536,139

Note: Refers to Budget FYE 2024, not yet adopted.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 3	Risk Rating:
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Development Project – Development Manager ability to deliver	Moderate
Action:	
Development Manager to prepare for approval strategies and plans	

Approval of the purchaser terms, conditions and incentives for the sale of lots in Catalina will establish sales contract requirements.

BACKGROUND

The Council establishes and regularly reviews the terms, conditions and incentives that apply to the sale of Catalina lots. The last review occurred at the Council’s meeting of 18 August 2022, where it approved sale terms, conditions and incentives to apply for the next twelve months and required them to be reviewed again at its August 2023 meeting.

In preparation for the next review, Satterley was requested to examine if the current purchaser terms, conditions and incentives represent industry best-practice and are consistent with the Council’s Project objectives. This was one of several subjects discussed at a Councillor strategy session held following the Council's meeting on 20 June 2023.

COMMENT

Strategy Session Outcomes

The presentation to the Council Strategy session on 20 June 2023 provided details on the following:

- Current sales terms, conditions and incentives in place across Catalina.
- Review of current sales terms, conditions and incentives against the Council's strategic objectives.
- Comparison of current sales incentives offered in Catalina against other development estates.

The key outcomes from the Strategy session were as follows:

- Current sales terms and conditions have functioned well, particularly the varying deposit requirements for each Precinct and extended periods of eligibility for redemption of sales incentives given substantial building delays in recent times, which should be maintained.
- Current sales incentives form an important part of Catalina's environmental credentials and estate presentation and support sales. They have been well received by purchasers, incentivise the early construction of homes, encourage sustainability and promote quality streetscapes.
- Current incentives have a value of approximately \$12,000/lot, which compares well to other estates, and are generally in line with the Council's strategic objectives for the built and natural environment.
- Current incentives should be maintained for the next twelve months for all current released stock in Catalina to reflect current consumer requirements, recognise extended timeframes for home completions due to high levels of building activity and enhance Catalina's appeal and sustainability credentials.
- In respect to future stage sales releases, current incentives should be maintained in Catalina Beach, but in Catalina Green (that is for Stage 39 and stages that follow) there is potential to add to and differentiate the incentives offered by including additional sustainability-related inclusions consistent with Green's environmental theming and the Project's 'best practice' objectives.

A summary of the presented information follows:

Current Terms, Conditions and Incentives

The following table outlines the purchaser terms, conditions and incentives that have applied in each Catalina Precinct over the past 12 months.

	Catalina Beach	Catalina Central	Catalina Green
Deposit	\$5,000	\$2,000	\$2,000
Period for finance approval	45 days	60 days	60 days
Period for finance extension	28 days	28 days	28 days
Settlement	21 days	21 days	21 days
Fencing	Side and Rear	Side and Rear	Side and Rear
Landscaping	Front	Front	Front
Solar (PV)	\$2,000 (min 3.0kW); or \$3,000 (min 3.0kW with battery)	\$2,000 (min 3.0kW); or \$3,000 (min 3.0kW with battery)	\$2,000 (min 3.0kW); or \$3,000 (min 3.0kW with battery)
Water Efficiency (WELs)	\$1,000	\$1,000	\$1,000
Eligibility period for redemption of sales incentives/rebates for single-storey dwellings	24 months	24 months	24 months
Eligibility period for redemption of sales incentives/rebates for double-storey dwellings	30 months	30 months	30 months

The only items of variation between the precincts are a higher deposit requirement and shorter finance approval period in Catalina Beach (\$5,000 and 45 days respectively), compared to Catalina Green and Catalina Central (\$2,000 and 60 days).

Comparison of Catalina with other estates

The incentives offered in Catalina have been compared against those offered in other estates, which are located primarily in the northern coastal corridor. Other estates located outside the corridor that are recognised as industry-leading for sustainable development have also been included in the comparison, as set out in the following table.

Estate	Developer	Fencing	Front Landscaping	Solar	Water/Energy	Other	Comments
Catalina	TPRC	✓	✓	✓	✓	✗	Solar \$2000 or \$3000 with battery. WELS \$1000.
Alkimos Beach/ Vista	Lendlease/Dev WA	✓	✓	✓	✓	✓	Solar \$250. WELS \$1200 (HWS). EE Aircon \$300. \$5k discount select lots. \$500 referral. Gardening welcome pack.
Allara	Satterley/Dev WA	✓	✓	✓	✓	✓	\$13,000 'clever lifestyle' bundle (inc fencing, landscaping, LED lights, smart thermostat or EE Aircon, Smart meter, Home Security).
Amberton	Stockland	✓	✓	✗	✗	✓	\$5000 loyalty program. \$1000 referral. Fitness/Dog Training classes.
Banksia Grove	LWP	✓	✓	✗	✗	✗	
Burns Beach	Peet	✓	✓	✗	✗	✓	\$5000 loyalty program. Current 2 month promotion - \$20,000 cash rebate and \$25,000 builder discount on selected lots
Eden Beach	Satterley/Dev WA	✓	✓	✗	✗	✗	
Elavale	Peet	✓	✓	✗	✗	✗	
Apsley	Qube	✓	✓	✓	✗	✓	Solar 3kW system. 12 months landscaping maintenance.
Jindowie	Parcel/Dev WA	✗	✗	✗	✗	✓	\$1,000 referral.
East of the Beach	Urban Quarter	✓	✓	✗	✗	✗	
Eglington Village	Cedar Woods	✓	✓	✗	✗	✗	
The Amble	Yolk/Dev WA	✓	✓	✗	✓	✓	Landscaping includes vegetable garden. Sustainability package includes LED lights, insulation, shower heads, skylights, e-vents, compost bin.
Trinity	LWP	✓	✓	✗	✗	✗	
Rivermark	Hesperia	✓	✓	✓	✓	✓	Rear landscaping. Solar battery. Sustainability package includes Heat pump, smart irrigation, ebike or scooter, acoustic upgrade.
Vertex	LWP	✓	✓	✗	✗	✗	
Brabham	Peet	✓	✓	✓	✓	✓	\$13000 'Better Life' bonus (inc fencing, landscaping, \$3000 solar, smart irrigation, bike, heat pump, energy management system)
Jindee	EDC	✓	✗	✗	✗	✓	Front fence, gate and stairs.
Bushmead	Cedar Woods	✓	✓	✗	✗	✓	3000L Rainwater tank.
Harrisdale Green	Cedar Woods/Dev WA	✓	✓	✓	✓	✓	\$2500 rebate for Rainwater tank (~3000L).

Catalina current incentives have a value of approximately \$12,000/lot, which is at the higher end compared to other estates.

Opportunities for Additional Incentives

Opportunity exists to add to and differentiate the incentives offered in Catalina, particularly in Catalina Green, by including additional sustainability-related inclusions consistent with Green's environmental theming and the Project's 'best practice' objectives.

Satterley identified various potential additional sustainability-related incentives, including:

- Increased value of the Solar and/or Battery and/or WELs rebates;
- Heat pump hot water systems;
- Wi-Fi enable smart meters and irrigation controllers;
- Glazing upgrades;
- Additional or larger trees in front landscaping packages;
- Rainwater tanks;
- Compost bins;
- Sustainable living manual;
- Energy efficient air-conditioning/appliance incentives;
- Eco-friendly building products;
- Builder recycling.

Satterley also identified a number of potential additional lifestyle incentives that could be provided on their own or as a ‘bundle’, including:

- E-bike or scooter;
- EV car charger;
- Rear landscaping;
- Vegetable garden;
- Home security;
- Outdoor kitchen/bbq;
- Front elevation building upgrades.

Satterley advised of the following indicative costs for what it considers are the most-worthy potential additional incentives that could be offered:

Incentive	Rebate/Incentive (estimates only)
Heat pump hot water system	\$1,500
Wi-fi enabled smart meter and irrigation controller	\$400
Waterwise front landscaping additions	\$200
Energy efficient air-conditioning monitor or thermostat	\$300
Energy monitor	\$350
E-bike/scooter	\$1,000
Increased tree stock in front landscaping packages	\$500
Upgrade to current solar package	\$2,000
EV charger point	\$2,000
Total	\$8,250

Satterley advises that such inclusions would provide a good basis for marketing, but caution that they will not necessarily lead to additional sales.

Satterley Recommended Approach

Having noted the Strategy session outcomes and considered the costs, market-appeal and practicalities associated with managing additional offered incentives that were raised as possible opportunities, Satterley recommends that:

- Existing sales terms, conditions and incentives be maintained for the next twelve months for all current released stock in Catalina to reflect current consumer requirements, recognise extended timeframes for home completions due to high levels of building activity and enhance Catalina’s appeal and sustainability credentials.
- Existing terms, conditions and incentives be maintained for future sales releases in Catalina Beach, but for future releases in Catalina Green (that is for Stage 39 and stages that follow) the incentives offered should be expanded to include the following:
 - An additional \$2,000 rebate for all homes constructed with a minimum 3.0KW capacity photovoltaic solar power system (total of \$4,000), with an additional \$1,000 rebate paid where the system includes integrated battery storage.
 - The existing waterwise front landscaping package to also include:
 - Wi-fi enabled smart meter and irrigation controller.
 - Increased number of waterwise plants.
 - Increased number and size of included tree stock. (increased value of \$1,100 per lot).
 - An eco-smart lifestyle bundle including:
 - Heat pump hot water system (capped at \$1,500).

- Energy efficient air-conditioning monitor or thermostat (capped at \$300).
- Home Energy monitor (capped at \$350).

The following comments are made in respect to the recommendations made by Satterley:

- Maintaining current sales terms and conditions is supported, noting that:
 - The requirement for a \$5,000 deposit in Catalina Beach ensures the commitment and qualification of purchasers of the more expensive product on offer in this precinct to mitigate the risk of prospective purchasers with insufficient borrowing capacity registering and subsequently being unable to obtain finance approval.
 - The \$2,000 deposit in Catalina Green has been well-received by prospective purchasers where the majority of sales are being sourced through builder contracts, which usually involves the purchaser obtaining finance for a house and land package. Reduced deposit requirements and a longer period provided to prepare house plans and complete finance applications assists to finalise sales.
 - The period of eligibility for redemption of sales incentives, fencing and landscaping packages and solar and water efficient fittings/appliances rebates should remain at 24 months for single-storey homes and 30 months for double-storey homes. These eligibility periods are necessary as a result of a high volume of construction activity and skill shortages and consequential extended building timeframes.
- The financial implication of the recommended additional Catalina Green incentive inclusions would be an extra \$5,250/lot (exclusive of GST) over and above the value of the current offered incentives. The Council is under no obligation to expand the current suite of offered incentives in the manner recommended, however incorporating the additional recommended incentives for Stage 39 and beyond in Catalina Green would, based on analysis of current industry practice, represent the broadest, highest-value and best-practice sustainability package of incentives currently in the market.

It should be noted that there is no available stock in Catalina Central and no prospect of bringing on additional stock in this precinct in the short to medium term given that most remaining land left to develop lies within the buffer zone associated with the Tamala Park Landfill Site. Development of the buffer land will not be permitted until the Landfill operation concludes and any legacy issues associated with groundwater contamination and gas risk are addressed. There is as a result no need to set terms, conditions and incentives for Catalina Central for the next 12 months.

CONCLUSION

Current sales terms, conditions and incentives have functioned well and supported Catalina's sales objectives, environmental credentials and estate presentation. Scope exists to consider offering additional sales incentives to ensure Catalina compares well against the incentives offered in competing estates and meets the Council's objectives for the Project to demonstrate best-practice sustainable urban development.

It is recommended that:

- The current purchaser terms, conditions and incentives be maintained for all existing available Catalina lots for the period from August 2023 to August 2024.
 - For future releases in Catalina Green (that is for Stage 39 and stages that follow) the incentives offered be expanded to include the following:
 - An additional \$2,000 rebate for all homes constructed with a minimum 3.0KW capacity photovoltaic solar power system (total of \$4,000), with an additional \$1,000 rebate paid where the system includes integrated battery storage.
-

- The existing waterwise front landscaping package to also include:
 - Wi-fi enabled smart meter and irrigation controller.
 - Increased number of waterwise plants.
 - Increased number and size of included tree stock.
 - (increased value of \$1,100 per lot).
- An eco-smart lifestyle bundle including:
 - Heat pump hot water system (capped at \$1,500).
 - Energy efficient air-conditioning monitor or thermostat (capped at \$300).
 - Home Energy monitor (capped at \$350).
- Satterley be requested to review the purchaser terms, conditions and incentives for the sale of lots in Catalina for the Council's consideration in August 2024.

The costs associated with the purchaser terms, conditions and incentives can be accommodated in the approved CRC Project Budget FYE 2024 and its budgets for the periods beyond.

8.8. SPECIAL DEVELOPMENT SITES - STATUS REPORT

Responsible Officer:	Manager Project Coordination
Attachments:	1. Comment - Special Sites 2. Special Sites Update
Voting Requirement:	Simple Majority

RECOMMENDATION

That the Council:

1. **RECEIVES** the Special Development Sites update dated 18 July 2023, as prepared by the Satterley Property Group.
 2. **APPROVES** the commercial terms and conditions, the lot allocation process and the criteria for the sale of lots to builders in the Catalina Green Builders Display Village, as set out in the Satterley Property Group correspondence dated 18 July 2023.
 3. **REQUIRES** the Satterley Property Group to provide a further status report within six months.
-

PURPOSE

To consider a status report on several identified strategically significant development sites, including proposed commercial terms and conditions, a lot allocation process and criteria for the sale of lots in the Catalina Green Builders Display Village, as prepared by the Satterley Property Group (Satterley).

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

Local Government Act 1995: Sect 3.58 – Disposal of Property

PREVIOUS MINUTES

- Council Meeting – 20 April 2023 (Item 9.1: Strategic Land Development: Options Analysis)
 - Council Meeting – 14 October 2021 (Item 7.7: Catalina Green Builders Display Village – Commercial Terms and Lot Allocation Process)
-

FINANCIAL/BUDGET IMPLICATIONS

Expenditure under this matter will be incurred under item E145211 (Lot Production):

Budget Amount:	\$	9,616,444
Spent to Date:	\$	-6,240
Balance:	\$	9,622,480

Notes: Refers to Budget FYE 2024, not yet adopted. Negative "Spent to Date" figure is due to a bond refund received in July.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 3	Risk Rating:
Development Project – Development Manager ability to deliver	Moderate
Action:	
Development Manager to prepare for approval strategies and plans	

This report provides recommendations for the development and disposal of strategically significant sites within Catalina.

BACKGROUND

At its meeting of 20 April 2023, the Council considered an analysis of eight remaining strategically important development sites within the Project and resolved to actively explore and pursue the following sites in the short term:

- Catalina Green 7.5m Lot;
- Catalina Beach Commercial Site;
- Catalina Beach Group Housing South;
- Catalina Green Display Village.

The Council required that a status report on these sites be presented within six months (that is, by October 2023).

Satterley has provided a status report, dated 18 July 2023, which is contained in the attachment.

COMMENT

Satterley's status report provides an update on the four priority development sites. Having conducted an analysis of the four sites based on multiple evaluation criteria, it recommends that the Catalina Green Display Village be pursued at the main initial priority.

The following comments are made in response to Satterley's status report and its recommendations:

Catalina Green 7.5m Lots

Stages 36 and 37 included six 7.5m-wide lots that are mandated for two-storey development. The two-storey development requirement is CRC-imposed, rather than being a regulatory requirement.

Satterley advises that these sites have been marketed through retail and investor channels, resulting in three sales. Since Satterley's status report was provided, an additional lot has sold.

Satterley proposes that the remaining lots to be sold continue to be actively marketed and that further investigation of the Council potentially building on these lots be put on hold.

Noting that three lots have sold and settled, one lot is sold pending settlement and only two lots remain available, Satterley's recommended approach is considered to be acceptable.

Catalina Beach Commercial Site

A 2,257m² site for commercial development located in the future Stage 32 has been given subdivision approval but is yet to be constructed.

Satterley advises that there is no immediate need to construct Stage 32, given substantial available Beach stock and a current sales rate of three to four lots each month, and construction of the commercial site should not currently be the main priority. However, it recognises the need to define the objectives and development strategy for the commercial site.

The CRC office will work with Satterley on the objectives and development strategy for the site and will bring a report on these matters to a future meeting of the Council.

Catalina Beach Group Housing Site (South)

A 3,770m² yet-to-be-titled site at the south-western corner of the Marmion Avenue/Portofino Promenade intersection is identified for grouped housing development.

Satterley advises that it has not given priority to progressing either the sale or development of the site and is mindful that development of town houses or apartments would introduce additional competition to the sale of other Beach lots. It recognises the need to define the objectives and development strategy for the site.

The CRC office will work with Satterley on the objectives and development strategy for the site and will bring a report on these matters to a future meeting of the Council.

Catalina Green Display Village

Stage 36 includes 10 lots (Lots 3022 to 3029, 3029 & 3040) that are titled and were previously identified for the development of a new builders display village. A 4,134m² land parcel was

set aside for use as a carpark for the display village, upon which approved subdivision and engineering plans provide for later subdivision into 21 lots (Lots 3001 to 3021) once the land is no longer required as a carpark – see the following plan.



A previous expression of interest (EOI) process for a display village was conducted in October/November 2021 but did not attract sufficient interest in enough of the lots that were made available to warrant their sale.

In its review of the eight development sites considered by the Council in the April 2023 report, Satterley identified the options of either continuing with the original intention to develop a display village or sell the lots as typical residential development sites and recommended pursuing a display village.

Satterley has since given further consideration to the development of a display village and recommends that a new EOI process be conducted with builders on their potential involvement. Satterley also recommends that the Council construct a sustainability demonstration home on one of the village lots, similar to what Peet has recently developed in its Brabham estate.

This approach is recommended by Satterley on the basis of the potential to leverage important builder relationships, provide additional Project marketing, demonstrate best-practice in sustainability, provide an opportunity for development of a new sales office and position builders and the sales team where most Project sales will originate from in coming years.

Demonstration Home

Satterley proposes that the demonstration home be located on Lot 3022 and be used as a future sales office given its strategic location within the display village, potentially leveraging relationships with village's builder sales representatives. The demonstration home is proposed to provide options and ideas for sustainability inclusions in a new home-build and be designed in a way that it is easily converted to and sold as a residence following closure of the display village.

Satterley proposes that the building design and award process run separate to the display village EOI process.

Sales Office Strategy

Given the proposed infrastructure to be delivered with the proposed display village, Satterley proposes the following strategy for the Catalina sales office arrangements:

- The current sales office in Catalina Beach is to remain for approximately two years while the new Beach display village is active, as it is considered important to have a presence in the aspirational Beach precinct and provide buyers the journey with selling into an aspirational product or sell into the Green where appropriate and leverage traffic and support the builders.
- The current sales office, which is considered to be an underutilised asset, can be sold when the new sales office in the demonstration home is ready. Given that the demonstration home is proposed to be built by a bespoke builder and will be owned by the Council, Satterley do not consider it appropriate that it be an active display home used by the builder.
- Satterley considers it appropriate to ensure traffic and promote sustainable building features to use the home as a sales office, noting that Catalina Green will be the Project's main selling front for several years. Satterley anticipates that the life span of the new sales office will be two to three years in line with the life span of the display village.
- Similar to what is proposed with the Beach sales office, Satterley considers that the new Catalina Green sales office will be an asset that can be on sold following closure of the display village. At that time, there is likely to be an opportunity to relocate the sales office again within a tenancy in the neighbourhood centre at Catalina Green or the commercial centre at Catalina Beach.
- With the current Project completion forecast of FYE 34, Satterley considers it appropriate to retain a sales office presence until that time, with Catalina Green being the current preferred option, but advises that this can be reassessed later when there is greater certainty on the timing of the Western Australian Planning Commission (WAPC) land acquisition in Catalina Green and ability to develop the Urban Deferred-zoned land in Catalina Central.

Proposed Terms and Conditions

Satterley has proposed the following sales terms and conditions for the display village:

1. Deposit: \$5,000 payable within 5 working days of acceptance.
2. Settlement: 60 days from contract acceptance.
3. Contract Terms: Cash unconditional.
4. Practical completion of the Display Home is to be no later than 60 weeks (single storey) or 70 weeks (double storey) from settlement or from the outlined date in the approved development application for display village.
5. The display homes being open for the minimum of 2pm to 5pm on Wednesdays, 1pm to 5pm Saturday, Sunday and Public Holidays (or as agreed by the CRC).
6. The Display Home to be designed and constructed in accordance with the Catalina Green Design Guidelines and Estate Covenants.
7. The Display Home to incorporate all of the sustainability initiatives listed below:
 - Installation of solar panels with a minimum 3.0kw system.
 - Installing high star rated electrical and water using appliances.
 - Heat pump hot water system.
 - Energy monitor and smart meter.
8. Sustainability initiatives listed above may be substituted with other sustainability initiatives proposed by the Tender at the CRC's absolute discretion.
9. The builder will be required to undertake landscaping of the lot including reticulation to the verge. A landscape plan must be provided for CRC's approval prior to landscape works being undertaken within the building setback. Buyer must install a street tree in accordance with approved street tree masterplan.
10. The Display Home is to be open for a minimum of 2 years, with an option to extend for a further year at the discretion of the CRC.
11. A Building Rebate of 2.5% of the purchase price (inclusive of GST) will be paid to participating builders subject to compliance with Conditions 1 - 8 as listed above within 60 days of the opening of the Display Home.
12. A Building Rebate of 2.5% of the purchase price (inclusive of GST) will be paid to participating builders subject to compliance with Condition 9 listed above.

Selection Criteria

Satterley proposes that the EOI process be conducted to call for submissions from builders to purchase a lot in the display village. The following selection criteria is proposed to assess submissions:

- Capacity to meet market demand (30%) – to be based on rankings under Reed construction data for the Perth metropolitan region, number of homes the builder has constructed previously in Catalina and demonstration of the builder's financial capacity to complete development.

- Building Design (40%) – the tenderer must demonstrate how the display home meets the vision and objectives of the CRC and the Catalina Green Design Guidelines. Builders will be encouraged to provide proposed elevations and concept plans demonstrating their design, including compliance with the recently revised Residential Design Codes.
- Sustainability and innovation (30%) – the tenderer must confirm compliance with the mandatory sustainability initiatives outlined in the contract terms and any additional sustainability initiatives proposed. Relevant initiatives include energy efficiency, water efficiency, waste management and use of innovative and cost-effective building materials.

The respondent that achieves the highest ranking will be given the first preferred lot allocation. The respondent that achieves the second-highest ranking will be given the second lot allocation and so on until all lots have been allocated. Any lot not allocated will be re-offered to tenderers in the same order of rankings. Any remaining display lot will be held in reserve pending review by Satterley and the CRC.

Financial Implications

Satterley has identified the following financial implications associated with the recommended strategy for the display village:

- Demonstration home, including key sustainability features and sales office - \$750,000.
- Sales office fit out, including required marketing collateral - \$50,000.
- Carpark construction and associated landscaping - \$150,000.
- Carpark demolition upon completion of display village - \$50,000.
- Display village builder rebates associated with key opening dates - 5% of purchase price, in two separate tranches - \$135,000 (\$15,000 per lot for nine lots).
- Display village sustainability initiatives rebate - \$90,000 (\$10,000 per lot for nine lots).

Indicative costs for the display village are approximately \$1,225,000. Upon completion of the display village, Satterley considers that the demonstration home could be on sold for an anticipated value of \$700k. Satterley considers that there is significant marketing benefit and traffic generation in progressing the display village and recommends it be pursued as set out above.

CONCLUSION

Satterley has provided an update on the four identified strategically significant development sites. The recommended direction for the Catalina Green 7.5m Lots, the Catalina Beach Commercial Site and Catalina Beach Group Housing South is supported.

The recommended approach to the Catalina Green display village presents a key consideration of either pursuing endorsed Project objectives to showcase desirable built form by building a display village, including a sustainability demonstration home, which will come at significant cost or to sell the 31 lots (including the 10 village lots and 21 lots that could be realised from land set aside for the associated carpark) through the normal retail approach.

Both are considered to be legitimate options for the Council to pursue.

The Council's relevant endorsed strategic objectives are to:

- Provide diverse housing options that are attractive to a wide demographic and represent best practice urban design and development by developing a built form strategy that

demonstrates innovation and quality design, sustainable built form and best practice (Built Environment Strategic Pillar)

- Demonstrate high quality stewardship in environmental management and innovation in sustainability by promoting environmental and sustainability principles and practices through development incentives and industry best-practice (Natural Environment Strategic Pillar).

Pursuing the development of a display village, including the sustainability demonstration home, as recommended by Satterley, is the recommended approach on the basis of these strategic objectives and the following factors:

- The location of the proposed Catalina Green Display Village is consistent with the approved development strategy for Catalina Green. It will also help continue to set a high standard of housing in a highly visible location, consistent with the Catalina Green Design Guidelines.
- The display village will feature conventional-sized lots, as this is indicative of the majority of lots to be available for sale in the Catalina Green and likely to appeal to a higher proportion of builders.
- The commercial terms and conditions proposed by Satterley for the sale of display home lots are similar to what were applied in the current Catalina Beach Display Village, which are considered to have been effective and are considered acceptable.
- The Project Budget makes allowance for the payment of rebates to display village builders, which is considered to be sufficient for the likely cost to be incurred with the proposed builder rebates. This is in line with previous Display Village lot sales.
- The recommended EOI process to seek submissions from builders to purchase and develop lots in the display village is considered appropriate. The allocation criteria proposed are similar to what applied in the display villages in Catalina Beach and the previous display village EOI process in Catalina Green.

The Council has delegated authority (Ref No. 7.1.11) to the Chief Executive Officer to advertise a display village EOI process and execute the lot allocation process in accordance with selection rankings determined through a panel-evaluation of submissions.

It is therefore recommended that the Council:

- Receives Satterley's update report on the special development sites.
- Approves the commercial terms and conditions, the lot allocation process and the criteria for the allocation of lots to builders in Catalina Green Builders Display Village 1, as proposed by Satterley.
- Requires a further status report on the special development sites within six months.

18 July 2023

Mr Chris Adams
Chief Executive Officer
Tamala Park Regional Council
Unit 2, 369 Scarborough Beach Road
INNALOO WA 6018

Via email: simon.osullivan@tamalapark.wa.gov.au

Dear Chris,

CATALINA: SPECIAL SITES STRATEGY UPDATE AND DISPLAY VILLAGE RECOMMENDATION

BACKGROUND AND STRATEGY UPDATE

At a Strategic Workshop Meeting held in late 2022, TPRC requested a review of the project's balance strategic special sites. Satterley provided a recommendation outlining all sites across the life cycle of the project and prioritising short to medium term opportunities for Council consideration. At the 20 April 2023 Council meeting, Council resolved to adopt the Green Display Village. Beach Commercial Site, Beach Group Housing South and Green 7.5m lots be actively explored/pursued in the short term and that a status report be on the development options be presented to Council within six-months. The following provides an update on each of the opportunities and a scoring assessment to identify which to formally progress.

7.5m 2-Storey Lots

There are six (6) 7.5m lots that are mandated two-storey builds. Since last report, these lots have been marketed through the retail and investor channels which has achieved three (3) sales to date, with three (3) lots remaining for sale. The remaining lots are currently allocated to an investor channel who are actively marketing through their databases, which is likely to result in contracting of the remaining lots over the coming months. Given the uplift in sales enquiry, further investigation of build out is on hold as desired built form outcome is being achieved without further capital investment from TPRC.

Beach Commercial Site

Beach commercial lot is located within Stage 32 and since last update has had no further planning progress. Given sales rates in Beach precinct, anticipated at 3-4 per month, the project has approximately 20-months' supply on hand. Cognisant of managing stock on the ground, priority has not been made to progress planning on the commercial site as would require construction of the surrounding residential stage. There remains a focus in the short term to finalise Council objectives for development strategy of this site, with further work to occur following outcome of this recommendation.

Beach Southern GHS

No further planning work has taken place on the southern GHS, with priority made to the "shovel ready" display village site. Additionally, TPRC must be mindful that any development of town homes or apartments introduces an additional competitor to the estate potentially impacting sales volumes. There remains a focus in the short term to finalise Council objectives for development strategy of the Beach Southern GHS, with further work to occur following outcome of this recommendation.

Green Display Village

Green display village has lots titled are ready for sale. In order to progress the opportunity in full, a EOI process with builders to be run, Development Approvals for the village and engagement of a builder to construct a demonstration home. Since last report, verbal communication has occurred with builders to assess appetite to commit to the village which remains strong.

Weighted Scoring Assessment

Whilst all four (4) opportunities are actively assessed by TPRC and Satterley, the below scoring matrix has been used to inform which to prioritise for delivery immediately. The following score weightings were used with each opportunity given a score out of ten (10) for each criteria:

- Feasibility – 15%
 - Overall market appetite and alignment to strategic goals of TPRC.
- Financial – 20%
 - Capital required to undertake project. More capitally intensive opportunities score lower.
- Time – 20%
 - Readiness and delivery timeframe. Time for project become active and provide benefit.
- Benefit to the project – 20%
 - Innovation, future cashflow, marketing opportunities, amenity etc.
- Risk – 25%
 - Overall risk associated with progressing the opportunity, higher risk, lower score.

	<u>Feasibility</u>	<u>Financial</u>	<u>Time</u>	<u>Benefit</u>	<u>Risk</u>
7.5m Lots	7	7	10	3	7
Beach Commercial	8	6	6	10	6
Beach Southern GHS	8	5	7	7	5
Green Display Village	9	8	9	9	8

	<u>Feasibility 15%</u>	<u>Financial 20%</u>	<u>Time 20%</u>	<u>Benefit 20%</u>	<u>Risk 25%</u>	<u>Total</u>
7.5m Lots	1.05	1.4	2	0.6	1.75	6.8
Beach Commercial	1.2	1.2	1.2	2	1.5	7.1
Beach Southern GHS	1.2	1	1.4	1.4	1.25	6.25
Green Display Village	1.35	1.6	1.8	1.8	2	8.55

Summary and Recommendation

Through the assessment, it was identified that the Green Display Village scored highest with weighted score. The following recommendation will provide further context to progress the display village. It is also recommended that the Beach Commercial site planning is progressed concurrently although noting timing of the surrounding civil works are impacting delivering of the site. Further consideration of the Medium Density Codes on residential lots within this stage of works, along with stock levels, will continue to push out delivery until more certainty can be obtained on suitable lot mix. Notwithstanding, this doesn't impact progress planning and determination on pathway to development of the site in the short term.

DISPLAY VILLAGE AND SALES OFFICE PROPOSAL

Catalina Green currently has 31 lots set aside within Stage 36 for the display village and associated carparking. Ten (10) of these are anticipated for builder allocations/sales office, which are titled lots, and 21 lots make up the carpark and associated landscaping, which remain untitled and are rear-loaded lots currently not for sale. Plan outlining the area is shown below:



As outlined in the proposal provided to TPRC in February 2023, there are 2 options for way forward with these lots which are outlined below:

1. Develop as Display Village which is outlined in the following recommendation.
2. Sell as residential lots and realise the income promptly.

Whilst selling the lots via retail channel rather than creating a Display Village would return larger financial returns, it doesn't account for the below key points which the village will deliver. Satterley consider these to sufficiently outweigh the financial benefit of selling retail.

- Leverage important builder relationships:
- Additional marketing for the project:
- Ability to demonstrate best practice in sustainability:
- Provide strategic opportunity for new sales office; and
- Position the builders and sales team on the volume sales front.

The Green display village is proposed to be a level above to what has been delivered previously and specify (as outlined in T&C's following) additional sustainability features within all builds. Cognisant of the target market for proposed builders within the village, the specified features are aligned to the rebates and incentives packages with a few add On's to help guide buyers. The key is to provide aspirational features without enforcing the builders to over capitalise and put at risk them being receptive to take part in the village.

As an additional feature, it is proposed that a sustainable demonstration house be built by TPRC demonstrating best practice in design and sustainability, similar to what has been done at PEET's Brabham estate. The house is to be utilised as the future sales office, strategically located within the display village, leveraging relationships with the sales representatives within the houses. The house is proposed to be designed in a way that it is easily converted and sold as residential house upon closure of the display village. Whilst the demonstration house is anticipated to provide a suite of options and ideas for sustainability, not all are anticipated to be incorporated by new home buyers given the demographics of the estate. The building design and award will be handled as a

separate process to this recommendation and does not form a critical component to progress the village but rather to promote best practice. Whilst initial discussions can progress with builders, formal engagement wouldn't occur until finalisation of the EOI process and certainty of the development application. It is proposed that the demonstration home/sales office is to be located on lot 3022 which will position the sales office closest to carpark for passing foot traffic and visitation.

Display Village Terms and Conditions

Proposed display village contract terms and conditions are as follows, all subject to review and change by TPRC:

1. Deposit: \$5,000 payable within 5 working days of acceptance.
2. Settlement: 60 days from contract acceptance.
3. Contract Terms: Cash unconditional.
4. Practical completion of the Display Home is to be no later than 60 weeks (single storey) or 70 weeks (double storey) from settlement or from the outlined date in the approved development application for the Catalina Green Display Village.
5. The Display Home being open for the minimum of 2pm to 5pm on Wednesdays, 1pm to 5pm Saturday, Sunday and Public Holidays (or as agreed by the TPRC).
6. The Display Home to be designed and constructed in accordance with the Catalina Green Design Guidelines and Estate Covenants.
7. The Display Home to incorporate all of the sustainability initiatives listed below:
 - Installation of solar panels with a minimum 3.0kw system.
 - Installing high star rated electrical and water using appliances.
 - Heat pump hot water system.
 - Energy monitor and smart metre.Sustainability initiatives listed above may be substituted with other sustainability initiatives proposed by the Tender at the TPRC's absolute discretion.
8. The builder will be required to undertake landscaping of the lot including reticulation to the verge. A landscape plan must be provided for TPRC's approval prior to landscape works being undertaken within the building setback. Buyer must install street tree in accordance with approved street tree masterplan.
9. The Display Home is to be open for a minimum of 2 years, with an option to extend for a further year at the discretion of the TPRC.
10. A Building Rebate of 2.5% of the purchase price (inclusive of GST) will be paid to participating builders subject to compliance with Conditions 1 - 8 as listed above within 60 days of the opening of the Display Home.
11. A Building Rebate of 2.5% of the purchase price (inclusive of GST) will be paid to participating builders subject to compliance with Condition 9 listed above.

Selection and Allocation Process

Evaluation of each Tender will be conducted by Satterley and TPRC following the Tender closing date and will be assessed based on the builder's ability to address the selection criteria. Tender submissions will be given a ranking in accordance with these criteria.

The Tenderer who achieves the highest ranking will be given the first preferred lot allocation in accordance with the Tender Form. The builder who achieves the second highest ranking will receive the second allocation and so on. This method will be followed until all lots have been allocated.

Any lot not allocated will be reoffered at the end of the allocation process in the same order of preference. If any of the display lots remain unallocated these will be held in reserve pending evaluation by Satterley and TPRC. The following selection criteria will be used to assess all submissions.

1. Capacity to meet Market Demand and Financial Capacity (30%)

This will be established by checking ranking based on Reed or Cordell Construction data for the Perth Metropolitan Area. Builders will also be ranked by the number of homes they have constructed within the Catalina estate. The Tenderer must demonstrate that they have the financial capacity to complete development of the selected lots in accordance with the contract terms.

2. Building Design (40%)

The Tenderer must demonstrate how the Display Home meets the vision/objective of the TPRC and the Catalina Green Design Guidelines. Builders are encouraged to provide proposed elevations/concepts that demonstrate their design and show will adhere to new MD codes.

3. Sustainability & Innovation (30%)

The Tenderer must confirm compliance with the mandatory sustainability initiatives outlined in the Contract Terms and any additional sustainability initiatives proposed for the Display Home.

Sustainability initiatives that are considered relevant to the Catalina Project include Energy Efficiency, Water Efficiency, Waste Management and use of Innovative Cost-Efficient Building Materials.

Sales Office Strategy

Cognisant of the proposed infrastructure to be delivered with the new display village in Green, the following strategy is proposed for the Catalina sales office. The below proposal will be subject to market conditions and how each precinct develops over time and re-assessed where required.

1. Current sales office in Beach to remain for ~2 years whilst the new Beach display village is active. It is considered important to have a presence in the aspirational Beach precinct and provide buyers the journey with selling into aspirational product or sell into the Green where appropriate. Additionally important to be located near the active display village to leverage traffic and support the builder partners.
 - a. The current sales office is considered an underutilised asset which can be sold upon relocation to a new sales office within Green.
2. Subject to the proposal being endorsed, new sales office to be relocated to the Green display village within the sustainable display, which will be property of TPRC. Given this house is proposed to be built by a bespoke builder, it isn't considered suitable to be an active display which would be used by the builder. In order to ensure traffic through the display to push sustainable features, utilising as sales office is appropriate. It is also considered that Green will be main selling front in ~2 years' time, further strengthening the argument to relocate the sales office within this precinct.
 - a. It is anticipated that life span of the sales office will be ~2-3 years in line with the life span of the display village.
 - b. Similar to what is planned in the Beach sales office, the new Green sales office is an asset that can be on sold following closure of the display village.
3. Upon completion of the Green display village, which is anticipated sometime around 2027, there is likely to be an opportunity to relocate within a tenancy in either the neighbourhood centre at Catalina

Green or commercial centre at Catalina Beach. With current project completion forecast of FY34, it is considered appropriate to retain a sales office presence at this point with Green being the preferred option.

- a. Subject to outcomes of WAPC acquisition and Urban Deferred land in central, this will be re-assessed.

Display Village Budget Considerations

As outlined in the above strategy, there are several key budget implications when considering progressing with the Green display village with further detail below:

1. Sustainable house construction including key sustainability features, to be used as demonstration home and sales office.
 - a. ~\$750k.
2. Sales office fit out, including required marketing collateral.
 - a. ~\$50k.
3. Carpark construction and associated landscaping
 - a. ~\$150k.
4. Carpark demolition upon completion of display village.
 - a. ~\$50k.
5. Display village builder rebates associated with key opening dates.
 - a. ~5% of purchase price, in two separate tranches, ~\$15k per lot, nine lots total. Rebates to ensure opening dates and key contract terms met.
6. Display village sustainability initiatives rebate.
 - a. ~\$10k per lot, nine (9) lots total.

Whilst still to be refined, indicative budget implications for the display village are approximately \$1.225m. Upon completion of the display village, the sales office can be on sold for an anticipated value of \$700k. Arguably, there is significant marketing benefit and traffic generation by progressing the display village.

RECOMMENDATION

Satterley recommend that a display village tender is progressed, seeking allocations of up to nine (9) suitable builders, adopting the terms and conditions outlined above and budget allocations for associated works and incentives. Subject to appropriate take up of the village, Satterley to progress design and construction of sustainable home to be utilised for sales office upon opening of the display village. A revised tender document will be provided to TPRC for review if the above strategy is endorsed.

Should you require any further clarification on the above, please do not hesitate to contact the undersigned. We look forward to your feedback and next steps.

Yours sincerely,



Drew Tomkins
Project Director

8.9. CATALINA BEACH (WEST) DESIGN GUIDELINES

Responsible Officer: Manager Project Coordination
Attachments: 1. Comment - Catalina Beach West Design Guidelines
2. Catalina Beach West Design Guidelines
Voting Requirement: Simple Majority

RECOMMENDATION

That the Council **APPROVES** the Catalina Beach (West) Design Guidelines (August 2023).

PURPOSE

To consider proposed design guidelines provided by Satterley Property Group (Satterley) for residential development in Catalina Beach (West).

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

N/A

PREVIOUS MINUTES

Council Meeting – 16 February 2023 (Item 8.7 Catalina Beach Concept Plan)

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 3	Risk Rating:
Development Project - Development Manager ability to deliver	Moderate
Action:	
Development Manager required to prepare for approval strategies and plans	

The Development Manager has provided guidelines for residential development in part of Catalina Beach for the Council's consideration and approval.

BACKGROUND

Catalina Beach, by virtue of its proximity to the beachfront and Mindarie Marina, provides Catalina's premium development product.

Subdivision in Catalina Beach commenced in 2018 and to date 252 residential lots have been titled. Restrictive covenants on the titles of these lots and contracts for their sale have required homes to be built in accordance with Council-approved design guidelines. Sales incentives offered at the time of sale have included provided boundary fencing and front landscaping packages and rebates towards solar panel systems and water efficient fittings and appliances and their redemption is conditional on homes meeting the requirements of the design guidelines.

At its meeting on 16 February 2023, the Council approved a revised Concept Plan for remaining land to develop in Catalina Beach, which includes 65 lots that are currently under construction in Stage 31 and several future stages that should yield 160 single residential lots, four special sites for grouped housing and a commercial lot.

It was recognised during the preparation and consideration phases of the revised Concept Plan that remaining areas to develop in Catalina Beach should be built to a high design specification to reflect this part of the Project's premium coastal location. This is also recognised in the Project Annual Plan FYE 2024.

The intended form and content of design guidelines for remaining Beach stages was one of several subjects discussed at a Councillor strategy session held following the Council's meeting on 20 June 2023.

COMMENT

Strategy Session Outcomes

The presentation to the Council Strategy session on 20 June 2023 provided details on the following:

- Relevant Council strategic objectives for design guidelines.
- Approach used with the current Beach design guidelines.
- Review of design guidelines from other development estates.
- Opportunities to include additional provisions in a new set of design guidelines for remaining Beach stages.

The key outcomes from the Strategy session were that there was support for:

- Mandatory two-storey development in specific locations – generally along Portofino Promenade, which is the key east-west spine road through Catalina Beach, providing a direction connection between the beachfront, Marmion Avenue and Catalina Central and Green.
- Additional architectural features on home facades – primarily through a mandatory requirement for a minimum of 32-course high frontages.
- Controls on front fencing.
- Additional sustainability requirements coming into effect through National Construction Code changes addressing matters such as orientation, glazing, room zoning, insulation, ceiling fans, roof/wall colours, lighting.
- Balancing strategic objectives for built-form quality with the Project's desired financial outcomes.

A summary of the presented information follows:

Strategic Objectives

The objective of the Built Environment Strategic Pillar is to provide diverse housing options that are attractive to a wide demographic and represent best practice urban design and development.

Strategies related to built form under this Pillar include providing a range of lot sizes and housing types that appeal to target markets and cater for different lifestyle choices and affordable housing opportunities and to develop built form that demonstrates innovation and quality design, sustainable built form and best practice.

Related actions identified in the Project Annual Plan FYE 2024 include the opportunity to provide and enforce design controls to ensure a quality design is achieved by ensuring precinct specific guidelines establish a minimum standard of sustainability and design to achieve a quality outcome and to review design guidelines as development moves closer to the coast for potential to increase specifications.

Current Beach Design Guidelines

The current design guidelines for Catalina Beach include the following type and number of requirements:

Subject	Number of Requirements
Elevations	6
Materials/Colours	3
Garage	5
Roof	4
Services/Auxiliary Structures	5
Fencing	5
Two-Storey Mandate	1
Environmental	1
TOTAL	30

Implementation involves:

- Restrictive covenants on title referring to the design guidelines.
- Purchasers being required to submit their house plans to Satterley for approval.
- Satterley assessing proposals for compliance against Design Guidelines.
- Matters of non-compliance are flagged.
- Redemption of sales incentives (that is for fencing and landscaping packages and WELS and Solar rebates) are dependent on a guidelines-compliant home being constructed.
- Satterley plan assessment process is separate to Building Permit application determination (managed by City of Wanneroo).

Other Estate Guidelines

Satterley reviewed the current Beach design guidelines against those from 17 other estates and found that:

- There is a wide variety of document formats, approaches (for example mandatory versus encouraged provisions) and requirements.
- The current guidelines perform well and are clear and informative and promote a high standard of design.
- There are opportunities to elevate requirements for remaining stages to develop if the Council wants to do so.

Opportunities for additional Guidelines provisions

Satterley has identified opportunities for additional provisions for:

- Elevations
- Corner lots
- Roof/Eaves
- Setbacks
- Walls/Fencing
- Garages/Driveways
- Trees
- Energy efficiency (lights, glazing, ventilation/sealing, insulation, thermostats, fittings, hot water systems)
- Water efficiency (appliances, fittings, landscaping, rainwater tanks, greywater systems)
- Outdoor living areas
- Accessibility

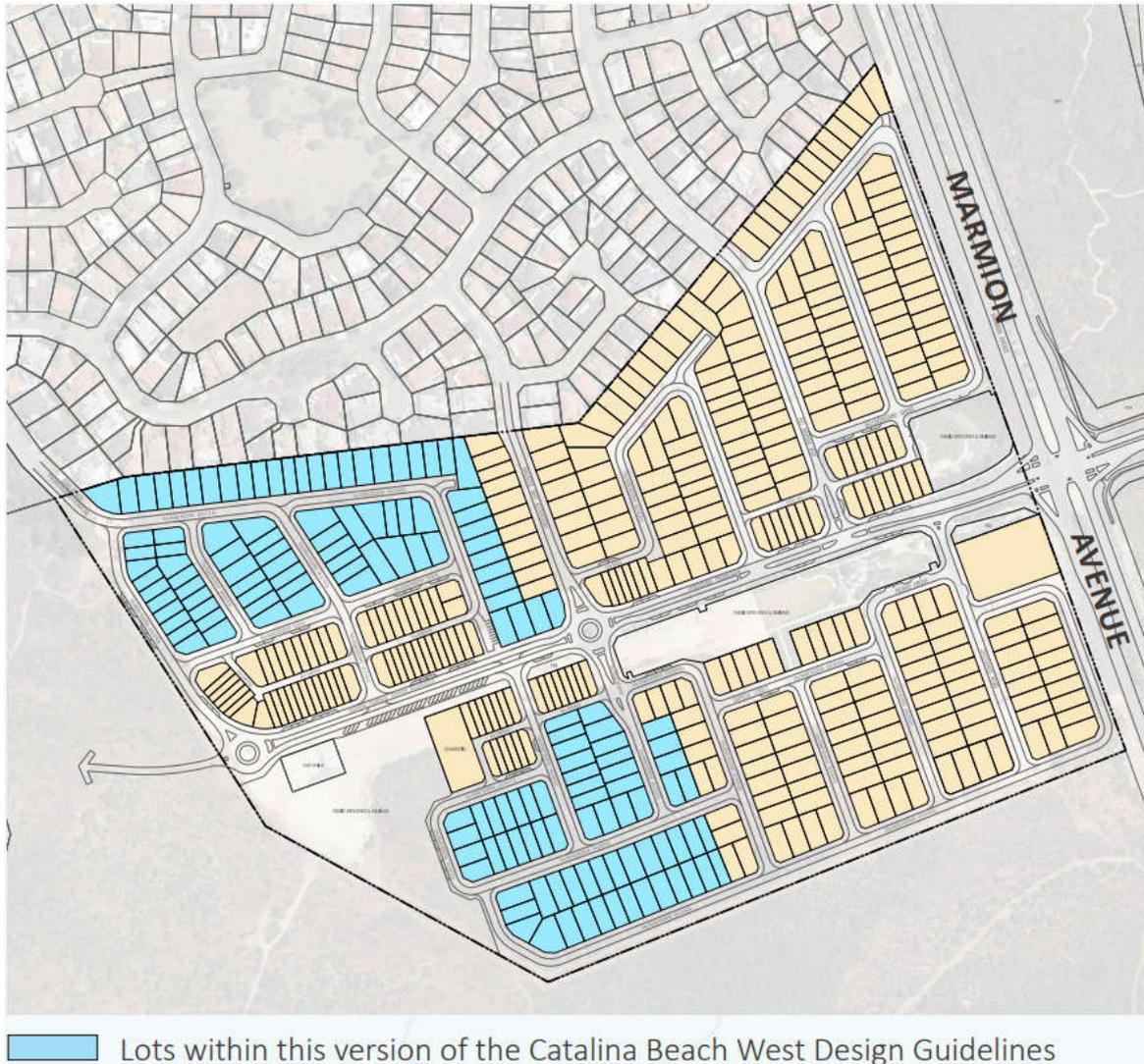
A key point of discussion at the Strategy session was the need to balance strategic objectives for desired built-form with the financial outcomes from creating a saleable product.

Satterley Recommended Approach

Having noted the Strategy session outcomes and considered the implications of opportunities for the form and content of a revised set of design guidelines for remaining development in Catalina Beach, Satterley recommends that the Council approve the proposed Catalina Beach (West) Design Guidelines (August 2023), as appended. The document includes:

- Vision for Catalina Beach West.
- Purpose of the guidelines and the lots to which they apply.
- Relation of the guidelines to other planning requirements.
- Requirement for developer approval of house plans.
- Design requirements – for elevations, materials and colours, durability, garages, roof cover, services and auxiliary structures, fencing, landscaping.
- Guidance for site planning and environmental performance – including passive solar design and fittings and appliances.
- Checklist of mandatory requirements.

Satterley proposes that the design guidelines apply to the lots shaded blue on the following plan. It should be noted that there are other lots in Catalina Beach West that are not proposed to be subject to these guidelines. The excluded lots include the future commercial site and the small-lot product along Portofino Promenade and abutting the adjacent laneways. Satterley advises that these lots will be subject to separate design guidelines given the intricacies of the design considerations for this form of development, including mandatory two-storey development in more-visible locations.



CONCLUSION

The Catalina Beach (West) Design Guidelines (August 2023) are consistent with the Council's strategic objectives for delivering best practice sustainability and built form outcomes.

They have incorporated the feedback from the June 2023 Council Strategic session and a considered to provide an appropriate balance between achievement of the strategic objectives, home builder preferences and creating a saleable product. The style and format of the design guidelines is an easy to read and comprehend document for lot purchasers.

Compliance is to be achieved through identical means as applies elsewhere in Catalina, this being through a restrictive covenant on title, which includes a requirement for lot purchasers to submit their building plans to Satterley for approval prior to lodging for a building permit with the City of Wanneroo. Eligibility for purchaser incentives, including fencing and front landscaping packages and rebates for installed solar panels and water efficient appliances and fittings, is also dependent on compliance with the design guidelines.

The requirements of the design guidelines are understood to not conflict with any provisions of the Residential Design Codes or the Building Code of Australia.

The Catalina Beach (West) Design Guidelines (August 2023) are considered to be acceptable and it is recommended that they be approved by the Council.



Catalina



BEACH WEST

DESIGN GUIDELINES

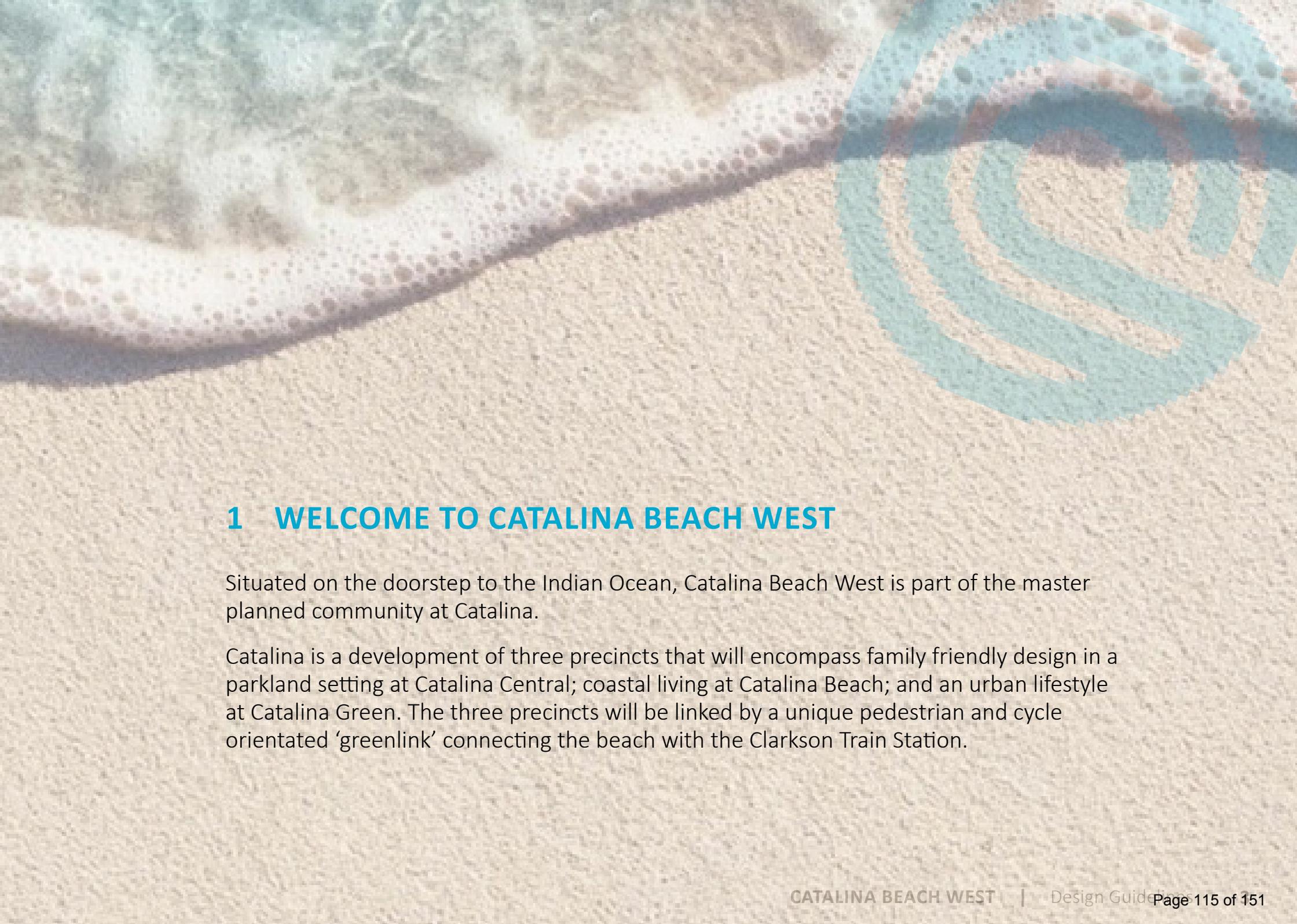
1 AUGUST 2023



Catalina

BEACH WEST

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1 WELCOME TO CATALINA BEACH WEST

Situated on the doorstep to the Indian Ocean, Catalina Beach West is part of the master planned community at Catalina.

Catalina is a development of three precincts that will encompass family friendly design in a parkland setting at Catalina Central; coastal living at Catalina Beach; and an urban lifestyle at Catalina Green. The three precincts will be linked by a unique pedestrian and cycle orientated 'greenlink' connecting the beach with the Clarkson Train Station.

1.1 VISION FOR CATALINA BEACH WEST

The vision for Catalina Beach West is to create a sophisticated coastal community underpinned by a relaxed seaside lifestyle.

Contemporary, innovative architecture is encouraged in the design of stylish homes responding to a coastal environment and maximising ocean vistas.

There are several key features that reflect the contemporary Australian lifestyle and are considered to be essential design elements in this oceanside precinct. They are:

- Verandahs and alfresco areas that provide quality private open space and extend upon indoor living spaces in both front and rear setbacks;
- Materials that reflect the coastal position of the precinct i.e. weatherboards and lightweight cladding, natural stone and timber elements, and steel posts, awnings, framing and balustrade elements;
- Eaves, overhangs, pergolas, awnings and external louvres to respond to the Catalina Beach West microclimate, and to shade and protect windows and external living spaces such as verandahs and courtyards in both the front and rear setbacks where possible;
- Window, doors and skylights appropriately oriented to admit direct sun and allow cross ventilation; and
- Elements that will contribute to the distinctive character of Catalina Beach West include building scale, articulated streetscapes, private open space courtyards, balconies, coastal colours and materials.



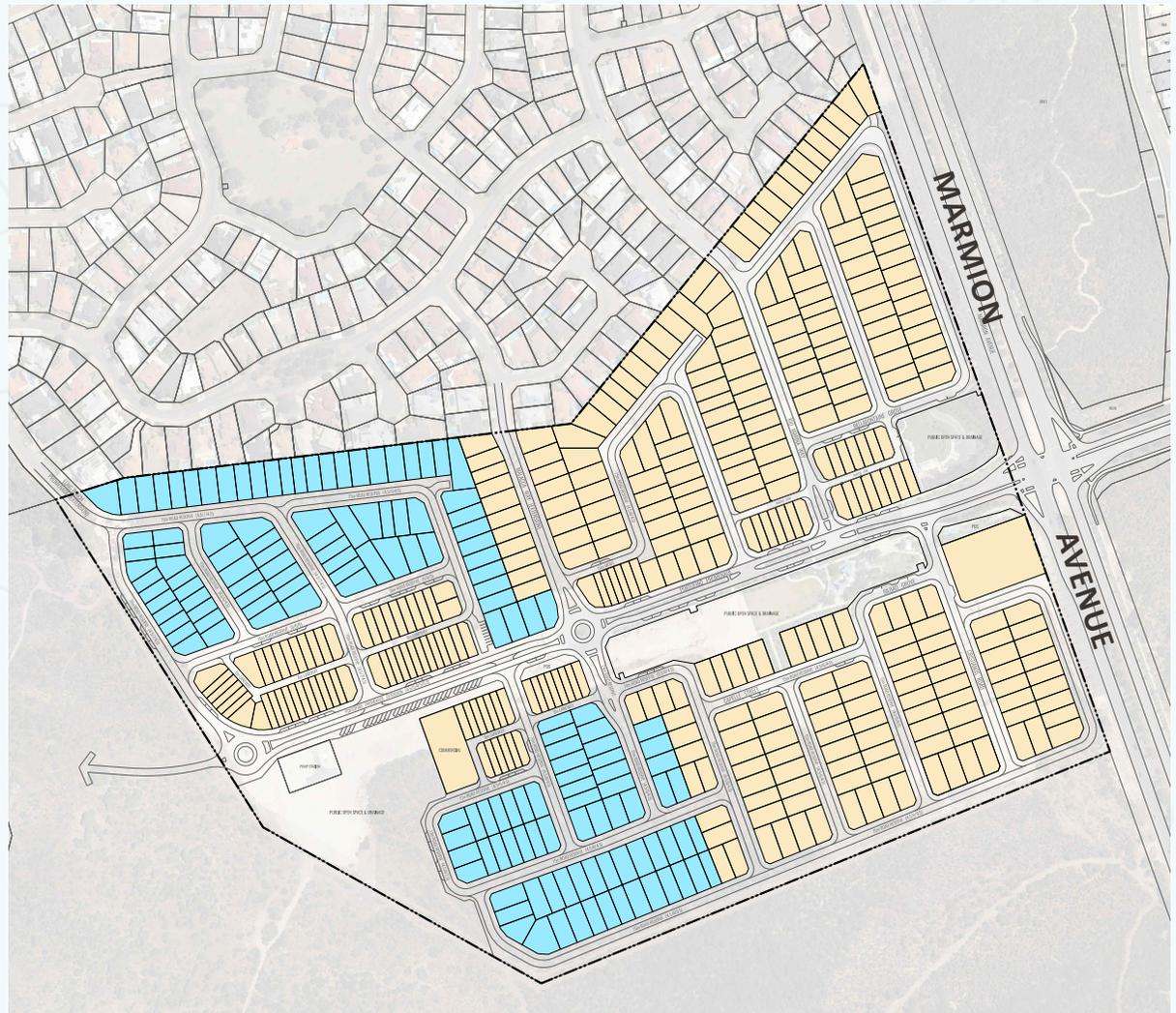
1.2 PURPOSE OF THE DESIGN GUIDELINES

The Design Guidelines apply to residential lots within Catalina Beach West (refer opposite) and will help you and your chosen builder to design a high quality home that fits in with the aesthetic of the estate.

The appearance of housing, front yards and verges contribute to community pride and property values. The Design Guidelines provide helpful information to assist you to design your new home.

The Design Guidelines are a framework for design decisions and provide for:

- A cohesive community
- Attractive streetscapes
- Quality housing design
- Appropriate architectural Styles
- Individuality
- Community safety and security
- Climate responsive design
- Confidence in your investment



■ Lots within this version of the Catalina Beach West Design Guidelines

1.3 HOW TO USE THE DESIGN GUIDELINES

To ensure your home meets the requirements of the Design Guidelines, your Contract of Sale specifies that you must submit your building plans for Satterley's approval prior to lodging plans with the City of Wanneroo. A checklist for mandatory requirements has been included at the end of this document.

The Design Guidelines include mandatory elements that must be complied with and recommended design elements that you are strongly encouraged to consider.

1.4 LOCAL DEVELOPMENT AND STRUCTURE PLANS

In addition to these Design Guidelines, a Local Structure Plan (LSP) and Local Development Plans (LDP's) have been prepared over some lots within Catalina Beach West. The LSP and LDP's set out permissible variations to the Residential Design Codes that have been adopted by the City of Wanneroo. Compliance with the LSP and LDP's is assessed by the City of Wanneroo as part of your application for Development Approval and/or Building Permit.

The LSP and LDP's identify requirements for a number of items, including but not limited to the following;

- Dwelling orientation
- Building setbacks
- Public open space interface
- Private open space and outdoor living areas
- Vehicle access and garage locations
- Boundary Walls
- Visual Privacy
- Design for Climate



1.5 COMPLIANCE

Satterley's approval ensures all home-owners meet the Design Guidelines mandatory requirements. Compliance with mandatory design measures (Design Requirements) is a contractual obligation. City of Wanneroo approval ensures compliance with statutory and policy requirements.

Individuality, architectural expression and innovation are promoted. Alternative designs will be considered where the vision of Catalina Beach West is maintained. Approval of alternative designs does not set a precedent.

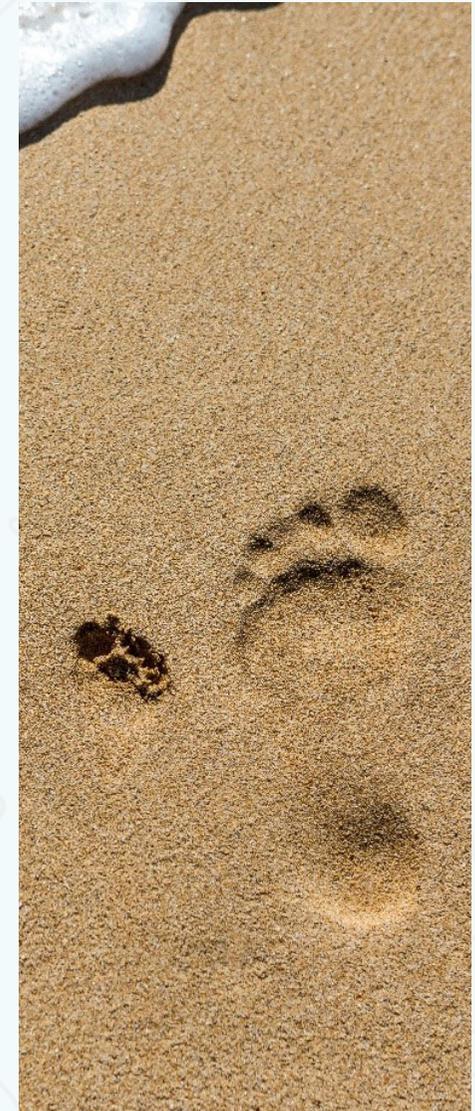
The Design Guidelines must be read in conjunction with Catalina Beach Local Development Plans as approved by the City of Wanneroo, local laws and policies, Residential Design Codes of Western Australia (R Codes) and other statutory requirements. Satterley does not warrant the City of Wanneroo will approve a house plan if it satisfies these Design Guidelines.

1.6 APPROVAL APPLICATION

The Home Owner or Builder shall submit to Satterley (via plans@satterley.com.au) a 'PDF' set of the following documents:

- Site plan (showing levels; location of dwelling and garage; boundary setback dimensions; drying yard and bin store; location of all services and any solar panels and air conditioner compressor unit; all dividing fences and any front fence and side boundary fence if a corner lot; any new retaining walls and any other structures);
- Floor plan;
- Elevations (showing ceiling height of front rooms if single storey and the roof pitch);
- Exterior materials and colours schedule (walls, roof and trims); and
- Fencing plans (if applicable).

All drawings shall include a north point and annotation.



Note: The Home Owner or Builder is responsible for checking the site conditions prior to design work, particularly the location and design of any existing infrastructure such as retaining walls, fences and utilities.



2 DESIGN REQUIREMENTS

These Design Guidelines are not a substitute for other relevant documentation including but not limited to the Residential Design Codes and the Building Code of Australia (BCA).

Note: A copy of the Tamala Park Local Structure Plan (LSP 79) including the Variations to the Acceptable Development Criteria of the Residential Design Codes is available on the City of Wanneroo website.

2.1 ELEVATIONS

All dwellings must address the public street/s in a clear and attractive manner. Buildings are to be designed to promote a positive relationship to the streetscape and the front elevation is to be articulated with clearly defined architectural elements.

Facades should respond to the local climate, explore different elevational treatments related to orientation, incorporate external shading components such as verandahs and utilise high quality, durable materials and finishes suitable for coastal conditions.

Catalina Beach West's location and potential for coastal views means that a number of Home Owners will build two storey homes. In order to create greater street presence the front elevation of a single storey dwelling should have rooms with ceiling heights greater than the standard 2.4 metres. Additional ceiling height also allows for a light filled atmosphere to rooms and facilitates easier installation of ceiling fans to provide air movement on hot days.

All front elevations are to be articulated such that the mass of buildings is minimised by variations in walls, materials, openings and roof lines resulting in the creation of shadows and depth to create visual interest. Forms of articulation include feature walls, steel and natural timber posts, feature windows, entries, porticos, balconies, verandahs, pergolas, screens, awnings, and a combination of external materials.

ACCEPTABLE ELEVATIONS



Architectural feature (portico) articulating front facade.



Verandah with separate architectural roof feature.



Upper levels to two storey dwelling addressing both elevations.



Architectural features (portico & blade wall) articulating front facade



Balcony providing surveillance of adjacent public open space



Architectural features creating visual interest and reducing sense of building mass

MANDATORY REQUIREMENTS

- A **minimum of three** architectural features must be used in the primary street elevation (excludes windows and doors). These may include:
 - ◇ Feature entry statement including porch/portico with a separate roof (minimum dimension 1.5m) or entry pergola;
 - ◇ Verandah with a separate roof and supporting posts, pillars or piers (minimum of one third of the front elevation excluding the garage/carport, at least 1.2m in depth);
 - ◇ Balcony;
 - ◇ Blade wall in feature material (not within 1.0m of a side boundary and extends a minimum of 150mm above the top of the gutter and a minimum of 300mm forward of the roofline of the structure into which it is incorporated);
 - ◇ Secondary feature material for example timber cladding, limestone, weatherboard, stone, rammed earth, ornamental tiles (minimum 20% of the elevation);
 - ◇ Any other architectural feature that creates visual interest may also be acceptable to Satterley. Approval of alternate designs does not set a precedent.
- Where a two storey dwelling is proposed on a corner lot, the upper level elevations facing the public streets are to be of equal status to both primary and secondary streets. This principle shall also apply where a dwelling has corner frontage with a pedestrian access way or public open space.
- Walls that are greater than 9.0 metres in length and are visible from the secondary street of a corner lot shall be articulated or contain windows.
- No two adjacent homes are to be constructed with matching front façades, with the same materials and colours unless it is part of a grouped dwelling development.
- Where a lot directly abuts public open space the dwelling must provide surveillance of the public open space through the location of a major opening from a habitable room on the ground level facing the public open space. Where a two storey dwelling is proposed, surveillance from at least one habitable room on the upper floor is required to face the public open space in addition to the ground floor.
- Where a lot directly abuts public open space, the dwelling shall be set back a minimum distance of 1 metre from any public open space boundary including side boundaries.
- Ceiling height for the full width of the elevation is a minimum of 32 vertical courses (2.7m).

2.2 MATERIALS AND COLOURS

In keeping with the vision for Catalina Beach West, development will reflect the contemporary Australian beachside lifestyle through the application of a colour and material theme which responds to the coastal setting and environment (i.e. beach and bushland).

2.2.1 WALL MATERIALS AND COLOURS

Elevations fronting primary and secondary streets and public open spaces should, where possible, deliver an architectural façade with a combination of exterior materials and colours, that incorporates an ‘Element of White’ (including off-white in coastal hues) to reflect the coastal character of Catalina Beach West.

This ‘Element of White’ can be complimented by other accents or colours from the coastal colour palette (refer opposite), or with other materials or finishes.

Variations in colour and texture are promoted however they should be complimentary, taking cues from the local landscape and express individuality through carefully chosen accents.

MANDATORY REQUIREMENT FEATURE

- All dwellings shall provide an ‘Element of White’ (including off-white in coastal hues) to the front elevation visible from the public realm (street or open space). This may include window and door frames and/or gutters.
- All materials/finishes should be predominantly light or soft colours. The preferred colour palette (refer section 2.2.2 opposite) are examples only and are intended to guide purchasers as to the appropriate colour palette preferred. Colours are not limited to these specified.
- Bright, primary or darker colours (no darker than the colours highlighted in section 2.2.2 opposite) are not permitted.
- **At least three** of the following materials must be provided in the front elevation of your home (excludes roof, door and window treatments) each comprising no less than 15% of total front elevation wall:
 - ◇ Face brickwork;
 - ◇ Rendered brickwork;
 - ◇ Contrasting rendered brickwork;
 - ◇ Stone pattern render;
 - ◇ Feature tiling;
 - ◇ Stone cladding;
 - ◇ Timber garage door;
 - ◇ Timber cladding, weather boarding, or reconstituted materials;
 - ◇ Other materials to be approved on a case by case basis by Satterley.

Note: No colour repetition permitted.

ACCEPTABLE MATERIALS & COLOURS



'Element of White' offset by complimentary coastal colours

Coastal materiality and colours including stone and weatherboard finish.



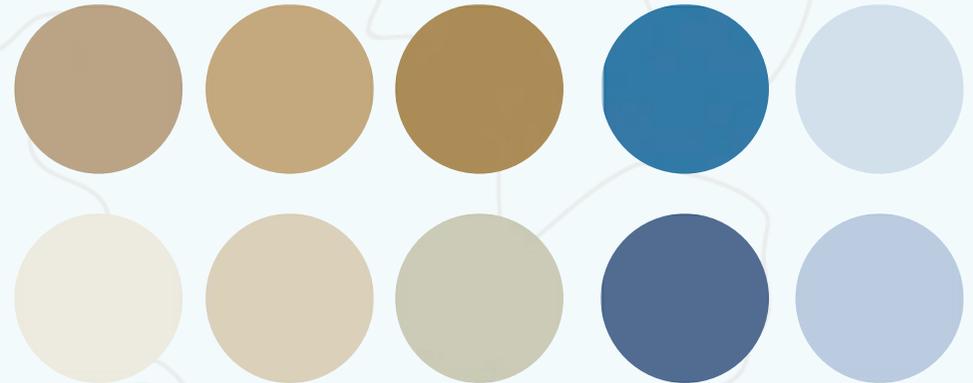
Composite of materials and finishes with a combination of an 'Element of White'

Strong 'Element of White' colour palette

2.2.2 ROOF MATERIALS & COLOURS

In keeping with the coastal colour palette throughout Catalina Beach West, the light and soft Colorbond roof colour palette (refer opposite) is recommended. Roof colours darker than those highlighted opposite are not considered appropriate.

PREFERRED WALL COLOUR PALETTE



PREFERRED COLORBOND ROOF COLOURS



All homes at Catalina Beach West shall provide material and colour schemes at the time of application to ensure compliance with these colour palettes. Any variation to these colours will require architectural justification and approval from Satterley.

2.3 DURABILITY

Catalina Beach West encounters a high exposure to the environmental elements. In particular salt air and strong winds which can lead to the weathering and degradation of materials. Attention should be given to materials and colours selected to warrant resistance to the elements and ease of maintenance ensuring longevity.

2.4 GARAGE

Minimising the dominance of garages is an essential part of an attractive streetscape. A 5.0m setback typically provides space for a vehicle to be parked without straddling the footpath.

MANDATORY REQUIREMENTS

- The garage shall be in the same style, materials and colours as the dwelling.
- Where vehicle access is provided from a primary street, the garage is to be setback a minimum of 1.0m behind the dwelling alignment (including a porch, portico, verandah or similar).
- The width of a garage (including supporting structures) accessed from the primary street shall not exceed 50% of the frontage at the setback line as viewed from the street. This may be increased to 60% where an upper floor or balcony extends for the full width of the garage and the entrance is clearly visible from the primary street.
- Garages are to be setback a minimum distance of 4.5m from the front boundary and the setback is to be increased to 5.5m where a footpath is located within 1.0m of the front boundary.
- Garages are to be setback 1.5m from a secondary street.



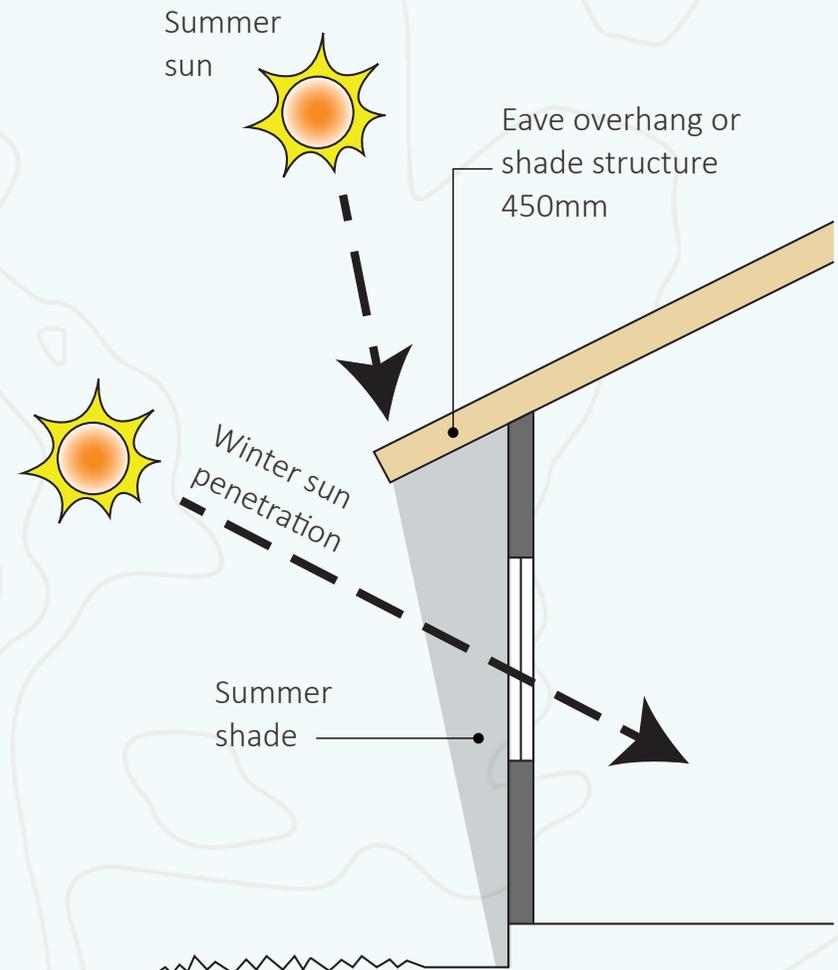
2.5 ROOF COVER

Roofing is to be of scale, form and material representative of a coastal location. Contemporary and innovative roof forms including flat, skillion and curved roofs are encouraged.

Roof forms should be articulated to provide solutions to natural light, seasonal conditions (optimising winter sun and summer shade) and ventilation. Roof terraces and balconies are encouraged and can be used to maximise views of the natural bushland and the ocean.

MANDATORY REQUIREMENTS

- A minimum eaves overhang of 450mm to front elevation (including the garage), a minimum gable overhang of 300mm to protect walls and windows from the summer sun and to improve the aesthetics.
- Metal roofs must be non-reflective (zincalume is not permitted).
- Roof colours not permitted:
 - ◇ Black
 - ◇ Red
 - ◇ Highly variegated blends
- For conventionally pitched roofs the minimum pitch shall be 24°.
- For skillion roofs the minimum pitch is 8°.

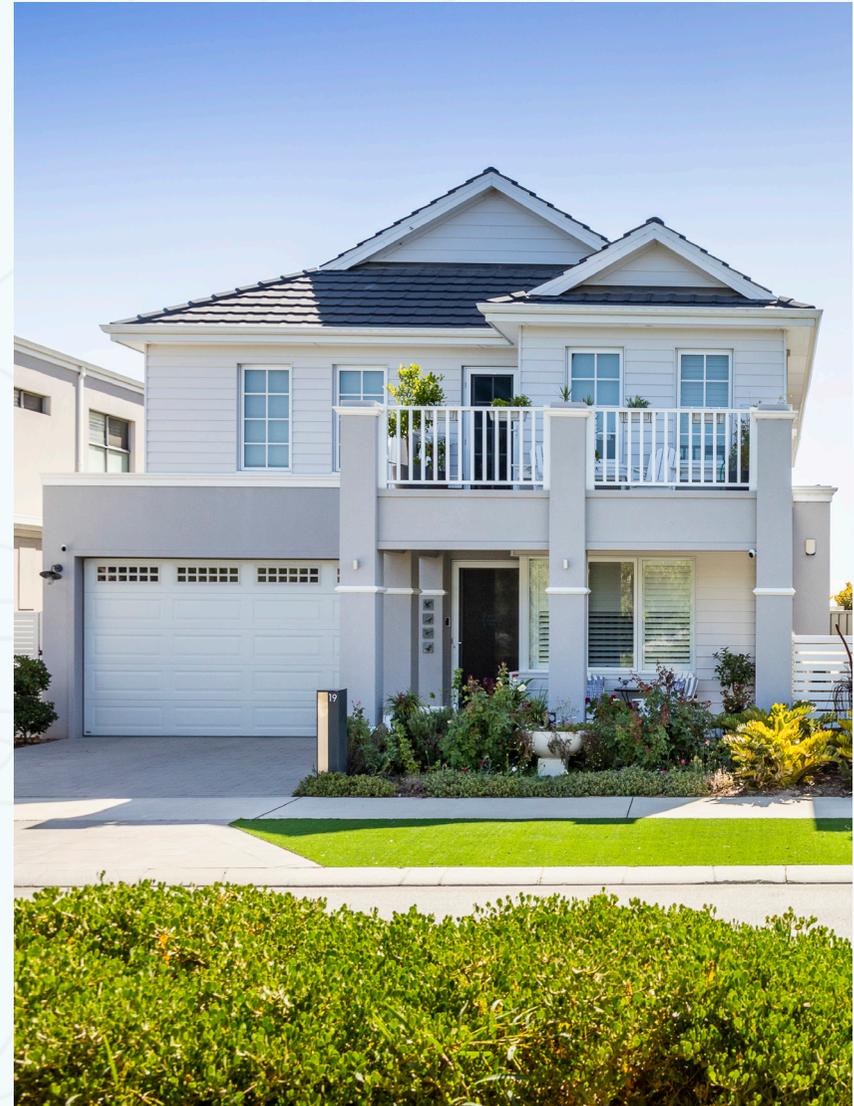


2.6 SERVICES AND AUXILLARY STRUCTURES

Elements such as aerials, solar panels, meter boxes, air conditioners, gas and water meters and storage structures are to be considered as integral parts of the design of your home. Services shall be carefully incorporated into the dwelling and site design to be screened or located in the least visually obtrusive position.

MANDATORY REQUIREMENTS

- All pipes, wired services, clotheslines, clothes drying areas, hot water systems, refuse bin areas, air-conditioning units, meter boxes and other such service items shall be screened from public view.
- TV antennas, satellite dishes and solar hot water system panels shall be in the least obtrusive location from the public view. It is preferred that they are parallel with the slope of the adjacent roof. Tanks associated with solar hot water systems are not permitted on the roof.
- Photo-voltaic panels are not to be visually obtrusive from the primary street.
- Letterboxes are to be integrated into a front fence, a masonry pier or a planter and shall match or complement the home. Metal supporting posts are not permitted.



2.7 FENCING

Walls and fences define the boundary between the home and the public domain and contribute to the quality, character and identity of the street. The composition of fences and walls should provide a balance between opacity and transparency, with materials and colours that convey the contemporary coastal character of Catalina Beach West.

It is preferred that no wall or fence is constructed between the dwelling and the primary street (with the exception of retained or cottage lots where Estate approved open rail fencing is permitted). However, a low wall or fence (up to 1.0 metre high) can be used to define the front boundary. Any such fence should return along the side boundaries to the line of the building façade.

Should fencing be provided by Satterley for a particular lot, the fence is not to be removed or modified (including painted or rendered) without prior written consent from Satterley.



MANDATORY REQUIREMENTS

- Where fencing forward of the building line is supported, the fencing is to be a maximum of 1.0 metre in height and must return along the side boundaries to the building line then slope or step up to the side boundary fence height of 1.8m. All fencing must comply with the sight lines requirements of the Residential Design Codes.
- Primary Street fencing shall be of a high standard and be constructed in materials that complement the materials and colours of the home. Satterley encourages masonry fences that can be face brick, stone, rendered or bagged, infill panelling that is timber, glass or stainless steel wire and turnbuckles.
- Driveway gates are not permitted.
- Fibre cement and sheet metal front fences are not permitted.
- Secondary street fences are to be a maximum height of 1.85m above the ground level measured from inside the lot. They are to be masonry (limestone render on both sides) with masonry piers (subject to approval by Satterley). Fibre cement and sheet metal fences are not permitted.
- Where a lot abuts public open space, visually permeable fencing (as defined in the R-Codes) shall be provided along any public open space boundary (side boundaries excluded)

Note: All primary and secondary street fencing requires approval from Satterley prior to construction. Note: A boundary fencing voucher is available from Satterley – conditions apply.

2.8 LANDSCAPING

A high standard of landscaping is encouraged at Catalina Beach West. To assist residents with their landscaping, Satterley offers a waterwise landscaping package (conditions apply). For more information visit www.satterley.com.au/catalina. Included in this package are waterwise plants, irrigation and a street tree (3 trees for corner lots). Residents are encouraged to take pride in their properties and continually maintain their gardens.

Home Owners and residents are advised that the following actions are not acceptable within Catalina Beach West:

- Hardscaping of the verge;
- Removal of the street tree;
- Preventing the street tree from being installed; and
- Installing turf to more than 50% of the total area between the building and the street.



3 SITE PLANNING

This section includes recommendations for passive solar design where dwelling living spaces and outdoor living areas can be warmed by the winter sun and natural ventilation and cooling of spaces by summer breezes. The key to successfully achieving these aims is to ensure the correct orientation of the main living spaces and associated major openings of the dwelling and main outdoor living area on the lot.

Whilst not mandatory, the Home Owner is encouraged to discuss the items below with the builder or architect when designing the home.

3.1 PASSIVE SOLAR DESIGN

The location of living spaces and outdoor living areas, as well as the provision of windows and openings on the southern interface, allows natural warming from the winter sun and ventilation and cooling by summer breezes. The orientation of the lots within the estate has been considered to provide maximum natural light, views and cooling breezes to help keep homes warmer in winter and cooler in summer, with less reliance on mechanical devices such as air conditioning.

RECOMMENDATIONS

- Internal living areas and outdoor living areas should be located on the northern side of the dwelling to capture the benefits of passive solar design.
- Glazing to the north should be maximised in order to harness the solar gain possible in winter (Note: Shade devices are required for solar protection during the summer months).
- Design the internal layout of the dwelling to create natural breezeways. Locate windows and doors of habitable rooms of the dwelling opposite each other to allow for through ventilation in the dwelling and through the main outdoor living area.
- Locate garages or parapet walls on the western boundary to block the summer sun.
- Locate back yards / outdoor living areas to capture cooling breezes in summer.
- Install bulk insulation above ceilings and insulate walls where possible (a minimum R4.1 roof insulation and R2.8 wall insulation).
- Include sun control devices such as awnings or shade devices to allow sunlight into the home during winter and to provide shade in summer.



4 ENVIRONMENTAL PERFORMANCE

Improving the performance of the home through environmentally sustainable design is a major focus for the development of Catalina Beach West. Sustainable living practices in the design of the home and outdoor areas should help to reduce the consumption and cost of household energy and water. Minimising energy consumption of households is an important contribution to reducing greenhouse emissions that contribute to climate change.

MANDATORY REQUIREMENT:

- Homeowners are required to install high WELS (Water Efficiency Labelling Scheme) rated fixtures, fittings and appliances.
 - ◇ Minimum 3 star shower head
 - ◇ Minimum 4 star toilet
 - ◇ Minimum 6 star rated taps
 - ◇ Minimum 6 star dishwasher
 - ◇ Minimum 4 star washing machine

Note: a \$1,000 rebate is available from the Tamala Park Regional Council (TPRC) for high WELS rated fixtures fittings and appliances – conditions apply.

RECOMMENDATIONS

- Incorporate additional shade devices that allow northern winter sun in to living areas and the outdoor living area and prevent summer sun access.

Shade devices include pergolas, deciduous vegetation and awnings.
- Minimise the number and size of openings to the west and east and provide additional shade devices.
- Install high energy star-rated electrical appliances (such as the fridge, freezer, television, air conditioner, etc.)
- Install fluorescent or LED lighting and ceiling sweep fans where possible.
- Where air conditioners are to be installed homes are encouraged to have an inverter type system with a minimum 6 Star energy rating.
- Install a heat pump or roof mounted solar hot water system with the storage tank installed at ground level or a 5 star energy rated instant gas hot water system.
- Install roof mounted photo voltaic cells

5 APPENDICES

5.1 CHECKLIST OF MANDATORY REQUIREMENTS

This checklist must be filled out by the builder and submitted with the plans for Satterley's approval.

MANDATORY REQUIREMENT		
1	ELEVATIONS	A minimum of three architectural features must be used in the primary street elevation (excludes windows and doors).
2		Where a two storey dwelling is proposed on a corner lot, the upper level elevations facing the public streets are to be of equal status to both primary and secondary streets. The same applies where a dwelling has corner frontage with a pedestrian access way or public open space. *
3		Walls that are greater than 9.0 metres in length and are visible from the secondary street of a corner lot shall be articulated or contain windows. *
4		No two adjacent homes are to be constructed with matching front façades, with the same materials and colours unless it is part of a grouped dwelling development. *
5		Where a lot directly abuts public open space the dwelling must provide surveillance of the public open space through the location of a major opening from a habitable room on the ground level facing the public open space. Where a two storey dwelling is proposed, surveillance from at least one habitable room on the upper floor is required to face the public open space in addition to the ground floor. *
6		Where a lot directly abuts public open space, the dwelling shall be set back a minimum distance of 1 metre from any public open space boundary including side boundaries. *
7		Ceiling height for the full width of the elevation is a minimum of 32 vertical courses (2.7m).



8	MATERIALS AND COLOURS	All dwellings shall provide an 'Element of White' (including off-white in coastal hues) to the front elevation visible from the public realm (street or open space). This may include window and door frames, downpipes and/or gutters.	*
9		All materials/finishes should be predominantly light or soft colours. The preferred colour palette (opposite) are examples only and are intended to guide purchasers as to the appropriate colour palette preferred. Colours are not limited to these specified.	*
10		All materials/finishes should feature light colours (bright or primary colours are not permitted). All colours and finishes are to be included with the submission for developer approval.	*
11		Bright, primary or darker colours (no darker than charcoal) are not permitted.	
12		At least three of the alternate materials must be provided in the front elevation of your home (excludes roof, door and window treatments) each comprising no less than 15% of total front elevation wall (refer section 2.2.1 for choice of materials).	
13		GARAGE	The garage is to be in the same style, materials and colours as the dwelling.
14	Where vehicle access is provided from a primary street, the garage is to be setback a minimum of 1.0m behind the dwelling alignment (including a porch, portico, verandah or similar).		*
15	The width of a garage (including supporting structures) accessed from the primary street shall not exceed 50% of the frontage at the setback line as viewed from the street. This may be increased to 60% where an upper floor or balcony extends for the full width of the garage and the entrance is clearly visible from the primary street.		*
16	Garages are to be setback a minimum distance of 4.5m from the front boundary and the setback is to be increased to 5.5m where a footpath is located within 1.0m of the front boundary.		*
17	Garages are to be setback 1.5m from a secondary street.		*



18	ROOF	A minimum eaves overhang of 450mm to front elevation (including the garage), a minimum gable overhang of 300mm to protect walls and windows from the summer sun and to improve the aesthetics. Roofs without eaves are not permitted to elevations facing the public realm (street, PAW, POS).	*
19		Metal roofs must be non-reflective (zincalume is not permitted).	*
20		Roof colours not permitted: black, red, highly variegated blends	*
21		For conventionally pitched roofs the minimum pitch shall be 24°, for skillion roofs the minimum pitch is 8°.	*
22	SERVICES AND AUXILIARY STRUCTURES	All pipes, wired services, clotheslines, clothes drying areas, hot water systems, refuse bin areas, air-conditioning units, meter boxes and other such service items shall be screened from public view.	*
23		TV antenna and satellite dishes shall be in the least visually obtrusive location from the public view (a rear lane is exempt).	*
24		Solar hot water system panels shall be in the least obtrusive location from the public view. It is preferred that they are parallel with the slope of the adjacent roof. Tanks associated with solar hot water systems shall be screened from public view.	*
25		Photo-voltaic panels shall not be visible from the street and are to be located to protect the visual amenity of surrounding properties.	*
26		Letterboxes are to be integrated into a front fence, a masonry pier or a planter and shall match or complement the home. Metal supporting posts are not permitted.	*



27	FENCING	Where fencing forward of the building line is supported, the fencing is to be a maximum of 1.0 metre in height and must return along the side boundaries to the building line then slope or step up to the side boundary fence height of 1.8m (excluding Estate provided fencing).	*
28		All primary street fencing shall be of a high standard and be constructed in materials that complement the materials and colours of the home. Satterley encourages masonry fences that are face brick, stone or rendered and infill panelling that is timber, glass or stainless steel wire and turnbuckles.	*
29		Driveway gates are not permitted.	*
30		Fibre cement, Colorbond or similar solid metal front fences are not permitted.	*
31		Secondary street fences are to be a maximum height of 1.85m above the ground level measured from inside the lot. They are to be masonry (limestone render on both sides) and can include some form of infill panelling with masonry piers (subject to approval by Satterley. Colorbond is not permitted. In instances where a secondary street fence is proposed above a retaining wall, the fence is required to be articulated with the preferred method being infill panelling from 1.2m – 1.8m.	*
32	ENVIRONMENTAL PERFORMANCE	High WELS rated fixtures, fittings and appliances installed.	*

The Home Owner or Builder shall email building plans (refer to Section 1.3 Documentation) for assessment and approval by Satterley to: plans@satterley.com.au



9.1. POLICY REVIEW: PAYMENT OF DISTRIBUTIONS POLICY

Responsible Officer:	Chief Executive Officer
Attachments:	1. Comment - Distribution Policy 2. Payment of Distributions Policy
Voting Requirement:	Simple Majority

AUDIT and RISK COMMITTEE RECOMMENDATION

Moved Cr, Seconded Cr.

That the Council:

1. **ADOPTS** the revised **Payments of Distributions Policy**.
2. **NOTES** that the **CRC** is currently holding significantly greater cash assets than the current minimum limit of \$15M prescribed in the **Payment of Distributions Policy**.
3. **CONSIDERS** an increase in the forecast distributions in **FYE 2024** from \$20M to \$30M as a component of the **Mid-Year Budget Review**.
4. **REQUESTS** that the **CEO** critically reviews distributions forecasts as a component of the **FYE 2024 Mid-Year Budget review** with the aim of achieving compliance with the new/revised **Payment of Distribution Policy** provisions.

The motion was put and declared **CARRIED/NOTCARRIED**.

PURPOSE

To consider the proposed modifications to the **Payment of Distributions Policy**.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

- *Local Government Act 1995: Sect 6.14*
- *Trustees Act 18-21*

PREVIOUS MINUTES

- Ordinary Council Meeting – 19 August 2021 (Item 8.7: **Payment of Distributions Policy**)
-

- Special Meeting of Council – 26 May 2021 (Item 7.2: TPRC FYE 2021 Budget - Review of Distributions)

FINANCIAL/BUDGET IMPLICATIONS

Distributions to Member Councils are the largest single transaction that the CRC undertakes annually. It is important that the organisation strikes an appropriate balance between retaining sufficient funds to ensure both nimbleness and liquidity for project operations whilst providing highly reliable, above market financial returns to Members.

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
CRC Operations - Internal Controls	Low
Action:	
Management Policies and Procedures reviewed and approved by Council.	

The CRC Payment of Distributions Policy provides clarity and consistency in the planning/payment of Distributions from the CRC to Member Councils.

BACKGROUND

At the Special Meeting of Council held on 26 May August 2020, Council amended the CRC Budget FYE 2021 to increase the distribution to member local governments from \$3M to \$9M and resolved to request that the CEO develop a Payment of Distributions Policy ahead of adoption of the CRC Budget FYE 2022. In August 2021 the Council adopted the Payments of Distributions Policy.

The current Payment of Distributions Policy includes the following Objectives:

- Consideration of the forecast profits and the cash reserves required to be retained by the CRC to fund future development of the Catalina Project;
- Have regard to the approved Project Forecast and approved CRC Budget;
- Must align with the CRC’s objectives and maximise its value for member local governments.

In determining the dividend amount and timing the Payment of Distributions Policy requires that the following matters be taken into consideration:

- Predicted market and economic conditions;
- Risks to achieving forecast revenue and potential for cost overruns;
- Maintaining a minimum cash flow balance of \$15M;
- Avoiding need for member contributions;
- The Catalina Project Forecast.

The Policy indicates that the timing of payments will generally be made as follows:

- Distributions forecast to be \$3.0M or less in December each year;

- Distributions forecast to be greater than \$3.0M to be made in two instalments, the first in December and the second in June.

COMMENT

The Policy has been in operation for two years and has provided a greater level of certainty for both the CRC and the Member Councils.

Forecast

To date the CRC has paid a total of **\$103.7M** to Members over the life of the project with a further **\$179.1M** projected to be paid out over the next decade – Total **\$282.8M**.

The Council has modified its budgeting practices and now reviews project financial forecasts twice annually – once as a component of developing/adopting the Annual Plan and Budget and secondly as a component of the mid-year budget review. An element of this forecasting is identifying the proposed Distributions to Members in coming years. The graph below illustrates the current forecast distributions (as at June 2023).

CATALINA | Profit Distributions (\$m)



The table indicates that Distributions are anticipated to gradually decrease over time before a larger distribution to Members towards the end of the project life when little project expenditure is likely and retained earnings can be distributed.

CRC Cash Requirements

As at 30 July 2023 the CRC held **\$47M** in cash and Term Deposits. Of note, the CRC’s Long Term Financial Plan forecast was that the organisation would have **\$22.2M** in cash at the corresponding time, a positive difference of **\$24.8M**. The CRC currently has the capacity to increase the 2023/2024 Distribution to Members from the Budget amount of \$20M to a considerably higher number, should it wish to do so.

The Payment of Distributions Policy currently includes a provision that the CRC should retain a minimum cash reserve of \$15M in order to fund the required development works at Catalina Project and provide a buffer for cyclic property market conditions. There is currently no maximum provision included.

Minimum and Maximum Cash Reserves

The CRC administration is recommending that the minimum cash reserve level should be raised to \$25M and that a maximum cash reserve position of \$35M should be introduced into the policy. The rationale for these suggested changes is below:

1. Increasing the Minimum Cash Provision from \$15M to \$25M

The CRC’s operational costs are approximately \$1.2Mpa. The primary source of operational income for the CRC is from interest from Term Deposits. To ensure that operating expenditure can be paid from operating income, a balance of cash balance of \$25M is recommended. This level is proposed as 4.5% interest on \$25M of Term Deposits

generates \$1.125M in interest. This is sufficient to cover the vast majority of operational costs. With a \$15M cash balance, operating revenue is unlikely to cover operating expenses.

2. Setting a Maximum Cash Provision

The CRC is a significant financial asset for each of the seven Member Councils. The CRC's distributions are essentially a dividend for their investment. Setting a maximum cash provision level signals to Member Councils that the organisation will aim to return cash to their own balance sheets so that they can use/invest the resources as they deem appropriate rather than building and retaining large cash reserves within the organisation.

'Smooth and Predictable' Provision

The current Payments of Distributions Policy includes an objective that *"the CRC will seek, to the extent possible, to provide member Councils with predictable and smoothed distributions from year to year"*.

Conversations between the CRC CEO and Member Council CEOs have indicated that the 'smooth and predictable' provision of distributions to members is important to them. To entrench this objective, it is proposed to introduce a new provision into the policy whereby, wherever possible, the total distributions payable from year to year should not vary by greater than 50% from the previous year.

CONCLUSION

The CRC Payment of Distributions Policy has been useful in establishing the parameters around how, when and how much distributions should be paid to member Councils. The review of the policy has led to recommended changes to the policy that install the consideration of new CRC minimum and maximum cash provisions when determining distribution levels and the inclusion of a new provision that provides for smooth and relatively predictable distributions to Members.

PAYMENT OF DISTRIBUTIONS POLICY

Responsible Officer	Chief Executive Officer
Relevant delegations	N/A
Initial Council adoption	19 August 2021
Amendments	N/A August 2023
Last Council adoption	N/A 17 August 2023 ¹
Review due	August 202 5 ²

1. POLICY

This Policy provides guidance on the size and timing of payment of distributions to member local governments.

2. PRINCIPLES

The CRC Establishment Agreement 2006 sets out the share of ownership of the land by the member local governments and the distribution proportions, which is to be based on the shareholding by the member local governments as follows:

Council	Project Shareholding
Town of Cambridge	One Twelfth Share
City of Joondalup	Two Twelfths Share
City of Perth	One Twelfth Share
City of Stirling	Four Twelfths Share
Town of Victoria Park	One Twelfth Share
City of Vincent	One Twelfth Share
City of Wanneroo	Two Twelfths Share

The CRC Establishment Agreement 2006 also recognises the need for the CRC to maintain cashflow balance having regard to the CRC:

- Objectives, including its objective to maximise, within prudent risk parameters, the financial return to the participants; and
- Need to maintain positive cashflow balance for operational costs and approved development works.

3. OBJECTIVES

When considering the size and timing of payment of distributions to member local governments the CRC will have regard for the following:

- The cash reserves required to be retained by the CRC to fund future development of the Catalina Project;
- The approved Project Forecast and approved CRC Budget;
- Being consistent with the CRC's objectives and maximize its value for member local governments;
- To seek, to the extent possible, to provide member Councils with predictable and smoothed distributions from year to year.

4. STRATEGIES

In determining the distribution amount and timing the following matters will be taken into consideration:

- Predicted market and economic conditions;
- Risks to achieving forecast revenue and potential for cost overruns;
- Maintaining a minimum cash flow balance of \$~~12~~5M;
- [Maximising returns to members](#)
- [Providing smooth and predictable annual distributions to Members](#)
- Avoiding need for member contributions;
- The Catalina Project Forecast.

Predicted market and economic conditions

The CRC cashflow is heavily influenced and impacted by the Western Australian property market. The payment of distributions must have due regard for predicted property market conditions and the advice provided by the CRC 's Development Manager.

The Development Manager provides Council with monthly updates on market and economic conditions which should be considered in determining Dividend payments.

Risks to achieving forecast revenue and potential for cost overruns

Achieving forecast revenue is heavily dependent on the issue of titles and subsequent lot settlements by purchasers which could be impacted by the following:

- Timely approvals from statutory authorities;
- Construction contracts being completed on program;
- Extended periods of shortages of labour or materials which will delay construction programs;
- Unforeseen construction conditions.

Minimum and Maximum Cash Flow Balances~~Maintaining a minimum cash flow balance of \$15M~~

The CRC has determined that a minimum cash reserve of \$~~2~~45M is necessary in order to fund the required development works at Catalina Project, ~~and~~ provide a buffer for cyclic property market conditions ~~and provide sufficient operating income for the CRC (through bank interest returns) to fund operating expenditure.~~

The CRC is committed to maximising cash flows to members and has determined that the maximum cash balance held by the organisation should be \$35M with any excess funds being returned to members through Distributions, after considering other factors/provisions listed in this policy.

Smooth and Predictable Distributions

To ensure that the objective of smooth and predictable distributions is achieved, planning for distributions will be done on the basis that the Distribution amount does not vary by greater than 50% across any two financial years.

Bi-annual updates to the Project Forecasts will assist with the planning for payments of distributions to Members.

Avoiding need for member contributions

An objective of the CRC to date has been to manage the Catalina Project so as to avoid any contributions of funding from member local governments. This objective is to be maintained and the payment of distributions must not lead to a position where funding from member local governments may be required to fund the Catalina Project.

The Catalina Project Forecast

The Development Manager is required to prepare a Catalina Project Forecast, [every three years as a component of the preparation of the Annual Plan and Budget and as a component of the Mid-Year Budget Review](#), for Council's consideration.

The Project Forecast is intended as a general guide to the long term cashflow direction of the Catalina Project and to provide the basis of project and financial planning and the forecasted project profit. It also includes forecast distributions for the member local governments. The Project Forecast is a general guide to the long term cashflow direction of the CRC and should be used as the basis of project financial planning and distributions to the member local governments.

~~The CRC will provide Member Councils with updated distribution forecasts in January – March of every year to help inform their budget setting process.~~

TIMING OF PAYMENTS

The timing of payments will generally be made as follows:

- Distributions forecast to be \$3.0M or less in December each year,
- Distributions forecast to be greater than \$3.0M to be made in two instalments, the first in December and the second in June.

MID-YEAR BUDGET REVIEW

A review (Mid-Year Review) is conducted of the CRC Budget of predicted revenue and expenditure each year in December in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*, Regulation 33A. As part of the Mid-Year Review, Council will consider sales, revenue, and expenditure estimates and the advice of the Development Manager on property market conditions. Based on this review the Council will determine the capacity to make the budgeted distributions.

CHANGING THE BUDGET DISTRIBUTION

Any change to the distribution payment in the approved CRC Annual Budget is subject to the considerations listed above. It will be the subject of a report to Council addressing the matters in (4) above including recommendations from the Development Manager.

9.2. AUDIT and RISK COMMITTEE AUDIT CHARTER & ANNUAL AUDIT PLAN REVIEW

Responsible Officer:	Chief Executive Officer
Attachments:	1. Audit Charter (2023) 2. Audit Plan 2023-2024
Voting Requirement:	Simple Majority

RECOMMENDATION

Moved Cr, Seconded Cr.

That the Council APPROVES the CRC Audit Charter (August 2023) and ADOPTS the Audit Plan 2023/2024.

The motion was put and declared CARRIED/NOTCARRIED.

PURPOSE

For the Council to consider and approve the CRC Audit Charter and Annual Audit Plan 2023/2024.

POLICY REFERENCE

N/A

LOCAL GOVERNMENT ACT/REGULATION

- *Local Government Act: Sect 7.1*
- *Regs - Local Government (Audit) 1996*

PREVIOUS MINUTES

- Council Meeting – 18 August 2022 (Item 9.3 - Audit Committee Audit Charter & Annual Plan Review)
- Council Meeting – 19 August 2021 (Item 8.8 - Audit Committee Audit Charter & Annual Plan Review)

FINANCIAL/BUDGET IMPLICATIONS

N/A

RISK MANAGEMENT IMPLICATIONS

Risk Ref: 7	Risk Rating:
CRC Operations - Internal Controls	Low
Action:	
Management Policies and Procedures reviewed and approved by Council	

The review and endorsement of the TPRC Audit Charter and Annual Audit Plan 2023/2024 is necessary to comply with *Local Government (Financial) Regulations* and to achieve good governance oversight.

BACKGROUND

The Audit and Risk Committee has specific obligations prescribed by the Act and audit regulations. The Audit and Risk Committee also has obligations and responsibilities set out in the adopted Audit Charter.

The principal activities of the Audit and Risk Committee are as follows:

- Review of the draft budget and review of the formal budget review to be undertaken between 1 January – 31 March;
- Review of the Annual Compliance Return;
- Review of the Annual Financial Report and recommendation for adoption of the Annual Financial Report to the Council.

COMMENT

The Council approved the CRC Audit Charter (August 2022) and the Audit Plan 2022/2023 at its meeting of 18 August 2022.

The Annual Audit Plan has been altered to reflect Audit and Risk Committee meetings during the next twelve months, proposed activities during that period, and changes to the CRC Audit Charter to remove the requirement for the Audit and Risk Committee to review the format of financial statements. This current obligation is no longer relevant as there are no quarterly financial reports and the model format for the annual financial report is created by Moore Australia on behalf of the Department of Local Government, Sport and Cultural Industries.

CONCLUSION

The CRC Audit Charter (2023) and the Audit Plan 2023/2024 are recommended for adoption.

Responsible Officer	Chief Executive Officer
Initial Council adoption	13 August 2015
Amendments	2021
Last Council adoption	8-17 August 2021 2022
Review due	June August 2022 2023

BACKGROUND

Section 7.1A of the *Local Government Act* requires each local government to appoint an Audit Committee comprising of at least 3 persons.

The Audit and Risk Committee may recommend to the Council good management practices and guidelines relating to financial control and (generally) matters covered by part 6 (Financial Management) of the *Local Government Act*.

COMMENT

Although it is possible for the Council to delegate functions to the Audit and Risk Committee, it is generally considered good governance practice to have the Committee operate in a review and recommendation role to allow input of independent opinion on Council actions and policies from a risk management and probity perspective.

The scope of activity for the Audit and Risk Committee can be changed from time to time.

Scope of Activity – Audit and Risk Committee

1. Recommending adoption of an audit charter
3. Review of statutory documents
 - Annual budget
 - Statutory budget review 1 January – 30 March (yearly)
 - Annual financial statement
 - Compliance audit
4. ~~Review of statutory processes~~
 - ~~Quarterly financial reporting format~~
 - ~~Annual financial reporting format~~
5. Review of guidelines and policies relating to *Local Government Act 1995* part 6
 - Purchasing Policy
 - Investment Policy
 - Procurement Policy
 - Payment of Accounts & Security of Payments Policy
 - Credit Card Policy
 - Records Management Policy
 - Financial Management – Significant Accounting Policy
 - Payment of Distributions Policy
 - Fraud & Corruption Prevention Policy
 - Gifts, Benefits or Hospitality Policy
 - Legislative Compliance Policy
 - Information & Technology Acceptable Use Policy
 - Governance & Internal Controls Framework

6. Regulation 17 Review
Consideration of Regulation 17 Review and monitoring of implementation of actions.
7. Review of Risk Register

The Council has adopted the following as the Audit Charter Terms of Reference for the Audit and Risk Committee.

1. Objectives of Audit and Risk Committee

The primary objective of the Audit and Risk Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The Committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of local government's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- The credibility and objectivity of internal and external financial reporting.
- Effective management of financial and other risks and the protection of Council assets.
- Compliance with laws and regulations as well as use of best practice guidelines relative to auditing.
- The coordination of the internal audit function with the external audit.
- The provision of an effective means of communication between the external auditor, internal auditor, the CEO and the Council.

2. Powers of the Audit and Risk Committee

The Committee is a formally appointed Committee of Council and is responsible to that body. The Committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and cannot involve itself in management processes or procedures.

The Audit and Risk Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

3. Membership

The Committee will consist of a minimum of five members.

The CEO and employees are not members of the Committee.

The CEO or his/her nominee is to attend all meetings to provide advice and guidance to the Committee.

The local government shall provide secretarial and administrative support to the Committee.

4. Meetings

The Committee shall meet at least three times in each calendar year.

At least one meeting per annum is required to meet with the external auditor.

Additional meetings shall be convened at the discretion of the presiding person.

5. Reporting

Reports and recommendations of the Audit and Risk Committee shall be presented to the next ordinary meeting of the Council.

6. Duties and Responsibilities

The duties and responsibilities of the Committee will be to:

- a) Provide guidance and assistance to the Council as to the carrying out the functions of the local government in relation to audits.
- b) Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions.
- c) Liaise with the CEO to ensure that the local government does everything in its power to:
 - Assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - Ensure that audits are conducted successfully and expeditiously.
- d) Examine the reports of the auditor after receiving a report from the CEO on the matters and:
 - Determine if any matters raised require action to be taken by the local government; and
 - Ensure that appropriate action is taken in respect of those matters.
- e) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.
- f) Review the scope of the audit plan and program and its effectiveness.
- g) Review the appropriateness of special internal audit assignments undertaken at the request of Council or CEO.

- h) Review reports of any special internal audits by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management reacts to matters raised.
- i) Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs.
- j) Review the local government's draft annual financial report, focusing on:
 - Accounting policies and practices;
 - Changes to accounting policies and practices;
 - The process used in making significant accounting estimates;
 - Significant adjustments to the financial report (if any) arising from the audit process;
 - Compliance with accounting standards and other reporting requirements;
 - Significant variances from prior years.
- k) Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed.
- l) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.
- m) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council.
- n) Review the Statutory Compliance Return and make a recommendation on its adoption to Council.
- o) Consider Regulation 17 Review recommendations and monitor implementation of approved actions.

This Audit Charter (Terms of Reference) is authorised by the Chief Executive Officer on [18-17](#) August [2022/2023](#).

AUDIT PLAN 2023/2024

	Statutory Date	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July
Compliance Return to Council								Audit Council					
- To Audit Committee and Council before	31 March												
- To Director General DLGSC before	31 March												
Annual Financials to Council	31 December	Audit		Council									
- Auditor to report to Council by	31 December												
- To DLGSC within 30 days of receipt of Audit Report													
Budget Adoption	31 August	Audit Council											
- To DLGSC within 30 days of adoption													
Budget Mid-Year Review								Audit Council					
- Required by LG between 1 January and 31 March													
- To DLGSC within 30 days of Council review													
Related Party Disclosures	31 July												
Annual Returns	31 August												
Delegations Register - Annual Review										Audit Council			
Risk Register – Annual Review										Audit Council			
Audit Charter / Plan		Audit Council											
Code of Conduct - Elected Members						Audit Council							
Elected Members Training Policy						Audit Council							
IT Acceptable Use Policy										Audit Council			
Legislative Compliance Policy										Audit Council			
Lot Pricing Policy												Audit Council	
Payment of Accounts & Security of Payment								Audit Council					
Procurement Policy										Audit Council			
Regulation 17 Review - Monitor Actions						Audit						Audit	