



TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 15 October 2015, 6:00pm
City of Perth
27 St Georges Terrace, Perth

TAMALA PARK
REGIONAL COUNCIL
(TPRC)
COMPRISES THE
FOLLOWING
COUNCILS:

Town of Cambridge
City of Joondalup
City of Perth
City of Stirling
Town of Victoria Park
City of Vincent
City of Wanneroo

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TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Perth, 27 St Georges Terrace, Perth on Thursday 15 October 2015 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



TONY ARIAS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Louis Carr	
City of Joondalup	Cr John Chester Cr Tom McLean	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Mayor Giovanni Italiano JP (Chairman) Cr David Michael Cr Terry Tyzack Cr Rod Willox AM JP	Cr Elizabeth Re
Town of Victoria Park	Mayor Trevor Vaughan (Deputy Chairman)	
City of Vincent	Mayor John Carey	
City of Wanneroo	Cr Dianne Guise Cr Brett Treby	Cr Frank Cvitan Cr Hugh Nguyen

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

Council Meeting – 13 August 2015

5A. BUSINESS ARISING FROM THE MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

- CEO Performance Review Committee Meeting – 3 September 2015
- CEO Performance Review Committee Meeting – 16 September 2015
- Management Committee Meeting – 24 September 2015
- Audit Committee Meeting – 15 October 2015

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.15)

9.1 BUSINESS REPORT – PERIOD ENDING 8 OCTOBER 2015

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 8 October 2015.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Staging Plan

Background

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

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

Comment

1. Civil Construction - Status

The following table provides an overview of the progress of current civil works:

Stage	Lots	Commenced Construction	Practical Completion Date	Works Status	Titles
15	55	27 July 2015	11 December 2015	60% complete	December 2015

2. Bulk Earthworks - Status

The Phase 1 earthworks for the Western Precinct commenced on 27 July 2015 following approval by the Department of Environment Regulation and City of Wanneroo. An earthworks mitigation strategy was implemented to reduce potential adverse impacts on the existing Mindarie residents.

A letter and FAQ sheet was provided to the nearby Mindarie residents in June 2015 advising of the earthworks and providing relevant information. Two subsequent information sessions were held with Mindarie residents in June 2015 with eight residents attending.

The bulk earthworks were completed on 30 September 2015, with stabilisation works currently being undertaken and are due to be completed on 9 October.

3. Landscape works – Status

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

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
Stage 10 Public Open Space	30 June 2015	2 October 2015	Complete
Stage 11 Green Link	17 August 2015	2 October 2015	Complete

The rehabilitation works for the Southern Biodiversity Conservation Area are due to commence in November 2015.

4. Housing Construction

The following table provides an overview of the current progress of housing construction to date. A significant number of homes are under construction in Stages 9-13A.

Stage	Under Construction	Completed	Total
Stage 1	0	32	32
Stage 2	2	29	31
Stage 3	0	43	43
Stage 4	1	44	45
Stage 5	1	59	60
Stage 6A	0	6	6
Stage 6B	13	0	13
Stage 6C	4	0	4
Stage 7	3	59	62
Stage 8	2	48	50
Stage 9	3	37	40
Stage 10	4	20	24
Stage 11	6	45	51
Stage 12	19	9	28
Stage 13A	14	1	15
Total	72	432	504

5. Waste Management Program

Instant Waste Management is providing monthly reports identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 120 participating building sites with a waste recovery rate of 95% (by weight) being achieved. To the end of August 2015 a total of 2,694 tonnes of waste has been recycled through the Waste Management Program.

6. Lot 1 – TPRC/ABN Development

Construction and landscaping of the apartments is complete.

Titles for the 24 apartments/villas were issued on 2 October 2015 with settlements to commence 16 October 2015.

7. Builders Display Village

All 23 lots within the second Catalina Display Village have now been sold to builders, and all lots are now settled. House plans have been received from 22 builders to date, with 20 homes now under construction. The Village is expected to open in February 2016.

8. Telethon Home

The Catalina Telethon Home has been completed, with the formal opening taking place on 3 September 2015. The home is now open for viewing and being marketed. The Telethon Home Auction will be held on 18 October 2015.

Promotion and marketing of the Catalina Telethon Home and the Catalina Estate commenced in June with television advertisements on Channel 7 and is ongoing.

9. Subdivision Approval for Stage 1 Catalina Beach.

The subdivision application for Stage 1 of Catalina Beach was approved, with conditions, by the Western Australian Planning Commission (WAPC) on 14 September 2015.

The subdivision application comprised 191 single residential lots ranging in area from 180m² to 600m² and 7 group housing sites. The WAPC approval enables the TPRC to proceed to detailed engineering design.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JULY & AUGUST 2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

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

- **31 July 2015; and**
- **31 August 2015.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Statement of Financial Activity for 31 July 2015
- Statement of Financial Activity for 31 August 2015

Local Government Act/Regulation

- Local Government Act 1995: Sect 6.4(1): Financial Report Required
- Local Government (Financial Management) Regulations 1996: Regulation 34 Composition of Report
- Local Government (Financial Management) Regulations 1996: Regulation 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regulations 1996: Regulation 14 Compliance Audit Item

Background

It is a mandatory requirement that the Council receives, reviews and records in the Regional Council's public minutes a statement of financial activity showing annual budget estimates and the figures for budget estimates, income and expenditure and variances at the end of each month. The report is also to show the composition of assets and other relevant information.

Comment

The detailed Statements contained in the Appendices reflect the budget proposals and direction adopted by the Council.

Variances at 31 August 2015 exceeding 10% were experienced in relation to the following:

Interest Earnings	Interest earnings exceed budget predictions as a result of timing of maturity of term deposits.
Employee Costs	The positive variation relates to timing of payments.
Materials and Contracts	The positive variance relates to timing of consultant payments.
Utilities	Utilities are under budget due to timing of payments.
Income Sale of Lots – Subdivisions	The negative variance relates to fewer settlements.
Land Production Cost	The positive variance relates to timing of payments.
Insurance	The negative variance relates to timing of payments.

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

Financial Snapshot as at 31 August 2015

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 31 AUGUST 2015**

	2015-16 Adopted Budget \$	2015-16 YTD Budget \$	2015-16 Actual \$	Variance		Variance %
				Favourable \$	Unfavourable \$	
Revenue						
Interest Earnings	958,606	191,721	233,177	41,456		21.62%
Profit/(loss) on Disposal Of Asset	-	-	-	-	-	0.00%
Other Revenue	1,937	-	-	-	-	0.00%
	\$960,543	\$191,721	\$233,177	\$41,456	\$0	
Less Expenditure						
Depreciation	(17,797)	(2,667)	-	2,667		100.00%
Employee Costs	(727,610)	(109,134)	(80,622)	28,512		26.13%
Insurance	(17,323)	(2,596)	(6,566)		(3,970)	-152.93%
Materials and Contracts	(443,516)	(66,503)	(24,447)	42,056		63.24%
Other	(175,970)	(1,579)	(38,480)		(36,901)	-2336.99%
Utilities	(6,150)	(921)	-	921		100.00%
Members Equity						
-Income Sale of Lots - Subdivisions	40,743,130	8,695,993	6,372,143		(2,323,850)	-26.72%
-Income Other - Subdivisions	1,659,807	-	-			0.00%
-Land Production Costs	(47,630,553)	(6,236,133)	(2,128,984)	4,107,149		65.86%
-Contributions Returned	(18,350,650)	-	-			0.00%
	(\$24,966,632)	\$2,276,460	\$4,093,044	\$4,181,305	(\$2,364,721)	
Total Change in Equity	(\$24,006,089)	\$2,468,182	\$4,326,221	\$4,222,760	(\$2,364,721)	

Balance Sheet Summary as at 31 August 2015

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2015**

	Actual 2014-15 \$	Actual 2015-16 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	46,060,590	50,249,783	4,189,193	9.09%
Trade and other receivables	389,122	440,147	51,025	13.11%
Total current assets	46,449,712	50,689,930	4,240,218	9.1%
Non-current assets				
Inventories	1,818,182	1,818,182	0	0.00%
Property, plant and equipment	151,944	153,260	1,316	0.87%
Total non-current assets	1,970,126	1,971,442	1,316	0.07%
Total assets	48,419,838	52,661,372	4,241,534	8.76%
Current liabilities				
Trade and other payables	184,657	107,050	77,607	42.03%
Provisions	109,986	102,906	7,080	6.44%
Total current liabilities	294,643	209,956	84,687	28.7%
Non-current liabilities				
Provisions	30,931	30,931	0	0.00%
Total non-current liabilities	30,931	30,931	0	0.00%
Total liabilities	325,574	240,887	84,687	26.01%
Net assets	48,094,264	52,420,485	4,326,221	9.00%

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JULY & AUGUST 2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the months of July and August 2015:

- **Month ending 31 July 2015 (Total \$520,733.33)**
- **Month ending 31 August 2015 (Total \$1,805,843.82)**
- **Total Paid - \$2,326,577.15**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 31 July 2015 and 31 August 2015.

Relevant Documents

Appendix:

- Cheque Detail for August 2015
- Summary Payment List for July 2015
- Summary Payment List for August 2015

Local Government Act/Regulation

- Local Government Act 1995: Sect 5.42 - Delegation given for Payments
- Local Government (Financial Management) Regulations 1996: Regulation 13(1) - Monthly Payment list required
- Local Government (Audit) Regulations 1996: Regulation 13 - Compliance Audit Item

Background

A list of accounts paid under delegation or submitted for authorisation for payment is to be submitted to the Council at each meeting. It is a specific requirement of Regulations that list state the month (not the period) for which the account payments or authorisation relates.

Comment

Payments made are in accordance with authorisations from Council, approved budget, TPRC procurement and other relevant policies.

Payments are reviewed by TPRC Accountants Moore Stephenson following completion of each months accounts.

9.4 PROJECT FINANCIAL REPORT – AUGUST 2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVE the Project Financial Report (August 2015) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for August 2015 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 August 2015.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 25 August 2015 with Financial Report

Background

At its meeting of 13 August 2015 the Council approved the Project Budget 2015/2016 (July 2015), submitted by the Satterley Property Group, as the basis of financial planning for the 2015/2016 TPRC Budget.

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

Comment

The Satterley Property Group has prepared a Financial Report for August 2015 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 August 2015 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$6.4M which is \$2.3M under budget with the variance in settlement revenue attributed to 10 lot settlements less year to date.
2. Expenditure is \$3.6M under budget, in the following areas:
 - Lot Production \$1.3M;
 - Landscape \$1.6M.

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

3. Lot Sales Value was \$4.18M which is \$0.5M more favourable to budget due to 1 additional lot sale year to date.

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

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 8 OCTOBER 2015

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVE the Sales and Settlement Report to 8 October 2015.

Voting Requirements

Simple Majority

Report Purpose

To advise the Committee of the status of sales, settlements and sales releases.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount:	\$40,743,130
Received to Date:	\$ 7,652,615
Balance:	\$33,090,515

Background

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

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

Comment

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

STAGE	RELEASE DATE	LOTS RELEASED	LOT SIZES	SOLD	STOCK	SETTLED
Stages 1 – 5, 6A, 6C, 7-9, 11B & 13A (Builders)	NA	436	NA	436	0	436
Stage 10	Feb 2014	30	300-562	29	1	28
Stage 11	Mar 2014	49	295-490	48	1	46
Stage 12A	May 2014	25	295-463	22	3	21
Stage 12B	July 2014	24	225-490	24	0	24
Stage 13A (Public)	Aug 2014	27	288-450	24	3	24
Stage 13B (Public)	Oct 2014	39	295-450	30	9	30
Stage 6B (Display Vge)	Sep 2014	24	225-505	24	0	24
Stage 13B (Builder)	Oct 2014	6	225-300	6	0	6
Stage 14A (Public)	Jan 2015	17	295-450	17	0	15
Stage 14B (Public)	Feb 2015	19	274-450	16	3	8
Stage 14 Builder Release	March 2015	12	224-323	12	0	1
Stage 14C (Public)	April 2015	7	375 – 375	6	1	2
Stage 14D (Public)	June 2015	8	225 - 322	5	3	0
Stage 15A (Public)	July 2015	16	300 - 450	10	6	0
TOTAL		739		709	30	665

The following table provides a summary of lot sizing and commentary of current stock on hand:

STAGE	RELEASE DATE	COMMENTS ON AGED STOCK
Stage 10	Feb 2014	396m ² irregular shaped lot, with quiet house & bushfire requirements, low interest to date
Stage 11	Mar 2014	320m ² corner lot, irregular shape, rear loaded, located on roundabout & Aviator Blvd, low interest to date
Stage 12A	May 2014	3 corner lots (300m ² , 432m ² & 447m ²), irregular shape, rear loaded, located on roundabout and Aviator Blvd, mandatory 2 storey requirement, low interest to date,
Stage 13A (Public)	Aug 2014	Corner lots (315m ² , 290m ² & 288m ²), irregular shape, rear loaded, located on roundabout and Aviator Blvd, one lot has mandatory 2 storey requirement, low interest to date
Stage 13B (Public)	Oct 2014	7 lots are 225m ² , 2 lots are 295m ² , non-standard frontage (9m), require bespoke design, mandatory 2 storey requirement, low interest to date

Stage 14B (Public)	Feb 2015	3 corner lots (344m ² , 304m ² & 362m ²), fronting Neerabup Rd, quiet house requirement, low interest to date
Stage 14C (Public)	April 2015	Standard 375m ² lot, 12.5m frontage, limited interest to date
Stage 14D (Public)	June 2015	2 lots are 225m ² , rear loaded, 7.5m frontage 1 lot is 300m ² , rear loaded, 10m frontage, quiet house requirement, limited interest to date
Stage 15A (Public)	July 2015	2 corner lots (320m ² & 358m ²) and a 361m ² lot, rear loaded and irregular frontage, fronting Neerabup Rd, quiet house requirements 3 standard 375m ² lots, 12.5m frontage, quiet house requirement on 1 of the lots, limited interest to date

There have been 20 net sales and 29 settlements achieved to date for FYE 2016.

Competition Analysis

The table below provides a summary of gross sales at competing developments in the northern corridor for the financial year commencing 1 July 2015. Sales in the corridor have reduced significantly in FYE 2015 compared to financial year 2014. This trend has continued into FYE 2016.

Catalina's market share averaged 16% in FYE 2015. Current market share achieved for financial year 2016 is 9%, below the average achieved in FYE 2015.

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

Estate	Sales												YTD total	Size Range (m2)	Price Range (\$)
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
Allara	13	18											30	300-596	\$191,000-\$255,000
Brighton	2	8											14	300-513	\$185,000-\$235,000
Eden Beach	7	3											30	300-513	289,000-425,000
Catalina	10	12											35	225-447	214,000 - 330,000
Alkimos Beach	7	4											82	212-600	\$186,000-\$285,000
Amberton	14	12											27	198-505	\$159,000-\$308,000
Banksia Grove	25	27											15	225-450	\$165,000-\$252,000
Jindowie	9	8											32	280-560	\$170,000-\$222,000
Yanchep Golf Estate	1	0											1	209-1869	\$150,000-\$460,000
Shorehaven	6	10											60	210-489	\$199,000-\$345,000
Trinity	24	11											116	270-597	\$197,000-\$324,000
Vertex Yanchep (LWP)	0	6											14	357 - 510	\$166,000 - \$221,000
Total	118	119	0	0	0	0	0	0	0	0	0	0	237		
CATALINA MARKET SHARE %	8%	10%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	15%		

A summary of available stock in the corridor is provided in the table below. The table shows that Eden Beach has the most expensive pricing followed by Catalina.

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	7.5m Stock	10m Stock	12.5m Stock	15m Stock	Other Stock	Total Stock
Allara		191,000	215,000	239,000	0	3	8	6	2	19
Brighton	180,000	185,000	197,000	225,000	0	0	0	6	20	26
Eden Beach		285,000	322,000	360,000	0	5	7	10	6	28
Catalina	215,000	261,000	300,000	342,000	3	6	8	6	12	35
Alkimos Beach	186,000	218,000	235,000	300,000	2	6	2	1	4	15
Amberton		195,000	243,000	269,000	0	2	1	4	3	10
Banksia Grove	165,000	175,000	215,000	245,000	5	0	0	1	3	9
Jindowie		170,000	185,000	195,000	0	0	3	7	11	21
Yanchep Golf Estate	155,000	175,000	199,000	245,000	0	0	2	4	8	14
Shorehaven	199,000	214,000	228,000	269,000	0	5	0	0	13	18
Trinity		206,000	237,000	270,000	0	2	0	4	23	29
Vertex Yanchep (LWP)			180,000	195,000	0	0	3	6	12	21
TOTAL					10	29	34	55	117	245
Catalina Total %					4%	12%	14%	22%	48%	100%

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

9.6 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2014 TO 30 JUNE 2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.48

Recommendation

That the Council RECEIVE the Annual Financial Report for the year ended 30 June 2015 and it be INCLUDED in the Annual Report.

Voting Requirements

Simple Majority

Report Purpose

To consider the Annual Financial Report of the TPRC for the year ended 30 June 2015.

Relevant Documents

Appendix: Audited Annual Financial Report for the year ended 30 June 2015

Previous Minutes

- Council Meeting – 16 October 2014 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2013 to 30 June 2014)
- Council Meeting – 19 December 2013 (Item 9.7: TPRC Annual Financial Report for the Year 1 July 2012 to 30 June 2013)

Policy Reference

TPRC Audit Charter: Scope, includes review of Annual Financial Report and recommendation of adoption by the Council

Local Government Act/Regulation

- Local Government Act 1995: S6.4 - Requires Local Government to prepare annual Financial Report in prescribed form; balanced accounts and financial report for preceding year to be submitted to Auditor by 30 September.
- Local Government Act 1995: S7.2 - Requires accounts and financial report to be audited by an auditor appointed [according to prescribed procedures] by the Local Government.
- Local Government Act 1995: S7.9 - Requires Auditor to provide report on accounts and financial report to Chairman, CEO and Minister by 31 December.
- Regs - Local Government (Audit) 1996 R 9 Sets out Criteria for Conduct of Audit.
- Guideline 18 - Financial Ratios - Describes Financial Ratios required in financial reports.
- Regs - Local Government (Financial Management) 1996: R36-49 prescribes report inclusions.
- Regs - Local Government (Financial Management) 1996: R50 - CEO to forward copy of Financial Report to Executive Director within 30 Days of Audit.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Background

An Annual Financial Report is required to provide a comprehensive outline of financial activities of the TPRC for the public record and public inspection.

A series of legislative requirements must be observed in preparing the Annual Financial Report.

The Annual Financial Report must be submitted for audit and included in the Council Annual Report for adoption no later than 31 December.

Comment

The TPRC accounts for the financial year have been balanced, the financial report has been prepared by Moore Stephens – Accountants (formerly Haines Norton) and reviewed by Dom Carbone & Associates. The accounts and report have been submitted to the Council appointed Auditor (Butler Settineri) for review.

The Auditor has completed an audit of the documents and has provided the required management report which is required to be presented to the Chairman of the Council, the CEO and the Minister for Local Government. The report is considered in Item 9.7.

The accounts are in balance and there are no adverse comments or notifications from Council's accountants.

The Audit Committee is to consider the report on the Annual Financial Report for the financial year ended 30 June 2015 at its meeting of 15 October 2015. An update of the Committee's considerations will be presented to Council at the meeting.

9.7 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.19.382

Recommendation

That the Council:

- 1. RECEIVE the Auditor's Report for the financial year ended 30 June 2015.**
- 2. NOTE that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2015.**
- 3. NOTE that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 6 August 2015 to discharge the statutory obligation to meet with the Local Government at least once per annum.**

Voting Requirements

Simple Majority

Report Purpose

To facilitate review of the Auditor's Report as required by Regulation.

Relevant Documents

Appendix: Audit Report for Financial Year ended 30 June 2015

Previous Minutes

- Council Meeting – 16 October 2014 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2014)
- Council Meeting – 19 December 2013 (Item 9.8: Review of the Auditor's Report for the Financial Year Ended 30 June 2013)

Policy Reference

TPRC Audit Charter 6(f) and (h)

Local Government Act/Regulation

- Local Government Act Section 7.9(3) – Auditor is to provide a copy of the audit report within 30 days of completion to the Chairman, the CEO and the Minister.
- Local Government Act Section 7.12(3) – Local Government required to take action on matters raised in Audit Report.
- Local Government (Audit) Regulations 10.4 – Auditor may prepare a Management Report in addition to the Audit Report and copy to Chairman, the CEO and the Minister.

Background

The Local Government (Audit) Regulations require the Council's appointed Auditor to prepare an Auditor's Report.

The report is to give the Auditor's opinion of:

- (a) The financial position of the local government;
- (b) The results of the operations of the local government.

Comment

The Council's appointed Auditor (Butler Settineri) has completed its assessment for the financial year ending 30 June 2015. There are no adverse comments raised by the external Auditor in its report.

There is a statutory obligation for the Council's appointed Auditor to meet with the Local Government at least once per annum. The Auditor (Mr Marius van der Merwe) was in attendance at the Audit Committee meeting of 6 August 2015 to discharge this obligation.

The Audit Committee is to consider the Auditor's Report for the financial year ended 30 June 2015 at its meeting of 15 October 2015. An update of the Committee's considerations will be presented to Council at the meeting.

9.8 DISPOSAL OF LAND SALES OFFICE - BUSINESS CASE

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVE** the Land Sales Office Business Case Report (dated September 2015), prepared by Satterley Property Group.
2. **APPROVE** the deferral of the disposal of the Land Sales Office to FYE 2017, subject to the Satterley Property Group providing a business case on the sale and lease of the Land Sales Office for Council's consideration as part of FYE 2017 budget considerations.
3. **REQUEST** the Satterley Property Group to provide advice as to how this shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the December Council meeting.

Voting Requirements

Simple Majority

Report Purpose

To consider the disposal of the Land Sales Office in accordance with the Lot Sale and Release Strategy (April 2015).

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 18 June 2015 (Item 9.7 – Lot Sale and Release Strategy)

Financial/Budget Implications

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

Budget Amount:	\$40,743,130
Received to Date:	\$ 7,652,615
Balance:	\$33,090,515

Relevant Documents

Appendix: SPG Land Sales Office Business Case dated September 2015

Background

The Land Sales Office was completed in 2013 and has functioned well to date as a sales office. The design of the building was based on a cottage home (3x2 plus study) which was modified by the deletion of one bedroom and a theatre room to provide a large open area to accommodate the sales function and associated display areas. The Land Sales Office is situated on a 320m² rear loaded cottage lot.

At its meeting of 18 June 2015 the Council approved the Lot Sale and Release Strategy for the Catalina Project, which outlines the sales releases up to 30 June 2016.

The Sales and Lot Release Strategy identified the Land Sales Office as a 'special site', which is budgeted to be sold and settled in FYE 2016 with a leaseback to allow for the continued use of the Land Sales Office.

The Land Sales Office has been strategically located on Aviator Boulevard, the main entrance to the Estate for high exposure. It also adjoins the existing Builders Display Village and the second Builders Display Village (due to open February 2016). The Land Sales Office precinct includes an associated car park to the west on four lots, and two lots to the east, which contain a playground and community garden. All of these lots have been sold and are leased back to the TPRC.

The TPRC requested that the SPG provide a business case in relation to the sale and lease of the Land Sales Office for Council's consideration. The SPG has assessed the proposal to sell and lease the Land Sales Office and provided a recommendation (letter dated September 2015) attached under Appendix 9.8.

Comment

The SPG has outlined the following four options for Council's consideration:

1. Sale of the Land Sales Office (as is) with a lease back of 7% of sale price;
2. Sale of the Land Sales Office (as is) with a lease back of 7% of sale price with TPRC undertaking modifications at the expiry of the lease back period to return house to original configuration;
3. Retain ownership of the Land Sales Office until a new Land Sales Office is completed, then Sell "as is";
4. Retain ownership of the Land Sales Office until a new Land Sales Office is completed, then TPRC undertake the modifications to return house to original configuration.

The SPG's assessment of the four options takes into consideration the current market conditions. The SPG has recommended that the Land Sales Office not be sold in FYE 2016 and that either Option 3 or Option 4 be adopted by the TPRC and that the business case be reviewed in 12 months.

If the TPRC was to accept the SPG recommendation there will be a \$596,000 (net) deficit to the budget for FYE 2016, this is based on the Land Sales Office being sold for of \$640,000 and a lease of \$44,000 per annum. There is no indication in the SPG advice as to how this

shortfall in revenue is to be addressed and the potential impact on other elements of the TPRC budget.

The proposal to defer the sale of the Land Sales Office is considered appropriate given SPG advice on market conditions. As indicated the Land Sales Office has been strategically located on Aviator Boulevard for maximum exposure and to service the existing and proposed Builders Display Village. Given these considerations there are benefits in retaining full control of the Sales Office and its operation. The deferral will also allow for completion of additional works in the area including landscaping to Aviator Boulevard, which will ultimately enhance the value of the Land Sales Office.

It is noted that there are currently minimal holding costs associated with the Land Sales Office.

The TPRC supports the deferral of the disposal of the Land Sales Office to FYE 2017, subject to the Satterley Property Group providing a business case in relation to the sale and lease of the Land Sales Office for Council's consideration as part of the FYE 2017 budget considerations.

It is also recommended that the Satterley Property Group be requested to provide advice as to how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the December Council meeting.

At its meeting of 24 September 2015 the Management Committee considered the report on the disposal of the Land Sales Office, submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the Land Sales Office Business Case Report (dated September 2015), prepared by Satterley Property Group.*
2. *APPROVE the deferral of the disposal of the Land Sales Office to FYE 2017, subject to the Satterley Property Group providing a business case on the sale and lease of the Land Sales Office for Council's consideration as part of FYE 2017 budget considerations.*
3. *REQUEST the Satterley Property Group to provide advice as to how this shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the December Council meeting.*

9.9 PROPOSED REPRICING LOTS (STAGES 10, 13A, 13B, 14A, 14B, 14C & 14D)

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVE** the recommended repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D (dated 17 September 2015), prepared by Satterley Property Group .
2. **APPROVE** the lot pricing for the unsold lots in Stages 10, 13A, 13B and 14B as recommended by SPG correspondence dated 17 September 2015 (Appendix 9.9).
3. **REQUEST** the Satterley Property Group to provide advice as to how the repricing of lots within Stages 10, 13A, 13B and 14B will affect lot pricing and revenue for the balance of FYE 2016; how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the December 2015 Council meeting.

Voting Requirements

Simple Majority

Report Purpose

To consider SPG recommended repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount:	\$40,743,130
Received to Date:	\$ 7,652,615
Balance:	\$33,090,515

Relevant Documents

Appendix: Letter from Satterley Property Group dated 17 September 2015

Background

At its meeting of 13 August 2015 the Council approved the Project Budget 2015/2016 (July 2015), submitted by the Satterley Property Group, and that it be used as the basis of financial planning and reporting for the TPRC Budget 2015/2016.

The lot pricing at Catalina involves independent pricing by the Development Manager and the Council appointed valuer, with the higher of the lot pricing determining the sale price. In the event that the determined average of lot pricing is less than the lot pricing for a stage in the Project Cashflow the CEO shall refer the matter back to Council before exercising this delegation.

Comment

The SPG has reviewed pricing of lots in Stages 10, 13A, 13B, 14A, 14B, 14C & 14D which have been released for sale for some time and remain unsold. A copy of the SPG advice and recommendations is attached at Appendix 9.9.

The proposed repricing involves 21 lots and substantial reduction below budget pricing ranging from \$6,000 to \$52,500 in the lot prices. The recommended lot pricing is less than the sale prices contained in the approved Project Budget 2015/2016 and the TPRC Budget 2015/2016. Therefore pursuant to Delegation 39, the CEO must refer the matter to Council.

Twelve of the lots have been on the market for approximately 12 months and have constraints, such as irregular lot shapes and mandatory two storey requirements, which SPG considers reduces sales attraction.

Seven of the lots were released to the market in June this year with a further two in February this year. Four of these nine lots are recommended for a price reduction.

Attached Appendix 9.9 is a schedule which compares the current pricing, TPRC budget, valuer's pricing and the SPG recommended repricing.

The recommended repricing of the 21 lots would result in sales revenue being approximately \$580,000 below the approved TPRC budget for FYE 2016. The value of the lots under the repricing proposal is over \$5.0M.

The Satterley Property Group has not provided advice as to how the repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D will affect lot pricing for the balance of FYE 2016 and forecasted revenue for FYE 2016. It has also not provided advice as to how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget.

It should be noted that SPG has also recommended (by separate SPG correspondence) that Council introduce a "Builder Upgrade Package" incentive of \$8,000 per lot for purchasers of all lots at Catalina for the balance of FYE 2016. This is to be considered by the Council under Item 9.10 of this Agenda. If both SPG recommendations are supported this would result in price reductions and a sales incentive of \$8,000 being approved by Council for these lots.

The option of promoting sales interest and sales through incentives solely is not supported by SPG as it considers it will not achieve the required sales.

The "aged stock" also forms part of the Sales Triggers and therefore provides a restriction to the release of new sales releases, which would be less constrained and potentially attract higher sales interest.

There is evidence from UDIA and REIWA indicating that the market has softened over the past 6 months. This is also supported by information supplied from competing estates. Advice from the Council appointed valuer also indicates a deterioration of market conditions and sentiment is impacting on buyer enquiries and sales.

Whilst the SPG recommended repricing would result in sales revenue being approximately \$580,000 under the approved TPRC budget it would assist selling \$5.0M of “aged stock” lots and remove the Sales Triggers restriction which is preventing new stock from being released to the market. The SPG recommended repricing is generally consistent with recommended pricing by the Council appointed valuer.

It is recommended that the Council support the repricing of “aged stock” lots which have been released for greater than six months and have constraints, such as irregular lot shapes and mandatory two storey requirements. In relation to the 7 lots released in June 2015 it is considered unnecessary to undertake significant price reduction at this stage.

The Satterley Property Group should also be requested to provide advice as to how the repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D will affect lot pricing for the balance of FYE 2016 and forecasted revenue for FYE 2016. It has also not provided advice as to how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget. It is recommended that the Satterley Property Group be requested to provide advice on these matters for the Council at the December 2015 meeting.

At its meeting of 24 September 2015 the Management Committee considered the report on the repricing proposal of “aged lots”, submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the recommended repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D (dated 17 September 2015), prepared by Satterley Property Group .*
2. *APPROVE the lot pricing for the unsold lots in Stages 10, 13A, 13B and 14B as recommended by SPG correspondence dated 17 September 2015 (Appendix 9.9).*
3. *REQUEST the Satterley Property Group to provide advice as to how the repricing of lots within Stages 10, 13A, 13B and 14B will affect lot pricing and revenue for the balance of FYE 2016; how the shortfall in revenue is to be addressed and potential impact on other elements of the TPRC budget for the October Council meeting.*

9.10 PROJECT & LOT SALES STRATEGY (SEPTEMBER 2015)

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:

- 1. RECEIVE the Project & Lot Sales Strategy (dated September 2015), prepared by the Satterley Property Group.**
- 2. NOTE that the Satterley Property Group recommended repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D is to be considered as part of Item 9.9 of this Agenda.**
- 3. NOTE that the expenditure of the FYE 2016 marketing budget is being undertaken in accordance with the Annual Plan 2015 (approved by Council 18 June 2015) and Marketing Plan 2015 (approved by Council 16 April 2015).**
- 4. APPROVE the payment of an Early Construction Rebate to the value of \$8,000 per lot for contracts entered into after 15 October 2015 and until 31 January 2016, subject to the purchaser achieving slab down stage on the lot within 9 months of the settlement date.**
- 5. ADVISE the Satterley Property Group that:**
 - a. Council supports in principle the participation of Catalina in future SPG marketing campaigns subject to the SPG allowing sufficient time for Council's consideration of the terms and incentives and benefits of the campaign.**
 - b. Given the bulk earthworks associated with the School site and Western Precinct are shortly to be completed, that this will enable commencement of a Spring clean up campaign.**
 - c. The specific landscape upgrades should be determined with the CEO having regard to budget requirements and consistency with City of Wanneroo requirements.**

Voting Requirements

Simple Majority

Report Purpose

To consider the Project & Lot Sales Strategy (dated September 2015), prepared by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount:	\$40,743,130
Received to Date:	\$ 7,652,615
Balance:	\$33,090,515

Relevant Documents

Appendix: Letter from Satterley Property Group dated September 2015

Background

At the Council meeting of 13 August 2015 the Satterley Property Group provided commentary on market conditions and advised Council that it was preparing a Project & Lot Sales Strategy to address softening market conditions which would be submitted for Council's consideration for its October 2015 meeting.

The Satterley Property Group submitted the Project & Lot Sales Strategy (September 2015) for Council's consideration (copy attached Appendix 9.10).

Comment

The Project & Lot Sales Strategy (September 2015), prepared by SPG, includes commentary and recommendations which are summarised as follows:

Market Overview

The deterioration of market conditions and sentiment will result in 0% annualised growth in FYE 2016 as reflected in the TPRC Budget FYE 2016.

The deterioration in market conditions is reflected in a fall in prospective buyer enquiries and traffic figures by approximately 40% and sales contracts by 35% across the entire SPG portfolio of projects over the past 6 months when compared to the preceding period.

Catalina Overview

Current market sentiment and the sales measures adopted by competing estates for the first half of 2015 have led to a decline not only in sales volumes for the Catalina Project but also a significant decline in the percentage of market share of lot sales within the North West corridor.

Sales figures for the past three months at Catalina (June, July, and August 2015) are as follows:

Gross Sales	26
Cancellations	9
Net Sales	17

This is below the 20 gross sales per month and the 16 net sales per month achieved on average in FYE 2015.

Aged Stock

There are 23 lots in stock which have been released to the market for 6 months or longer. The following key elements are impacting the sale of these lots:

- mandatory two storey building;
- located on main roads or fronting main roads;
- irregular frontage and awkward shaped lots;
- corner located lots;
- retaining wall heights;
- noise and fire BAL requirements.

Factors in the Decline in Project Sales

The SPG has indicated that the following factors impact on the decline of project sales:

(a) Lot Pricing is a factor, particularly constrained lots. A pricing recommendation under separate SPG correspondence is listed under Item 9.9 of this Agenda.

(b) Marketing

The marketing spend on a per lot basis for the Catalina Project has been low in previous years in comparison to other SPG projects.

SPG considers that TPRC marketing budget needs to be expended to ensure project awareness, branding, messaging and overall positioning and standing within the market.

(c) Display Village & Builder Partners' Feedback

The Catalina Project includes a builder display village comprising 24 home builders and is a major driver of traffic and enquiries for the Catalina Project. Feedback received from the builders is that the Project requires upgrade.

(d) Estate Maintenance & Presentation

SPG considers the Project requires clean up of the estate of rubbish and sweeping of streets and estate maintenance to present appropriately.

(e) Landscaping

SPG is of the opinion the landscaping at Catalina should be upgraded in certain locations in order to provide a higher visual purchaser appeal.

(f) Competitors Incentives

The competitive nature of the North West corridor and softer market conditions has resulted in competing estates introducing new buyer rebates and incentives to increase enquiry and convert sales. These rebates and incentives are offered in addition to the standard fencing, landscaping, solar and communications rebates offered as a condition of sales to buyers.

SPG Recommendations

SPG has provided the following recommendations for Council's consideration to mitigate the highlighted sales and market risk:

1. TPRC adopt SPG recommended repricing of the re-valued titled lots to meet market conditions and achieve the FYE 2016 sales budget.
2. TPRC support expenditure of the approved FYE 2016 marketing budget of \$812,000 to ensure the promotion, positioning and branding of Catalina is recognised in the highly competitive North West market corridor.

3. TPRC introduce a Builder Upgrade or Early Construction Rebate to the value of \$8,000 per lot for all lots offered for sale from 1 October 2015 until 31 January 2016.
4. TPRC agree in principle to participate in future SPG marketing campaigns to ensure Catalina and its current project offerings are well positioned to capitalise on market demand.
5. TPRC agree to upgrade specific areas identified for landscaping improvement to improve the project amenity for current residents and enhance the product offering for prospective buyers within the approved budget and authorise the CEO to implement the landscaping upgrade.
6. TPRC to initiate a Spring cleaning campaign to remove the build-up of building debris, sand and general rubbish around the estate that have unfortunately built up over recent weeks. Furthermore, SPG requests TPRC support the implementation of a regular cleaning program to present the estate in a professional standard and manner to the market and authorise the CEO to implement this program to an agreed budget and timeframe.

TPRC Comments

The advice from SPG does demonstrate that the deterioration of market conditions and sentiment is impacting on buyer enquiries and sales.

SPG recommendations in the Project & Lot Sales Strategy warrant serious consideration in the interests of maintaining sales momentum and ultimately achieving TPRC budget objectives. A number of the measures proposed by SPG can be readily addressed such as estate maintenance and presentation, landscaping upgrade, marketing/promotion. Some of these are programmed to be undertaken in the short term.

To date the Catalina Project has not had to offer additional sales incentives to achieve budgeted sales. However, as SPG has outlined, market conditions and buyer sentiments have changed over the last six months. As a result competing estates are offering significant sales rebates/incentives to achieve sales.

In relation to the “Satterley Surprise” campaign which offers a range of incentives available to buyers of a choice of an early construction rebate, a builder upgrade package, a Freedom voucher, a Harvey Norman voucher, a Flight Centre voucher or a Coles Myer voucher ranging in value from \$5,000 to \$8,000, the timing of the campaign did not allow sufficient time for the Catalina Project to participate in the campaign.

It is acknowledged that TPRC needs to have the flexibility to respond to changing market conditions and competitors’ terms and incentives. There is evidence this may be warranted in this instance. Given current market conditions TPRC may need to implement additional measures to achieve greater sales activity.

In terms of SPG recommendations the following comments are provided for Council’s consideration:

1. TPRC adopt SPG recommended repricing of the re-valued titled lots to meet market conditions and achieve the FYE 2016 sales budget.

The proposed lot repricing is listed for consideration under Item 9.9 of this Agenda.

2. TPRC support expenditure of the approved FYE 2016 marketing budget of \$812,000 to ensure the promotion, positioning and branding of Catalina is recognised in the highly competitive North West market corridor.

The expenditure of the FYE 2016 marketing budget is being undertaken in accordance with the Annual Plan 2015 (approved by Council 18 June 2015). Based on current planning it is anticipated that the budget will be fully expended in FYE 2016.

3. TPRC introduce a Builder Upgrade or Early Construction Rebate to the value of \$8,000 per lot for all lots offered for sale from 1 October 2015 until 31 January 2016.

The proposal to include an incentive comparable to competing estates to increase enquiry and sales is supported subject to the purchaser achieving slab down stage on the lot within 9 months of the settlement date. An early construction rebate is considered most beneficial as it would support local builders and building activity on the Project.

4. TPRC agree in principle to participate in future SPG marketing campaigns to ensure Catalina and its current project offerings are well positioned to capitalise on market demand.

TPRC has previously expressed willingness to participate in marketing campaigns. Support in principle subject to the terms and conditions being approved by Council.

5. TPRC agree to upgrade specific areas identified for landscaping improvement to improve the project amenity for current residents and enhance the product offering for prospective buyers within the approved budget and authorise the CEO to implement the landscaping upgrade.

Supported in principle, the nature of the proposed upgrades to be determined between SPG and TPRC and consistent with City of Wanneroo requirements. It is proposed that this be examined further with SPG.

6. The TPRC initiate a Spring cleaning campaign to remove the build-up of building debris, sand and general rubbish around the estate that have unfortunately built up over recent weeks. Furthermore, SPG requests the TPRC support the implementation of a regular cleaning program to present the estate in a professional standard and manner to the market and authorise the CEO to implement this program to an agreed budget and timeframe.

The bulk earthworks associated with the School site and Western Precinct has now been completed, which will enable commencement of a Spring cleaning campaign.

The Satterley Property Group has indicated the financial impacts of the deterioration in market conditions and buyer sentiments and the proposed recommendations on TPRC budget FYE 2016 will be the subject of detailed assessment as part of the Mid Year Project Budget review. The Mid Year Project Budget review is to be undertaken in December 2015. It is recommended that the Satterley Property Group be requested to provide advice on both these matters prior to consideration by the Council.

At its meeting of 24 September 2015 the Management Committee considered the report on the Project & Lot Sales Strategy (September 2015), submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the Project & Lot Sales Strategy (dated September 2015), prepared by the Satterley Property Group.*
2. *NOTE that the Satterley Property Group recommended repricing of lots within Stages 10, 13A, 13B, 14A, 14B, 14C & 14D is to be considered as part of Item 9.9 of this Agenda.*
3. *NOTE that the expenditure of the FYE 2016 marketing budget is being undertaken in accordance with the Annual Plan 2015 (approved by Council 18 June 2015) and Marketing Plan 2015 (approved by Council 16 April 2015).*
4. *APPROVE the payment of an Early Construction Rebate to the value of \$8,000 per lot for contracts entered into after 15 October 2015 until 31 January 2016.*
5. *ADVISE the Satterley Property Group that:*
 - a. *Council supports in principle the participation of Catalina in future SPG marketing campaigns subject to the SPG allowing sufficient time for Council's consideration of the terms and incentives and benefits of the campaign.*
 - b. *Given the bulk earthworks associated with the School site and Western Precinct are shortly to be completed, that this will enable commencement of a Spring clean up campaign.*
 - c. *Outline the specific landscape upgrades, the budget requirements and consistency with City of Wanneroo requirements.*

9.11 CATALINA GROVE PRECINCT PLAN

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVE** the Catalina Grove Precinct Plan (September 2015) prepared by Urbis.
2. **RECEIVE** the Satterley Property Group report on the Catalina Grove Precinct Plan (14 September 2015).
3. **REQUEST** the Satterley Property Group to undertake consultation with the City of Wanneroo and State Authorities on the outcomes and recommendations of the Catalina Grove Precinct Plan.
4. **REQUEST** the Satterley Property Group to undertake a detailed analysis on the outcomes and recommendations of the Catalina Grove Precinct Plan, and in particular investigating and testing the differences between the current LSP and the Catalina Grove Precinct Plan and provide a report to Council.

Voting Requirements

Simple Majority

Report Purpose

To consider the Catalina Grove Precinct Plan prepared by Urbis as part of the Integrated Urban Design and Landscape Design Consultancy for the Eastern Precinct - Catalina Grove.

Relevant Documents

Appendix:

- Urbis – Catalina Grove Precinct Plan
- SPG Recommendation – Catalina Grove LSP Review and Urbis Precinct Plan

Policy Reference

N/A

Local Government Act/Regulation

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

Financial/Budget Implications

Expenditure under this matter will be incurred under the following item EI45208 - Consultants (Planning) of the 2015/2016 Budget:

Budget Amount:	\$1,361,186
Spent to Date:	\$ 74,682
Balance:	\$1,286,504

Background

The Tamala Park Local Structure Plan (LSP) was developed during 2006 to 2009 and approved by the WA Planning Commission and the City of Wanneroo in March 2014.

At its meeting of 16 April 2015 the Council appointed Urbis to undertake an Integrated Urban Design and Landscape Design consultancy for the Eastern Precinct (Catalina Grove).

The purpose of the Integrated Urban Design and Landscape Design consultancy was to undertake a strategic design review of the design principles and land-use recommendations embodied in the Tamala Park Local Structure Plan (2006). Given the time since the Tamala Park Local Structure Plan was formulated it was considered appropriate to review the planning and design parameters and relevance to market conditions.

The Integrated Urban Design and Landscape Design consultancy was intended to inform the detailed design process for the Catalina Grove Precinct utilising best practice and current economic and market analysis.

The Integrated Urban Design and Landscape Design consultancy involved:

1. Review the Vision, Objectives and Principles for the Precinct with consideration of the approved Tamala Park Local Structure Plan.
2. Undertaking economic and market analysis for apartment and mixed use development for the site and to inform the urban design and built form outcomes to produce a quality development demonstrating the best urban design and development practice.
3. Determining the appropriate location and size for the Neighbourhood Activity Centre, including provision of an initial concept plan.
4. Integration of the landscape, public realm and open space with the built form to create an urban environment that is contemporary, legible and climate responsive.
5. Preparation of a Precinct Plan that identifies best practice urban design and landscaping together with an appropriate implementation strategy to assist in the future built form and public realm outcomes of the Catalina Grove Precinct.

Comment

Urbis has completed the Integrated Urban Design and Landscape Design consultancy and submitted a Precinct Plan - Catalina Grove, for the Council's consideration. The Precinct Plan outlines the key elements and recommendations in terms of vision, land uses, residential densities, landscape and environment and built form. A copy of the Precinct Plan is attached under Appendix 9.11.

In preparing the Precinct Plan Urbis reviewed the existing LSP and associated documentation, identifying opportunities and constraints of the site and also conducted a context analysis, residential analysis and retail analysis of the site.

The Precinct Plan outlines the following key outcomes:

Connolly Drive Commercial Centre:

The Precinct Plan identifies that the optimal position for commercial activity is along Neerabup Road and Connolly Drive. A commercial site is proposed on Connolly Drive, between Aviator Boulevard (Green Link) and Neerabup Road. This would frame the western entry to Catalina Grove, allowing for main street opportunities and assisting in the creation of a Village 'hub' with a close relationship to the Green Link and nearby environmentally significant vegetation.

Mixed Use:

The extent of mixed-use proposed has been significantly reduced based on economic and market research/retail analysis. The retained mixed-use has been limited to the optimal location of Neerabup Road at its intersection with Connolly Drive. Design controls are proposed to ensure an appropriate built form.

Connections:

The Precinct Plan outlines that the successful implementation of high density living relies on effective connections to the Clarkson Train Station, not simply rely on proximity to public transport. The Catalina Grove Precinct Plan makes use of a proposed tunnel under Neerabup Road to cater for public transport, pedestrian, cycle and private vehicle movement as the most direct connection to the Clarkson Train Station. It suggests maximising pedestrian and vehicle traffic promotes surveillance and pedestrian safety. An “at grade”, pedestrian crossing is proposed at the midway point of Catalina Grove’s northern boundary on Neerabup Road.

Reconfiguration of Density:

The high density sites have been redistributed southwards to include high amenity areas – land parcels en-route to the Clarkson Train Station and opposite environmentally significant vegetation, which will underpin iconic open space and a ‘Village Heart’ within Catalina Grove.

Vegetation Protection/POS:

The site contains areas of mature trees which create a sense of place and strong physical/visual connections to surrounding green areas such as the Neerabup National Park. The Precinct Plan seeks to retain mature trees as far as practicable in a re-aligned Green Link, parkland, within private open space and in road reserves. This will provide a unique and high amenity setting within the Precinct.

The SPG has undertaken a preliminary review of the Precinct Plan. A copy of SPG’s review and recommendations is attached at Appendix 9.11. A summary of SPG comments and recommendation is as follows:

Mixed-Use:

The proposed rationalisation and redistribution to key areas located near the intersection of Neerabup Road and Connolly Drive is supported.

Commercial/Retail:

The commercial site proposed on Connolly Drive, between Aviator Boulevard (Green Link) and Neerabup Road. Based on economic and market data it is supported as the optimal location for commercial/retail.

Green Link and Public Open Space:

The rationalisation of environmental requirements, retention of significant vegetation and integration with the Green Link and public open space, is supported and has potential to deliver a high level of amenity to the site.

Density and Connection:

The location of high density living based on high quality connections to the Clarkson Train Station and areas of high amenity is supported.

SPG Recommendations

The SPG considers the Catalina Grove Precinct Plan provides the TPRC with strong design guidance for the Project and future built form outcomes. It has recommended consultation with the City of Wanneroo, the project team and relevant state agencies to further investigate and test the differences between the existing LSP and the Catalina Grove Precinct Plan.

The Precinct Plan reflects a more contemporary approach to density and is more sensitive to the existing vegetation, all of which are considered improvements to the current LSP. It is also based on more current economic and market analysis for apartment and mixed use development for the site.

Should the Precinct Plan outcomes and recommendations be supported it will require an amendment to the current LSP. Prior to undertaking an amendment to the LSP it is recommended that consultation be undertaken with the City of Wanneroo and the relevant state agencies.

As indicated in the report the SPG has only undertaken a preliminary review of the Precinct Plan. It is recommended that the SPG undertake a detailed analysis investigating and testing the differences between the current LSP and the Catalina Grove Precinct Plan and to more formally engage the City of Wanneroo and State Authorities on the outcomes and recommendations of the Catalina Grove Precinct Plan.

At its meeting of 24 September 2015 the Management Committee considered the report on the Catalina Risk Management Plan 2015, submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the Catalina Grove Precinct Plan (September 2015) prepared by Urbis.*
2. *RECEIVE the Satterley Property Group report on the Catalina Grove Precinct Plan (14 September 2015).*
3. *REQUEST the Satterley Property Group to undertake consultation with the City of Wanneroo and State Authorities on the outcomes and recommendations of the Catalina Grove Precinct Plan.*
4. *REQUEST the Satterley Property Group to undertake a detailed analysis on the outcomes and recommendations of the Catalina Grove Precinct Plan, and in particular investigating and testing the differences between the current LSP and the Catalina Grove Precinct Plan and provide a report to Council.*

9.12 DELEGATION AUTHORITY

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 22.21.294.26

Recommendation

That Council APPROVE the Delegation Register 2015 (dated October 2015), as amended.

Voting Requirements

Absolute Majority

Report Purpose

To request Council to approve modification to the Delegation Register.

Relevant Documents

Appendix: TPRC Delegation Register (updated December 2014)

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

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

Background

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

On 11 December 2014 the Council reviewed the Delegation Register and approved modifications to the Delegation Register 2013/14. The modifications approved by Council to the Delegation Register were required to enable the effective operation of the Tamala Park Regional Council office and more accurately reflect the delegations utilised by other local authorities.

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

Comment

The Delegation Register (Appendix 9.12) depicts a number of proposed changes to provide clarity regarding the current delegations. Changes are also proposed to align CEO delegations consistent with other local governments.

A number of the proposed changes to the Delegation Register reflect recent amendments to the Local Government (Functions and General) Regulations 1996 which were published in the Government Gazette on 18 September 2015 and took effect on 1 October 2015. The most significant amendment involved an increase in the tender threshold to \$150,000, which is now to be reflected in the Delegation Register.

It is recommended that the proposed delegations to the Chief Executive Officer as shown in the Delegation Register dated October 2015 be approved.

9.13 COUNCIL MEETING SCHEDULE 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 13.44.657

Recommendation

1. That the schedule of Council meetings dates be **APPROVED** for 2016 as follows:
 - 18 February 2016 (City of Stirling)
 - 21 April 2016 (Town of Victoria Park)
 - 16 June 2016 (City of Vincent)
 - 11 August 2016 (Town of Cambridge)
 - 13 October 2016 (City of Perth)
 - 8 December 2016 (City of Wanneroo)
2. That the commencement time for Council meetings BE 6:00pm.
3. That Council meetings be HELD on a rotational basis at participant Council premises.
4. That the schedule of Management Committee meetings dates be **APPROVED** for 2016 as follows:
 - 17 March 2016
 - 19 May 2016
 - 23 July 2016
 - 15 September 2016
 - 17 November 2016
5. That the Management Committee meetings be held at the City of Stirling and the commencement time BE 5:00pm.
6. That the schedule of meeting dates be **ADVERTISED** as required by the Local Government Act.

Voting Requirements

Simple Majority

Report Purpose

To set ordinary Council meetings and Management Committee meetings dates for 2016 to facilitate advertising by the LGA.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

- Ordinary meeting of Council (16 October 2014) – Item 9.16: Meeting Schedule 2015
- Ordinary meeting of Council (17 October 2013) – Item 9.6: Meeting Schedule 2014
- Ordinary meeting of Council (11 October 2012) – Item 9.19: Meeting Schedule 2013

Background

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

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

Comment

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

Ordinary Council Meetings

- 18 February 2016 (City of Stirling)
- 21 April 2016 (Town of Victoria Park)
- 16 June 2016 (City of Vincent)
- 11 August 2016 (Town of Cambridge)
- 13 October 2016 (City of Perth)
- 8 December 2016 (City of Wanneroo)

Management Committee Meetings

- 17 March 2016
- 19 May 2016
- 23 July 2016
- 15 September 2016
- 17 November 2016

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

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

9.14 PROCUREMENT POLICY REVIEW 2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That the Council APPROVE the Procurement Policy (October 2015).

Voting Requirements

Simple Majority

Report Purpose

To amend the Procurement Policy consistent with amendments to the Local Government (Functions and General) Regulations 1996 published in the Government Gazette on 18 September 2015.

Relevant Documents

Appendix: Procurement Policy (October 2015)

Policy Reference

Existing Procurement Policy (July 2015)

Local Government Act/Regulation

Local Government (Financial Management) Regulations 1996, Part 2 (General Financial Management)

Previous Minutes

- Audit Committee Meeting – 15 October 2015 (Item 8.4 – Procurement Policy Review)
- Council Meeting – 13 August 2015 (Item 9.18 – Procurement Policy Review)

Financial/Budget Implications

N/A

Background

In August 2015 the Council approved the Procurement Policy consistent with the Local Government Regulations.

The Policy provides guidelines for the procurement of goods or services through quotes or public tender.

Part 3 of the Local Government Act together with the Financial Management Regulations and Functions and General Regulations provides an outline of specific requirements and probity guidelines in respect of the purchase of goods and tendering on behalf of local governments.

Comment

Amendments to the Local Government (Functions and General) Regulations 1996 were published in the Government Gazette on 18 September 2015 and took effect on 1 October 2015.

The amendments are a result of recommendations made by the Local Government Steering Committee and the Corruption and Crime Commission (CCC), with the aim of improving the purchase and tendering practices of local government.

The Procurement Policy has been modified consistent with the recent amendments to the Local Government (Functions and General) Regulations 1996. The key amendments include:

- Increasing the tender threshold to \$150,000;
- Provision for local governments to appoint a panel of pre-qualified suppliers;
- Clarification of circumstances where the purchase of goods or services from one supplier will exceed the tender threshold of \$150,000 they should publically invite tenders;
- Requirements for tender opening.

The Audit Committee is to consider the review of the Procurement Policy (October 2015) at its meeting of 15 October 2015. An update of the Committee's considerations will be presented to Council at the meeting.

9.15 CEO ANNUAL PERFORMANCE REVIEW FOR 2014/2015 – APPOINTMENT OF CONSULTANT – **CONFIDENTIAL**

CONFIDENTIAL

10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN
13. MATTERS BEHIND CLOSED DOORS
14. GENERAL BUSINESS
15. FORMAL CLOSURE OF MEETING

APPENDICES