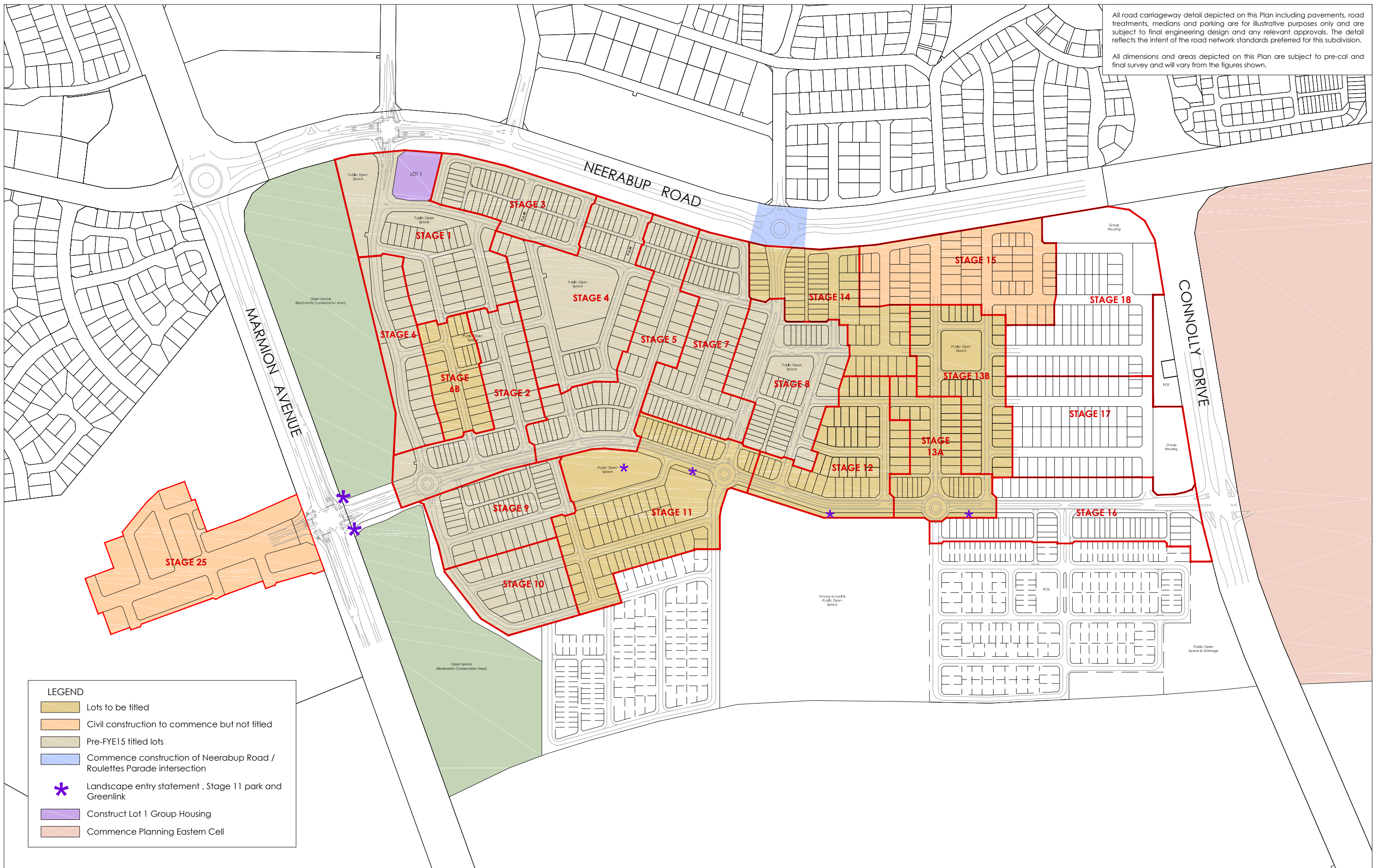


Appendix 9.1

All road carriageway detail depicted on this Plan including pavements, road treatments, medians and parking are for illustrative purposes only and are subject to final engineering design and any relevant approvals. The detail reflects the intent of the road network standards preferred for this subdivision.

All dimensions and areas depicted on this Plan are subject to pre-cal and final survey and will vary from the figures shown.



Appendix 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016**

	NOTE	31 January 2016 Actual \$	31 January 2016 Y-T-D Budget \$	2015/16 Adopted Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues	1,2				
Interest Earnings		832,182	647,061	958,606	28.61%
Other Revenue		5,700	0	1,937	0.00%
		<u>837,882</u>	<u>647,061</u>	<u>960,543</u>	29.49%
Expenses	1,2				
Employee Costs		(310,382)	(414,736)	(727,610)	(25.16%)
Materials and Contracts Other		(87,974)	(252,799)	(443,516)	(65.20%)
Depreciation		0	(10,143)	(17,797)	(100.00%)
Utilities		(457)	(3,505)	(6,150)	(86.96%)
Insurance		(10,152)	(9,873)	(17,323)	2.83%
Other Expenditure		(80,506)	(88,721)	(175,970)	(9.26%)
		<u>(489,471)</u>	<u>(779,777)</u>	<u>(1,388,366)</u>	(37.23%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	8,720	17,797	(100.00%)
<u>Capital Revenue and (Expenditure)</u>					
Plant and Equipment	3	(1,317)	0	(25,000)	0.00%
LESS MEMBERS EQUITY					
Payment for Rates Equivalent		0	0	0	0.00%
Development of Land for Resale					
Income Sale of Lots - Subdivision		24,443,585	25,817,126	40,743,130	(5.32%)
Income Other Subdivisions		0	0	1,659,807	100.00%
Development Costs		(14,849,383)	(27,235,199)	(47,630,553)	(45.48%)
Contribution Refund		(25,839)	0	(350,650)	0.00%
Profit Distributions		0	(8,000,000)	(18,000,000)	0.00%
Contribution Returned		0	0	0	0.00%
Change in Contributed Equity	6	<u>9,568,363</u>	<u>(9,418,073)</u>	<u>(23,578,266)</u>	(201.60%)
ADD Net Current Assets July 1 B/Fwd	7	46,155,070	46,155,070	46,155,070	0.00%
Net Current Assets Year to Date	7	<u>56,070,527</u>	<u>36,613,001</u>	<u>22,141,778</u>	

This statement is to be read in conjunction with the accompanying notes.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

The Council does not hold any monies in trust.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

Trade Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade receivables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

(h) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:

Plant and Equipment by June 30 2013

Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and

All Assets by 30 June 2015.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Computer Equipment	4 years
Printers, Photocopiers and Scanners	5 years
Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

**TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016**

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) 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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

- a) To undertake, in accordance with the objectives, the rezoning, subdivision, development marketing and sale of land comprising the developable portion of Lot 118 Mindarie (now Lot 9504); and
- b) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the matters referred to in paragraph a).

The objectives of the Regional Council are:

- 1. To develop and improve the value of the land;
- 2. To maximise, and with prudent risk parameters, the financial return to the Participants;
- 3. To balance economic, social and environmental issues; and
- 4. To produce a quality development demonstrating the best urban design and development practice.

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:

By Program

Other Property and Services

	31 January 2016 Actual \$	Adopted 2015/16 Budget \$
Computer Equipment	1,317	0
Motor Vehicle	0	25,000
	<u>1,317</u>	<u>25,000</u>

By Class

	1317	0
Furniture and Equipment	1317	0
Plant and Equipment	0	25,000
	<u>1,317</u>	<u>25,000</u>

4. DISPOSALS OF ASSETS

There are no assets budgeted to be disposed of during the 2015/16 year.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2015-16 financial year.

6. CONTRIBUTED EQUITY

	31 January 2016 Actual \$	30 June 2015 Actual \$
Town of Victoria Park	4,834,253	4,007,855
City of Perth	4,834,253	4,007,855
Town of Cambridge	4,834,253	4,007,855
City of Joondalup	9,668,507	8,015,711
City of Wanneroo	9,668,507	8,015,711
Town of Vincent	4,834,253	4,007,855
City of Stirling	19,337,013	16,031,422
TOTAL	58,011,038	48,094,264
Total Movement in equity	9,916,774	

Movement in Contributed Equity Represented by:

	Development Expenses 31 January 2016 \$	Land Sales 31 January 2016 \$	Return of Contribution 31 January 2016 \$	Rates Equivalent 31 January 2016 \$
Town of Victoria Park	(1,237,448)	2,036,966	0	0
City of Perth	(1,237,448)	2,036,966	0	(25,839)
Town of Cambridge	(1,237,448)	2,036,966	0	0
City of Joondalup	(2,474,898)	4,073,930	0	0
City of Wanneroo	(2,474,898)	4,073,930	0	0
Town of Vincent	(1,237,448)	2,036,966	0	0
City of Stirling	(4,949,795)	8,147,861	0	0
	(14,849,383)	24,443,585	0	(25,839)
Members Contributed Equity Movements	9,568,363			
TPRC Net Result	348,411			
Total Movement in equity	9,916,774			

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 31 JANUARY 2016

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 January 2016 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	55,858,145	46,060,590
Receivables	494,510	359,724
Settlement Bonds	13,318	29,400
	<u>56,365,973</u>	<u>46,449,714</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(295,446)</u>	<u>(294,644)</u>
NET CURRENT ASSET POSITION	56,070,527	46,155,070
NET CURRENT ASSET POSITION	<u><u>56,070,527</u></u>	<u><u>46,155,070</u></u>

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

The Regional Council does not hold any funds in trust on behalf of third parties.

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016**

	NOTE	29 February 2016 Actual \$	29 February 2016 Y-T-D Budget \$	2015/16 Adopted Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues	1,2				
Interest Earnings		957,816	718,955	958,606	33.22%
Other Revenue		5,700	0	1,937	0.00%
		<u>963,516</u>	<u>718,955</u>	<u>960,543</u>	34.02%
Expenses	1,2				
Employee Costs		(351,596)	(472,945)	(727,610)	(25.66%)
Materials and Contracts Other		(98,243)	(288,279)	(443,516)	(65.92%)
Depreciation		0	(11,567)	(17,797)	(100.00%)
Utilities		(457)	(3,997)	(6,150)	(88.57%)
Insurance		(10,152)	(11,259)	(17,323)	(9.83%)
Other Expenditure		(119,169)	(89,566)	(175,970)	33.05%
		<u>(579,617)</u>	<u>(877,613)</u>	<u>(1,388,366)</u>	(33.96%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	(11,567)	17,797	(100.00%)
<u>Capital Revenue and (Expenditure)</u>					
Plant and Equipment	3	(1,317)	0	(25,000)	0.00%
LESS MEMBERS EQUITY					
Payment for Rates Equivalent		0	0	0	0.00%
Development of Land for Resale					
Income Sale of Lots - Subdivision		28,137,485	30,283,115	40,743,130	(7.09%)
Income Other Subdivisions		0	0	1,659,807	100.00%
Development Costs		(16,253,368)	(31,408,511)	(47,630,553)	(48.25%)
Contribution Refund		(25,839)	0	(350,650)	0.00%
Profit Distributions		(10,000,000)	(8,000,000)	(18,000,000)	0.00%
Contribution Returned		0	0	0	0.00%
Change in Contributed Equity	6	<u>1,858,278</u>	<u>(9,125,396)</u>	<u>(23,578,266)</u>	(120.36%)
ADD Net Current Assets July 1 B/Fwd	7	46,155,070	46,155,070	46,155,070	0.00%
Net Current Assets Year to Date	7	<u><u>48,395,930</u></u>	<u><u>36,859,449</u></u>	<u><u>22,141,778</u></u>	

This statement is to be read in conjunction with the accompanying notes.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this statement of financial activity are:

(a) Basis of Accounting

This statement is a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards, other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in this statement.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

The Council does not hold any monies in trust.

(c) Rounding Off Figures

All figures shown in this statement, other than a rate in the dollar, are rounded to the nearest dollar.

(d) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

(e) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables are stated inclusive of applicable GST.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Trade and Other Receivables

Trade Receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

Collectibility of trade receivables is viewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is object evidence that they will not be collectible.

(h) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

Land Held for Resale

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale.

Land held for resale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

(i) Fixed Assets

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

Effective from 1 July 2012, the Local Government (Financial Management) regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

The regulations allow for the phasing in of fair value in relation to fixed assets over three years as follows:

Plant and Equipment by June 30 2013

Plant and Equipment, Land and Buildings and Infrastructure by 30 June 2014, and

All Assets by 30 June 2015.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Computer Equipment	4 years
Printers, Photocopiers and Scanners	5 years
Furniture and Equipment	4 to 10 years
Floor coverings	8 years
Phones and Faxes	6 to 7 years
Plant and Equipment	5 to 15 years
Infrastructure	30 to 50 years

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 "Impairment of Assets" and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

At the time of preparing this report, it is not possible to estimate the amount of impairment losses (if any) as at 30 June 2014.

In any event, an impairment loss is a non-cash transaction and consequently, has no impact on the Monthly Statement of Financial Position from a budgetary perspective.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

(i) Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

(ii) Annual Leave and Long Service Leave (Long-term Benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

(p) 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. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

2. STATEMENT OF OBJECTIVE

The Regional Council has a specific regional purpose which is:

- a) To undertake, in accordance with the objectives, the rezoning, subdivision, development marketing and sale of land comprising the developable portion of Lot 118 Mindarie (now Lot 9504); and
- b) To carry out and do all other acts and things which are reasonably necessary for the bringing into effect of the matters referred to in paragraph a).

The objectives of the Regional Council are:

- 1. To develop and improve the value of the land;
- 2. To maximise, and with prudent risk parameters, the financial return to the Participants;
- 3. To balance economic, social and environmental issues; and
- 4. To produce a quality development demonstrating the best urban design and development practice.

3. ACQUISITION OF ASSETS

The following assets are budgeted to be acquired during the year:

By Program

Other Property and Services

	29 February 2016 Actual \$	Adopted 2015/16 Budget \$
Computer Equipment	1,317	0
Motor Vehicle	0	25,000
	<u>1,317</u>	<u>25,000</u>

By Class

	29 February 2016 Actual \$	Adopted 2015/16 Budget \$
Furniture and Equipment	1317	0
Plant and Equipment	0	25,000
	<u>1,317</u>	<u>25,000</u>

4. DISPOSALS OF ASSETS

There are no assets budgeted to be disposed of during the 2015/16 year.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2015-16 financial year.

6. CONTRIBUTED EQUITY

	29 February 2016 Actual \$	30 June 2015 Actual \$
Town of Victoria Park	4,194,703	4,007,855
City of Perth	4,194,703	4,007,855
Town of Cambridge	4,194,703	4,007,855
City of Joondalup	8,389,407	8,015,711
City of Wanneroo	8,389,407	8,015,711
Town of Vincent	4,194,703	4,007,855
City of Stirling	16,778,814	16,031,422
TOTAL	50,336,441	48,094,264
Total Movement in equity	2,242,177	

Movement in Contributed Equity Represented by:

	Development Expenses 29 February 2016 \$	Land Sales 29 February 2016 \$	Return of Contribution 29 February 2016 \$	Rates Equivalent 29 February 2016 \$
Town of Victoria Park	(1,354,447)	2,344,791	(833,333)	0
City of Perth	(1,354,447)	2,344,790	(833,333)	(25,839)
Town of Cambridge	(1,354,447)	2,344,790	(833,333)	0
City of Joondalup	(2,708,895)	4,689,581	(1,666,667)	0
City of Wanneroo	(2,708,895)	4,689,581	(1,666,667)	0
Town of Vincent	(1,354,447)	2,344,790	(833,333)	0
City of Stirling	(5,417,790)	9,379,162	(3,333,334)	0
	(16,253,368)	28,137,485	(10,000,000)	(25,839)
Members Contributed Equity Movements	1,858,278			
TPRC Net Result	383,899			
Total Movement in equity	2,242,177			

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2015 TO 29 FEBRUARY 2016

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	29 February 2016 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	48,262,234	46,060,590
Receivables	534,434	359,724
Settlement Bonds	14,718	29,400
	<u>48,811,386</u>	<u>46,449,714</u>
LESS: CURRENT LIABILITIES		
Payables and Provisions	<u>(415,456)</u>	<u>(294,644)</u>
NET CURRENT ASSET POSITION	48,395,930	46,155,070
NET CURRENT ASSET POSITION	<u><u>48,395,930</u></u>	<u><u>46,155,070</u></u>

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

The Regional Council does not hold any funds in trust on behalf of third parties.

Appendix 9.3

Tamala Park Regional Council
Summary Payment List
January 2016

	Date	Num	Name	Description	Amount
Jan 16					
	07/01/2016	ET-3972	Employee Costs	Wages for period 24/12/15 - 06/01/16	-10,841.66
	07/01/2016	ET-3975	National Australia Bank	Superannuation for period 24/12/15 - 06/01/16	-1,208.91
	07/01/2016	CON-43	City of Wanneroo - Supplier	GST October 2015	-57,351.34
	07/01/2016	ET-3978	Action Couriers	Courier charges for period 21/12/15 - 27/12/15	-62.94
	07/01/2016	ET-3979	Chappell Lambert Everett	Agreed planning fee (October 2015)	-5,322.90
	07/01/2016	ET-3980	City of Stirling	GST owing November 2015	-6,186.00
	07/01/2016	ET-3981	Cook, Peter & Terry	Solar Panel Rebate (Lot 637)	-2,000.00
	07/01/2016	ET-3982	Creating Communities	Community Development Plan (August 2015)	-3,286.25
	07/01/2016	ET-3983	Dominic Carbone & Associates	Consultancy services (November & December 2015)	-1,650.00
	07/01/2016	ET-3984	Kingman Visual	Catalina Beach banner mesh	-20,358.25
	07/01/2016	ET-3985	Kyocera Mita	Printing costs for period 30/11/15 - 07/12/15	-42.12
	07/01/2016	ET-3986	Marketforce	Inv 3985 - 3988 & 18538	-1,830.85
	07/01/2016	ET-3987	Trident Signs	Lot signs x 23	-1,699.50
	07/01/2016	ET-3988	Water Corporation	Unit 4, 5, 12 & 19 (1 McAllister Bvd)	-1,032.20
				Payment of credit card charges (CEO & EA) - January 2016	-2,984.28
	12/01/2016	ET-3976	Westpac Bank		-3,093.02
	12/01/2016	CON-44	City of Wanneroo - Supplier	GST owing November 2015	-3,093.02
	21/01/2016		Employee Costs	Wages for period 07/01/16 - 20/01/16	-10,841.66
	21/01/2016	ET-3989	Australian Super	Superannuation (January 2016)	-1,169.32
	21/01/2016	ET-3990	National Australia Bank	Superannuation for period 07/01/16 - 20/01/16	-1,208.91
	21/01/2016	Inv 910	Metrix Consulting Pty Ltd	Market Demand Survey - Final 50%	-2,750.00
	21/01/2016	ET-3991	Action Couriers	Courier charges for period 04/01/16 - 10/01/16	-33.40
	21/01/2016	ET-3992	Burgess Rawson	Inv 42172 & 42182	-660.00
	21/01/2016	ET-3993	Carat Australia Media Services	Inv 409171 & 417775	-10,395.09
	21/01/2016	ET-3994	Chiaberta, Valerie & Marco	Solar Panel Rebate (Lot 803)	-2,000.00
	21/01/2016	ET-3995	City of Stirling	Rent of TPRC offices (February 2016)	-3,520.93
	21/01/2016	ET-3996	Correia, John & Tracy	Solar Panel Rebate (Lot 597)	-2,000.00
	21/01/2016	ET-3997	Cossill & Webley	Inv 16825 & 16828	-11,805.75
	21/01/2016	ET-3998	Delron Cleaning	Sales Office cleaning (December 2015)	-495.00
	21/01/2016	ET-3999	Emerge Associates	Inv 13667 & 13723	-2,200.00
	21/01/2016	ET-4000	Haughton, Jennifer & Gerry Eeringa	Solar Panel Rebate (Lot 510)	-2,000.00
	21/01/2016	ET-4001	hyd20 Hydrology	Catalina Beach UWMP (Claim 2)	-5,566.00
	21/01/2016	ET-4002	LD Total	Inv 71737, 72148 & 72487	-16,497.58
	21/01/2016	ET-4003	Marketforce	Inv 17558, 17730, 18105 & 18901	-5,768.94
				Stage 15 basic & additional items (December 2015)	-23,578.50
	21/01/2016	ET-4004	McMullen Nolan Group		-2,750.00
	21/01/2016	ET-4005	Metrix Consulting Pty Ltd	Market Demand Survey - Final 50%	-2,750.00
	21/01/2016	ET-4006	Officeworks	Office supplies	-179.00
	21/01/2016	ET-4007	R J Vincent & Co	Inv 5063 & 5064	-221,575.63
	21/01/2016	ET-4008	Realestate.com.au	Inv 1268499, 38053 & 51388	-12,928.50
	21/01/2016	ET-4009	Stantons International	Probity advisory services (December 2015)	-545.60
	21/01/2016	ET-4010	Thoonen, Brett & Richelle Beswick	Solar Panel Rebate (Lot 423)	-2,000.00
	21/01/2016	ET-4011	Treacy Fencing	Misc. invoices	-50,012.38
	29/01/2016	CON-45	City of Wanneroo - Supplier	GST owing December 2015	-3,000.35
Jan 16					-514,432.76

Tamala Park Regional Council
Summary Payment List
February 2016

Date	Num	Name	Description	Amount
Feb 16				
03/02/2016	ET-4032	B Bhabra Investment Trust	Lot 173 (12th instalment over a 3 year period)	-2,887.50
03/02/2016	ET-4033	Paxman, James & Melissa	Lot 168 (12th instalment over a 3 year period)	-3,281.25
03/02/2016	ET-4034	Steel Test Pty Ltd	Lot 169 (12th instalment over a 3 year period)	-2,887.50
04/02/2016	ET-4012	National Australia Bank	Superannuation for period 21/01/16 - 03/02/16	-1,208.91
04/02/2016		Employee Costs	Wages for period 21/01/16 - 03/02/16	-10,841.66
04/02/2016	ET-4013	Australian Taxation Office	IAS - January 2016	-14,080.00
04/02/2016	ET-4014	ABN Projects Pty Ltd	Lot 12 McAllister Bvd development fee	-323,441.40
04/02/2016	ET-4015	Action Couriers	Courier charges for period 11/01/16 - 24/01/16	-64.77
04/02/2016	ET-4016	Burgess Rawson	Inv 41869 & 42264	-1,650.00
04/02/2016	ET-4017	Carat Australia Media Services	Stage 15B press adverts (Sept/Oct 2015)	-2,314.55
04/02/2016	ET-4018	City of Vincent - Supplier	GST November 2015	-1,547.00
04/02/2016	ET-4019	Delron Cleaning	Cleaning of Sales Office (January 2016)	-495.00
04/02/2016	ET-4020	Emerge Associates	Inv 14391 & 14392	-2,180.20
04/02/2016	ET-4021	Forrester, Emily	Solar Panel Rebate (Lot 536)	-2,000.00
04/02/2016	ET-4022	John Phillips Consulting	CEO Annual Appraisal 2015	-2,750.00
04/02/2016	ET-4023	Kyocera Mita	Printing costs for period 22/12/15 - 05/01/16	-60.98
04/02/2016	ET-4024	LD Total	Inv 61486A, 70973, 72093, 72551-552, 7322: 226	-53,345.49
04/02/2016	ET-4025	McLeods Barristers & Solicitors	Legal services (December 2015 - January 2016)	-373.99
04/02/2016	ET-4026	Moore Stephens (formerly Haines Norton)	Accounting service fee (December 2015)	-2,513.50
04/02/2016	ET-4027	Neverfail	Bottled water x 5	-66.00
04/02/2016	ET-4028	R J Vincent & Co	Central Cell southern boundary fence	-33,565.40
04/02/2016	ET-4029	Shatford, Colin & Pam	Solar Panel Rebate (Lot 643)	-2,000.00
04/02/2016	ET-4030	Signs & Lines	Temporary carpark signage	-1,213.06
04/02/2016	ET-4031	Treacy Fencing	Inv 647484 - 647486 & 674570 VOID: Stage 18A Subdivision Energisation - CANCELLED & RE-ISSUED (Original cheque lost)	-11,583.00
11/02/2016	CH-200474	Western Power		0.00
11/02/2016	CON-46	City of Perth - Supplier	Payment of credit card charges (CEO & EA) - February 2016	-31,722.35
12/02/2016	ET-4035	Westpac Bank		-445.57
17/02/2016	CON-47	Town of Cambridge - supplier	GST owing December 2015	-1,500.17
18/02/2016		Employee Costs	Wages for period 04/02/06 - 17/02/16	-10,841.66
18/02/2016	ET-4036	Australian Super	Superannuation (February 2016)	-1,169.32
18/02/2016	ET-4037	National Australia Bank	Superannuation for period 04/02/06 - 17/02/16	-1,208.91
18/02/2016	ET-4038	Australian Taxation Office	BAS for quarter October - December 2015	-10,429.00
18/02/2016		Caddy, Karen	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Carey, John	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Carr, Louis	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Chester, John	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Guise, Dianne	Deputy Chairman allowance 20 October 2015 - 19 January 2016	-3,798.00
18/02/2016		Hayes, Keith	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Hollywood, Kerry	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Italiano, Giovanni	Chairman allowance 20 October 2015 - 19 January 2016	-8,755.00
18/02/2016		Michael, David	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Treby, Brett	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Willcox, Rod	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016		Bignell, Ian	Solar Panel Rebate (Lot 652)	-2,000.00
18/02/2016		Collins, Paul & Kerry Hubbard	Solar Panel Rebate (Lot 610)	-2,000.00
18/02/2016		Mandalia, Harishkumar	Solar Panel Rebate (Lot 298)	-2,000.00
18/02/2016		Sethi, Jatin	Solar Panel Rebate (Lot 620)	-2,000.00
18/02/2016		Singh, Jasdeep & Naureen Kaur	Solar Panel Rebate (Lot 587)	-2,000.00

Tamala Park Regional Council
Summary Payment List
February 2016

Date	Num	Name	Description	Amount
18/02/2016	CH-200475	Davidson, Janet	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
18/02/2016	ET-4039	Telstra	Mobile phones (CEO & PC) - charges to 13 February 2016	-156.51
18/02/2016	ET-4040	City of Stirling	Monthly IT charges (Oct - Dec 2015) & rent increase	-1,607.66
18/02/2016	ET-4041	ABN Projects Pty Ltd	Lot 5 McAllister Bvd development fee	-369,989.60
18/02/2016	ET-4042	Action Couriers	Courier charges for period 01/02/16 - 07/02/16	-33.40
18/02/2016	ET-4043	Burgess Rawson	Inv 42283, 42309 & 42317	-1,540.00
18/02/2016	ET-4044	Chappell Lambert Everett	Agreed fee (December 2015)	-19,250.00
18/02/2016	ET-4045	City of Stirling	Inv 20 & Dec GST	-9,521.66
18/02/2016	ET-4046	Clean City Group	Graffiti removal (Neerabup Road)	-319.00
18/02/2016	ET-4047	Cossill & Webley	Inv 16899, 16901 & 16902	-21,588.18
18/02/2016	ET-4048	Creating Communities	Community Development Plan (July 2015)	-7,813.23
18/02/2016	ET-4049	Docushred	Security bin (February 2016)	-51.70
18/02/2016	ET-4050	hyd20 Hydrology	Catalina Beach UWMP (Claim 3)	-3,834.60
18/02/2016	ET-4051	Kingman Visual	Signage decal splashes	-2,553.69
18/02/2016	ET-4052	LD Total	Inv 72550, 72600, 70288, 70295, 70297 & 70307	-402,618.11
18/02/2016	ET-4053	Marketforce	Inv 4620 - 4624	-1,467.64
18/02/2016	ET-4054	McMullen Nolan Group	Western Cell Pre-cal (remainder)	-5,225.00
18/02/2016	ET-4055	New Great Cleaning Service	Inv 21611, 21613 & 21615	-429.00
18/02/2016	ET-4056	R J Vincent & Co	Central Cell hydromulch & watercart	-32,849.04
18/02/2016	ET-4057	Signs & Lines	Inv 19429 & 19493	-6,846.29
18/02/2016	ET-4058	Stantons International	Probity advisory services (January 2016)	-1,449.25
18/02/2016	ET-4059	Treacy Fencing	Inv 647577, 647578 & 647662	-15,597.12
24/02/2016	ET-4060	City of Joondalup - Supplier	6th Dividend Payment - TPRC Project	-1,666,667.00
24/02/2016	ET-4061	City of Perth - Supplier	6th Dividend Payment - TPRC Project	-833,333.00
24/02/2016	ET-4062	City of Stirling	6th Dividend Payment - TPRC Project	-3,333,334.00
24/02/2016	ET-4063	City of Vincent - Supplier	6th Dividend Payment - TPRC Project	-833,333.00
24/02/2016	ET-4064	City of Wanneroo - Supplier	6th Dividend Payment - TPRC Project	-1,666,667.00
24/02/2016	ET-4065	Town of Cambridge - supplier	6th Dividend Payment - TPRC Project	-833,333.00
24/02/2016	ET-4066	Town of Victoria Park - Supplier	6th Dividend Payment - TPRC Project	-833,333.00
29/02/2016	CH-200476	City of Stirling Community Transport	Bus hire for Councillor site inspection	-112.00
29/02/2016	CH-200477	Edwards, Bill	Bus driver for Councillor site inspection	-105.00
29/02/2016	CH-200478	Western Australian Planning Commission	Application for approval of survey strata subdivision - Catalina Beach (189 lots)	-11,536.58
29/02/2016	ET-4068	Yang, Shan-Hao & Xiuying Chen	Lot 172 (12th instalment over a 3 year period)	-2,887.50
Feb 16				-11,501,352.90

Tamala Park Regional Council
Cheque Detail
February 2016

Type	Num	Date	Name	Description	Original Amount
Bill Pmt -Cheque	CH-200474	11/02/2016	Western Power	VOID: Stage 18A Subdivision Energisation - CANCELLED & RE-ISSUED (Original cheque lost)	0.00
Bill Pmt -Cheque	CH-200475	18/02/2016	Davidson, Janet	Elected member attendance fee 20 October 2015 - 19 January 2016	-2,575.00
Bill Pmt -Cheque	CH-200476	29/02/2016	City of Stirling Community Transport	Bus hire for Councillor site inspection	-112.00
Bill Pmt -Cheque	CH-200477	29/02/2016	Edwards, Bill	Bus driver for Councillor site inspection	-105.00
Bill Pmt -Cheque	CH-200478	29/02/2016	Western Australian Planning Commission	Application for approval of survey strata subdivision - Catalina Beach (189 lots)	-11,536.58
					-14,328.58

Appendix 9.4

31 March 2016

Mr Tony Arias
Chief Executive Officer
Tamala Park Regional Council
PO Box 655
INNALOO WA 6918

Dear Tony

Catalina Financial Report for February 2016

Please find attached the Catalina Financial Report for February 2016. This report has been prepared on a cash basis and compares actual income and expenditure to the August 2015 approved budget for the period 1 February 2016 to 29 February 2016.

Residential settlement revenue for the financial year to 29 February 2016 is \$20.6m which is \$9.7m behind the approved 'August 2015' budget with 36 less residential settlements for the year.

Sales for FYE2016 are \$12.2m unfavourable to budget due to 48 less residential lot sales for the year.

Overall FYE2016 expenditure is \$18.5m under budget per the approved 'August 2015' budget, with \$8.1m spent compared to a budget of \$26.6m. The main areas of variance are summarised below:

- Lot Production \$7.9m under budget
 - Stages 20-24 Earthworks \$0.3m under budget due to deferred works
 - Stages 25-27 Earthworks \$0.6m under budget due to deferred works
 - Stage 13B \$0.2m under budget due to deferred payments and full provisional sums not being used
 - Stage 14B \$0.5m under budget due to deferred works
 - Stage 15 \$1.0m under budget due to deferred payments
 - Stage 16A \$0.5m under budget due to deferred works
 - Stage 18 \$1.6m under budget due to deferred works
 - Stage 25 \$1.7m under budget due to deferred works
 - Movement in Clearance bonds \$1.0m under budget due to timing of returns
- Infrastructure \$3.5m under budget
 - Neerabup Rd Maroochydore Way Intersection \$0.6m under budget due to deferred works
 - Neerabup Rd Green Link Underpass \$2.1m under budget due to deferred payments
- Landscaping \$3.9m under budget
 - Stage 12 Landscaping \$0.9m under budget due to deferred works
 - Stage 13 Landscaping \$0.6m under budget due to deferred payments
 - Minor variances \$0.2m for each of the following landscaping scope of works
 - ◆ Stage 10 POS and BCA; Stage 11; Marmion Ave Eastern Verge Upgrade; Public Art
- P&L expenditure - \$2.4m under budget
 - Marketing \$0.5m under budget with \$220k spent against a YTD budget of \$724k
 - Rates & Taxes \$0.3m not required to date.
 - Contingency \$1.3m not required to date.

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



Aaron Grant
Project Director

**CATALINA
FINANCE REPORT
FEBRUARY 2016**

1.0 Management Accounts

1.1 KEY STATISTICS

1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Prior Years	724	724	678	678	634	634	41,000,000	41,000,000
Jul-2015	-	-	6	5	14	17	-	-
Aug-2015	-	-	9	9	9	16	-	-
Sep-2015	-	-	7	15	5	13	-	-
Sep-12 Qtr	-	-	22	29	28	46	-	-
Oct-2015	-	-	6	16	12	7	-	-
Nov-2015	-	-	15	15	6	9	-	-
Dec-2015	53	55	13	18	7	5	-	8,000,000
Dec-12 Qtr	53	55	34	49	25	21	-	8,000,000
Jan-2016	-	-	5	19	14	29	-	-
Feb-2016	-	-	2	14	9	16	10,000,000	-
Mar-2016	-	-	-	17	-	8	-	-
Mar-13 Qtr	-	-	7	50	23	53	10,000,000	-
Apr-2016	-	-	-	15	-	8	-	-
May-2016	-	89	-	19	-	4	-	-
Jun-2016	-	-	-	18	-	19	-	10,000,000
Jun-13 Qtr	-	89	-	52	-	31	-	10,000,000
PTD	777	779	741	789	710	746	51,000,000	49,000,000
Full 2015/16 Year	53	144	63	180	76	151	10,000,000	18,000,000
2016/17		156		200		193		31,000,000
2017/18		217		200		193		10,000,000

- 9 residential lots settled in February comprising:

	<u>Lots</u>
Stage 10	1
Stage 11	1
Stage 14A	4
Stage 15	3

- A \$10m distribution has been paid in February 2016, bringing PTD distributions \$2m ahead of budget.

1.2 Sales & Settlements

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
Residential						
- Sales #	2	14	63	111	741	789
- Sales \$	456,000	3,494,632	17,599,000	29,820,027	185,905,500	198,126,527
- Sales \$/lot	228,000	249,617	279,349	268,649	250,885	251,111
- Settlements #	9	16	76	112	710	746
- Settlements \$	2,404,000	4,465,989	20,618,000	30,283,113	177,032,500	186,697,613
- Settlements \$/lot	267,111	279,124	271,289	270,385	249,342	250,265
Special Sites						
- Sales #	-	-	-	-	2	2
- Sales \$	-	-	-	-	1,895,000	1,895,000
- Sales \$/lot	-	-	-	-	947,500	947,500
- Settlements #	-	-	-	-	2	2
- Settlements \$	-	-	-	-	1,895,000	1,895,000
- Settlements \$/lot	-	-	-	-	947,500	947,500
Lots Under Contract						
- Unsettled sales #	31		{ Unconditional		4	Titled
- Unsettled sales \$	8,873,000		{ Conditional		27	780 incl. Spec sites
- Unsettled sales \$/lot	286,226					

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1.3 Cashflow - MTD Actuals to budget

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
Revenue	2,404,000	4,465,989	(2,061,989)
Margin GST	(26,954)	(73,458)	46,503
Direct selling costs	(107,732)	(200,671)	92,938
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	9,369	-	9,369
Rebate Allowance	(130,409)	(498,343)	367,934
	<u>2,148,273</u>	<u>3,693,518</u>	<u>(1,545,244)</u>
<i>Development costs</i>			
Lot production	75,508	2,486,295	2,410,788
Landscaping	321,410	183,385	(138,025)
Consultants	32,863	83,914	51,051
Infrastructure	-	303,688	303,688
Sales office building	-	-	-
Sales & marketing	20,190	70,208	50,019
Administration	80,663	64,374	(16,288)
Finance	-	180,491	180,491
	<u>530,632</u>	<u>3,372,355</u>	<u>2,841,723</u>
Cashflow	<u>1,617,641</u>	<u>321,162</u>	<u>1,296,479</u>

- Actual & Budget margin scheme GST has been calculated under the concessional Item 4 basis for settlements.
- Other income for the current month reflects the surplus on Lot 1 ABN apartment settlements in February.

1.4 Cashflow - YTD Actuals to budget

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
Revenue	20,618,000	30,283,113	(9,665,113)
Margin GST	(224,256)	(512,066)	287,811
Direct selling costs	(923,552)	(1,362,115)	438,563
Interest Income	7,288	-	7,288
Forfeited Deposits	-	-	-
Other Income	148,601	-	148,601
Rebate Allowance	(652,745)	(2,306,789)	1,654,044
	<u>18,973,336</u>	<u>26,102,142</u>	<u>(7,128,806)</u>
<i>Development costs</i>			
Lot production	5,222,766	13,136,915	7,914,149
Landscaping	1,667,075	5,579,784	3,912,709
Consultants	305,300	1,012,385	707,085
Infrastructure	331,430	3,806,631	3,475,202
Sales office building	30,918	137,720	106,802
Sales & marketing	219,237	723,527	504,290
Administration	284,699	828,325	543,626
Finance	19,415	1,353,602	1,334,187
	<u>8,080,839</u>	<u>26,578,888</u>	<u>18,498,049</u>
Cashflow	<u>10,892,497</u>	<u>(476,746)</u>	<u>11,369,243</u>

The YTD revenue variance comprises:

- Settlement revenue is \$9.7m unfavourable to budget on 36 less residential settlements than the budget for FY2016.

1.5 Bonds

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	817,950	355,385	355,385
	<u>817,950</u>	<u>355,385</u>	<u>355,385</u>

Bonds relate to early clearances for stage 15 and a Landscaping bond for stage 13.

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2.0 PROFIT & LOSS

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
- Revenue \$ (Stlmts)	2,404,000	4,465,989	(2,061,989)	20,618,000	30,283,113	(9,665,113)	177,032,500	186,697,613
- Revenue \$/lot	267,111	279,124		271,289	270,385		249,342	250,265
- Selling & GST \$	236,237	561,945	325,708	2,044,658	3,457,791	1,413,133	18,535,191	19,948,325
- Selling & GST \$/lot	26,249	35,122		26,903	30,873		26,106	26,740
- Cost of sales \$	753,584	1,489,960	736,376	6,173,004	9,755,115	3,582,111	67,750,106	71,332,218
- Cost of sales \$/lot	83,732	93,123		81,224	87,099		95,423	95,620
- Gross profit \$	1,414,178	2,414,084	(999,905)	12,400,338	17,070,207	(4,669,869)	90,747,202	95,417,070
- Gross profit \$/lot	157,131	150,880		163,162	152,413		127,813	127,905
- Gross profit Mgn %	58.83%	54.05%		60.14%	56.37%		51.26%	51.11%
- Special Sites \$	-	-	-	-	-	-	1,284,073	1,284,073
- Other income \$	9,369	-	9,369	155,889	-	155,889	222,599	66,710
- Sales & Marketing \$	50,444	70,269	19,825	220,198	724,034	503,836	1,115,809	1,619,645
- Administration \$	148,126	64,419	(83,707)	364,624	830,299	465,675	1,701,570	2,167,245
- Finance \$	-	-	-	-	-	-	-	-
- Contingency \$	-	180,535	180,535	-	1,353,959	1,353,959	20,364	1,374,323
- Net profit \$	1,224,978	2,098,861	(873,883)	11,971,406	14,161,915	(2,190,509)	89,416,131	91,606,640
- Net profit \$/lot	136,109	131,179		157,518	126,446		125,938	122,797

- FY16 YTD Gross profit is \$4.7m behind budget due to unfavourable YTD settlements of 36 lots.
- FY16 YTD net profit is unfavourable against budget by \$2.2m, due to the unfavourable gross profit variance \$4.7m partly offset by unused contingency \$1.3m, and favourable marketing and admin costs of \$1.0m.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	<u>YTD Act</u>	<u>FY16 Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmts)	20,618,000	40,743,130	(20,125,130)
- Revenue \$/lot	271,289	269,822	
- Selling & GST \$	2,044,658	5,129,272	3,084,614
- Selling & GST \$/lot	26,903	33,969	
- Cost of sales \$	6,173,004	13,635,063	7,462,059
- Cost of sales \$/lot	81,224	90,298	
- Gross profit \$	12,400,338	21,978,795	(9,578,457)
- Gross profit \$/lot	163,162	145,555	
- Gross profit Mgn %	60.14%	53.94%	
- Special Sites \$	-	573,597	(573,597)
- Other income \$	155,889	-	155,889
- Sales & Marketing \$	220,198	1,005,110	784,912
- Administration \$	364,624	1,086,064	721,440
- Finance \$	-	-	-
- Contingency \$	-	2,054,964	2,054,964
- Net profit \$	11,971,406	18,406,254	(6,434,848)
- Net profit \$/lot	157,518	121,896	

**CATALINA
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2.1 GROSS PROFIT ANALYSIS

Actual

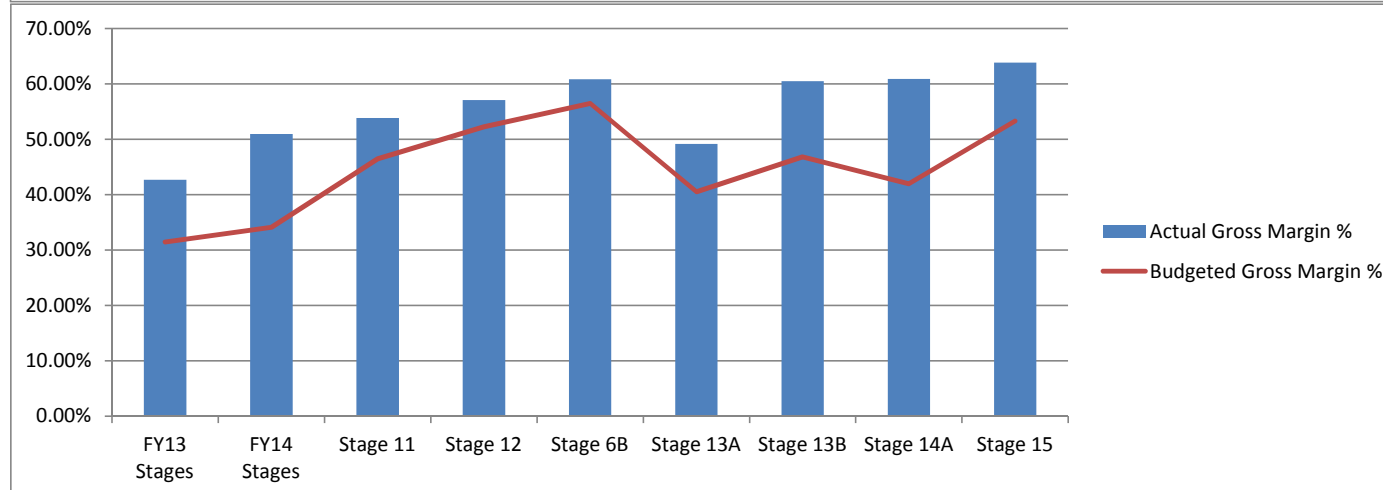
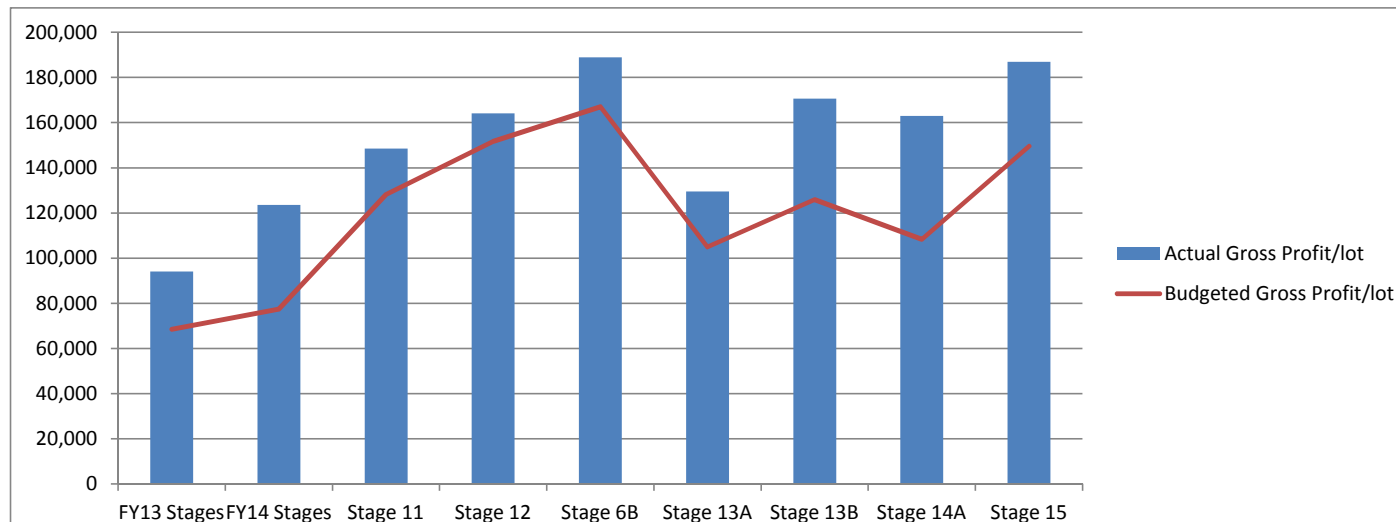
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
FY13 Stages	2012 / 2013	51,375,500	220,496	29,448,888	126,390	21,926,612	94,106	42.68%
FY14 Stages	2013 / 2014	49,945,000	242,451	24,498,884	118,927	25,446,116	123,525	50.95%
Stage 11	1-Oct-14	17,371,000	275,730	8,012,249	127,179	9,358,751	148,552	53.88%
Stage 12	3-Dec-14	13,229,000	287,587	5,676,996	123,413	7,552,004	164,174	57.09%
Stage 6B	19-Jan-15	7,452,000	310,500	2,916,524	121,522	4,535,476	188,978	60.86%
Stage 13A	30-Mar-15	9,225,000	263,571	4,691,732	134,049	4,533,268	129,522	49.14%
Stage 13B	11-May-15	10,150,000	281,944	4,009,692	111,380	6,140,308	170,564	60.50%
Stage 14A	4-Jun-15	14,186,000	267,660	5,549,060	104,699	8,636,940	162,961	60.88%
Stage 15	15-Dec-15	4,099,000	292,786	1,481,274	105,805	2,617,726	186,980	63.86%
		<u>177,032,500</u>		<u>86,285,298</u>		<u>90,747,202</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%
Stage 11	Aug-14	17,645,281	275,708	9,444,658	147,573	8,200,623	128,135	46.47%
Stage 12	Aug-14	14,221,581	290,236	6,787,551	138,521	7,434,030	151,715	52.27%
Stage 6B	Aug-14	7,098,672	295,778	3,089,032	128,710	4,009,640	167,068	56.48%
Stage 13A	Aug-14	9,585,882	259,078	5,703,355	154,145	3,882,527	104,933	40.50%
Stage 13B	Aug-14	12,111,408	269,142	6,443,000	143,178	5,668,408	125,965	46.80%
Stage 14A	Aug-14	15,504,265	258,404	9,001,574	150,026	6,502,690	108,378	41.94%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
		<u>215,047,654</u>		<u>127,099,978</u>		<u>87,947,676</u>		

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



Appendix 9.6

CATALINA

Display Villages Strategy

March 2016

Background

The TPRC has facilitated the creation of two Builders Display Villages in Catalina Central. The first Catalina Central display village (DV1) located on Nomad Drive consisting of 24 homesites has been approved to operate as a display village until 12 February 2016. After this time, the DV1 will be decommissioned as a Display Village with display homes to be sold and occupied for residential use.

Concurrent to the closure of Display Village 1, Display Village (DV2) on Vetter Road, consisting of 23 homesites, will open to the general public. DV2 is approved to remain operational until October 2018 when planning approval expires. (Location Plan - Annexure 1).

The land sales office located at 39 Aviator Boulevard continues to service the general public and display builders for both villages.

An additional three Builders Display Villages have been proposed throughout the Catalina Estate. Two within Catalina Beach and one within Catalina Grove.

Objective

The purpose of the Catalina Display Village Strategy is to provide for the clear direction to the TPRC for the creation and management of the Display Villages throughout the Catalina Estate.

This strategy provides options and recommendations for the following:

- Display Village 3 (DV3) proposed to be opened fourth quarter of 2018 (Catalina Beach)
- Display Village 4 (DV4) proposed to be opened second quarter of 2020 (Catalina Grove)
- Display Village 5 (DV5) proposed to be opened fourth quarter of 2021 (Catalina Beach)
- Proposed Sales Office locations and lifecycle

Benefits of Display Villages

The Display Villages provide an opportunity for the TPRC to demonstrate best practice in urban development and establish a benchmark for residential development throughout Catalina. Display home builders will demonstrate; effective use of lots, landscaping, sight lines, car park locations and movement networks. The demonstration of best practice design by the builders will have cumulative benefits throughout the Estate.

The initial allocation of a display village in the Catalina Beach precinct will provide an opportunity for early sales within the precinct with 15 lots planned for release to builders. The sale of these lots will activate the Catalina Beach precinct and provide concentrated construction and builder activity in a group of lots adjacent to Marmion Avenue.

Display villages increase prospective customer traffic and visitation to the estate creating a number of opportunities for Catalina and respective display builder alike to advertise the new village and homes contained within it. Builders typically advertise new display homes heavily and the estate would benefit from these initiatives.

By renewing and providing additional display homes in the estate, prospective buyers and homebuilders are attracted to Catalina as a must visit destination for high quality display homes in the Northern corridor.

By facilitating Display Villages throughout Catalina, the estate remain a focus for builders looking to assist clients searching for a premium home address. Thus, increasing the exposure of Catalina to builder partners and ensuring that focus from builders on the estate remains constant.

A new display village will provide a number of marketing opportunities in a prime location. Examples of potential opportunities would be a display village launch event and new signage / branding to create awareness.

It is proposed that the future Catalina Beach display village be located in a prominent position within the estate, with high visibility to Marmion Avenue. The display village homes is intended as a catalyst for development of Catalina Beach by demonstrating a diverse selection of the latest designs from some of Perth's leading home builders. The display village will play a role in setting the tone for a high quality double storey builtform outcomes at Catalina Beach and clearly indicate to prospective purchasers the evolution and overall progression of the development.

Sustainability Initiatives

Design Guidelines

It is proposed that the Catalina Design Guidelines that will form part of the Display Builders contract and include a number of items for builders to reduce the consumption and cost of household energy and water.

Recommendations within the Design Guidelines include:

- 1) installing high star rated electrical and water using appliances;
- 2) installing a solar hot water system;
- 3) installing photovoltaic cells;
- 4) incorporating shade devices that allow northern winter sun to living areas and prevent summer sun access;
- 5) passive solar design by locating the dwelling's daytime living areas and their associated openings to a north facing aspect where practical;
- 6) locating windows and doors in habitable rooms opposite each other to allow for cross ventilation through the dwelling from cooling summer breezes from the south-west.

The benefits of implementing the recommendations identified within the Design Guidelines include a reduction in greenhouse gas production, lower power costs, cleaner air and a cooler home.

Recommendation:

It is proposed that to assist in the demonstration of the above Design Guidelines Recommendations, builders in the Catalina display villages are mandatorily required to proceed with all six these initiatives in each home.

Waste Management

The Catalina Waste Management Program consists of Instant Waste Management providing recycling bins to participating builders. The builders place all of their waste in the bins before they are returned to Instant Waste Management's recycling plant in Bayswater where the waste is sorted into 5 different categories for recycling being timber, metal, concrete, sand and plasterboard.

The recycled material is being used for recycled bricks, concrete and asphalt with sand being tested and certified for use as clean fill in earthworks and civil works.

To date 3,100 tonnes of waste have been diverted from landfill and recycled at a rate of 95% of all materials. In order to offset the additional costs to builders the TPRC provides a rebate of \$900 (ex GST) per home to participating builders in stages 1-13 and \$750 (ex GST) for stage 14 onwards.

The waste management program is unique and provides excellent recycling rates, easy participation for builders and has received industry recognition for its achievements from the Housing Industry Association and the Master Builders Association. Additionally the program ensures that builders contain their rubbish in a bin to reduce the amount of wind-blown rubbish on site.

Recommendation:

It is proposed that the waste management program will be mandated for all display villages to increase the participation rate.

Display Village – Locations and Program

Satterley Property Group has identified an opportunity for two display villages to be located within the Catalina Beach precinct. Display Village 3, also referred to as DV3, is proposed within Stage 25 and identifies 15 lots fronting Marmion Ave. (Annexure 1)

The second village in Catalina Beach, Display Village 5 (DV5), is proposed to be operational three years after DV3 opens, October 2021. DV5 would consist of 19 lots to cater for both single and double storey premium homes. The sites have been identified based on the following attributes:

- Highly visible site to Marmion Avenue traffic
- Sets the standard for quality two storey homes
- Major attractor for the Catalina Beach estate
- Achieves early build out framing the development
- Only active display village in the surrounding area
- Potential for Charity Home in 2018

Please find below the current timeframes for nearby display villages:

ESTATE	DEVELOPER	No. of Homes	COMMENCE	EXPIRES
Catalina DV1	TPRC	24	13 Feb 2014	12 Feb 2016
Catalina DV2	TPRC	24	13 Feb 2016	12 Oct 2018
Burns Beach	PEET	17	June 2016	June 2018
Beaumaris	Satterley	15	Nov 2016	Nov 2018
Catalina DV3*	TPRC	15	13 Oct 2018	12 Oct 2021

*Proposed Display Village at Catalina Beach

The nearest current display villages to the Catalina Estate are located at Burns Beach which is 3.7km from Catalina and Beaumaris estate is 4.6km.

The locality of the proposed Catalina DV3 and DV5 is superior to competing display villages within Beaumaris and Burns Beach being located internally within their respective estates. Catalina is located in a prime position to capture all passing traffic from Marmion Avenue. The ease of accessing DV3 at Catalina Beach will be greatly assisted when the freeway extension and Neerabup Rd off ramp are completed at the end of 2017.

The two group housing sites at the entrance to Catalina Beach, lots 2137 and 2138 are proposed to be used to satisfy car parking requirement whilst DV3 and DV5 are operational.

Satterley Property Group has spoken to eight leading builders to gauge their level of interest in the potential display village at Catalina Beach. The feedback was extremely positive with all builders contacted stating they would like to participate in the village.

It is proposed that DV3 would contain 15 double storey premium homes to demonstrate the latest design trends and sustainability initiatives. This display village would service the estate whilst selling the first 150-200 lots in Catalina Beach.

Catalina DV3 could be titled by December 2016 therefore allowing 22 months for a double storey to be built the third display village could be open in October 2018, when DV2 development approval expires.

A display village is proposed for Catalina Grove (DV4) to accommodate 20 home sites for builders to showcase a variety of initiatives to best demonstrate design efficiency, sustainability and use of materials. The village will be located fronting Neerabup Road to capture the passing traffic from the new freeway off ramp.

The site has been identified based on the following attributes:

- Proximity to the Builders Display Village
- Highly visible site to Neerabup Road traffic
- Set the standard for quality innovative homes
- Major attractor for the Catalina Grove estate
- Achieves early build out framing the development
- Potential for Telethon Home in 2021

Land Sales Office

The current Catalina Central Sales and Information Centre is a double storey dwelling, on lot 170 fronting Aviator Boulevard with adjacent lots 171 – 174 developed as a temporary car park. The existing sales office has been in operation since May 2014 and will continue to be utilised until October 2018. It is proposed to sell the sales office in the FY18/19 period.

It is proposed that a new sales office be constructed to service display villages DV3 and DV5 in Catalina Beach. The cost of the sales office is approximately \$600,000. The Sales Office would remain operational for approximately 6 years. The optimal location for the sales office is within Stage 25, located within the display village fronting the Long Beach Promenade / Aviator extension, immediately adjacent to the grouped housing site. (Annexure 1)

The sales office in Catalina Beach will be a premium double storey home tendered to Perth's leading builders, with stringent design guidelines in place, to ensure the home is multi-functional. Efficient and adaptable floors plan will be required to utilise the home as a sales office initially before being converted to a home for occupation. The elevation should define simplistic elegance consisting of coastal theming, including curved roof lines, to create a street appeal befitting of the location.

It is intended the Catalina Beach sales office is offered for sale at the completion of the lifecycle in 2024.

A provision has been made in the FY17 budget to enable the home, costing \$600k, to be built between January – September 2018 to demonstrate the latest in design trends and sustainable products. Carpark costs of \$240k are forecast in the FY17 budget to construct 100 bays proposed to be constructed in August / September 2018. Landscaping costs surrounding the carpark (Entrance and Marmion Ave verge) has been provided within the FY17 budget and is currently being designed.

By comparison, competing coastal estates in the Northern corridor have committed between \$600,000 to in excess of \$1,000,000 for their sales offices based on construction contract values including the Sales Office within the Eden Beach Estate.

An alternative to a new home being utilised as the sales office would be an architecturally designed temporary transportable home that costs in the order of \$280,000 to install originally, with costs of around \$170,000 to relocate to another location within the estate.

The proposed approach for Catalina Grove is to service the sales from the premium location of Catalina Beach with a designated room within the centre focusing solely on this precinct.

Recommendation:

As the project can be serviced by a single sales office, for a number of years, across all three precincts, it is recommended that provision is made within the budget for one new home (DV 3) at a cost of \$600,000 to be budgeted in FY17.

Commercial Terms

The following information, terms and conditions are proposed for all future display villages within the Catalina estate:

- Special Conditions of Sales
- Building Display Home Rebate Annexure
- Estate Covenants
- Design Guidelines
- Plan Identifying the Property
- Copy of Relevant Documents
- Fencing and Verge Landscaping

Building Display Home Rebate Terms	
Practical Completion	57 weeks from date of settlement
Operational Period	2 years with an <i>option to extend</i> for a further year at the discretion of TPRC (subject to approval from City of Wanneroo)
Mandated terms	2 storey homes Participating in the Waste Recycling Program Homes to be in accordance with the Catalina Beach Design Guidelines and Estate Covenants
Operating times	(Sat/Sun and Mon/Wed) Operating times would be 2.00pm to 5.00pm Builder to provide progress updates to Satterley Property Group as requested by Satterley Property Group, until the date the home is open for inspection
Rebate	10% of the purchase price (inclusive of GST) in line with the completion timeframes / opening due date
Fencing /landscaping	Tamala Park Regional Council agrees to provide and install side fencing as well as verge landscaping treatments consistent with the estate guidelines The fencing and landscaping is recommended to ensure the village streetscape maintains a consistent premium appeal.

Tender Process

Display Village Tender Process and Timeframes

Tender Period:	28 days from date of issue (date of release to be no later than 8 months from expected issue of titles)
Panel Evaluation:	The nominated panel members will review the tenders and submit their recommendations to TPRC within 7 days from tender date of closing
Distribution of Lot allocations:	within 5 days from receiving formal approval from TPRC

Tender Evaluation

The evaluation will be based on the builder's ability to meet the selection criteria outlined in the tender document.

Allocations will be based on the achieved score in line with their lot preferences. Builders who achieved the highest score are more likely to receive their desired allocation or an allocation which is of similar typology.

Each tenderer will then be evaluated against the above criteria and given a ranking to enable them to participate in the allocation process for the display village lots.

It would be recommended that lot prices be included in the tender document.

The display village lots will be released by a tender process based on agreed selection criteria, including the design guidelines and building plans. It is proposed DV3 is released in June 2016.

The Tender would be completed on the following basis:

Tender Period:	28 Days
Panel Evaluation:	7 Days from tender closing
Deposit:	\$5,000 payable within 5 working days of acceptance
Settlement:	21 Days after titles issued
Finance:	Unconditional

Selection Criteria

Evaluations will be based on the following selection criteria:



Weighting **15%**

Satterley Property Group record all design approvals submitted by builders for the estate. All major building groups are ranked according to the volume of approvals received on a 12 month rolling calendar.

Building Groups who have not previously participated within the Estate should demonstrate how they are able to meet market demand.

Weighting **10%**

Builders who did not participate in previous Catalina Display Home Villages should detail other display villages they have participated in and provide details of timing of the opening of these homes.

Weighting **30%**

The tenderer must demonstrate how they achieve best practice in building design and to provide one example of a design they consider suitable for Catalina and what building materials they propose. Builders will ideally provide a proposed streetscape demonstrating their design elevations.

Weighting **15%**

The tenderer must provide examples of past innovations they have introduced and where they are to be applied to Catalina and or proposals they wish to explore with the project to adopt when building at Catalina.

Weighting **15%**

The tenderer must provide examples of where they have achieved accreditation or recognition of adopting sustainable practices within their company and how these will be applied to Catalina.

Innovations that are considered relevant to the Catalina project include Energy Efficiency, Water Efficiency, Waste Management and use of Innovative Cost Efficient Building Materials

Weighting **15%**

The tenderer must demonstrate that they have the financial capacity to complete development of the selected lots in accordance with the contract terms.

Allocation

Building Brands will nominate their preferred lots as part of their tender submission (ranking all lots available within the release). Each brand typically has a specific target market and house type that they specialise in. These design characteristics help to determine the lot size and frontage the builder would request and the lot they would receive. Each Building Brand is restricted to one allocation per category in order of their ranking. If there are any lots remaining following the completion of the allocation process, the lot allocation process will be repeated for the remaining lots. Allocation of lots within the display villages will occur as follows:

Mandatory Double Storey Lots

Building Brand ranked 1 for this category is allocated their highest available lot preference, the Building Brand 2 and so on until all double storey lots are allocated.

Cottage (Laneway) Lots

Building Brand ranked 1 for this category is allocated their highest available lot preference, the Building Brand 2 and so on until all cottage (laneway) lots are allocated.

Traditional Lots

Building Brand ranked 1 for this category is allocated their highest available lot preference, the Building Brand 2 and so on until all traditional lots are allocated.

Any lots not allocated will be reoffered using the same allocation method at the end of the allocation.

If any of the display lots remain unallocated, these lots will be held in reserve pending evaluation by Satterley Property Group and its report to TPRC of the best method of disposal or reallocation of the display lots.

Summary and Recommendation

Based on the above Satterley Property Group provides the following recommendations:

- 1) Tamala Park Regional Council approve the Catalina Display Village Strategy dated March 2016.
- 2) Tamala Park Regional Council approve the location of Catalina Beach display villages DV3 accommodate 15 display homes within Stage 25.
- 3) Tamala Park Regional Council approve the location of Catalina Beach Display Village 5 (DV5) to accommodate 19 display homes in Stage 28.
- 4) Tamala Park Regional Council approve the use of the adjoining Group Housing sites on lot 2137 and 2138 as temporary carparks.
- 5) Approve a temporary carpark to be built in DV3 on Lot 2137 and request SPG make provision in the FY17 budget for \$240,000.
- 6) Tamala Park Regional Council approve the location of the Catalina Grove Display Village (DV4) to accommodate 20 display homes fronting Neerabup Road and Connolly Drive.

- 7) Tamala Park Regional Council approve an Architect to be appointed to prepare the Catalina Beach and Catalina Grove design guidelines
- 8) Tamala Park Regional Council approve the commercial terms and a tender process to release the 15 builder lots for DV3 in June 2016.
- 9) Approve a permanent Sales Office to be built in DV3 and request SPG make provision in the FY17 budget for \$600,000.

Appendix 1

Catalina Beach and Grove Display Village Locations

CATALINA ESTATE DEVELOPMENT CONCEPT



CATALINA ESTATE DEVELOPMENT CONCEPT



Appendix 9.7

Catalina Grove



Local Structure Plan / Urbis Precinct Plan Analysis

Prepared by Satterley Property Group

March 2016

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Catalina Grove LSP / Urbis Precinct Plan Analysis

At the Tamala Park Regional Council (TPRC) meeting held on 15 October 2015, Satterley Property Group were requested to undertake a detailed analysis of the Catalina Gove Precinct Plan undertaken by Urbis. The purpose of the review is to make comment with respect to commercial considerations impeding future development. Accordingly, Satterley Property Group have evaluated the Catalina Grove Precinct Plan against the existing Local Structure Plan (LSP) whilst also considering the saleability, marketability, environmental initiatives, product diversity, built form outcomes and commercial viability.

Executive Summary

This review separates the Catalina Grove Precinct Plan into the following key components for ease of assessment and comparison:

- Mixed Use Land Use and Built Form Outcomes
- Retail Land Use
- Green Link and Public Open Space
- Road Network
- Built form
- Residential Density and Yield

The following summarises the key impacts and changes proposed by the Catalina Grove Precinct Plan compared to the approved LSP:

- Potential revenue reduction based on reduced developable area.
- 8.41 hectares of Public Open Space, including the EPBC area (3.7 hectares) representing a Public Open Space contribution of approximately 17% of the total subdividable area.
- Multiple R100 sites (lift apartments) sites proposed in the north eastern portion of the site. Market research, including the research undertaken by Urbis, suggests that R100 lift apartments may not be feasible in Catalina Grove.
- The success of the Catalina Grove Structure Plan is premised around the creation of a very high quality subdivision including expansive landscaped spaces with high amenity.
- Maximisation of opportunities associated with the sites proximity to the Clarkson Train Station. SPG note the Precinct Plan does not specifically address the movement of pedestrians through the underpass and more specifically their arrival and path on the northern side of Neerabup Road. However, this is an important planning and place activation outcome that will need to be considered through detailed design.

Background

Urbis were engaged by TPRC to undertake a review of the existing Catalina Grove LSP Area and provide a Precinct Plan for the Catalina Grove LSP Area. Urbis were required to take a holistic approach to design integrating the disciplines of Urban Design, Landscape and Economics in order to facilitate alignment with the TPRC's objectives that relate to value, risk, sustainability and best practice.

The Urbis Precinct Plan provides the TPRC design guidance over the longer term for Catalina Grove, focussing on key elements including; linkages to the Clarkson Train Station, the EPBC Bushland and other remnant vegetation onsite, future retail and commercial/mixed use land and the extension of the existing Catalina Central Green Link into Catalina Grove.

Existing Local Structure Plan

The existing Catalina LSP was endorsed by WAPC in March 2012. It is broadly acknowledged that aspects of the approved LSP do not reflect current market conditions and sentiment. Parameters set in the existing LSP were based on research and metrics at a point in time whereby initiatives incorporated within the current LSP were feasible. However, given the evolution of the Catalina project to date, initiatives and design elements are either now not feasible or do not represent best practice. It is broadly acknowledged that the Catalina Grove Structure Plan requires amendments to reflect the core values of the TPRC.

Mixed Use

LSP / Catalina Grove Precinct Plan Comparison Table

Current LSP	Urbis Precinct Plan
Approximately 9.6ha provided on LSP map	Approximately 1.8ha provided on Precinct Plan
Located along Aviator Boulevard & Neerabup Road	Extent reduced significantly, confined to corner of Neerabup Road & Connolly Drive
Zoned Mixed Use	Depicted as Mixed Use/Commercial
Coded; <ul style="list-style-type: none">• R30 – R60• R80 – R100	No residential coding assigned (though includes residential development)
Uses as per Scheme, notably: <ul style="list-style-type: none">• Shop (retail) is not permitted;• Residential is permissible (discretionary)	Precinct Plan intends zone to accommodate SoHo (Small Office / Home Office) uses, targeted at small to medium businesses (legal, real estate, surveying)
DAP required prior to subdivision/development	Not addressed

Implementation

The existing Catalina LSP consists of 9.6Ha of "Mixed Use" located along Aviator Boulevard and Neerabup Road. Due to the close proximity of Catalina Grove to the Clarkson Town Centre, it is the view that the optimal location for Mixed Use is within the existing and the surrounding Clarkson Town Centre.

Within the Catalina Central precinct an allowance of 2.70Ha of Mixed Use zoned land was set aside in Stages 3-5 under the current LSP, with zero take up to date. Given the low uptake for Mixed Use land in Catalina Central, SPG recommend that the provision for Mixed Use land in Catalina Grove needs to be reviewed and strategically located in areas where, in future, Mixed Use land may be desirable.

The Catalina Grove Precinct Plan rationalises the quantity of proposed Mixed Use land by providing only 1.8Ha for this use. The reduction in Mixed Use land reflects market demand for this product. The extent of mixed use proposed has been significantly reduced in line with the recommendations of the Urbis Market Research Analysis. Mixed use has been limited to the optimal location of Neerabup Road at its intersection with Connolly Drive.

Design controls will ensure an appropriate built form. The robust street block layout allows for a variety of land uses (commercial, residential, mixed use) and change in these land uses over time.

There is also the potential for this area to be held back by the TPRC until such time as demand for mixed use and/or high density residential has been established. The mixed use zone needs to be considered in the context of a residential setting. Locally less desirable land uses may be established within a Mixed Use Zone including a convenience store (modern petrol station).

By comparison, SPG consider the existing Clarkson Train Station precinct along Ocean Keys Boulevard offers extensive Mixed Use Land west of the Station. This precinct lacks connectivity through a sporadic adoption of commercial land uses and the lack of activation at ground floor level. This is a consequence of an ill-considered amount of land zoned “Mixed Use” and non-prescriptive design guidelines and planning controls. The benefit of the Mixed Use zone noticeably diminishes after approximately 200 metres from the Station due to poorly considered built form including; setbacks, lack of continual awnings, active land uses, and signage.

Marketability

Satterley Property Group considers that opportunities may exist for Mixed Use between the Neerabup Gateway and the proposed community centre.

If activation could be achieved at ground floor along North / South Boulevard through the inclusion of cafés and restaurants, a promenade may be created to improve the amenity and experience for pedestrians traversing the Green Link.

Saleability

Mixed Use development has had very limited success in Catalina Central. The current demand for mixed use land is very weak with no take up of a mixed use land classification in Catalina Central. The lots were sold however; they were developed as residential land.

Although the inclusion of Mixed Use zoned land facilitates alternative future uses, it is logical to rationalise the quantum of Mixed Use land available within Catalina Grove to reflect market demand.

Recommendation:

Satterley Property Group considers the extension of the freeway and subsequent extension of Neerabup Road will provide the ideal opportunity for the location of Mixed Use zoning that could be located at the entrance on Neerabup Rd elongated southwards to internalise and activate the new connector.

Satterley Property Group support the rationalisation of the mixed use zone in line with the extent of mixed use required in the market catchment area that would be commercially viable.

Satterley Property Group recommends the following:

- LSP Amendment is altered to rationalise the mixed use zone downward to be in line with the Precinct Plan of 1.8Ha

- Design Guidelines created for Catalina Grove to ensure all properties within the mixed use zones are constructed with commercial ceiling heights of 3.2 metres with consistent setbacks and awnings (signage) to provide adaptable use buildings, recognising residential use is the most likely use in the short to medium term with commercial / retail activation predicated on future demand considerations.

Green Link & Public Open Space

LSP / Catalina Grove Precinct Plan Comparison Table

Current LSP	Urbis Precinct Plan
Approximately 2.4ha, being the original EPBC approved POS	Approximately 8.41ha, which includes the revised EPBC POS (3.7ha) as well as local POS and drainage
Depicts strategic POS only	Focuses all open space around conservation area and along neighbourhood connector
Local POS distribution to be determined at subdivision stage and can respond to detailed design	Strategy relies on retention of existing vegetation

Implementation

The approved LSP included a 2.4Ha conservation area that is required to be fully fenced under the EPBC Act. The current alignment of the Greenlink does not take into consideration and capture the key elements of the site such as mature trees, landform and vegetation and does not allow for the retention of those key elements.

The Catalina Grove Precinct Plan rationalises the environmental elements of the LSP with regards to the conditions set in the Commonwealth environmental approvals and incorporates landscaping into those conditions that provide a superior outcome for the long term usability, maintenance and management of those spaces. The Catalina Grove Precinct Plan seeks to retain vegetation as far as practicable in a re-aligned Green Link, parkland, within private open space and in road reserves (wherever possible). This will provide a unique and desirable setting within Catalina Grove.

The EPBC conservation area has increased from 2.4Ha to 3.7Ha to cater for the conservation area removed from Stage 13 in the Central Cell to integrate into Catalina Grove's conservation area which contains a higher quality of vegetation.

The Catalina Grove Precinct Plan proposes an area of 8.41 Ha for public open space. The proposed allocation substantially exceeds the minimum requirements for public open space within the Catalina Grove Precinct.

The Green Link within the Catalina Grove Precinct Plan has a pedestrian/cycle focus and has been re-aligned to connect with environmentally significant vegetation, the Village Heart and the Neerabup Road tunnel. It provides for high density and appropriately oriented residential development along the edges.

The orientation and width of the Green Link captures view lines between key elements of the Precinct, including the central parkland and the northern gateway area on Neerabup Road. It also includes

retained vegetation and improvements that will express a common Catalina theme, but will also capture the unique attributes of the Precinct.

The Catalina Grove Precinct Plan delivers an opportunity to provide a greater level of highly specified amenity in Catalina Grove through both landscaping and built form outcomes that should deliver higher pricing for lots and product that would be either adjoining or surrounding the amenity.

The success of the Green Link is premised on the landscaped areas being completed to a very high standard to compensate for the lack of private amenity associated with a reduced lot sizes. Urbis have advised that failure to achieve the vision will result in poor sales to the targeted demographic. The significant quantum of land to be treated and landscape to a high quality is exceedingly large. This will require substantial budget considerations for establishment and for ongoing maintenance. Further, the TPRC have very limited opportunities to improve or utilise the EPBC conservation area which has not been specifically excluded from the area to be treated.

The vision for the Green Link, as depicted in the Catalina Grove Precinct Plan, proposes extensive areas of lawn. This vision will have considerable irrigation requirements and may use larger quantities of water than allowed under the current licencing arrangement with Department of Water the City of Wanneroo's landscape policy that reduces the permitted turf areas. Consideration will be required for the landscaping the Green Link to create sustainable alternative designs.

Further, the design of the Green Link, particularly its relationship to the pedestrian and bus underpass connecting Catalina Grove to Clarkson train station must be designed to maximise passive surveillance and maintain a 360 degree cone of vision. Careful consideration of the location of trees, shrubs and their species must be undertaken.

SPG considers that the 'village heart' concept has merit, to consolidate the neighbourhood shopping experience, though would consider replacing the extensive turfed area with a formalised Town Square that incorporates re-use of materials in hardscape treatments, in particular paving and crushed gravels, surrounded by mature trees along with catering for the following:

- Event functionality, including a stage for formal civic occasions, open air cinema, music and theatre events.
- Adaptable and a flexible open space allowing for multiple functions and uses, including markets
- Public Art – integrated into the hard and soft landscape areas.

Marketability

The Green Link forms part of the broader pathway that connects all three precincts comprising Catalina. The Green Link enables residents to safely commute to and from the beach, Mindarie Keys and the Clarkson Train Station.

To optimise its use, the Green Link should be developed with substance in terms of the visual presence within the overall development and offer some 'privacy' to users and also an opportunity to enjoy this landscaped piece of green path for relaxing walks or sporting activities (run/cycle/exercise). This would be especially appealing to younger audience that may be attracted to this development.

Saleability

The proposed Green Link and Green Spaces provide an excellent outdoor amenity for future residents of the Catalina Grove subdivision. The Public Open Space proposed may compensate for smaller yards associated with medium density living. In terms of the quantity of public open space proposed and the extent of the Green Link the market would pay a premium for the additional quantity of Public Open Space. However, given the amount of green space proposed (17%), it is unlikely the market would be prepared to absorb the full costs associated with the reduced lot yield.

Recommendation:

The Satterley Property Group supports the retention of mature trees on site to the extent practical and the use of high quality landscaping throughout.

The Satterley Property Group support the provision of public open space between 7% - 10% to create high quality public spaces.

Satterley Property Group recommends the following:

- *Update the EPBC area to 3.7Ha as part of the LSP Amendment.*
- *Undertake a tree survey to identify and tag significant trees for retention*
- *Engage with project consultancy team to review levels and design accordingly.*
- *POS landscape treatments to a very high quality*
- *Undertake landscaping in a manner that reduces water consumption*
- *Make provision for a Town Square*

Retail

Current LSP	Urbis Precinct Plan
Centrally located site within Catalina Grove along Aviator Boulevard	Site repositioned to corner of Aviator Boulevard and Connolly Drive
Approximately 1.4ha site	Approximately 2ha site
3,300m ² retail NLA (max)	1,300m ² – 2,500m ² retail NLA
Car parking as per CoW Scheme; Shop (retail) – 7 bays per 100m ² NLA	Car parking as per CoW Scheme; Shop (retail) – 7 bays per 100m ² NLA
Zoned Commercial	Depicted as Retail
Identified as a Neighbourhood Centre	Downgraded to Local Centre
SPP 4.2 defines a Neighbourhood Centre as: <i>Provides for the main daily to weekly household shopping and community needs.</i>	SPP 4.2 defines a Local Centre as: <i>Delicatessans and convenience stores that provide for the day-to-day needs of local communities.</i>

DAP required prior to subdivision/development	Not addressed
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Implementation

Under the current LSP the maximum net lettable area (NLA) that can be provided is 3,300m² within the 1.4Ha site zoned commercial. Based on the City of Wanneroo District Planning Scheme the number of car bays required is 7 bays per 100m² of NLA, therefore a shopping centre of this size would require 231 car bays.

The location of the Retail area in the middle of Catalina Grove within the existing LSP is not considered the optimal location based on research and discussions held with retailers from Woolworths & Aldi.

The Catalina Grove Precinct Plan by Urbis proposes to reduce the amount of commercial/retail area that could be sustained in Catalina Grove to between 1,300m² to 2,500m² retail NLA. Based on the City of Wanneroo Car Parking Policy, 95 to 175 car bays would be required.

The Precinct Plan has indicated to downgrade the site to a 'Local Centre' though the area set aside for this use has been increased to 2Ha.

The Precinct Plan identifies that the optimal position for commercial activity is along Neerabup Road, with Connolly Drive presenting the next best opportunity.

The Precinct Plan highlights a site on the corner of Aviator Boulevard and Connolly Drive as the optimal location for a retail centre. This would frame the western entry to Catalina Grove, assisting in way finding, 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. Design controls will be necessary to ensure appropriate built form outcomes that balance commercial need with public benefit, including an appropriate interface to the street.

Satterley Property Group has held discussions with major retailers whom indicated that the size and location of the retail area within the existing LSP was not sufficient from their perspective. The retailers indicated that the retail site should be 2Ha to cater for 5,000m² NLA including a 3,200m² supermarket. Their preference was for the site to be located on the corner of Connolly Drive and Aviator Boulevard for maximum exposure and convenience for customers.

Marketability

From a marketing perspective the area identified as the Village Heart, offers a great opportunity to create active places and a community space that can potentially compensate for reduced private open space. The Village Heart, including a community centre, would create a place for community events (movies, cultural events) as well as outdoor gym or group exercise facilities.

Saleability

The Retail Centre and Village Heart will provide a convenient amenity to the residents of the Catalina Grove Estate. The location will ensure that the residents of Catalina are within a walkable catchment of the centre.

Recommendation:

Satterley Property Group recommends the following:

- Relocate the Neighbourhood site to the corner of Aviator Boulevard and Connolly Drive as depicted in the Precinct Plan under an LSP Amendment, and
- Increase the size to 2Ha to cater for 5,000m² of NLA.

Road Network

Current LSP	Urbis Precinct Plan
Depicts Neighbourhood Connector roads only	Road hierarchy does not clarify Neighbourhood Connectors and Local Roads and is less direct than current LSP
LSP map depicts underpass to Clarkson Station, however the proposed use is undefined at the statutory level Non-statutory text includes vehicle, bus & pedestrian access for underpass	Proposes an underpass to Clarkson Station to include vehicle, bus & pedestrian access
Proposes the following road reserve widths/traffic volumes: <ul style="list-style-type: none"> • Green link; 30 – 34m road reserve 8,209 vpd (western end) & 2,260 vpd (underpass) • Neighbourhood Connector; 18m road reserve 3,850 vpd • Local roads; 14 – 16m road reserve 	Proposes the following road reserve widths: <ul style="list-style-type: none"> • Green link 52.5m road reserve • Neighbourhood Connector; 20m road reserve • Local roads; 16m road reserve No traffic volumes included in Precinct Plan

Implementation

Under the current LSP only Neighbourhood Roads are depicted showing the major connections to Connolly Drive and Neerabup Road and the proposed underpass to Clarkson Train Station. Aviator Boulevard is proposed to tie into the Central precinct.

The current LSP is silent on the use for the underpass by private vehicles however, non- statutory text outlines the use by private vehicle, bus and pedestrians. TPRC has entered into an agreement with Main Roads WA to construct an underpass capable of accommodating private vehicles but for the exclusive use of bus and pedestrians at this time. Opportunities may exist to negotiate with PTA to modify use arrangements.

SPG recommend that TPRC explore the options with the PTA to extend the use of the underpass tunnel connecting Catalina Grove to the Clarkson Train Station for the use of private vehicles. Allowing private vehicles to utilise this tunnel would improve access and egress to and from Catalina Grove, enhance connection to the station and provide greater opportunities for surveillance through the underpass.

The road width for the neighbourhood road, being the extension of the Green Link along Aviator Boulevard, is proposed to be 30-34 metres in width to cater for a volume of traffic up to 8,000 vehicles per day. Connector roads have been based on 3,850 vehicles per day and local roads width has been set at standard 14 – 16 metres.

The Precinct Plan does not propose a road hierarchy between neighbourhood and local road connections. The road network does not clearly state intended use surrounding the road connecting to the underpass. Therefore, the road network outlined by Urbis needs to specify a bus only lane and additionally provide grade separation or turning circles for vehicular movements.

The Green Link road reserve width proposed at 52.5 metres wide, neighbourhood connectors set at 20 metre reserve and located at 16 metres. No traffic advice was provided as part of the Precinct Plan to compare vehicle movements.

The road profiles nominated by Urbis in the Precinct Plan provide up to 4 embayments along the Aviator Boulevard, framing the Green Link. Should parking become exhausted at Clarkson Train Station, it is likely that commuters would park and ride from Catalina Grove. This would result in reduced opportunities for residents and patrons of the proposed retail centre, community facilities and public open spaces.

Commuter and unwanted long term parking may require the installation of time limitations on parking to be monitored by the City of Wanneroo.

Further, the proposed road design and cross sections propose the construction of up to four footpaths through the Green Link. SPG considers this approach to be excessive and will add considerable costs both in terms of land use and construction to the project.

Marketability

The underpass connecting Catalina Grove to the Clarkson Train Station should form an integral part of the proposed Green Link and road connections to provide safe passage between Catalina Central and the Clarkson Train Station.

Saleability

In order to determine any impact to sales, further information would be required to ascertain access arrangements to lots. The Catalina Grove Precinct Plan does not clearly identify access / egress arrangements to the R100 sites.

Recommendation:

Satterley Property Group recommends the following:

- *Engage a traffic engineer to confirm traffic volumes*
- *Traffic Engineer to confirm optimal road widths with an outlook to rationalise the widths of roads to create the optimal profile to deliver a high quality amenity whilst maintaining commerciality to the design.*
- *Traffic engineer to explore possible traffic banking associated with internal traffic generated as vehicular movements with Catalina Grove and the access and egress from Catalina Grove to Neerabup Road and Connolly Drive (particularly in the context of R100 and medium density development).*

- *Negotiate private car use of the underpass with the PTA*

Built Form

Current LSP	Urbis Precinct Plan
Statutory component of LSP makes no commitment regarding built form / product.	Precinct Plan proposes: Single Residential; Town Houses; Maisonettes; Walk-up Apartments; Lift Apartments
Non-statutory LSP text proposes a variety of built form including: Single Houses; Semi-detached and Town Houses; and Flats, Units and Apartments	

Implementation

The LSP makes no commitment regarding built form. The Non- Statutory text comprising part of the LSP proposes a variety of housing to include single, semi-detached / townhouses and Apartments.

Urbis's Precinct Plan outlined a product mix consisting of single residential, townhouses, maisonettes and apartments.

The Precinct Plan nominated apartments up to six storeys high and this currently exceeds the deemed to comply under the existing LSP.

The locations of the higher density and apartment developments proposed in the Precinct Plan are concentrated towards the Clarkson train station to maximise densities and catchments within the TOD. The extent of apartments / sites provided will need to be carefully planned. Based on Urbis's Market Research the "take up" rate for apartments in this locality is 25 per annum, therefore only 200 apartments are required over the eight year life-cycle of Catalina Grove.

Marketability

The Residential Design Guidelines for Catalina Grove will need to clearly articulate the vision for the built form outcomes.

The approved LSP seeks to maximise residential density around the existing and planned amenities including the Clarkson Train Station and Public Open Space. The reduced lot sizes will affect the buyer types attracted to Catalina Grove. The reduced lot size is likely to result in fewer families and older families registering interest in the product. It is more likely that interest in higher density products will be driven by first home buyers, couples, young families and investors. Buyers within these demographics will recognise the benefits of living close to amenities including the train station and public open space and value having low maintenance properties.

The Catalina Grove Precinct Plan Market Research and Analysis does not specifically address the profile of buyers for different product types rather providing a profile of the Target Market for Catalina generally.

SPG considers that if high quality facilities and amenities proposed in the Precinct Plan were delivered, it would offer competitive advantage over nearby Estates. Packaging marketing communication would be much easier with these very tangible selling points. It would also resonate well with our target audience that would help with conversion of prospects to buyers.

Saleability

There has been a significant shift in the market away from rear loaded 7.5m (225m²) lots in the past 12 months. Builders interest in this product type has diminished and many of the larger home builders no longer consider this product an important part of their core business model. This has primarily been driven by the following:

- Relatively higher cost of building on 7.5m lots due to increased perimeter wall, boundary walls and noise requirements.
- House and Land Packages are very often only marginally cheaper on a 7.5m lot compared to a larger squat lot, with the squat lot being a larger home, with traditional frontage and an attached garage. Overall a superior and more desirable home.
- Rear access garage are less desirable than front loading.
- Rear lanes create access and storage issues for residents.

A number of builders are now working on more innovative product and attempting to achieve House and Land Packages less than \$300,000 in the Metropolitan Area.

Recommendation:

Satterley Property Group recommends the following:

- *Engage research analyst / consultant to consider upper limit of apartment sites in subdivision design.*
- *Design consultation on product types, seeking advice and comment from Key builder groups prior to a finalised plan.*
- *Reduce the laneway product from Grove and limit rear load 7.5m lots.*
- *Clear identification of partnering opportunities.*

Density / Yield

Current LSP	Urbis Precinct Plan
Density ranges of: <ul style="list-style-type: none"> • R80 – R100 located in NE corner of Catalina Grove • R30 – R60 for balance of Catalina Grove 	Density ranges of: <ul style="list-style-type: none"> • R100 located in NE corner of Catalina Grove • R30 – R60 for balance of Catalina Grove

Individual lot density guided by locational criteria and assigned at subdivision.	Precinct Plan assigns density generally as follows: <ul style="list-style-type: none"> • R100 – NE corner • R60 – along Neerabup Road neighbourhood connector • R40 – adjacent POS • R30 – balance
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Implementation

The current LSP caters for higher density in the North East corner of Catalina Grove between R80 to R100, whilst the balance of the site ranges between R30 to R60.

The Precinct Plan makes provision for R100 in the North East corner and similarly R30 to R60 densities for the balance of the site. Therefore, the density coding provided under the existing LSP is sufficient.

The Precinct Plan states that the implementation of high density living relies on effective connections to the Clarkson Train Station – it cannot merely rely on proximity to public transport. The Catalina Grove Precinct Plan makes use of the tunnel beneath Neerabup Road to cater for public transport, pedestrian and cycle movement as the most direct connection to the Clarkson Train Station. Maximising traffic is in the best interests of surveillance and pedestrian safety.

Rather than limit density to the walkable catchment of the Clarkson Train Station, it has 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.

Higher residential densities will rely on direct and effective connections/pathways to Clarkson Train Station. There is opportunity to extend density southwards to capitalise on local assets such the planned Green Link and parkland.

From a developable area perspective the table provided by the project town planners CLE on page 17 highlights the comparison of developable area between the existing LSP and the Urbis Precinct Plan.

The main point of difference between the two is the amount of “mixed use” in each plan.

The Urbis Precinct Plan rationalises the “mixed use” into more medium and high density residential which enables the ability for the TPRC to deliver a greater amount of density through both low rise and high rise apartments and take advantage of the location of Catalina Grove in relation to its close proximity to the existing Clarkson Train station and deliver a more traditional transit oriented development (TOD).

The LSP developable area table (Page 17) states the developable area derived from the current LSP to be 32.7Ha compared to the Precinct Plan area of 27.3Ha. This results in a shortfall of 5.4Ha of developable area, if the Precinct Plan was adopted.

Based on the Catalina Central precinct the yield obtained is 30.74 dwellings per hectare, which equates to a potential loss in yield of 165 dwellings.

Marketability

The Catalina Grove Precinct Plan area will be positioned to target a different market than the Catalina Central and Catalina Beach Villages. The existing Catalina Grove LSP requires a number of amendment to optimise marketing and positioning of the estate with prospective buyers and builder partners.

Clear direction of the project vision will need to be communicated, especially with the builders who will likely need to adjust their expectations and plans to suit the LSP requirements.

Saleability

Builders & Buyers are trending towards a range of different size, smaller front loaded lots. These lots are still compact but offer buyers a more cost effective alternative to the 225m² lots and are more market responsive.

Many developers are now starting to feature lots that are 20, 22, 25 or 28m in depth and no longer just building 60m cells with 10, 12.5 or 15m frontages. The benefits of a variety of small lot types mixed with more traditional lots are as follows:

- Density targets met.
- Lot prices are reduced by having smaller lots.
- Designs are more cost effective.
- Completed homes look ‘standard’ from the street and do not necessarily look small, in comparison to a rear loading 7.5m home.
- H&L Packaging opportunities with builders.
- Supplying the market with affordable new home options that are superior to the established market.

The following identifies the optimal lot dimensions for Catalina Grove:

<ul style="list-style-type: none"> • 6 x 25
<ul style="list-style-type: none"> • 7.5 x 20 • 7.5 x 25
<ul style="list-style-type: none"> • 10.5 x 20 • 10.5 x 25 • 10.5 x 28
<ul style="list-style-type: none"> • 12.5 x 20 • 12.5 x 22 • 12.5 x 25 • 12.5 x 28 • 12.5 x 30
<ul style="list-style-type: none"> • 15 x 20 • 15 x 22 • 15 x 25 • 15 x 28 • 15 x 30

The Market Research and Analysis specifically identify that the existing LSP identifies R80 sites despite the site not ranking well for drivers for apartments including demographics and goes further to state that apartments should be minimised or excluded from the final design with a focus on medium density town houses. This assessment is consistent with the Buyer type expected by Satterley. However, the Catalina Grove Precinct Plan has maintained four residential blocks with a density allocation of R100 and proposed lift apartments. In this regard, the Catalina Grove Precinct Plan does not reflect the market assessment performed by Urbis or respond to the buyer type.

Recommendation:

Satterley Property Group recommends the following:

- *Engage project team to undertake a holistic review of the design, whilst considering levels and tree retentions, to adopt a hybrid approach of both plans to provide TPRC the ultimate subdivision layout that captures the most cost effective design.*

Catalina Grove – Land Use Comparison																
	LSP (ha) as endorsed (2228-339A-01)				LSP (ha) inc. updated EPBC POS area				Urbis Precinct Plan (ha) (2228-382-01)				Differential (ha) (from LSP inc. updated EPBC POS area)			
	Gross		Net		Gross		Net		Gross		Net		Gross		Net	
Residential	35.3	44.9	26.4	33.6	34.0	43.6	25.5	32.7	34.3	36.1	25.6	27.3	+0.3	-7.5	+0.1	-5.4
Mixed Use	9.6		7.2		9.6		7.2		1.8		1.7		-7.8		-5.5	
Retail	1.41				1.41				1.81				+0.4			
POS	2.43				3.7				8.41				+4.71			
Neighbourhood Connector	2.75				2.75				2.91				+0.16			

Notes:

- As the LSP depicts higher order roads only (ie - Neighbourhood Connectors) and the Urbis Precinct Plan includes local roads, the following extrapolations to the Urbis Precinct Plan have been undertaken in order to provide a more direct comparison for the gross Residential/Mixed Use areas stated:
 - The Neighbourhood Connector (NC) road reserves have been increased to 30m (primary NC) and 20m (spur NC to underpass), in lieu of 20m and 15m respectively as shown on the Urbis Precinct Plan to ensure consistency with the LSP requirements and to better reflect the actual Neighbourhood Connector road reserve width that will be required at subdivision design.
 - The area of local road reserve on the Urbis Precinct Plan surrounding the Mixed Use precinct has been equally apportioned to both Mixed Use and Residential. All remaining road reserves at land use transition edges between Residential and other (Commercial, POS etc) have apportioned the entire local road reserve width to the Residential component.
 - The area of the linear POS along Connolly Drive has been apportioned to the Mixed Use / Residential precincts as relevant. It is anticipated this linear POS would be required under any scenario to provide drainage and may not be depicted on the actual LSP Map, but would be introduced as part of subdivision design. Given the drainage could be designed in a number of ways it is more appropriate to apportion the area required for this land use at detailed subdivision design.
- Net areas for the Urbis Precinct Plan Residential/Mixed Use areas have been provided by others.
- Net areas for the LSP Residential/Mixed Use areas include a 25% road assumption. The final net areas may change through detailed subdivision design.

Conclusion

The LSP and Urbis Precinct Plan are documents produced at different levels of detail. The LSP provides more general overview of Catalina Grove (broad zones, density ranges, major roads and strategic POS), with finer detail to be resolved through a detailed subdivision design. The Precinct Plan produced by Urbis provides further detail, setting out a local road network, local POS and assigns density coding to development modules.

The comparison undertaken demonstrates that the Urbis Precinct Plan is largely consistent with the existing LSP, with the key inclusions for a subsequent LSP amendment likely to include:

- Relocation of the Neighbourhood Centre (Commercial zone);
- Rationalisation of the Mixed Use zone; and
- Rationalisation of the Public Open Space.

It is acknowledged that adoption of the Catalina Grove Precinct Plan will trigger an amendment to the existing LSP which could take some 9 to 12 months to complete.

The Catalina Grove Precinct Plan seeks to implement contemporary urban design principals. SPG in principle support the recommendations of the Urbis Report:

- The creation of high quality public spaces including the Green Link through landscape design and amenity and the Village Heart. The 'Village Heart' may foster a sense of community and provide a concentrated node for activation.
- The creation of strong pedestrian and cyclist connections to the Catalina Station and consider that this could be facilitated through the proposed Green Link.
- The creation of high quality connections that will underpin the success of Catalina Grove.
- The rationalisation of the amount of Mixed Use zoned land to the extent that it is commercially viable and with an adaptable built form that may support different land uses over time.
- The relocation of the Neighbourhood Centre.

SPG considers that further consideration is required to be given to following recommendations proposed within the Catalina Grove Precinct Plan:

- **Green Link** – Urban Design / Market testing is required to determine if the size and function of the Green Link represents best value in terms of construction and maintenance costs and opportunity costs.
- **Neighbourhood Centre** – A reduction of NLA of the Neighbourhood Centre and the associated downgrading of the Centre to a Local Centre as presented by Urbis is not supported. The future Structure Plan should accommodate flexibility for the developer of the site to respond to market demands as provided by leading retailers.
- **Movement Networks** - Catalina Grove Precinct Plan fails to adequately define a movement network or road hierarchy. Although traffic consideration may have been beyond the scope of the Urbis Report and recommendations, transport planning is a fundamental requirement in subdivision design when considering access and egress to and from the site including to the Station. Urbis have identified that the success of high density living in Catalina is prefaced on the creation of high quality connections to the Clarkson Station but have not articulated how this may be achieved.

SPG consider that Urbis have not balanced commercial requirements with planning and design particularly in terms residential density and public open space allocation. For these reasons SPG recommend that the TPRC support to engage the current consultant team to implement the design outcomes outlined within.

Based on a preliminary review there are a number of key areas where refinement and improvement to the Local Structure Plan / Precinct Plan should occur to ensure best practice urban development.

Given the flexible nature of the current (and future amended) LSP, much of the above refinement can be undertaken as part of detailed subdivision design, consistent with the current approach applied by the Project Team.

SPG are of the opinion that the Catalina Grove Precinct Plan provides the TPRC with strong design guidance for the project and future built form outcomes and as such forms the basis for the TPRC to further investigate the merits highlighted in the Catalina Grove Precinct Plan.

Appendix 9.8

31 March 2016

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

Dear Tony

CATALINA: REPRICING OF LOTS STAGES 11 TO 15

WA Market Update

WA property market conditions remain tough and highly competitive, with shallow market confidence continuing to be a factor impacting the local real estate market. Western Australia's population growth has slowed in the wake of falling commodity prices, which has seen the price of iron ore drop 60% since last year and record its lowest level this decade in July 2015.

The state's dependency on the mining sector has drastically effected interstate migration numbers into WA, contributed by a slump in employment and as a result effecting the local residential market.

Despite interest rates remaining at historically low levels, sentiment for housing affordability declined significantly over the past year given weaker confidence in the housing market and speculation on banks raising mortgage rates. The time to buy a dwelling index fell a significant 18.1 per cent as a result and has the potential to drop further, given the recent increase in mortgage rates by all major banks.

Volumes of sales and median sale prices continued to decline over the quarter to June 2015. Total properties listed for sale hit 16,409 which is 5% higher than the total properties listed for sale four weeks ago (15,645) and 29% higher than same time last year (12,674). The increase in properties available for lease has leapt to record 8,842 with the vacancy rate lifted to 5.6% and median rents continuing to fall to \$400 p/week. (Source: REIWA June Quarter market update)

Catalina Sales

Sales activities at Catalina Estate since July this year have yielded 66 net sales and 74 settlements.

Competition amongst developer estates operating in the northern corridor remains highly competitive. There is a lack of urgency from prospective buyers and visitations to the sales office and display villages remain consistently low.

Buyers remain sensitive to any increases in block prices and are looking for a 'sharp' price and in many cases, a retail incentive, to proceed with a purchase. The sales team continues to actively promote the estate with a significant focus on networking and partnering with key project homes builders through home and land packaging. Consistent sales service is being provided to builder sales reps through visits to local display villages and group presentations at builder sales meetings.

The introduction of sales incentives in recent months has provided an opportunity to engage the Catalina client database as well as the builder database. Catalina will benefit from the recent opening of the second display village.

The FY16 Annual Budget sales budget is 180 lots with revenue of \$36.6 million based on achieving 15 net sales per month. Currently the project is netting 10 sales per month. A review of the FYE16 sales budget was undertaken for the mid-year budget review.

The Satterley Property Group considered at the mid-year review 123 net sales being achievable based on the current rate of sale. The revenue forecast for FY16 was reduced to \$29.5 million.

Catalina Beach sales will no longer be achievable in FY16, therefore SPG consider 100 sales the current target for FY16.

During the mid-year review the current list price for old stock was adopted as the budget price.

The builder rebate since it was approved by the TPRC council in October 2015 has enabled the sales team to move old stock that previously was receiving little interest from potential purchasers.

In order to continue to move aged stock, a price reduction across 21 Lots is requested as follows:

Stage Name	Lot No.	Valuation Amount	Current Price	Recommended SPG Pricing
Stage 11	288	\$255,000	\$259,000	\$240,000
Stage 12	295	\$235,000	\$249,000	\$240,000
Stage 12	296	\$300,000	\$318,000	\$299,000
Stage 12	305	\$300,000	\$325,000	\$304,000
Stage 13B	725	\$245,000	\$249,000	\$237,000
Stage 13B	726	\$215,000	\$219,000	\$209,000
Stage 13B	727	\$215,000	\$219,000	\$209,000
Stage 13B	728	\$215,000	\$219,000	\$209,000
Stage 13B	729	\$215,000	\$219,000	\$209,000
Stage 13B	730	\$245,000	\$249,000	\$237,000
Stage 13B	755	\$215,000	\$219,000	\$209,000
Stage 13B	757	\$215,000	\$219,000	\$209,000
Stage 13B	758	\$215,000	\$219,000	\$209,000
Stage 14A	810	\$268,000	\$269,000	\$265,000
Stage 14B	765	\$320,000	\$328,000	\$315,000
Stage 14B	798	\$249,000	\$249,000	\$241,000
Stage 14C	803	\$295,000	\$299,000	\$295,000
Stage 14D	788	\$202,000	\$217,000	\$215,000
Stage 15	819	\$260,000	\$268,000	\$250,000
Stage 15	821	\$272,000	\$275,000	\$263,000
Stage 15	822	\$330,000	\$339,000	\$329,000
TOTAL		\$5,281,000	\$5,426,000	\$5,193,000

The proposed decrease in revenue from the sale of the affected lots is \$233,000 from the list price.

Many local competitors in the northern corridor have also recently marketed campaigns with rebates up to \$20,000, price corrections, fire management affected lot incentives, rail affected lot incentives and builder referral incentives.

Budget

Satterley Property Group advise the \$233,000 shortfall in revenue from the reduced pricing for old stock will have a direct impact on the bottom line for the FY16 forecast budget. The sales revenue for FY16 based on the mid-year review of \$29.55 million is anticipated to reduce further to \$25.83 million by the end of the FY16 period, with sales expected to be 95 against a budget of 180.

The \$233,000 shortfall will be offset by the project budget that continues to deliver higher returns to the Tamala Park Regional Council than were originally budgeted. The original budget (2011) was based on a project profit of \$311 million with a project IRR of 18.22%, currently the project (mid-year review) is achieving a profit of \$351 million with an IRR of 21.1%.

Recommendation

Satterley Property Group provides the following recommendations to achieve the FYE16 sales target:

- Approve the reduction in Lot List Price on selected lots as outlined in the above table (Stages 11, 12, 13B, 14A, 14B, 14C, 14D and 15).

Should you require any further clarification please contact the undersigned.

Yours sincerely



pp .Aaron Grant
Project Director

Appendix 9.9

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