



TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 20 October 2016, 6:00pm
City of Perth
27 St Georges Terrace, Perth

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

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

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TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Perth, 27 St Georges Terrace, Perth on Thursday 20 October 2016 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



TONY ARIAS
Chief Executive Officer

MEMBERSHIP

| OWNER COUNCIL | MEMBER | ALTERNATE MEMBER |
|-----------------------|---|------------------------------------|
| Town of Cambridge | Cr Louis Carr | |
| City of Joondalup | Cr John Chester Cr Kerry Hollywood | |
| City of Perth | Cr Janet Davidson OAM JP | Cr Jim Adamos |
| City of Stirling | Cr Karen Caddy Mayor Giovanni Italiano JP (Chairman) Cr David Michael Cr Rod Willox AM JP | Cr Terry Tyzack |
| Town of Victoria Park | Cr Keith Hayes | |
| City of Vincent | Mayor John Carey | Cr Jimmy Murphy |
| City of Wanneroo | Cr Dianne Guise (Deputy Chair) Cr Brett Treby | Cr Domenic Zappa Cr Hugh Nguyen |

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

Council Meeting – 11 August 2016

5A. BUSINESS ARISING FROM THE MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

- Audit Committee Meeting – 14 September 2016
- Management Committee Meeting – 15 September 2016

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.18)

9.1 BUSINESS REPORT – PERIOD ENDING 13 OCTOBER 2016

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVES the Business Report to 13 October 2016.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Staging Plan
- Landscape Schedule and Program FYE 2017

Background

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

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

Comment

1. Civil Construction - Status

The following table provides the status of current civil works:

| Stage | Lots | Commenced Construction | Practical Completion Date | Works Status | Titles |
|----------------------------|------|------------------------|---------------------------|--------------|--------------|
| 14B Civil | 10 | 14 March 2016 | 14 October 2016 | 98% complete | October 2016 |
| Neerabup Road Intersection | - | 14 March 2016 | 25 November 2016 | 70% complete | Nil |
| 25-27 Bulk Earthworks | - | 29 August 2016 | 4 November 2016 | 60% complete | N/A |

2. Catalina Beach - Status

Bulk Earthworks for Stages 25-27 have commenced and are programmed to be completed in early November 2016.

Civil engineering design for Stages 25 and 26 has been finalised and approved by the City of Wanneroo. A recommendation for the award of the Civil works contract for Stage 25 has been received from the Satterley Property Group. The Stage 25 Civil works are programmed to commence at the end of October 2016.

3. Landscape works – Status

A status report on Landscape Works proposed for FYE 2017 is attached at Appendix 9.1. The report details budget, detailed design and approval status and commencement and completion timeframes.

4. Housing Construction

The following table provides an overview of the current progress of housing construction to date. A significant number of homes are under construction in Stages 13-15.

| Stage | Under Construction | Completed | Total |
|--------------|--------------------|------------|------------|
| Stage 1 | 1 | 32 | 33 |
| Stage 2 | 0 | 32 | 32 |
| Stage 3 | 1 | 42 | 43 |
| Stage 4 | 4 | 43 | 47 |
| Stage 5 | 0 | 60 | 60 |
| Stage 6 | 9 | 33 | 42 |
| Stage 7 | 0 | 63 | 63 |
| Stage 8 | 1 | 52 | 53 |
| Stage 9 | 5 | 41 | 46 |
| Stage 10 | 4 | 22 | 26 |
| Stage 11 | 2 | 72 | 74 |
| Stage 12 | 5 | 38 | 43 |
| Stage 13 | 17 | 52 | 69 |
| Stage 14A | 25 | 15 | 40 |
| Stage 15 | 53 | 0 | 53 |
| Total | 129 | 595 | 724 |

5. Waste Management Program

Instant Waste Management is providing end-of-month reports identifying recycling achieved from waste collected from the Catalina Estate. The September report identifies 160 participating building sites to date, with a waste recovery rate of 95.55% (by weight) being achieved. To the end of September 2016 a total of 3,518 tonnes of waste has been recycled through the Waste Management Program.

6. Builders Display Village 2

To date, 21 builders display homes have been completed and opened to the public within Display Village 2. The remaining home is expected to be completed by the end of November 2016.

7. Lot 1 – TPRC/ABN Development

Construction and landscaping of the 25 apartments is complete.

To date 24 apartments have been settled with the remaining apartment under contract.

8. Public Art

The two pieces of art work commissioned by the TPRC have been installed in Catalina Central. The artworks are located within the Stage 4 and Stage 11 public open space areas. The photos below show the art works in their locations.

Stage 4 Art Work



Stage 11 Art Work



9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JULY & AUGUST 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVES and NOTES the Statements of Financial Activity for the months ending:

- **31 July 2016; and**
- **31 August 2016.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Statement of Financial Activity for 31 July 2016
- Statement of Financial Activity for 31 August 2016

Local Government Act/Regulation

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

Background

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

Comment

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

Variances at 31 August 2016 exceeding 10% were experienced in relation to the following:

| | |
|---|---|
| Interest Earnings | Interest earnings exceed budget predictions as a result of higher principal. |
| Depreciation | The positive variation is a result of timing and will adjust during the year. |
| Employee Costs | The positive variation is a result of timing and will adjust during the year. |
| Insurance | The positive variation is a result of timing and will adjust during the year. |
| Materials and Contracts | The positive variance is a result of timing and will adjust during the year. |
| Other | The negative variance relates to timing and will adjust during the year. |
| Utilities | The positive variance is a result of timing and will adjust during the year. |
| Income Sale of Lots – Subdivisions | The negative variance relates to fewer lot settlements. |
| Income Other - Subdivisions | The negative variance relates to timing and will adjust during the year. |
| Land Production Costs | The positive variance relates to timing and will adjust during the year. |

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

Financial Snapshot as at 31 August 2016

TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 31 AUGUST 2016

| | 2016-17 Adopted Budget | 2016-17 Budget YTD | 2016-17 Actual YTD | Variance | | Variance % |
|---|------------------------------|--------------------------|--------------------------|-------------|---------------|---------------|
| | | | | Favourable | Unfavourable | |
| Revenue | \$ | \$ | \$ | \$ | \$ | % |
| Interest Earnings | 959,170 | 191,834 | 222,650 | 30,816 | | 16.06% |
| Other Revenue | 1,985 | - | - | | | 0.00% |
| | \$961,155 | \$191,834 | \$222,650 | \$30,816 | \$0 | |
| Less Expenditure | | | | | | |
| Depreciation | (21,024) | (3,154) | - | 3,154 | | 100.00% |
| Employee Costs | (752,311) | (112,847) | (76,965) | 35,882 | | 31.80% |
| Insurance | (17,756) | (17,756) | (6,663) | 11,093 | | 62.47% |
| Materials and Contracts | (492,112) | (72,317) | (32,420) | 39,897 | | 55.17% |
| Other | (177,517) | (1,400) | (38,508) | | (37,108) | -2650.57% |
| Utilities | (18,000) | (2,700) | - | 2,700 | | 100.00% |
| Members Equity | | | | | | |
| -Income Sale of Lots - Subdivisions | 26,283,529 | 6,131,545 | 3,892,288 | | (2,239,257) | -36.52% |
| -Income Other - Subdivisions | 4,794,250 | 1,000,000 | - | | (1,000,000) | -100.00% |
| -Land Production Costs | (32,546,354) | (6,472,833) | (2,061,239) | 4,411,594 | | 68.16% |
| -Profit distribution/Contributions Returned | (11,327,714) | - | - | | | |
| | (\$14,275,009) | \$448,538 | \$1,676,493 | \$4,504,320 | (\$3,276,365) | |
| Total Change in Equity | (\$13,313,854) | \$640,372 | \$1,899,143 | \$4,535,136 | (\$3,276,365) | |

Balance Sheet Summary as at 31 August 2016

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2016

| | Actual 2015-16 \$ | Actual 2016-17 \$ | Variance \$ | Variance % |
|--------------------------------------|-------------------------|-------------------------|----------------|---------------|
| Current assets | | | | |
| Cash and cash equivalents | 47,135,952 | 49,120,630 | 1,984,678 | 4.21% |
| Trade and other receivables | 404,507 | 410,289 | 5,782 | 1.43% |
| Total current assets | 47,540,459 | 49,530,919 | 1,990,460 | 4.2% |
| Non-current assets | | | | |
| Inventories | 1,800,000 | 1,800,000 | 0 | 0.00% |
| Property, plant and equipment | 131,368 | 154,907 | 23,539 | 17.92% |
| Total non-current assets | 1,931,368 | 1,954,907 | 23,539 | 1.22% |
| Total assets | 49,471,827 | 51,485,826 | 2,013,999 | 4.07% |
| Current liabilities | | | | |
| Trade and other payables | 73,175 | 188,031 | -114,856 | -156.96% |
| Provisions | 121,431 | 121,431 | 0 | 0.00% |
| Total current liabilities | 194,606 | 309,462 | -114,856 | -59.0% |
| Non-current liabilities | | | | |
| Provisions | 56,652 | 56,652 | 0 | 0.00% |
| Total non-current liabilities | 56,652 | 56,652 | 0 | 0.00% |
| Total liabilities | 251,258 | 366,114 | -114,856 | -45.71% |
| Net assets | 49,220,569 | 51,119,712 | 1,899,143 | 3.86% |

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JULY & AUGUST 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for the months of July and August 2016:

- **Month ending 31 July 2016 (Total \$905,711.19)**
- **Month ending 31 August 2016 (Total \$1,464,163.33)**
- **Total Paid - \$2,369,874.52**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 31 July 2016 and 31 August 2016.

Relevant Documents

Appendix:

- Cheque Detail for July & August 2016
- Summary Payment List for July 2016
- Summary Payment List for August 2016

Local Government Act/Regulation

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

Background

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

Comment

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

Payments are reviewed by TPRC Accountants Moore Stephens following completion of each month's accounts.

9.4 PROJECT FINANCIAL REPORT – AUGUST 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

Recommendation

That the Council RECEIVES the Project Financial Report (August 2016) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for August 2016 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Financial/Budget Implications

Review of Project Financial Report for August 2016.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 22 September 2016 with Financial Report

Background

At its meeting of 16 June 2016 the Council approved the Project Budget FYE 2017 (May 2016), submitted by the Satterley Property Group, as the basis of financial planning for the 2016/2017 TPRC budget.

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

Comment

The Satterley Property Group has prepared a Financial Report for August 2016 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 August 2016 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$3.9M which is \$2.22M under budget with 9 less residential settlements for the year less year to date.
2. Expenditure was \$3.9M under budget, in the following areas:
 - Lot Production \$0.82M;
 - Landscape \$0.87M;
 - Infrastructure \$1.7M;
 - P&L expenditure \$0.45M.

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

Lot Sales Value was \$1.1M more favourable to budget due to 3 more lot sales year to date.

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

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 13 OCTOBER 2016

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVES the Sales and Settlement Report to 13 October 2016.

Voting Requirements

Simple Majority

Report Purpose

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

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

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

| | |
|-------------------|---------------|
| Budget Amount: | \$ 26,283,529 |
| Received to Date: | \$ 4,441,674 |
| Balance: | \$ 21,841,855 |

Background

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

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

Comment

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

Agenda TPRC Meeting of Council – 20 October 2016

| Stage | Release Date | Lots Released | Lot Sizes | Sold | Stock | Settled |
|--|--------------|---------------|-----------|------|-------|---------|
| Stages 1 – 11, 12B, 13A, 14A, 14 Builders and 14C | NA | 632 | NA | 632 | 0 | 632 |
| Stage 12A | May 2014 | 25 | 295-463 | 24 | 1 | 22 |
| Stage 13B (Public) | Oct 2014 | 39 | 295-450 | 34 | 5 | 31 |
| Stage 14B (Public) | Feb 2015 | 19 | 274-450 | 19 | 0 | 18 |
| Stage 14B (Release 2) | July 2016 | 10 | 262-329 | 5 | 5 | 0 |
| Stage 14D (Public) | June 2015 | 8 | 225–322 | 8 | 0 | 8 |
| Stage 15A (Public) | July 2015 | 16 | 300–450 | 15 | 1 | 13 |
| Stage 15B (Public) | Sep 2015 | 20 | 300–450 | 19 | 1 | 15 |
| Stage 15C (Public) | Nov 2015 | 17 | 200–510 | 17 | 0 | 13 |
| Stage 15D | Sep 2016 | 2 | 375-376 | 1 | 1 | 0 |
| Stage 18A | March 2016 | 29 | 300-510 | 26 | 3 | 10 |
| Total | | 817 | | 800 | 17 | 762 |

The following table provides a summary of lot sizing and commentary of current “aged stock” on hand. Since reporting to Council at its August meeting seven aged stock lots have sold.

| Stage | Release Date | Lot Number | Price | M ² | Comment |
|-------|----------------|------------|-----------|----------------|---|
| 12A | May 2014 | 305 | \$304,000 | 447 | Corner lot, side loaded, located on Aviator Boulevard, elevated, opposite future primary school site. |
| 13B | October 2014 | 726 | \$202,000 | 225 | 9m frontage, mandatory 2 storey, opposite POS. |
| 13B | October 2014 | 727 | \$202,000 | 225 | 9m frontage, mandatory 2 storey, opposite POS. |
| 13B | October 2014 | 728 | \$202,000 | 225 | 9m frontage, mandatory 2 storey, opposite POS. |
| 13B | October 2014 | 757 | \$202,000 | 225 | 9m frontage, mandatory 2 storey, opposite POS. |
| 13B | October 2014 | 758 | \$202,000 | 225 | 9m frontage, mandatory 2 storey, opposite POS. |
| 15A | February 2015 | 822 | \$330,000 | 450 | Regular lot, 15m frontage |
| 15B | September 2015 | 841 | \$257,000 | 300 | Regular lot, located on the lower side of 2.5m rear retaining wall. |
| 18A | March 2016 | 908 | \$257,000 | 300 | Regular lot, 10m frontage |
| 18A | March 2016 | 921 | \$262,000 | 318 | Regular lot, 10.6m frontage |
| 18A | March 2016 | 925 | \$257,000 | 300 | Regular lot, 10m frontage |

Note: \$8,000 rebate has been applied to the pricing of applicable lots.

Competition Analysis

The following table provides a summary of gross sales at competing developments in the northern corridor for the FYE 2017.

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

| Estate | Sales | | | | | | | | | | | | YTD total | Size Range (m ²) | Price Range |
|----------------------------------|---------------|---------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|---------------|------------------------------|-----------------------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | | | |
| Allara | 15 | 14 | 13 | | | | | | | | | | 42 | 225-520 | \$129,950-\$223,000 |
| Burns Beach | 2 | 3 | 3 | | | | | | | | | | 8 | 336-859 | \$380,000 - \$975,000 |
| Eden Beach | 10 | 10 | 6 | | | | | | | | | | 26 | 225-625 | \$200,000-\$430,000 |
| Catalina | 8 | 11 | 9 | | | | | | | | | | 28 | 225-448 | \$210,000-\$315,000 |
| Alkimos Beach | 9 | 9 | 9 | | | | | | | | | | 27 | 150-535 | \$128,000-\$335,000 |
| Amberton | 15 | 12 | 11 | | | | | | | | | | 38 | 188-526 | \$160,000-\$275,000 |
| Shorehaven | 4 | 4 | 8 | | | | | | | | | | 16 | 217-385 | \$179,000-\$315,000 |
| Trinity | 8 | 4 | 5 | | | | | | | | | | 17 | 298-542 | \$198,000-\$280,000 |
| Total | 71 | 67 | 64 | | | | | | | | | | 202 | | |
| CATALINA MARKET SHARE (%) | 11.3 % | 16.4 % | 14.1 % | | | | | | | | | | 13.9 % | | |

A summary of available stock in the corridor is provided in the table below. The table indicates that generally Burns Beach is the most expensive estate. Catalina has the most expensive 225m² and 450m² products.

| Estate | 225sqm Price (\$) | 300sqm Price (\$) | 375sqm Price (\$) | 450sqm Price (\$) | Stock |
|---------------|-------------------|-------------------|-------------------|-------------------|------------|
| Allara | 149,950 | 169,000 | 193,000 | 223,000 | 47 |
| Burns Beach | N/A | 395,000 | 480,000 | N/A | 29 |
| Eden Beach | 200,000 | 245,000 | 289,000 | 339,000 | 48 |
| Catalina | 210,000 | 255,000 | 298,000 | 339,000 | 17 |
| Alkimos Beach | 186,000 | 230,000 | 265,000 | 300,000 | 105 |
| Amberton | 160,000 | 204,000 | 233,000 | 270,000 | 33 |
| Shorehaven | 199,000 | 265,000 | 287,000 | N/A | 48 |
| Trinity | N/A | 202,000 | 230,000 | 255,000 | 50 |
| TOTAL | | | | | 377 |

9.6 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2015 TO 30 JUNE 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.48

Recommendation

That the Council RECEIVES the Annual Financial Report for the year ended 30 June 2016 and that it be INCLUDED in the Annual Report.

Voting Requirements

Simple Majority

Report Purpose

To consider the Annual Financial Report of the TPRC for the year ended 30 June 2016.

Relevant Documents

Appendix: Audited Annual Financial Report for the year ended 30 June 2016

Previous Minutes

- Council Meeting – 15 October 2015 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2014 to 30 June 2015)
- Council Meeting – 16 October 2014 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2013 to 30 June 2014)

Policy Reference

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

Local Government Act/Regulation

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

Background

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

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

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

Comment

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

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

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

At its meeting of 14 September 2016 the Audit Committee considered the Annual Financial Report for the year 1 July 2015 to 30 June 2016 and resolved to recommend that Council RECEIVES the Annual Financial Report for the year ended 30 June 2016 and that it be INCLUDED in the Annual Report.

9.7 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.19.382

Recommendation

That the Council:

- 1. RECEIVES the Auditor's Report for the financial year ended 30 June 2016.**
- 2. NOTES that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2016.**
- 3. NOTES that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 14 September 2016 to discharge the statutory obligation to meet with the Local Government at least once per annum.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Audit Report for Financial Year ended 30 June 2016

Previous Minutes

- Council Meeting – 15 October 2015 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2015)
- Council Meeting – 16 October 2014 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2014)

Policy Reference

TPRC Audit Charter 6(f) and (h)

Local Government Act/Regulation

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

Background

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

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

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

Comment

The Council's appointed Auditor (Butler Settineri) has completed its assessment for the financial year ending 30 June 2016. There are no adverse comments raised by the external Auditor in its report.

There is a statutory obligation for the Council's appointed Auditor to meet with the Local Government at least once per annum. The Auditor (Mr Marius van der Merwe) was in attendance at the Audit Committee meeting of 14 September 2016 to discharge this obligation.

At its meeting of 14 September 2016 the Audit Committee considered the Auditor's Report for the financial year ended 30 June 2016 and resolved to recommend that Council:

- 1. RECEIVES the Auditor's Report for the financial year ended 30 June 2016.*
- 2. NOTES that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2016.*
- 3. NOTES that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 14 September 2016 to discharge the statutory obligation to meet with the Local Government at least once per annum.*

9.8 INVESTMENT POLICY REVIEW

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That the Council APPROVES the Investment Policy (September 2016).

Voting Requirements

Simple Majority

Report Purpose

To review the Investment Policy.

Relevant Documents

Appendix: Investment Policy (July 2016)

Previous Minutes

- Audit Committee Meeting – 14 September 2016 (Item 8.5 – Investment Policy Review)
- Council Meeting – 13 August 2015 (Item 9.14 – Investment Policy Review)

Policy Reference

Existing Investment Policy approved in 2015.

Local Government Act/Regulation

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

Background

The Local Government Act allows investment of funds by local authorities.

In August 2015 the Council reviewed and approved the TPRC Investment Policy consistent with the Local Government Regulations.

At its meeting of 28 July 2016 the Audit Committee resolved that the Investment Policy (July 2016) be further reviewed and referred back to the Audit Committee for consideration.

Comment

The Investment Policy (July 2015) has been further reviewed as required by the Audit Committee. The Investment Policy (September 2016) includes minor modifications and is recommended for adoption (attached at Appendix 9.8).

The Council's external auditor has undertaken a review of the TPRC's investment practices and procedures and the Investment Policy, as part of its annual audit, and has found them to be satisfactory. The Policy continues to operate satisfactorily, even with prudent practices and investment returns have exceeded budget expectations.

At its meeting of 14 September 2016 the Audit Committee resolved to recommend that Council APPROVES the Investment Policy (September 2016).

9.9 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES REVIEW 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

Recommendation

That the Council APPROVES the Financial Management – Significant Accounting Policies (September 2016).

Voting Requirements

Simple Majority

Report Purpose

To review the Financial Management – Significant Accounting Policies.

Relevant Documents

Appendix: Financial Management – Significant Accounting Policies (September 2016)

Policy Reference

Proposed Financial Management – Significant Accounting Policy

Local Government Act/Regulation

- Local Government Act 1995
- Local Government (Financial Management) Regulations 1996
- Australian Accounting Standards

Previous Minutes

- Audit Committee Meeting – 14 September 2016 (Item 8.6 – Financial Management - Significant Accounting Policies Review)
- Council Meeting – 13 August 2015 (Item 9.17 – Financial Management - Significant Accounting Policies Review)

Background

In August 2015 the Council reviewed and approved the Policy Financial Management – Significant Accounting Policies Review (July 2015) consistent with the Local Government Regulations. The Policy provides guidelines for the preparation of the financial report.

Comment

The Financial Management – Significant Accounting Policies reflect the most recent accounting standards and local government practice, as recommended by Moore Stephens Accountants and Butler Settineri - Auditors.

The proposed changes to the Financial Management – Significant Accounting Policies (September 2016) are consistent with the Annual Financial Report for the year ended 30 June 2016 (Notes) prepared by Moore Stephens – Accountants (formerly Haines Norton) and reviewed by the Council appointed Auditor (Butler Settineri).

The proposed changes are highlighted in the Financial Management – Significant Accounting Policies (September 2016) attached at Appendix 9.9 and are recommended for adoption.

At its meeting of 14 September 2016 the Audit Committee resolved to recommend that Council APPROVES the Financial Management – Significant Accounting Policies (September 2016).

9.10 ASSET MANAGEMENT PLAN 2016

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.121.1007.0

Recommendation

That the Council APPROVES the Asset Management Plan 2016 and that it be forwarded to the Executive Director of the Department of Local Government for endorsement.

Voting Requirements

Simple Majority

Report Purpose

To consider the Asset Management Plan 2016.

Relevant Documents

Appendix: Asset Management Plan 2016

Policy Reference

N/A

Local Government Act/Regulation

- Local Government Act 1995: S5.5 requires availability of report to be advertised following report adoption by Local Government.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Previous Minutes

- Audit Committee Meeting – 14 September 2016 (Item 8.7 – Asset Management Plan 2016)
- Council Meeting – 16 October 2014 (Item 9.9 – Asset Management Plan 2014)

Financial/Budget Implications

Nil

Background

The Department of Local Government's Integrated Planning and Reporting Framework, requires all local governments to prepare an Asset Management Plan.

At its meeting of October 2014 the Council approved the Asset Management Plan 2014 and that it be forwarded to the Executive Director of the Department of Local Government for endorsement.

The Asset Management Plan 2014 identified the following:

- Projected operations;
- Maintenance and capital renewal expenditures to provide the level of service;
- Estimated (budget) operations.

Asset management planning is a comprehensive process to ensure delivery of services from infrastructure is provided in a financially sustainable manner.

The Asset Management Plan details information about infrastructure assets including actions required to provide an agreed level of service in the most cost effective manner. The Asset Management Plan defines the services to be provided, how the services are provided and what funds are required to provide the services.

Comment

The Asset Management Plan 2014 has been reviewed and updated to reflect current financial parameters and the the status of the Catalina Project. It has also been prepared consistent with the TPRC Long Term Financial Plan 2017 - 2028, reported under Item 9.11 of this Agenda.

The Asset Management Plan 2016 is consistent with the Department of Local Government's Asset Management Framework and Guidelines. It is also in accordance with the International Infrastructure Management Manual (IPWEA, 2006). It has been prepared to meet the legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

The Asset Management Plan 2016 demonstrates that present funding levels are sufficient to continue to provide existing services at current levels in the medium term (10 years).

The Council will need to continue to monitor and review its future renewal requirements and ensure that funding levels are sufficient to continue to provide the services at current levels. This will be undertaken and considered as part of the regular review of the Asset Management Plan.

It is recommended that Council approve the Asset Management Plan 2016 and it be forwarded to the Executive Director of the Department of Local Government for endorsement.

At its meeting of 14 September 2016 the Audit Committee resolved to recommend that Council APPROVES the Asset Management Plan 2016 and that it be forwarded to the Executive Director of the Department of Local Government for endorsement.

9.11 LONG TERM FINANCIAL PLAN 2017 - 2028

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.121.1188

Recommendation

That the Council APPROVES the Long Term Financial Plan 2017 - 2028 and that it be forwarded to the Executive Director of the Department of Local Government for endorsement.

Voting Requirements

Absolute Majority

Report Purpose

To consider the Tamala Park Regional Council Long Term Financial Plan 2017 - 2028

Relevant Documents

Appendix: TPRC Long Term Financial Plan 2017 - 2028

Policy Reference

N/A

Local Government Act/Regulation

Section 5.56 of the Local Government Act 1995. "(1) A local government is to plan for the future of the district."

Financial/Budget Implications:

The Long Term Financial Plan (LTFP) outlines projections and estimates and is intended as a planning tool for the development of future budgets. Adoption of the LTFP does not constitute a commitment or agreement by the Council to the financial estimates.

Previous Minutes

Nil

Background

The Department of Local Government's Integrated Planning and Reporting Framework requires that all local governments prepare a Long Term Financial Plan.

The TPRC has prepared the Tamala Park Long Term Financial Plan 2017 - 2028, which is intended to be a ten year rolling plan that informs Annual Budgets and the Corporate Business Plan. The LTFP indicates a local government's long term financial sustainability and allows early identification of financial issues.

Comment

The Long Term Financial Plan 2017 - 2028 (LTFP) has been prepared in accordance with the Department of Local Government Long Term Financial Planning Framework and Guidelines.

It is noted that the TPRC's LTFP extends over 12 years rather than the model's 10 years, reflecting the duration of the TPRC Project. The LTFP attached at Appendix 9.11 sets out the major program of works for the TPRC over the next 12 years. These are consistent with Project Forecasts and Annual Plan 2016.

The financial projections in the LTFP have been developed in a format that conforms to the *Local Government (Financial Management) Regulations 1996* and the Australian Accounting Standards. This format has been chosen as it allows projections to feed into the statutory format of the Annual Budget and key performance measures into the LTFP to be compared with Annual Budgets and Annual Financial Reports.

The LTFP is to be updated annually and form the basis for the preparation of the following year's Annual Budget. The format includes the statutory statements required to be included in Annual Budgets and Annual Reports to facilitate integration.

The LTFP includes modelling of three scenarios based on a range of assumptions and assesses the projected income from the sale of lots, cost of development and profit distribution to member Councils as well as the operational costs associated with the Regional Council.

- Scenario 1 (Baseline) modelling is based on the Satterley Property Group Project Forecasts, most recent economic data and expected market conditions and is therefore expected to deliver the most likely outcomes from the Catalina Estate Development.
- Scenario 2 (Cost Geared) is based on a 2% income and 5% cost escalation.
- Scenario 3 (Income Geared) is based on an 8% income and 2% cost escalation.

All Scenarios demonstrate that the TPRC has the flexibility to respond if required to provide the required resources and meet financial commitments.

The LTFP will also:

- Demonstrate greater accountability and transparency;
- Link to various plans, such as the Strategic Community Plan, Corporate Business Plan, Asset Management Plan, Workforce Plan and Annual Budget;
- Identify potential financial issues and their long term impact.

Conclusion

The Long Term Financial Plan 2017 - 2028 has been prepared in accordance with the Department of Local Government Long Term Financial Planning Framework and Guidelines.

The LTFP indicates that the TPRC has the resources to provide the required services and meet financial commitments and demonstrates the TPRC's long term financial sustainability. It is recommended that Council approve the Long Term Financial Plan 2017 - 2028 and it be forwarded to the Executive Director of the Department of Local Government for endorsement.

At its meeting of 14 September 2016 the Audit Committee resolved to recommend that Council APPROVES the Long Term Financial Plan 2017 - 2028 and that it be forwarded to the Executive Director of the Department of Local Government for endorsement.

9.12 STAGE 17A CIVIL CONSTRUCTION AND PUBLIC RELEASE

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council APPROVES the Stage 17A civil works being brought forward from April 2017 to October 2016, and the public release of Stage 17A (25 lots) to the general public from February 2017 to October 2016.

Voting Requirements

Simple Majority

Report Purpose

To consider the early construction and sales release of Stage 17A.

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 3.58 – Disposal of Property

Previous Minutes

- Council Meeting – 16 June 2016 (Item 9.8 Sales and Lot Release Strategy)
- Council Meeting – 16 June 2016 (Item 9.15 Annual Plan)

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales of the TPRC 2016/2017 Budget.

| | |
|-------------------|---------------|
| Budget Amount: | \$ 26,283,529 |
| Received to Date: | \$ 4,441,674 |
| Balance: | \$ 21,841,855 |

Relevant Documents

Appendix: Satterley Property Group Letter dated 1 September 2016

Background

At its meeting of 16 June 2016, the Council approved the Annual Plan and the Sales and Lot Release Strategy, which indicated civil construction of Stage 17 commencing in April 2017, with sales release in February 2017.

Stage 17A comprises 25 lots ranging in area from 300m² to 510m².

Comment

The Satterley Property Group (SPG) has requested that the Council approve Stage 17A civil works being brought forward from April 2017 to October 2016, and the public release of Stage 17A (25 lots) from February 2017 to October 2016.

The SPG considers that bringing forward the Stage 17A civil works and sales is necessary in order to provide a range of stock and be competitive in the market.

The SPG has advised that there has been good levels of sales activity compared to budget over the past four months (May to August), with 35 sales being achieved against a budget of 25 sales. Recent good levels of sales has resulted in selling out of 375m² and 450m² lots, which are presently most in demand. Stage 17A will include ten 375m² lots and eleven 450m² lots.

The current stock level as at 13 October 2016 is 17 lots, with a significant number being aged stock. The SPG has advised that there are currently eight purchasers registered on the Catalina database waiting for a lot of either 375m² or 450 m² within the Catalina Estate.

The SPG considers that bringing forward the Stage 17A civil works and sales would result in 24 lot sales and 8 lot settlements in FYE 2017 for Stage 17A. However, the SPG has indicated bringing forward the release of Stage 17A to October 2016 will assist in achieving the FYE 2017 sales forecast of 119 sales lots but is unlikely to achieve additional sales for FYE 2017. The anticipated revenue for Stage 17A (25 lots) is \$7.60M, the majority of which will occur in FYE 2018. It also considers that forecast settlements for FYE 2017 will remain unchanged but should result in a \$0.3M increase in lot income.

The FYE 2017 Budget forecasts \$0.628M being expensed on Stage 17 and \$0.799M being expensed in FYE 2018. Bringing forward the Stage 17A civil works, as proposed by SPG, will impose an additional \$0.799M of expenditure on the FYE 2017 Budget, which is partly offset by a \$0.3M increase in lot income expected from higher settlement values of Stage 17A lots. The additional expenditure can be accommodated by the higher than predicted cashflow position at the end of FYE 2016.

The Satterley Property Group request is consistent with the approved 'Sales Triggers', which require a closing stock position of 35 lots for the Central Precinct prior to the commitment to the next stage of civil construction.

At its meeting of 15 September 2016 the Management Committee recommended that Council APPROVES the Stage 17A civil works being brought forward from April 2017 to October 2016, and the public release of Stage 17A (25 lots) to the general public from February 2017 to October 2016.

9.13 REVIEW OF SUSTAINABILITY INITIATIVES PLAN

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVES** the revised Catalina Sustainability Initiative Plan (July 2016) prepared by the Satterley Property Group.
2. **APPROVES** Mandating High Rated WELS Fixtures and Appliances in the Catalina Design Guidelines and a \$1,000 rebate to be paid to home owners subject to conditions including; validation period, meeting minimum specification requirements and proof of installation.
3. **APPROVES** modifications to the Catalina Central Design Guidelines to recommend the use of the following:
 - Shading structures/vegetation and cross ventilation elements to mitigate the impacts of direct sun light on walls, windows and roofs.
 - A minimum R4.1 roof insulation and R2.8 wall insulation.
 - Use of thermally effective glazing.
4. **NOT APPROVE** the following Satterley Property Group proposed new initiatives:
 - The provision of an AquaMonitor to residents.
 - The Recycling General Waste proposals given the uncertainty about costs and on-going management and **REQUESTS** the Satterley Property Group to undertake further liaison with both the City of Wanneroo and Mindarie Regional Council regarding the potential of combining recycling strategies and facilities prior to the TPRC committing to establishing its own facilities.
 - The provision of Recycled Rubber in POS and Streetscapes until the additional costs and support from the City of Wanneroo can be resolved.
5. **REQUESTS** the Satterley Property Group to provide as a matter of urgency the following:
 - After sales communications to purchasers and additional reminders on Solar Panel rebate entitlements.
 - Additional communication to builders to ensure greater awareness of the waste rebate entitlements and advice on the administrative procedure requirements to achieve the rebate.
6. **REQUESTS** the CEO to investigate and report to Council on opportunities to supply Photo Voltaic Systems within the current \$2,000 Solar Rebate.

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the review of sustainability initiatives for the Project, prepared by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 11 August 2016 (Item 9.7: Review of Sustainability Initiatives Plan)

Financial/Budget Implications

Expenditure under this matter will be incurred under the following items:

Item E145216 (Sales Expenditure – Direct Selling Costs):

| | |
|----------------|--------------|
| Budget Amount: | \$ 3,805,686 |
| Spent to Date: | \$ 887,745 |
| Balance: | \$ 2,917,941 |

Relevant Documents

Appendix: SPG report dated July 2016 - Catalina Sustainability Initiative Plan Review

Background

In August 2016 the Council considered a review of the Sustainability Initiatives Plan (SIP), prepared by the Satterley Property Group and approved sustainability initiatives for FYE 2017. The Council also resolved the following:

5. *ADVISES the Satterley Property Group that prior to considering the following new initiatives recommended by SPG a detailed analysis of the current initiatives is to be undertaken against the Catalina Project's competitors and provided for Council's consideration:*
 - *Mandate in the design guidelines high rated WELS appliances;*
 - *Supply of an AquaMonitor to all homes;*
 - *Reducing and recycling general waste from the Estate;*
 - *The use of recycled rubber mulch in POS and Streetscapes.*
6. *ADVISES the Satterley Property Group that the analysis in Recommendation 5 should also include advice on the achievement of sustainability outcomes, potential impacts on sales, financial and management implications and support from the City of Wanneroo (where appropriate).*

7. *REQUESTS the Satterley Property Group to provide advice on declining participation rates of the solar panel rebate and waste management initiative, to be provided at the October 2016 Council meeting.*
8. *REQUESTS the Satterley Property Group to investigate other initiatives to reduce the reliance on air conditioning to cool homes, including:*
 - *Promoting tree planting on private land;*
 - *Installation of roof insulation; and*
 - *Double-glazing.*

The purpose of the Sustainability Initiatives Plan (SIP) is to identify initiatives that the Council can undertake in the Project to meet sustainability and innovation objectives. The SIP focuses on the following key elements; water use, energy use, waste management; and general initiatives relating to civil design and construction and landscape design and construction.

Comment

As requested by the Council at its meeting of 11 August 2016 the SPG has provided further advice in the SIP to address Council's requirements. The SPG correspondence is attached at Appendix 9.13.

Competitors' Analysis

Table 1 has been provided by the SPG to compare the initiatives currently undertaken at Catalina and competing estates in the North West Corridor.

Based on Table 1 the SPG believes the sustainability initiatives being implemented at Catalina exceed those provided at the majority of competing developments in the North West corridor. There are only two competitors that exceed the number of initiatives provided at Catalina.

All researched competitors provide a landscaping package, community development, design guidelines and meet targeted dwelling densities as a minimum standard. When compared to competitors, Catalina provides an above average number of sustainability initiatives, which includes the builders waste management rebate.

The SPG has indicated that the competitors' analysis shows a trend from competitors towards fixtures and fittings, LED lighting and education as new initiatives being implemented or recommended for implementation.

Table 1 (Competitor Assessment)

| | FYE 2016 Sales | Shared Bore* | Solar Panel Rebate | Fibre Optic Service | Front Landscaping | Gas Boosted HWS | Energy Display | A/C Rebate** | LED's | Community Development | Waste Management | Design Guidelines | Dwelling Densities | Fixtures and Appliances | Rubber Mulch | Warm Asphalt | Battery Power | Waste Recycling | Education | Free WiFi |
|-----------------|-----------------------|---------------------|---------------------------|----------------------------|--------------------------|------------------------|-----------------------|---------------------|--------------|------------------------------|-------------------------|--------------------------|---------------------------|--------------------------------|---------------------|---------------------|----------------------|------------------------|------------------|------------------|
| Allara | 127 | | \$2.6 | \$1.2 | \$3.5 | | \$.36 | ✓ | \$.5 | ✓ | | ✓ | ✓ | \$.3 | | | | ✓ | ✓ | |
| Burns Beach | 41 | | | ✓ | ✓ | | | | Rec. | ✓ | | ✓ | ✓ | Rec | | | | | | |
| Eden Beach | 114 | | | \$1.2 | \$4 | | | | | | | ✓ | ✓ | | | | | | | |
| Catalina | 127 | \$3.5 | \$2 | \$1.2 | \$5 | | | | | ✓ | \$.75 | ✓ | ✓ | | | | | | | |
| Alkimos Beach | 148 | | \$2.5 | ✓ | \$2.5 | \$1.5 | \$.2 | \$.75 | \$.3 | ✓ | ✓ | ✓ | ✓ | \$.75 | | Trialled | ✓ | ✓ | ✓ | |
| Amberton | 134 | | | | ✓ | | | | | | | ✓ | ✓ | | | | | | | |
| Shorehaven | 99 | ✓ | Rec | | ✓ | | | | Rec | ✓ | | ✓ | ✓ | Rec | | | | | | |
| Trinity | 170 | | | ✓ | ✓ | | | | | ✓ | | ✓ | ✓ | | | | | | ✓ | ✓ |

*Shared Bore was trialled and has now been discontinued at Catalina

\$ denotes value of rebate (,000)

Rec = Recommended / Encouraged

✓ = Currently being implemented (costs unknown)

Given that Catalina is considered to exceed the majority of competitors on sustainability initiatives, any new initiatives proposed should demonstrate significant sustainability benefits and consideration of financial implications prior to being accepted. It is noted that the SPG has not provided any cost benefit analysis of the proposed initiatives or strategic advice on the position of the Catalina Project on this matter.

New Initiatives

Prior to considering the new initiatives, Council requested that the SPG provide advice in relation to the achievement of sustainability outcomes, potential impacts on sales, financial and management implications and support from the City of Wanneroo (where appropriate). Information and comments from the SPG are provided below for new initiatives recommended by the SPG.

- **Mandating Design Guidelines for High Rated WELS Appliances**

The SPG has recommended amending the design guidelines to mandate high rated WELS (Australia's water efficiency labelling scheme) fixtures, fittings and appliances as an effective way of reducing water consumption in the home.

The SPG has indicated that by mandating high WELS rated fixtures, fittings and appliances that there will be a potential reduction in household water consumption by in excess of 35%.

Mandating minimum requirements for fixtures, fittings and appliances will result in additional costs for the home owner of approximately \$2,500. The SPG recommends including a \$1,000 rebate to purchasers to offset the estimated costs (\$2,500) of the higher rated WELS items. The SPG notes that sales have not been impacted at Alkimos which mandates sustainability measures. The Alkimos Project provides a \$750 rebate to offset the costs associated with mandating the fixtures and appliances including televisions, fridges and washing machines.

The SPG considers the proposed costs of the \$1,000 WELS appliances rebate could be potentially offset by saving on the community bore trial. In order to qualify for the WELS appliances rebate, home owners would be required to complete an application form and provide proof of installation.

It is considered that this initiative could provide significant sustainability benefits and is therefore supported. If approved the budget will need to be updated to include the additional costs of the WELS Appliances Rebate.

- **AquaMonitor**

The installation of a water usage monitor such as the AquaMonitor provides the potential for home owners to see real time water usage, track usage and compare previous days/weeks/months. The AquaMonitor is designed for installation by the homeowner.

The SPG recommends that an AquaMonitor is provided to the purchaser free of cost by the TPRC (\$249 per home). The SPG is not aware of any competitors using the AquaMonitor or a similar product.

The SPG has not adequately addressed management of the AquaMonitor in terms of installation and potential review of sustainability outcomes.

Whilst potentially a useful initiative, there are management issues associated with installation that the SPG has not addressed. There is no current provision for the costs of the AquaMonitor in the FYE 2017 Budget, which will need to be updated if supported.

- Recycling General Waste

The SPG recommends installing separate waste receptacles for general and recyclable waste in public spaces and the provision of a biannual green waste collection.

In order to encourage recycling the SPG recommends that the TPRC install waste infrastructure in public spaces to encourage recycling. The recycling facilities would be required to be maintained by the TPRC until handed over to the City of Wanneroo. Costs associated with the facilities, collection and management have not been provided by the SPG.

The City of Wanneroo currently allow for one bulk collection of green waste per household per annum. Preliminary discussions with the City of Wanneroo indicates some support for a second green waste collection at a centralised point, however, no support to take over recycling bins in POS areas.

Alkimos Beach currently provides recycling facilities in POS and Allara is currently exploring the installation of composting facilities in a centralised recycling point.

The consideration to install additional recycling bins in public spaces and a biannual green waste collection has merit, however, details on costs and management require further examination prior to TPRC commitment.

It is noted that the City of Wanneroo has significant campaigns/strategies to encourage recycling. It is also noted that the MRC facility, which also has significant recycling infrastructure and strategies to encourage recycling, is located adjacent to the Catalina Estate. Before the TPRC commits to establishing its own facilities there should be greater liaison with both the City of Wanneroo and MRC regarding combining strategies and facilities.

- Recycled Rubber in POS and Streetscapes

The SPG advice is that recycled rubber mulch is long lasting and has higher soil moisture retention properties when compared to conventional mulch. The SPG has confirmed that the Water Corporation has endorsed the use of recycled 'Endure Rubber Mulch'.

The SPG indicated that the benefits of rubber mulch include:

- Long lasting – approximately 10-20 years;
- Retains water – approximate 10% savings;
- Environmentally friendly – 100% recycled rubber tyres and non-toxic;
- Does not attract insects unlike woodchip mulch.

The cost of rubber mulch (\$24m²) is significantly higher than conventional mulch (\$7.73m²), however the SPG believes ongoing maintenance costs will be reduced.

Preliminary advice from the City of Wanneroo suggests that the use of rubber mulch in public open space areas would not be supported due to the difficulties and expense associated with removing contaminants. At present no Estate in the North/West corridor uses rubber mulch.

Given the additional costs associated and reluctance from the City of Wanneroo, the use of rubber mulch is not supported.

Solar Panel and Waste Management Rebates

The SPG was requested to provide advice on the declining participation rates on the Solar Panel and Waste Management rebates.

- Solar Panel Rebates

The provision of the solar panel rebate allows purchasers of all lots within Catalina to claim a \$2,000 rebate subject to the installation of solar panels with a minimum 1.5kw convertor within a specified period. To date 163 purchasers have claimed the rebate out of the 681 homes that have been completed, indicating a take up rate of 24%.

The SPG attributes the low take up rate to purchaser awareness and has proposed promoting the rebate when approving of building plan concepts, to provide ongoing after sales communications with purchasers and reminders on rebate entitlements.

- Waste Management Rebate

The 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.

A total of 153 homes are participating in the program to date out of 681 homes that have the opportunity to participate, indicating a participation rate of 22%. The SPG attributes falling participation rates to builder awareness of the rebate and process. The SPG advises that feedback from the builders is that the rebate value is appropriate.

The SPG proposes that additional communication be provided to the builders to increase awareness of the rebate entitlements and the administrative procedure for qualification.

The SPG is in the process of establishing automated notifications to builders for the Catalina Estate. The SPG will provide details of the rebate and instructions for builders to promote greater awareness.

The 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.

Initiatives to reduce reliance on Air Conditioners

As per the Council's request the SPG has provided the following advice on other initiatives to be considered to reduce the reliance on air conditioning units to cool homes.

- Promoting of shading devices and tree planting on private land

The SPG supports the provision of shade to buildings and believes the Design Guidelines should be amended to recommend the use of shade structures including trees around the home to mitigate the impacts of direct sun light on walls, windows and roofs. The SPG considers that these design elements should be included as recommended design requirements.

It is noted that the existing Design Guidelines do provide recommendations on shading structures/vegetation and cross ventilation elements. The SPG advice to provide additional recommendations on shading structures/vegetation in the Design Guidelines is supported.

- Roof Insulation

The SPG does not support mandating the use of energy efficient roof insulation due to the additional costs that would be incurred by homeowners and the potential impact it may have on land sales.

The SPG considers that the Design Guidelines should be amended to recommend the use of a minimum R4.1 roof insulation and R2.8 wall insulation.

It is noted that the existing Design Guidelines do provide recommendations on insulation. The SPG advice to provide specific recommendations on higher rated insulation in the Design Guidelines is supported.

- Double Glazing

The existing Design Guidelines seek to promote passive solar design however, additional recommendations may be incorporated into the Design Guidelines to further promote the use of thermally effective glazing.

The SPG notes that thermally effective glazing can reduce the amount of heat that is conducted through the glass by around 30% compared to ordinary glass. However, it has concerns that the additional costs associated with the installation (approximately \$80/m²) would be prohibitive and potentially impact land sales.

The SPG consider the use of thermally effective glazing should be recommended rather than mandated through the Design Guidelines.

The SPG advice to include recommendations on the use thermally effective glazing in the Design Guidelines is supported.

Conclusion

The updated SIP provides a review of the current initiatives undertaken by the TPRC at the Catalina Estate and its competitors. The SPG believes the sustainability initiatives being implemented at Catalina exceed those provided at the majority of competing developments in the North West Corridor.

The revised Catalina Sustainability Initiative Plan (July 2016) provided by the SPG generally provides good guidance for the Council on competitors' sustainability initiatives and potential sustainability benefits of proposed new initiatives.

Given that Catalina is considered to exceed the majority of competitors on sustainability initiatives, new initiatives should demonstrate significant sustainability benefits and consideration of financial implications prior to being accepted. It is noted that the SPG has not provided any cost benefit analysis of the proposed initiatives or strategic advice on the position of Catalina Project on this matter.

Based on the SPG advice provided the following actions are recommended to Council:

1. APPROVES Mandating High Rated WELS Fixtures and Appliances in the Catalina Design Guidelines and a \$1,000 rebate to be paid to home owners subject to conditions including; validation period, meeting minimum specification requirements and proof of installation.

2. APPROVES modifications to the Catalina Central Design Guidelines to recommend the use of the following:
 - Shading structures/vegetation and cross ventilation elements to mitigate the impacts of direct sun light on walls, windows and roofs.
 - A minimum R4.1 roof insulation and R2.8 wall insulation.
 - Use of thermally effective glazing.
3. NOT APPROVE the following Satterley Property Group proposed new initiatives:
 - The provision of an AquaMonitor to residents.
 - The Recycling General Waste proposals given the uncertainty about costs and on-going management and REQUESTS that the Satterley Property Group undertake further liaison with both the City of Wanneroo and Mindarie Regional Council regarding the potential of combining recycling strategies and facilities prior to the TPRC committing to establishing its own facilities.
 - The provision of Recycled Rubber in POS and Streetscapes until the additional costs and support from the City of Wanneroo can be resolved.
4. REQUESTS the Satterley Property Group to provide as a matter of urgency the following:
 - After sales communications to purchasers and additional reminders on Solar Panel rebate entitlements.
 - Additional communication to builders to ensure greater awareness of the waste rebate entitlements and advice on the administrative procedure requirements to achieve the rebate.

At its meeting of 15 September 2016 the Management Committee considered the updated Sustainability Initiatives Plan, prepared by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVES the revised Catalina Sustainability Initiative Plan (July 2016) prepared by the Satterley Property Group.*
2. *APPROVES Mandating High Rated WELS Fixtures and Appliances in the Catalina Design Guidelines and AGREES to a \$1,000 rebate to be paid to home owners subject to conditions including; validation period, minimum requirements and proof of installation.*
3. *APPROVES modifications to the Catalina Design Guidelines to recommend the use of the following:*
 - *Shading structures/vegetation and cross ventilation elements to mitigate the impacts of direct sun light on walls, windows and roofs.*
 - *A minimum R4.1 roof insulation and R2.8 wall insulation.*
 - *Use of thermally effective glazing.*
4. *NOT APPROVE the following Satterley Property Group proposed new initiatives:*
 - *The provision of an AquaMonitor to residents.*
 - *The Recycling General Waste proposals at this time given uncertainty about costs and management. REQUESTS that Satterley Property Group undertake greater liaison with both the City of Wanneroo and MRC regarding combining recycling strategies and facilities prior to the TPRC committing to establishing its own facilities.*

- *The provision of Recycled Rubber in POS and Streetscapes until the additional costs and support from the City of Wanneroo can be resolved.*
5. *REQUESTS the Satterley Property Group to provide as a matter of urgency the following:*
- *After sales communications to purchasers and additional reminders on Solar Panel rebate entitlements.*
 - *Additional communication to builders to ensure they are aware of the waste rebate entitlements and advice on the administrative procedure requirements to follow to achieve the rebate.*
6. *REQUESTS the CEO to investigate and report to Council on opportunities to supply Photo Voltaic Systems within the current \$2,000 Solar Rebate.*

9.14 CATALINA DISPLAY VILLAGE STRATEGY

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

1. **RECEIVES** the Display Village Strategy update prepared by the Satterley Property Group dated September 2016.
2. **APPROVES** the following:
 - (a) The use of Lot 2094 as a Sales Office and Lot 2137 (Group Housing site) as a parking area for the Sales Office and Display Village 3.
 - (b) Budget allocations for the Sales Office and car park as follows:
 - Sales Office construction: \$600,000 FYE2018/2019
 - Sales Office Car Park construction: \$240,000 FYE2019
 - Sales Office Fit out and Furniture: \$ 50,000 FYE2020
 - Sales Office and Display Village Landscaping: \$354,969 FYE2019
 - (c) Lot 2094 and Lot 2137 being retained in Council ownership until the completion of the Sales Office function when both sites will be sold and **REQUESTS** the Satterley Property Group to undertake an annual review of the sale and lease back option to determine it reflects the best position for the TPRC.
 - (d) The Sales Office building to comprise a two-storey home based on a contemporary beachside design, incorporating glazing, concrete and weatherboard elements.
 - (e) The Sales Office to include the following sustainability initiatives:
 - High star rated electrical and water using appliances;
 - Solar hot water system;
 - Photovoltaic cells system;
 - Shade devices that allow northern winter sun to living areas and prevent summer sun access;
 - Passive solar design; and
 - Effective cross ventilation of the building.
 - (f) The Sales Office building to have a minimum 7 star NatHERS rating.
 - (g) A Tender to select a builder for the construction of the Sales Office building, based on requirements (a) - (f).

Voting Requirements

Simple Majority

Report Purpose

To consider an update to the Catalina Display Villages Strategy on the Sales Office form, design, operation and detailed costs and reference to the TPRC Budget.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

Expenditure under this matter will be incurred under Item E145211 (Land Develop – Lot Production):

| | |
|----------------|--------------|
| Budget Amount: | \$10,717,375 |
| Spent to Date: | \$ 362,875 |
| Balance: | \$10,354,500 |

Relevant Documents

Appendix: SPG – Display Village Strategy

Background

At its meeting of 21 April 2016 the Council considered the Display Village Strategy, prepared by the Satterley Property Group dated March 2016, and resolved as follows;

1. *APPROVES the location of Catalina Beach Display Village (DV3), the commercial terms and conditions and the release of lots 2122 to 2136 as builders display lots in accordance with the Selection and Allocation Process, as detailed in the Display Village Strategy (dated March 2016).*
2. *APPROVES the use of lot 2094 as a Sales Office for the Catalina Project and lot 2137 for an associated car park for the Catalina Beach and Catalina Grove Precincts for 2018, subject to the Satterley Property Group providing specific details on the form, design, operation and detailed costs and reference to the TPRC budget for Council.*
3. *ADVISES the Satterley Property Group that approval to the proposals for the Catalina Beach Display Village (DV4) and Catalina Grove Display Village (DV5) is considered premature at this stage.*

Comment

The SPG has updated the Display Village Strategy to address Council's request for specific details on the Sales Office form, design, operation, detailed costs and TPRC budget for Council's consideration. A copy of the updated Strategy is attached at Appendix 9.14.

Sales Office

A new Sales Office is proposed to service the Display Villages (DV3 and DV5) in Catalina Beach. The Sales Office is anticipated to be open for a minimum of 6 years.

The Sales Office site (Lot 2094) has been strategically chosen due to its high visibility from Marmion Avenue and prominence when entering Catalina Beach, making it an appropriate site for a Sales Office.

The Sales Office site is to be located adjacent a Group Housing site (Lot 2137) which is proposed to be used as a parking area for Display Village 3 and the Sales Office.

Costs

The Sales Office, car park and associated costs have been identified by SPG as:

| | | |
|--|-----------|-----------------------|
| Sales Office construction: | \$600,000 | Budgeted FYE2018/2019 |
| Sales Office car park construction: | \$240,000 | Budgeted FYE2019 |
| Sales Office fit out and furniture: | \$ 50,000 | Budgeted FYE2020 |
| Sales Office and car park landscaping: | \$354,969 | Budgeted FYE2019 |

Display Village 3 is planned to commence operation in October 2018. It is proposed that the Sales Office, associated car park and landscaping would be completed prior to October 2018. Sales for the initial stages of Catalina Beach are proposed to be conducted from the existing Sales Office, until the completion of the Catalina Beach Sales Office.

Tenure of Sales Office/Car Park

The SPG has indicated that the Sales Office / Car Park sites could be sold with a lease back arrangement for the duration of the sales function, planned to be potentially 6 years, based on a lease back rate of 7%.

Alternatively, the TPRC could retain ownership of the lots and sell the Sales Office building/lot and Group Housing site when the sales function is complete and capitalise on potential market uplift.

The SPG's advice is that the Sales Office (\$900K) and Car Park (\$1.8M) have a combined estimated value of \$2.7M. Based on a 7% lease rate, nominated by the SPG, the annual lease repayment would be \$189,000 and potentially a total of \$1.13M for the six year operation period of the Sales Office.

The SPG has recommended that the Council retain ownership for the present time and sell the Sales Office and Group Housing site at the end of sales function to realise any potential increase in market value over the six years.

The SPG's recommendation to retain ownership of the Sales Office and car park lot is supported. This will also enable the TPRC to maintain full control over the site and capitalise on expected market value. However, it is recommended that the SPG undertake an annual review of the sale and lease back options to determine that it reflects the best position for the TPRC.

Sales Office Design

The Sales Office lot (Lot 2094) is rear loaded, with an 8.5m frontage and total land area of 255m². The SPG proposes that the Sales Office building should be designed to enable its subsequent conversion into a 4 bedroom, 2 bathroom home once the sales function is complete. This approach has been taken with the Sales Office in Catalina Central.

The SPG proposes a Sales Office building that is coastal themed to compliment the coastal location and to set a high standard for the Catalina Beach Estate. SPG proposes the built

form to include elements of brick, stone and timber cladding that is of a 'Hamptons' style with soft/pale colours.

Whilst a 'Hamptons' style could present an attractive and interesting built form on the entrance to Catalina Beach, it is not likely to be a reflection of the housing to be built at Catalina Beach. A contemporary beachside design may be more appropriate for the site, include glazing, concrete and weatherboard elements which provide a more Australian coastal appeal. The contemporary beach side design would be appropriate and more consistent with the marketing direction taken for Catalina Beach.

The internal design will be required to provide for a large open plan functional display area on the ground floor. A design brief will be prepared to ensure the building is designed with efficient and adaptable floor plans to balance the function of the Sales Office with the end purpose as a home.

The Sales Office will be designed for subsequent conversion to accommodate a four bedroom two bathroom home at the completion of the Sales Office function to maximise returns to the TPRC.

The internal and exterior design will need to provide a strong visual and pedestrian connection from the car park and to the significant entrance POS (located along the Greenlink) that will have play equipment and glimpses to the ocean.

Sustainability

The Sales Office building provides an opportunity to demonstrate sustainability initiatives being undertaken in the Project.

The Sales Office is recommended to include the following sustainability initiatives:

- High star rated electrical and water using appliances;
- Solar hot water system;
- Photovoltaic cells/system;
- Shade devices that allow northern winter sun to living areas and prevent summer sun access;
- Passive solar design; and
- Cross ventilation for cooling.

In order to demonstrate Council's objective of sustainability it is recommended that, the Sales Office is designed and constructed to meet a minimum NatHERS star rating of 7. The additional costs to achieve a 7 star rating are estimated at \$10,000 compared to the mandatory 6 star requirement.

Sales Office Operation

The location of the proposed Car Park will provide visitors direct access to the Sales Office and Display Village.

The Sales Office hours of operation are proposed to be:

| | |
|-------------------------------|------------------|
| Monday – Wednesday and Friday | 12.00pm – 5.00pm |
| Saturday – Sunday | 12.00pm – 5.00pm |

Conclusion

The Display Village Strategy update provided by the SPG generally provides good guidance for the Council on the Sales Office and the associated car park form, design, operation and budget considerations.

It is intended that the SPG requirements form, design, operation and budget considerations would be incorporated in a Tender to select a builder for the Sales Office.

It is recommended that the Council approve the following:

- (a) The use of Lot 2094 as a Sales Office and Lot 2137 (Group Housing site) as a parking area for the Sales Office and Display Village 3.
- (b) Budget allocations for the Sales Office and car park as follows:

| | | |
|---|-----------|--------------|
| • Sales Office construction: | \$600,000 | FYE2018/2019 |
| • Sales Office Car Park construction: | \$240,000 | FYE2019 |
| • Sales Office Fit out and Furniture: | \$50,000 | FYE2020 |
| • Sales Office and Display Village Landscaping: | \$354,969 | FYE2019 |
- (c) That Lots 2094 and 2137 be retained in Council ownership until the completion of the Sales Office function when both sites will be sold and REQUESTS the Satterley Property Group to undertake an annual review of the sale and lease back option to determine it reflects the best position for the TPRC.
- (d) The Sales Office building to comprise a two-storey home based on a contemporary beachside design, incorporating glazing, concrete and weatherboard elements.
- (e) The Sales Office to include the following sustainability initiatives:
 - High star rated electrical and water using appliances;
 - Solar hot water system;
 - Photovoltaic cells system;
 - Shade devices that allow northern winter sun to living areas and prevent summer sun access;
 - Passive solar design; and
 - Effective cross ventilation of the building.
- (f) The Sales Office building to have a minimum 7 star NatHERS rating.
- (g) A Tender to select a builder for the construction of the Sales Office building, based on requirements (a) - (f).

At its meeting of 15 September 2016 the Management Committee considered the Catalina Sales Village Strategy, prepared by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVES the Display Village Strategy update prepared by the Satterley Property Group dated March 2016.*
2. *APPROVES the following:*
 - (a) *The use of Lot 2094 as a Sales Office and Lot 2137 (Group Housing site) as a parking area for the Sales Office and Display Village 3.*

(b) Budget allocations for the Sales Office and car park as follows:

| | | |
|--|-----------|--------------|
| • Sales Office construction: | \$600,000 | FYE2018/2019 |
| • Sales Office Car Park construction: | \$240,000 | FYE2019 |
| • Sales Office Fit out and Furniture: | \$ 50,000 | FYE2020 |
| • Sales Office and Car Park Landscaping: | \$354,969 | FYE2019 |

(c) That Lot 2094 as a Sales Office and Lot 2137(Group Housing site) be retained in Council ownership until the completion of the Sales Office function when both sites will be sold. However, a review of the sale and lease back option is to be undertaken annually to determine it reflects the best position for the TPRC.

(d) The Sales Office to be a contemporary beachside design, incorporating glazing, concrete and weatherboard elements to provide a more Australian coastal appeal.

(e) The Sales Office to include the following sustainability initiatives:

- Installation of high star rated electrical and water using appliances;
- Installation of a solar hot water system;
- Installation of photovoltaic cells;
- Incorporation of shade devices that allow northern winter sun to living areas and prevent summer sun access;
- Passive solar design by locating the dwellings daytime living areas and their associated openings to a north facing aspect where practical; and
- 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.

(f) The Sales Office to have a minimum 7 star NatHERS rating.

(g) A Tender to select a builder for the construction of the Sales Office, based on the above requirements (a) - (f).

7. REQUESTS that the Satterley Property Group provides a report to Council as per Recommendation 2(c) above on the potential sale and lease back of the Sales Office and car park sites annually.

9.15 REVIEW OF CATALINA SALES OFFICE OPENING HOURS

Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

Recommendation

That the Council:

- 1. RECEIVES the Satterley Property Group correspondence on the revised opening hours for the Catalina Sales Office, dated 22 September 2016.**
- 2. APPROVES the extension of the current revised Sales Office opening hours (approved by Council in February 2016) for a further 6 months, until the end of April 2017.**
- 3. REQUESTS the Satterley Property Group to provide a comprehensive report on the operation of the revised Sales Office opening hours, including advice on competing estates, sales against budget and feedback from the public and display builders to be presented for Council's consideration at its April 2017 meeting.**

Voting Requirements

Simple Majority

Report Purpose

To consider a report from the Satterley Property Group on the trial Sales Office opening hours at Catalina.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 18 February 2016 (Item 9.8– Review of Catalina Sales Office Opening Hours)
- Council Meeting – 10 December 2015 (Item 9.11 – Review of Catalina Sales Office Opening Hours)

Financial/Budget Implications

N/A

Relevant Documents

Appendix: Satterley Property Group correspondence dated 22 September 2016.

Background

At its meeting of 19 August 2010 the Council approved the Development Management Agreement (17 August 2010) between TPRC and the Satterley Property Group Pty Ltd. The Development Management Agreement (DMA) confirms Satterley Property Group's tender proposal that the Sales Office would be opened 10am – 5pm Monday to Thursday, Saturday and Sunday.

At its meeting of 11 December 2014 the Council considered a request from the Satterley Property Group (SPG) seeking approval to vary the Catalina Sales Office Opening Hours under the Development Management Agreement (17 August 2010) and resolved to:

1. *APPROVE the revised opening hours for the Catalina Sales Office of Monday – Sunday 12pm – 5pm, with the office closed on Thursday, for a 12 month period with a review to be provided to Council at its December 2015 meeting. Subject to the Satterley Property Group providing 2 sales representatives to work at the Catalina Sales Office on Saturday - Monday and public holidays.*
2. *ADVISE the Satterley Property Group that a report on the trial of the revised opening hours for the Catalina Sales Office based on sales against budget and feedback from the public and display builders will be required to be presented for Council's consideration at its December 2015 meeting.*

At its meeting of 18 February 2016 the Council considered a request from the SPG seeking approval to further vary the Catalina Sales Office opening hours under the Development Management Agreement (17 August 2010). The SPG proposal would have result in the Sales Office being open five days a week instead of the six days required under the Development Managers Agreement. The proposed change was not supported with Council approving the extension of the revised Sales Office opening hours, as per the below.

The Council resolved to:

1. *RECEIVE the Satterley Property Group correspondence on the proposed revised opening hours for the Catalina Sales Office, dated 14 January 2016.*
2. *APPROVE the extension of the current trial Sales Office opening hours (approved by Council in December 2014) for a further 6 months, until the end of July 2016.*
3. *REQUEST the Satterley Property Group to provide a comprehensive report on the operation of the trial Sales Office opening hours, including advice on competing estates, sales against budget and feedback from the public and display builders to be presented for Council's consideration at its October 2016 meeting.*

Comment

The Satterley Property Group has provided a report on the revised opening hours as requested by Council. A copy of the SPG correspondence is attached at Appendix 9.15.

The SPG indicates that over the past five months the Sales Office has been operating well with budgeted sales being exceeded in each month to September, with 43 sales achieved against a budget of 32 to September.

The SPG has also noted that market share was maintained during the last 12 months and that pedestrian traffic levels are still low in the soft market conditions.

A comparison of the original Development Management Agreement hours and current revised opening hours is provided below.

| Day | DMA - Opening Hours | Revised - Opening Hours |
|--------------------------|-----------------------------|--------------------------------|
| Monday | 10am – 5pm (1 x Sales Rep.) | 12pm – 5pm (2 x Sales Reps.) |
| Tuesday | 10am – 5pm (1 x Sales Rep.) | 12pm – 5pm (2 x Sales Reps.) |
| Wednesday | 10am – 5pm (1 x Sales Rep.) | 12pm – 5pm (1 x Sales Rep.) |
| Thursday | 10am – 5pm (1 x Sales Rep.) | Closed |
| Friday | Closed | 12pm – 5pm (1 x Sales Rep.) |
| Saturday | 10am – 5pm (1 x Sales Rep.) | 12pm – 5pm (2 x Sales Reps.) |
| Sunday | 10am – 5pm (1 x Sales Rep.) | 12pm – 5pm (2 x Sales Reps.) |
| Total Hours Open | 42 hours | 30 hours |
| Total Staff Hours | 42 hours | 50 hours |

The current opening hours for the Sales Office were approved by Council on a trial basis only. At the time it was acknowledged that this was a significant departure from the Development Management Agreement which required the Sales Office to be open six days a week for longer hours.

The SPG has provided the following information on Sales Office days/opening hours of competing estates, including SPG estates.

| Estate | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | Sunday | Hours |
|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|--------------|
| Brighton | 12pm-5pm | 12pm-5pm | 12pm-5pm | 12pm-5pm | CLOSED | 12pm-5pm | 12pm-5pm | 30 |
| Eden Beach | 12pm-5pm | 12pm-5pm | 12pm-5pm | 12pm-5pm | CLOSED | 12pm-5pm | 12pm-5pm | 30 |
| Trinity | 2pm-5pm | 9am-5pm | 9am-5pm | 9am-5pm | 9am-5pm | 1pm-5pm | 1pm-5pm | 43 |
| Alkimos Beach | 9am-5pm | 9am-5pm | 9am-5pm | 9am-5pm | 9am-5pm | 9am-5pm | 9am-5pm | 56 |
| Shorehaven | 1pm-5pm | 1pm-5pm | 1pm-5pm | CLOSED | CLOSED | 1pm-5pm | 1pm-5pm | 20 |
| Amberton | 1pm-5pm | 10am-5pm | 10am-5pm | 10am-5pm | 10am-5pm | 10am-5pm | 10am-5pm | 46 |
| Allara | 12pm-5pm | 12pm-5pm | 12pm-5pm | CLOSED | CLOSED | 10:30am-5pm | 10:30am-5pm | 28 |
| Vertex | 1pm-5pm | 1pm-5pm | 1pm-5pm | CLOSED | CLOSED | 1pm-5pm | 1pm-5pm | 20 |
| Catalina | 12pm-5pm | 12pm-5pm | 12pm-5pm | CLOSED | 12pm-5pm | 12pm-5pm | 12pm-5pm | 30 |

The table indicates that three out of the eight Sales Offices are open all week and have longer opening hours. Two have the same opening days/hours as Catalina. The remaining three estates are open five days and have lower opening hours than Catalina.

The SPG has highlighted the importance of maintaining a strong relationship with the builders as 60% of leads are currently being generated by the builders. The current trial arrangement has two sales staff in the Sales Office on four days which allows the builders to be well serviced, while maintaining a presence at the office.

The SPG information indicates that 30% of visitations to the office are midweek; (Tuesday, Wednesday and Friday) it is therefore important to continue providing flexible access to the Sales Office during the week to service customers.

The options available to the TPRC are:

1. Require opening hours in accordance with the Development Management Agreement - Sales Office is open six days a week;
2. Agree to an extension of the current revised opening hours - Sales Office is open six days a week, with two sales representatives during the majority of opening hours;

As already indicated the current Sales Office opening hours represents a reduction from the Development Management Agreement of 42 hours to 30 hours. Based on visitor traffic, feedback from builders and sales exceeding budget, the revised Sales Office opening hours are considered to be meeting the needs of the prospective purchasers and builders.

It is also noted that under the revised opening hours the Sales Office is still open six days a week and on four of the six days the Sales Office is serviced by two sales representatives.

The extension to the revised operating hours for the Sales Office (approved by Council in December 2014) for a further 6 months is supported. It is further recommended that the Satterley Property Group be requested to provide a comprehensive report on the operation of the trial Sales Office opening hours, including advice on competing estates, sales against budget and feedback from the public and display builders to be presented for Council's consideration at its April 2017 meeting.

9.16 CHARITY HOME SPONSORSHIP POLICY REVIEW

Report Information

Reporting Officer: Project Coordinator

File Reference: 4.123.760

Recommendation

That Council APPROVES the Charity Home Sponsorship Policy (September 2016).

Voting Requirements

Simple Majority

Report Purpose

To review the Charity Home Sponsorship Policy.

Relevant Documents

Appendix: Charity Home Sponsorship Policy (September 2016)

Policy Reference

Existing Charity Home Sponsorship Policy (May 2012)

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 21 June 2012 (Item 9.5 – Draft Charity Home Sponsorship Policy)

Financial/Budget Implications

N/A

Background

In June 2012 the Council approved the Draft Charity Sponsorship Policy.

The purpose of the Charity Home Sponsorship Policy is to provide guidance to the Council for proposals seeking TPRC support of a charity home project within the Catalina Estate.

To date one charity home site has been provided, which was to the Telethon Home Trust. The home was completed and auctioned in October 2015.

Comment

To date the Policy has provided a sound process for the award of charity home sites.

The objectives and considerations of the Policy include:

- Define the Council's expectations and requirements;

- Define the recurrence, parameters and extent of sponsorship by the TPRC of charity homes within the Catalina Estate;
- Ensure sponsorship of charity homes is compatible with the achievement of the Council's objectives;
- Define the processes that proposals for sponsorship of charity homes are to be received, assessed and approved by within the Catalina Estate; and
- Governance and local government requirements.

Major land developments, such as the Catalina Project, commonly receive requests from organizations for sponsorship of charity home projects. The type of organizations seeking sponsorship, and the nature of support can vary considerably. The Charity Home Sponsorship Policy will provide guidance to the Council when considering TPRC support of a charity home project within the Catalina Estate.

The Policy is considered to provide clear guidelines to the public and a sound process for determining applications for sponsorship of a charity home.

The Charity Home Sponsorship Policy (September 2016) includes minor modifications and is recommended for adoption.

At its meeting of 15 September 2016 the Management Committee resolved to recommend that Council APPROVES the Charity Home Sponsorship Policy (September 2016).

**9.17 REQUEST FOR CHARITY HOME SITE - CATALINA (TELETHON TRUST) –
CONFIDENTIAL ITEM**

**9.18 CENTRAL PRECINCT LOCAL CENTRE SITE TENDER ASSESSMENT –
CONFIDENTIAL ITEM**

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

APPENDICES