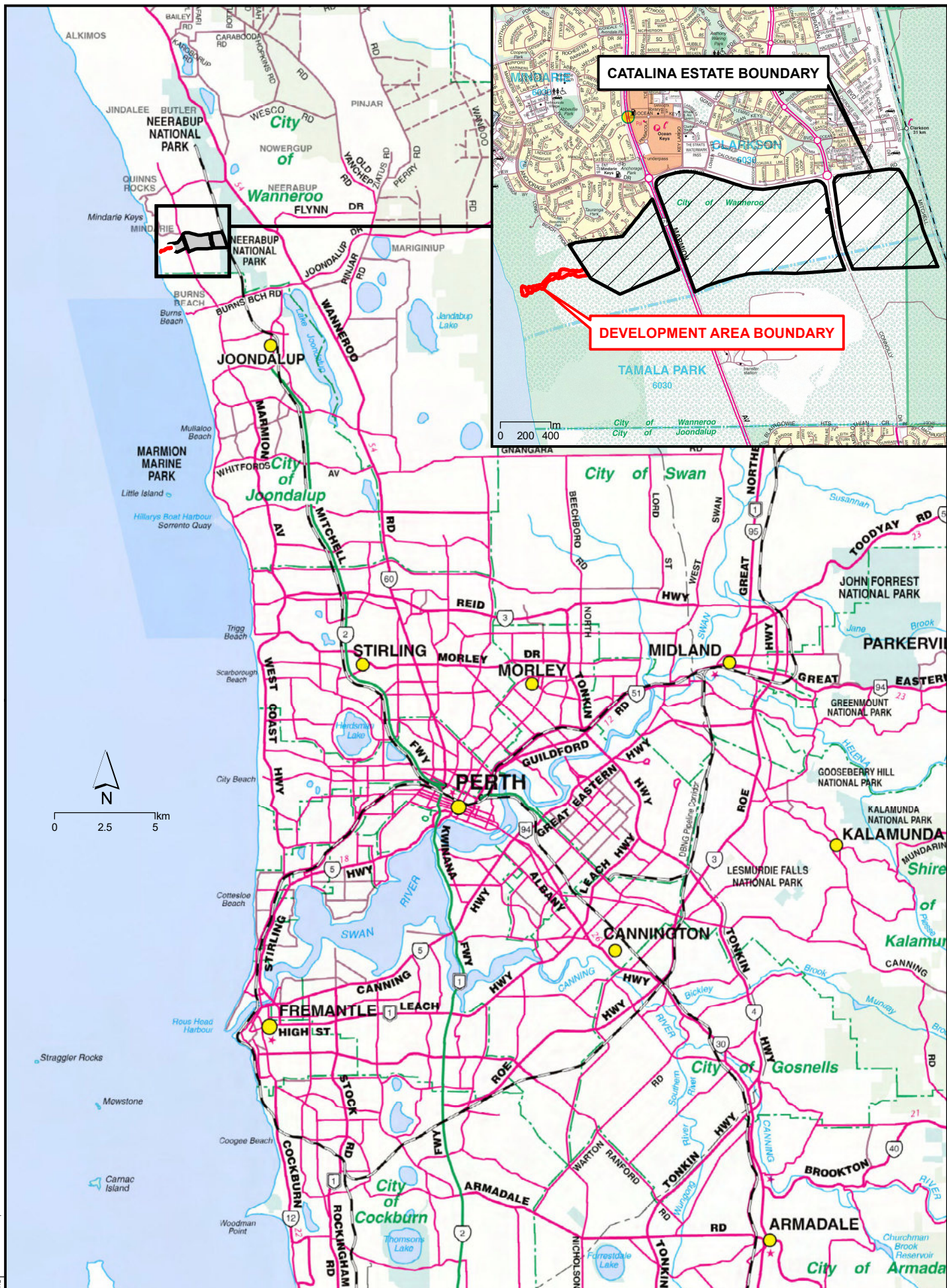


# **Appendix 9.1**

Landscape Works	FYE 2017 Budget	Detail Design	City of Wanneroo Approval	Proposed Construction Commencement	Proposed Completion	Comments
Biodiversity Conservation Area (South) – Interpretive signage, revegetation and access paths	\$331,325.00	Complete	May 2017	June 2017	August 2017	Contract for revegetation works and pedestrian path construction anticipated to be awarded in June with construction anticipated to be complete in August. Interpretive signage to be installed June-August.
Biodiversity Conservation Area (North)	\$116,147.00	Complete	Feb 2015	May 2017	June 2017	Interpretive signage to be installed June-August
Stage 9 Landscaping and 11 Streetscaping	\$95,700.00	Complete	N/A	April 2017	June 2017	Works underway (90% complete) Forecast PC 9 <sup>th</sup> June 2017.
Aviator Boulevard Entry Statement	\$116,667.00	Complete	March 2017	April 2017	June 2017	Works completed in June and include the installation of 13 mature Norfolk's within the entry off Marmion Avenue.
Catalina Central Street Tree Improvements	\$300,000.00	Complete	March 2017	April 2017	June 2017	Works underway (95% complete) Forecast PC 9 <sup>th</sup> June 2017.
Stage 14B Landscaping (Phase 1 - Neerabup Road)	\$268,000.00	Complete	August 2016	April 2017	September 2017	The works were delayed due to the upgrade of Neerabup Road. Construction on the Phase 1 works has commenced (10% complete). PC targeted for 8 <sup>th</sup> September 2017.
Stage 15 Landscaping Phase 2 – Neerabup Road)	\$315,000.00	Complete	August 2016	April 2017	September 2017	Phase 2 works to commence September 2017.
Marmion Ave Eastern Verge	\$236,025.00	Complete	August 2016	March 2017	June 2017	Works underway (85% complete) Forecast PC 9 <sup>th</sup> June 2017.
Stage 12 and 13 Landscaping <ul style="list-style-type: none"> <li>Medians</li> <li>Lot Verges</li> <li>Green Link</li> </ul>	\$1,395,714	Complete Complete Pending	March 2017 N/A	<ul style="list-style-type: none"> <li>May 2017</li> <li>June 2017</li> <li>October</li> </ul>	<ul style="list-style-type: none"> <li>June 2017</li> <li>July 2017</li> <li>November</li> </ul>	<ul style="list-style-type: none"> <li>Works completed in June.</li> <li>Works anticipated to be awarded in June and commence in July 2017</li> <li>Design to be finalised in July and construction works to occur FYE 18</li> </ul>
Catalina Beach Landscaping Works <ul style="list-style-type: none"> <li>Linear POS</li> <li>Entry</li> <li>Median</li> <li>Marmion Avenue Verge</li> </ul>	\$2,655,357.00	Complete	May 2017	April 2017	September 2017	Detailed designs are being updated to reflect the City of Wanneroo approval. Works are to commence in July, with the Marmion Avenue Verge (northern section) works to commence once the waste water pressure main has been installed along Marmion Avenue.
Stage 6 McAllister Boulevard Verge Stairs	\$148,560.00	Complete	N/A	June 2017	July 2017	Construction anticipated to commence in July.
Stage 11 POS Phase 2	\$750,000	Complete	April 2017	July 2017	October 17	Construction to commence in July in accordance with the City of Wanneroo approval.



**COTERRA**  
ENVIRONMENT

Job: SATCAT07b  
Doc: 001  
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E: info@coterra.com.au

Tamala Park Regional Council  
FORESHORE MANAGEMENT PLAN  
LOT 15448 & 3050 TAMALA PARK

**SITE LOCATION**

Appendix Page 3

**Figure 1**



This plan has been prepared for general information purposes only and uses potentially uncontrolled data from external sources. CLE does not guarantee the accuracy of this plan and it should not be used for any detailed site design. This plan remains the property of CLE.

#### CARPARK

- 24 STANDARD BAYS (2.5m X 5.5m)
- 1 DISABLED BAY (2.5m X 5.5m)
- 1 DISABLED SHARED SPACE (2.5m X 5.5m)
- 6.0m WIDE AISLE

#### POSSIBLE LOCATION FOR PUBLIC AMENITIES. (BY OTHERS)

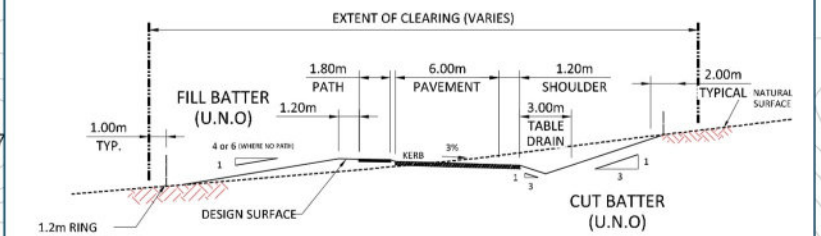
- approx 15m X 5m

#### POSSIBLE LOCATION FOR SURF LIFE SAVERS EQUIPMENT AND STORAGE. (BY OTHERS)

- approx 10m X 5m

#### LEGEND

- EXTENT OF CLEARING FOR ROAD, CARPARK AND ABLUTIONS.
- ROAD 'RESERVE' (13.2m approx.)
- PROPOSED PATH



TYPICAL SECTION THROUGH BEACH ACCESS ROAD

All engineering detail shown on this plan by Cossill and Webley Consulting Engineers (6037-CB-SK02\_A).

**COTERRA**  
ENVIRONMENT

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Tamala Park Regional Council  
FORESHORE MANAGEMENT PLAN  
LOT 15448 & 3050 TAMALA PARK

**BEACH ACCESS INFRASTRUCTURE**  
**CONCEPT PLAN**

Page 4

Figure 2



## **Appendix 9.2**

**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

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**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

	NOTE	30 April 2017 Actual \$	30 April 2017 Y-T-D Budget \$	2016/17 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b><u>Operating</u></b>					
<b>Revenues</b>	1,2				
Interest Earnings		1,036,227	1,033,668	1,300,000	0.25%
Other Revenue		4,940	0	3,621	0.00%
		1,041,167	1,033,668	1,303,621	0.73%
<b>Expenses</b>	1,2				
Employee Costs		(451,661)	(592,472)	(677,021)	(23.77%)
Materials and Contracts Other		(171,109)	(382,880)	(447,929)	(55.31%)
Depreciation		0	(17,660)	(21,024)	(100.00%)
Utilities		0	(15,120)	(18,000)	(100.00%)
Insurance		(10,227)	(10,228)	(10,228)	(0.01%)
Other Expenditure		(119,067)	(133,640)	(177,517)	(10.90%)
		(752,064)	(1,152,000)	(1,351,719)	(34.72%)
<b><u>Adjustments for Non-Cash (Revenue) and Expenditure</u></b>					
Depreciation on Assets		0	17,660	21,024	(100.00%)
<b><u>Capital Revenue and (Expenditure)</u></b>					
Plant and Equipment	3	(76,955)	(65,016)	(90,016)	0.00%
Proceeds on disposal		42,727	42,727	42,727	0.00%
<b>LESS MEMBERS EQUITY</b>					
<b>Payment for Rates Equivalent</b>		0	0	0	0.00%
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		16,913,569	25,558,115	26,604,016	(33.82%)
Other Income - Sale of Apartments		0	166,932	333,863	0.00%
Other Income - Sale of Lots		0	1,000,000	1,000,000	100.00%
Development Costs		(13,775,819)	(26,012,297)	(32,759,040)	(47.04%)
Contribution Refund		(47,428)	0	(327,714)	0.00%
Profit Distributions		(5,000,000)	(5,000,000)	(11,000,000)	0.00%
Contribution Returned		0	0	0	0.00%
<b>Change in Contributed Equity</b>	6	(1,909,678)	(4,287,250)	(16,148,875)	(55.46%)
<b>Net Current Assets July 1 B/Fwd</b>	7	47,345,855	47,345,855	47,345,855	0.00%
<b>Net Current Assets Year to Date</b>	7	45,691,052	42,768,712	31,122,617	

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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

**(b) The Local Government Reporting Entity**

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

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

The Council does not hold any monies in trust.

**(c) Rounding Off Figures**

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

**(d) Rates, Grants, Donations and Other Contributions**

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

**(e) Goods and Services Tax**

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

**(f) Cash and Cash Equivalents**

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

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



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Trade and Other Receivables**

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

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

**(h) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(i) Fixed Assets**

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

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

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

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

Plant and Equipment by June 30 2013

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

All Assets by 30 June 2015.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Depreciation of Non-Current Assets**

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

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

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

**(k) Impairment**

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

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

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

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

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

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

**(l) Trade and Other Payables**

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Employee Benefits**

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

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

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

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

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

**(n) Interest-bearing Loans and Borrowings**

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

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

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

***Borrowing Costs***

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



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**(o) Provisions**

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

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

**(p) Current and Non-Current Classification**

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

**3. ACQUISITION OF ASSETS**

	<b>30 April 2017 Actual \$</b>	<b>Amended 2016/17 Budget \$</b>
<b>The following assets are budgeted to be acquired during the year:</b>		
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
General Office fitout	0	3,000
Office Equipment	11,939	22,000
Motor Vehicle	65,016	65,016
	<b>76,955</b>	<b>90,016</b>
<b><u>By Class</u></b>		
Land and Buildings	0	3,000
Furniture and Equipment	11,939	22,000
Plant and Equipment	65,016	65,016
	<b>76,955</b>	<b>90,016</b>

**4. DISPOSALS OF ASSETS**

The following asset is budgeted to be disposed during the year :

<b><u>Plant and Equipment</u></b>		
Cost	49,260	49,260
Accumulated Depreciation	(6,533)	(8,135)
Profit/(Loss)	0	1,602
<b>Proceeds</b>	<b>42,727</b>	<b>42,727</b>

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2016-17 financial year.

**6. CONTRIBUTED EQUITY**

	<b>30 April 2017 Actual \$</b>	<b>30 June 2016 Actual \$</b>
Town of Victoria Park	3,966,666	4,101,714
City of Perth	3,966,666	4,101,714
Town of Cambridge	3,966,666	4,101,714
City of Joondalup	7,933,332	8,203,428
City of Wanneroo	7,933,332	8,203,428
Town of Vincent	3,966,666	4,101,714
City of Stirling	15,866,665	16,406,857
<b>TOTAL</b>	<b>47,599,994</b>	<b>49,220,569</b>
<b>Total Movement in equity</b>	<b>(1,620,575)</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 30 April 2017 \$</b>	<b>Land Sales 30 April 2017 \$</b>	<b>Return of Contribution 30 April 2017 \$</b>	<b>Rates Equivalent 30 April 2017 \$</b>
Town of Victoria Park	(1,147,985)	1,409,464	(416,666)	(23,714)
City of Perth	(1,147,985)	1,409,464	(416,666)	(23,714)
Town of Cambridge	(1,147,985)	1,409,464	(416,666)	0
City of Joondalup	(2,295,970)	2,818,928	(833,334)	0
City of Wanneroo	(2,295,970)	2,818,928	(833,334)	0
Town of Vincent	(1,147,985)	1,409,464	(416,666)	0
City of Stirling	(4,591,939)	5,637,857	(1,666,668)	0
	<b>(13,775,819)</b>	<b>16,913,569</b>	<b>(5,000,000)</b>	<b>(47,428)</b>
Members Contributed Equity Movements	(1,909,678)			
TPRC Net Result	289,103			
<b>Total Movement in equity</b>	<b>(1,620,575)</b>			



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 30 APRIL 2017**

**7. NET CURRENT ASSETS**

<b>Composition of Estimated Net Current Asset Position</b>	<b>30 April 2017 Actual \$</b>	<b>Brought Forward 1-Jul \$</b>
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	45,431,035	47,135,952
Receivables	430,777	392,958
Settlement Bonds	3,100	11,550
	45,864,912	47,540,460
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(173,860)	(194,605)
<b>NET CURRENT ASSET POSITION</b>	45,691,052	47,345,855
<b>NET CURRENT ASSET POSITION</b>	45,691,052	47,345,855

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

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

**TAMALA PARK REGIONAL COUNCIL**  
**MONTHLY STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

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**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

	NOTE	31 March 2017 Actual \$	31 March 2017 Y-T-D Budget \$	2016/17 Amended Budget \$	Variances Budget to Actual Y-T-D %
<b><u>Operating</u></b>					
<b>Revenues</b>	1,2				
Interest Earnings		968,096	876,522	1,300,000	10.45%
Other Revenue		4,940	0	3,621	0.00%
		973,036	876,522	1,303,621	11.01%
<b>Expenses</b>	1,2				
Employee Costs		(409,985)	(520,318)	(677,021)	(21.20%)
Materials and Contracts Other		(165,745)	(335,547)	(447,929)	(50.60%)
Depreciation		0	(15,137)	(21,024)	(100.00%)
Utilities		0	(12,960)	(18,000)	(100.00%)
Insurance		(10,227)	(10,228)	(10,228)	(0.01%)
Other Expenditure		(119,055)	(132,640)	(177,517)	(10.24%)
		(705,012)	(1,026,830)	(1,351,719)	(31.34%)
<b><u>Adjustments for Non-Cash (Revenue) and Expenditure</u></b>					
Depreciation on Assets		0	15,137	21,024	(100.00%)
<b><u>Capital Revenue and (Expenditure)</u></b>					
Plant and Equipment	3	(76,955)	(65,016)	(90,016)	0.00%
Proceeds on disposal		42,727	42,727	42,727	0.00%
<b>LESS MEMBERS EQUITY</b>					
<b>Payment for Rates Equivalent</b>		0	0	0	0.00%
<b>Development of Land for Resale</b>					
Income Sale of Lots - Subdivision		15,642,072	24,358,509	26,604,016	(35.78%)
Other Income - Sale of Apartments		0	83,466	333,863	0.00%
Other Income - Sale of Lots		0	1,000,000	1,000,000	100.00%
Development Costs		(12,607,449)	(23,991,334)	(32,759,039)	(47.45%)
Contribution Refund		(47,428)	0	(327,714)	0.00%
Profit Distributions		(5,000,000)	(5,000,000)	(11,000,000)	0.00%
Contribution Returned		0	0	0	0.00%
<b>Change in Contributed Equity</b>	6	(2,012,805)	(3,549,359)	(16,148,874)	(43.29%)
<b>Net Current Assets July 1 B/Fwd</b>	7	47,348,075	47,348,075	47,348,075	0.00%
<b>Net Current Assets Year to Date</b>	7	45,569,066	43,557,790	31,124,838	

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



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES**

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

**(a) Basis of Accounting**

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

**(b) The Local Government Reporting Entity**

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

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

The Council does not hold any monies in trust.

**(c) Rounding Off Figures**

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

**(d) Rates, Grants, Donations and Other Contributions**

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

**(e) Goods and Services Tax**

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

**(f) Cash and Cash Equivalents**

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

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Trade and Other Receivables**

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

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

**(h) Inventories**

***General***

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

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

***Land Held for Resale***

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

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

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

**(i) Fixed Assets**

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

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

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

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

Plant and Equipment by June 30 2013

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

All Assets by 30 June 2015.

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Depreciation of Non-Current Assets**

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

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

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

**(k) Impairment**

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

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

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

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

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

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

**(l) Trade and Other Payables**

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(m) Employee Benefits**

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

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

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

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

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

**(n) Interest-bearing Loans and Borrowings**

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

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

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

***Borrowing Costs***

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**(o) Provisions**

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

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

**(p) Current and Non-Current Classification**

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

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**2. STATEMENT OF OBJECTIVE**

The Regional Council has a specific regional purpose which is:

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

The objectives of the Regional Council are:

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

**3. ACQUISITION OF ASSETS**

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

	<b>31 March 2017 Actual \$</b>	<b>Amended 2016/17 Budget \$</b>
<b><u>By Program</u></b>		
<b>Other Property and Services</b>		
General Office fitout	0	3,000
Office Equipment	11,939	22,000
Motor Vehicle	65,016	65,016
	<b>76,955</b>	<b>90,016</b>
<b><u>By Class</u></b>		
Land and Buildings	0	3,000
Furniture and Equipment	11,939	22,000
Plant and Equipment	65,016	65,016
	<b>76,955</b>	<b>90,016</b>

**4. DISPOSALS OF ASSETS**

The following asset is budgeted to be disposed during the year :

<b><u>Plant and Equipment</u></b>		
Cost	49,260	49,260
Accumulated Depreciation	(6,533)	(8,135)
Profit/(Loss)	0	1,602
<b>Proceeds</b>	<b>42,727</b>	<b>42,727</b>



**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**5. INFORMATION ON BORROWINGS**

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2016-17 financial year.

**6. CONTRIBUTED EQUITY**

	<b>31 March 2017 Actual \$</b>	<b>30 June 2016 Actual \$</b>
Town of Victoria Park	3,956,316	4,101,714
City of Perth	3,956,316	4,101,714
Town of Cambridge	3,956,316	4,101,714
City of Joondalup	7,912,631	8,203,428
City of Wanneroo	7,912,631	8,203,428
Town of Vincent	3,956,316	4,101,714
City of Stirling	15,825,263	16,406,857
<b>TOTAL</b>	<b>47,475,788</b>	<b>49,220,569</b>
<b>Total Movement in equity</b>	<b>(1,744,781)</b>	

Movement in Contributed Equity Represented by:

	<b>Development Expenses 31 March 2017 \$</b>	<b>Land Sales 31 March 2017 \$</b>	<b>Return of Contribution 31 March 2017 \$</b>	<b>Rates Equivalent 31 March 2017 \$</b>
Town of Victoria Park	(1,050,621)	1,303,506	(416,666)	(23,714)
City of Perth	(1,050,621)	1,303,506	(416,666)	(23,714)
Town of Cambridge	(1,050,621)	1,303,506	(416,666)	0
City of Joondalup	(2,101,241)	2,607,012	(833,334)	0
City of Wanneroo	(2,101,241)	2,607,012	(833,334)	0
Town of Vincent	(1,050,621)	1,303,506	(416,666)	0
City of Stirling	(4,202,483)	5,214,024	(1,666,668)	0
	<b>(12,607,449)</b>	<b>15,642,072</b>	<b>(5,000,000)</b>	<b>(47,428)</b>
Members Contributed Equity Movements	(2,012,805)			
TPRC Net Result	268,024			
<b>Total Movement in equity</b>	<b>(1,744,781)</b>			

**TAMALA PARK REGIONAL COUNCIL**  
**NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE PERIOD 1 JULY 2016 TO 31 MARCH 2017**

**7. NET CURRENT ASSETS**

Composition of Estimated Net Current Asset Position	31 March 2017 Actual \$	Brought Forward 1-Jul \$
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	45,155,428	47,138,174
Receivables	595,420	392,957
Settlement Bonds	2,300	11,550
	45,753,148	47,542,681
<b>LESS: CURRENT LIABILITIES</b>		
Payables and Provisions	(184,082)	(194,606)
 NET CURRENT ASSET POSITION	 45,569,066	 47,348,075
<b>NET CURRENT ASSET POSITION</b>	<b>45,569,066</b>	<b>47,348,075</b>

**8. RATING INFORMATION**

The Regional Council does not levy rates on property.

**9. TRUST FUNDS**

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

## **Appendix 9.3**

**TAMALA PARK REGIONAL COUNCIL**

**CHEQUE DETAIL**

**MARCH 2017 - APRIL 2017**

<b>Type</b>	<b>Num</b>	<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
Bill Pmt -Cheque	CH-200522	21/03/2017	Arbor Centre	Mature tree stock - Deposit	-207,040.00
Bill Pmt -Cheque	CH-200523	27/03/2017	Western Power	Stage 18B Subdivision Energisation	-107,696.00
Bill Pmt -Cheque	CH-200524	3/04/2017	City of Wanneroo	Stage 18B Subdivision Clearance Fee (31 lots)	-1,275.00
Bill Pmt -Cheque	CH-200525	3/04/2017	City of Wanneroo	Stage 25 Subdivision Clearance Fee (60 lots)	-2,290.00
Bill Pmt -Cheque	CH-200526	3/04/2017	McMullen Nolan Group	Stage 18B Landgate Lodgement Fee (32 lots)	-2,256.50
Bill Pmt -Cheque	CH-200527	3/04/2017	McMullen Nolan Group	Stage 25 Landgate Lodgement Fee (61 lots)	-4,630.00
Bill Pmt -Cheque	CH-200528	3/04/2017	McMullen Nolan Group	Stage 18B WAPC Lodgement Fee (32 lots)	-782.00
Bill Pmt -Cheque	CH-200529	3/04/2017	McMullen Nolan Group	Stage 25 WAPC Lodgement Fee (61 lots)	-985.00
Bill Pmt -Cheque	CH-200530	11/04/2017	City of Wanneroo	Stage 18B Council Supervision Fee	-7,220.42
Bill Pmt -Cheque	CH-200531	11/04/2017	City of Wanneroo	Stage 25 Council Supervision Fee	-29,107.14
Bill Pmt -Cheque	CH-200532	11/04/2017	City of Wanneroo	Entry Statement Development Application	-147.00
Bill Pmt -Cheque	CH-200533	11/04/2017	Water Corporation	Stage 18B Infrastructure Contributions	-146,138.60
Bill Pmt -Cheque	CH-200534	26/04/2017	Western Power	Stage 25A Section 70A Notification Fees	-405.35
<b>TOTAL</b>					<b>-509,973.01</b>

**TAMALA PARK REGIONAL COUNCIL**  
**SUMMARY PAYMENT LIST**

**APRIL 2017**

<b>Date</b>	<b>Num</b>	<b>Name</b>	<b>Description</b>	<b>Amount</b>
3/04/2017		Coterra Environment	Inv 1000282 & 1000283	-1,960.75
3/04/2017	CH-200524	City of Wanneroo	Stage 18B Subdivision Clearance Fee (31 lots)	-1,275.00
3/04/2017	CH-200525	City of Wanneroo	Stage 25 Subdivision Clearance Fee (60 lots)	-2,290.00
3/04/2017	CH-200526	McMullen Nolan Group	Stage 18B Landgate Lodgement Fee (32 lots)	-2,256.50
3/04/2017	CH-200527	McMullen Nolan Group	Stage 25 Landgate Lodgement Fee (61 lots)	-4,630.00
3/04/2017	CH-200528	McMullen Nolan Group	Stage 18B WAPC Lodgement Fee (32 lots)	-782.00
3/04/2017	CH-200529	McMullen Nolan Group	Stage 25 WAPC Lodgement Fee (61 lots)	-985.00
11/04/2017	CH-200530	City of Wanneroo	Stage 18B Council Supervision Fee	-7,220.42
11/04/2017	CH-200531	City of Wanneroo	Stage 25 Council Supervision Fee	-29,107.14
11/04/2017	CH-200532	City of Wanneroo	Entry Statement Development Application	-147.00
11/04/2017	CH-200533	Water Corporation	Stage 18B Infrastructure Contributions	-146,138.60
			Payment of credit card charges (CEO & EA) - April 2017	-768.08
12/04/2017	ET-4252	Westpac Bank	2017	-768.08
13/04/2017		Employee Costs	Wages for period 30/03/17 - 12/04/17	-10,952.00
13/04/2017	ET-4250	Australian Super	Superannuation for period 30/03/17 - 12/04/17	-591.18
13/04/2017	ET-4251	National Australia Bank	Superannuation for period 30/03/17 - 12/04/17	-1,337.44
			Entertainment - Catalina Meet & Greet (25 March 2017)	-300.00
13/04/2017		Atkins, Jasmine	Valuation fees	-275.00
13/04/2017		Burgess Rawson	GST Jan - Feb 2017 & Inv 1066 (rent)	-17,363.38
13/04/2017		City of Stirling	GST owing February 2017	-189.00
13/04/2017		City of Vincent	Engineering services	-10,540.48
13/04/2017		Cossill & Webley	Foreshore Management Plan (March 2017)	-734.53
13/04/2017		Coterra Environment	Security Bin	-51.70
13/04/2017		Docushred	GST Consultancy services (February & March 2017)	-990.00
13/04/2017		Dominic Carbone & Assoc	Printing costs for period 28/02/17 - 07/03/17	-47.63
13/04/2017		Kyocera Mita	POS graffiti removal (March 2017)	-577.50
13/04/2017		LD Total	Statutory advertising	-909.25
13/04/2017		Marketforce	Cleaning of TPRC offices	-286.00
13/04/2017		New Great Cleaning Service	Office supplies	-136.31
13/04/2017		Officeworks	Master Brand Vision Brochure	-4,919.20
13/04/2017		Rare Pty Ltd		
13/04/2017		Realestate.com.au	Project Profile Access Subscription (April 2017)	-3,948.75
13/04/2017		Scott Printers Pty Ltd	Meet & Greet Flyer	-298.10
13/04/2017		Signs & Lines	Central Grove flag rotation	-3,128.40
13/04/2017		Stantons International	Probity advisory services (March 2017)	-102.30
13/04/2017		Treacy Fencing	Fencing	-31,809.47
13/04/2017		LD Total	Landscaping	-98,560.00
13/04/2017		Swann Rubbish Removal	Rubbish collection & disposal	-800.00
13/04/2017	CON-87	City of Perth	GST owing February 2017	-189.24
26/04/2017	CH-200534	Western Power	Stage 25A Section 70A Notification Fees	-405.35
26/04/2017	CON-88	Town of Cambridge	GST owing March 2017	-1,876.66
27/04/2017		Employee Costs	LA wages for period 13/04/17 - 26/04/17	-10,952.00
27/04/2017	ET-4253	Australian Super	Sperannuation for period 13/04/17 - 26/04/17	-591.18
27/04/2017	ET-4254	National Australia Bank	Superannuation for period 13/04/17 - 26/04/17	-1,337.44
27/04/2017		Burgess Rawson	Valuation fees	-2,051.50
27/04/2017		Carat Media Services	Marketing	-6,079.09
27/04/2017		Content Living	Early Construction Rebate (Lot 821)	-8,000.00
27/04/2017		Cossill & Webley	Engineering services	-22,394.91
27/04/2017		Crux Creative	Meet & Greet Flyer Design	-575.00
27/04/2017		Delron Cleaning	Sales Office Cleaning (April 2017)	-511.50
27/04/2017		Dobrowolski, E. & Trott, J.	Solar Panel Rebate (Lot 787)	-2,000.00
27/04/2017		Douglas Partners	Catalina Beach Pump Station GeoTech	-17,270.00
27/04/2017		Educated by Nature	Meet & Greet (8 April 2017)	-1,100.00
27/04/2017		Emerge Associates	Stage 12 & 13 Verges (March 2017)	-3,135.00
27/04/2017		EventPro Perth	Meet & Greet (Equip/Labour)	-605.00
27/04/2017		Homebuyers Centre	Landscaping Rebate (Lot 175)	-1,500.00

27/04/2017		LD Total	Landscaping	-37,859.78
27/04/2017		Main Roads WA	Bus underpass (February 2017)	-2,554.66
27/04/2017		McMullen Nolan Group	Surveying services	-21,054.00
27/04/2017		Melling, Joe	Solar Panel Rebate (Lot 744)	-2,000.00
27/04/2017		Nature Calls	Meet & Greet (25 March 2017)	-550.00
27/04/2017		Padfield, G & S	Solar Panel Rebate (Lot 852)	-2,000.00
27/04/2017		R J Vincent & Co	Civil works	-750,989.54
27/04/2017		Sagoo, Gurtej	Solar Panel Rebate (Lot 503)	-2,000.00
27/04/2017		Scott Printers Pty Ltd	Brochure reprint design fee	-974.60
27/04/2017		Select Homes (WA) Pty Ltd	Early Construction Rebate (Lot 758)	-8,000.00
27/04/2017		Target Sports	Meet & Greet (25 March 2017)	-450.00
27/04/2017		Treacy Fencing	Fencing	-11,986.15
27/04/2017	ET-4255	Synergy	Electricity	-8,874.65
			Mobile phones (CEO & PC) - charges to 13 May 2017	-113.25
27/04/2017	ET-4256	Telstra		
27/04/2017	ET-4257	Australian Taxation Office	BAS for quarter January - March 2017	-17,071.00
27/04/2017	ET-4258	Action Couriers	Courier charges for period 05/04/17 - 16/04/17	-62.89
<b>Total</b>				<b><u>-1,333,522.50</u></b>



**TAMALA PARK REGIONAL COUNCIL**  
**SUMMARY PAYMENT LIST**  
**MARCH 2017**

Date	Num	Name	Description	Amount
1/03/2017	ET-4239	Grant, Aaron & Nicole	Lot 171 (16th instalment over a 5 year period)	-2,887.50
2/03/2017		Employee Costs	Wages for period 16/02/17 - 01/03/17	-11,175.52
2/03/2017	ET-4240	Australian Super	Superannuation for period 16/02/17 - 01/03/17	-623.82
2/03/2017	ET-4241	National Australia Bank	Superannuation for period 16/02/17 - 01/03/17	-1,337.44
2/03/2017		City of Wanneroo	Interim Rates 2016/2017	-8,291.06
2/03/2017		Coterra Environment	Environmental consulting services	-5,266.26
2/03/2017		Delron Cleaning	Sales Office cleaning (February 2017)	-511.50
2/03/2017		Dominic Carbone & Assoc	GST consultancy services (January 2017)	-1,782.00
2/03/2017		ELO Digital Office	ELO EDRMS implementation part 2 + site visit	-16,539.05
2/03/2017		Kyocera Mita	Printing costs for period 31/01/17 - 07/02/17	-29.94
2/03/2017		LD Total	Landscaping	-79,967.41
2/03/2017		Mitchell, Alan & Margaret	Solar Panel Rebate (Lot 752)	-2,000.00
2/03/2017		Neverfail	Bottled water x 3	-40.85
2/03/2017		Powell, JE & Byrne, BE	Solar Panel Rebate (Lot 885)	-2,000.00
2/03/2017		R J Vincent & Co	Civil works	-832,201.11
2/03/2017		Rare Pty Ltd	Marketing	-39,928.46
2/03/2017		Treacy Fencing	Fencing	-8,329.20
2/03/2017	ET-4242	Telstra	Mobile phones (CEO & PC) - charges to 13 March 2017	-110.00
7/03/2017	CON-82	City of Wanneroo	GST owing January 2017	-6,516.31
7/03/2017	ET-4243	Swan, Jeremy & Courtney	Lot 174 (16th instalment over a 5 year period)	-3,850.00
14/03/2017	ET-4244	Westpac Bank	Payment of credit card charges (CEO & EA) - February 2017	-3,159.69
16/03/2017		Employee Costs	Wages for period 02/03/17 - 15/03/17	-10,952.00
16/03/2017		Action Couriers	Courier charges for period 23/02/17 - 05/03/17	-64.70
16/03/2017		Burgess Rawson	GST Valuations (February 2017)	-55.00
16/03/2017		Carat Media Services	Marketing	-2,410.64
16/03/2017		City of Stirling	Rent of TPRC offices (April 2017)	-3,573.74
16/03/2017		Cossill & Webley	Engineering services	-38,588.59
16/03/2017		Coterra Environment	Environmental consulting services	-1,787.50
16/03/2017		Holloway, Hayley	Solar Panel Rebate (Lot 310)	-2,000.00
16/03/2017		Kim, Kyutae & Hwang, Ji	Solar Panel Rebate (Lot 815)	-2,000.00
16/03/2017		LD Total	Landscaping	-129,074.50
16/03/2017		Main Roads WA	Neerabup Underpass (December 2016)	-119,385.54
16/03/2017		Marketforce	Statutory advertising	-1,542.48
16/03/2017		Moore Stephens	Accounting services (January 2017)	-2,062.50
16/03/2017		Rare Pty Ltd	Marketing	-8,494.20
16/03/2017		Realestate.com.au	Profile Access Subscription (February 2017)	-3,948.75
16/03/2017		Treacy Fencing	Fencing	-15,236.65
16/03/2017		Ventura Home Group	Early Construction Rebate (Lot 725)	-8,000.00
16/03/2017	ET-4245	Australian Taxation Office	IAS (February 2017)	-14,140.00

16/03/2017	ET-4246	Australian Super	Superannuation for period 02/03/17 - 15/03/17	-591.18
16/03/2017	ET-4247	National Australia Bank	Superannuation for period 02/03/17 - 15/03/17	-1,337.44
21/03/2017	CH-200522	Arbor Centre	Mature tree stock - Deposit	-207,040.00
21/03/2017	CON-83	Town of Cambridge	GST Jan - Feb 2017	-3,447.40
23/03/2017	CON-84	City of Perth	GST Dec 2016 -Jan 2017	-4,625.65
27/03/2017	CH-200523	Western Power	Stage 18B Subdivision Energisation	-107,696.00
30/03/2017		Employee Costs	Wages for period 16/03/17 - 29/03/17	-10,952.00
30/03/2017	ET-4248	Australian Super	Superannuation for period 16/03/17 - 29/03/17	-591.18
30/03/2017	ET-4249	National Australia Bank	Superannuation for period 16/03/17 - 29/03/17	-1,337.44
30/03/2017		Alinta Energy	Sales Office gas for period 07/12/16 - 10/03/17	-25.70
30/03/2017		Telstra	Mobile phones (CEO & PC) - charges to 13 April 2017	-111.50
30/03/2017		Water Corporation	Water charges for period 20/01/17 - 21/03/17	-582.43
30/03/2017		Arias, T	Rembursements for parking & refreshments	-11.00
30/03/2017		Burgess Rawson	Valuation fees (Lots 726, 727, 728 & 822)	-220.00
30/03/2017		Calvin's Plumbing & Gas	Sales Office plumbing repair	-295.00
30/03/2017		Chappell Lambert Everett	Agreed Planning Fee (December 2016 - January 2017)	-38,500.00
30/03/2017		City of Vincent	GST owing January 2017	-3,258.00
30/03/2017		Coterra Environment	Environmental consulting services	-3,958.93
30/03/2017		Delron Cleaning	Sales Office Cleaning (March 2017)	-511.50
30/03/2017		Eco Logical Australia	2017 EPBC Annual Compliance Report	-1,503.32
30/03/2017		Ellison, Kris & Helen	Solar Panel Rebate (Lot 811)	-2,000.00
30/03/2017		Flakemore, J. & Reyes, K.	Solar Panel Rebate (Lot 834)	-2,000.00
30/03/2017		Homebuyers Centre	Waste Rebate (Lot 888)	-660.00
30/03/2017		Main Roads WA	Bus underpass expenses (January 2017)	-9,025.89
30/03/2017		McMullen Nolan Group	Surveyors	-19,910.00
30/03/2017		Milsearch Pty Ltd	Catalina Beach Phase 2 UXO Search	-15,950.00
30/03/2017		Moore Stephens	Accounting services (February 2017)	-2,062.50
30/03/2017		Neal, Bryan Douglas	Solar Panel Rebate (Lot 612)	-2,000.00
30/03/2017		Neverfail	Bottled water x 5 + annual cooler rental	-220.00
30/03/2017		R J Vincent & Co	Civil works	-818,260.13
30/03/2017		Reeves Steel Fabrication	Dog Bag Dispensers	-1,980.00
30/03/2017		Shrapnel Urban Planning	Catalina Grove Retail Commercial - payment 2	-4,400.00
30/03/2017		Stantons International	Probity advisory services (February 2017)	-664.95
30/03/2017		Swann Rubbish Removal	Asbestos Removal	-600.00
30/03/2017		Town of Victoria Park	GST owing January 2017	-3,258.00
31/03/2017	CON-85	City of Wanneroo	GST owing February 2017	-378.49
31/03/2017	CON-86	City of Joondalup	GST owing Jan - Mar 2017	-9,629.78
<b>Total</b>				<b>-2,669,459.32</b>

## **Appendix 9.4**

22 May 2017

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

Dear Tony

### **Catalina Financial Report for April 2017**

Please find attached the Catalina Financial Report for April 2017. This report has been prepared on a cash basis and compares actual income and expenditure to the June 2016 approved budget for the period 1 April 2017 to 30 April 2017. Please note the June 2016 budget includes actuals to 31 March 2016, therefore variances against budget for the period April to June 2016 are included in the PTD variances as stated below.

Residential settlement revenue for the financial year to 30 April 2017 is \$16.3m which is \$9.1m under the approved 'June 2016' budget with 31 less residential settlements for the year. Project to date settlement revenue to 30 April 2017 is \$7.1m unfavourable to budget with 23 less settlement to date.

Sales for FYE2017 are \$10.4m unfavourable to budget due to 29 less residential lot sales for the year. It is noted that 15 of the 29 lots budgeted for sale are Display Builder lots which will be allocated shortly and contracted for sale. Project to date residential sales to 30 April 2017 is \$8.8m unfavourable to budget with 24 less sales. Special site sales is \$4.8m behind budget due to timing of the Stg 11 local centre and the Stage 18B Group Housing sites. Sale of the Local Centre site for \$1.4m (\$400k above budget) is progressing with the negotiation of the Heads of Agreement almost complete and now projected to settle in FYE 18. The tender for the Stage 18B Group Housing sites closed on 30 November with no tenders registered. The Stage 18B Group Housing sites are proposed to be re-tendered in FY18, and if unsuccessful further development and sale options will be assessed.

Overall FYE2017 expenditure is \$11.9m under budget per the approved 'June 2016' budget, with \$10.8m spent compared to a budget of \$22.7m. The main areas of variances are summarised below:

- Lot Production \$4.9m under budget to date, with the works and payments anticipated to be undertaken within the FYE17 period.
  - Earthworks Stages 25-27 \$0.7m under budget due to delayed receipt of invoices and savings on rates being under budget.
  - Stage 14B \$0.6m under budget due to timing of receiving invoices.
  - Stage 17A \$0.7m over budget due to stage being brought forward (timing).
  - Stage 25 \$2.4m under budget due to timing of receiving invoices for payment and savings on rates being under budget.
- Infrastructure Expenditure \$2.1m under budget
  - Aviator Blvd Extension Stage 25 \$1.5m under budget (timing).
  - Western Cell Waste Water Pump Station \$0.4m under budget (timing)

- Infrastructure Refunds \$2.2m under budget due to the Primary School refund being deferred to Jan 18.
- Landscaping \$4.3m under budget to date, with the works and payments anticipated to be undertaken within the FYE17 period.
  - Stage 12 Landscaping \$854k under budget (due to timing, works commenced)
  - Stage 13 Landscaping \$402k under budget (due to timing, works commenced)
  - Stage 14A Landscaping \$258k under budget (due to timing, works commenced)
  - Stage 14B Landscaping \$267k under budget (due to timing, works commenced)
  - Stage 15 Landscaping \$316k under budget (due to timing, works commenced)
  - Stage 10 BCA \$154k under budget (due to timing, works commenced)
  - Western Cell Long Beach Prom Entry Statement \$154k under budget (due to deferred works, approval received 16 May 2017, programming works)
  - Western Cell Marmion Ave Verge \$216k under budget (due to deferred works, approval received 16 May 2017, programming works)
  - Western Cell POS \$722k under budget (due to deferred works, approval received 16 May 2017, programming works)
  - Western Cell Bore \$113k under budget (due to deferred works)
  - Streetscape to Stage 1 \$114k under budget (due to deferred works)
  - Stage 6 Landscaping \$149k under budget (due to deferred works)
  - Western Cell Entry Statement & Greenlink \$364k under budget (due to deferred works, approval received 16 May 2017, programming works)
- P&L expenditure - \$2.5m under budget
  - Marketing \$380k under budget with \$173k spent against a YTD budget of \$553k.
  - Rates & Taxes \$395k under budget due to refund of lot 9018 rates paid in March 2016 and refund being received in FYE17
  - Contingency \$1.2m not required to date.

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

Yours faithfully



**Ross Carmichael**  
General Manager - Finance

**CATALINA**
**FINANCE REPORT**
**APRIL 2017**
**1.0 Management Accounts**
**1.1 KEY STATISTICS**
**1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS**

	Lots Produced (titles)		Sales		Settlements		Distributions	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Prior Years	806	806	770	765	746	738	56,000,000	56,000,000
Jul-2016	-	-	8	9	7	14	-	-
Aug-2016	-	-	10	6	7	9	-	-
Sep-2016	-	-	8	6	2	6	-	-
<b>Sep-16 Qtr</b>	<b>-</b>	<b>-</b>	<b>26</b>	<b>21</b>	<b>16</b>	<b>29</b>	<b>-</b>	<b>-</b>
Oct-2016	10	10	1	23	10	5	-	-
Nov-2016	-	-	7	10	11	7	-	-
Dec-2016	-	-	1	7	5	10	5,000,000	5,000,000
<b>Dec-16 Qtr</b>	<b>10</b>	<b>10</b>	<b>9</b>	<b>40</b>	<b>26</b>	<b>22</b>	<b>5,000,000</b>	<b>5,000,000</b>
Jan-2017	-	-	6	2	7	10	-	-
Feb-2017	25	58	8	9	1	5	-	-
Mar-2017	-	-	8	8	4	20	-	-
<b>Mar-17 Qtr</b>	<b>25</b>	<b>58</b>	<b>22</b>	<b>19</b>	<b>12</b>	<b>35</b>	<b>-</b>	<b>-</b>
Apr-2017	-	-	7	13	5	4	-	-
May-2017	-	-	-	13	-	2	-	-
Jun-2017	-	-	-	13	-	1	-	6,000,000
<b>Jun-17 Qtr</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>39</b>	<b>5</b>	<b>7</b>	<b>-</b>	<b>6,000,000</b>
<b>PTD</b>	<b>841</b>	<b>874</b>	<b>834</b>	<b>858</b>	<b>805</b>	<b>828</b>	<b>61,000,000</b>	<b>61,000,000</b>
<b>Full 2016/17 Year</b>	<b>35</b>	<b>68</b>	<b>64</b>	<b>119</b>	<b>59</b>	<b>93</b>	<b>5,000,000</b>	<b>11,000,000</b>
<b>2017/18</b>		<b>130</b>		<b>122</b>		<b>122</b>		<b>4,000,000</b>
<b>2018/19</b>		<b>148</b>		<b>145</b>		<b>129</b>		<b>15,000,000</b>

- 5 residential lots settled in April comprising:

	<u>Lots</u>
Stage 13B	1
Stage 14B	1
Stage 17	2
Stage 18A	1

**1.2 Sales & Settlements**

	MTH Act	MTH Bgt	YTD Act	YTD Bgt	PTD Act	PTD Bgt
<b>Residential</b>						
- Sales #	7	13	64	93	834	858
- Sales \$	1,971,000	4,298,465	17,816,000	28,230,957	211,690,500	220,494,928
- Sales \$/lot	281,571	330,651	278,375	303,559	253,826	256,987
- Settlements #	5	4	59	90	805	828
- Settlements \$	1,285,000	1,119,484	16,294,000	25,397,873	203,231,500	210,359,211
- Settlements \$/lot	257,000	279,871	276,169	282,199	252,461	254,057
<b>Special Sites</b>						
- Sales #	-	-	-	4	2	6
- Sales \$	-	-	-	4,794,250	1,895,000	6,689,250
- Sales \$/lot	-	-	-	1,198,563	947,500	1,114,875
- Settlements #	-	-	-	4	2	6
- Settlements \$	-	-	-	4,794,250	1,895,000	6,689,250
- Settlements \$/lot	-	-	-	1,198,563	947,500	1,114,875
<b>Lots Under Contract</b>						
- Unsettled sales #	30		{ Unconditional		5	Titled 844 incl. Spec sites
- Unsettled sales \$	8,459,000		{ Conditional		25	
- Unsettled sales \$/lot	281,967					



**CATALINA**  
**FINANCE REPORT**  
**APRIL 2017**

**1.3 Cashflow - MTD Actuals to budget**

	<u>MTD Act</u>	<u>MTD Bgt</u>	<u>Variance</u>
Revenue	1,285,000	1,119,484	165,516
Margin GST	(13,501 )	(18,182 )	4,681
Direct selling costs	(57,707 )	(50,298 )	(7,409 )
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(165,263 )	(68,230 )	(97,033 )
	<u>1,048,529</u>	<u>982,774</u>	<u>65,754</u>
<i>Development costs</i>			
Lot production	852,318	587,842	(264,476 )
Landscaping	14,083	824,887	810,803
Consultants	3,342	44,048	40,707
Infrastructure	32,084	416,962	384,878
Sales office building	-	(0 )	(0 )
Sales & marketing	18,145	55,311	37,166
Community Develop.	3,646	16,042	12,396
Administration	24,527	62,550	38,023
Finance	-	100,382	100,382
	<u>948,144</u>	<u>2,108,023</u>	<u>1,159,880</u>
Cashflow	<u>100,385</u>	<u>(1,125,249 )</u>	<u>1,225,634</u>

- Actual & Budget margin scheme GST has been calculated under the concessional Item 4 basis for settlements.

**1.4 Cashflow - YTD Actuals to budget**

	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Variance</u>
Revenue	16,294,000	25,397,873	(9,103,873 )
Margin GST	(172,066 )	(409,091 )	237,025
Direct selling costs	(729,561 )	(1,350,957 )	621,397
Interest Income	2,911	-	2,911
Forfeited Deposits	-	-	-
Other Income	406	4,276,068	(4,275,662 )
Rebate Allowance	(1,512,612 )	(1,329,783 )	(182,829 )
	<u>13,883,078</u>	<u>26,584,110</u>	<u>(12,701,032 )</u>
<i>Development costs</i>			
Lot production	6,907,109	11,855,449	4,948,340
Landscaping	886,193	5,158,542	4,272,350
Consultants	316,405	587,502	271,097
Infrastructure	2,252,299	2,132,234	(120,065 )
Sales office building	2,727	49,657	46,930
Sales & marketing	173,225	553,112	379,886
Community Develop.	3,646	160,417	156,771
Administration	198,182	950,018	751,836
Finance	11,799	1,204,088	1,192,289
	<u>10,751,585</u>	<u>22,651,019</u>	<u>11,899,434</u>
Cashflow	<u>3,131,493</u>	<u>3,933,090</u>	<u>(801,598 )</u>

The YTD revenue variance comprises:

- Settlement revenue is \$9.1m unfavourable to budget on 31 less residential settlements than the budget for FY2017.
- Primary School E'wks reimbursement deferred until Jan 18 \$2.2m.

**1.5 Bonds**

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	201,231	156,684	100,000
	<u>201,231</u>	<u>156,684</u>	<u>100,000</u>

Bonds relate to the waste water pump station.

**CATALINA**
**FINANCE REPORT**
**APRIL 2017**
**2.0 PROFIT & LOSS**

	MTH Act	MTH Bgt	Var	YTD Act	YTD Bgt	Var	PTD Act	PTD Bgt
- Revenue \$ (Stlmts)	1,285,000	1,119,484	165,516	16,294,000	25,397,873	(9,103,873)	203,231,500	210,359,211
- Revenue \$/lot	257,000	279,871		276,169	282,199		252,461	254,057
- Selling & GST \$	134,481	114,958	(19,523)	1,633,905	3,292,757	1,658,852	21,165,575	22,882,131
- Selling & GST \$/lot	26,896	28,739		27,693	36,586		26,293	27,635
- Cost of sales \$	419,129	336,961	(82,168)	4,776,062	9,131,825	4,355,763	75,422,602	79,210,889
- Cost of sales \$/lot	83,826	84,240		80,950	101,465		93,693	95,665
- Gross profit \$	731,390	667,565	63,825	9,884,033	12,973,291	(3,089,258)	106,643,323	108,266,191
- Gross profit \$/lot	146,278	166,891		167,526	144,148		132,476	130,756
- Gross profit Mgn %	56.92%	59.63%		60.66%	51.08%		52.47%	51.47%
- Special Sites \$	-	-	-	-	2,762,735	(2,762,735)	1,284,073	4,046,808
- Other income \$	-	-	-	3,317	-	3,317	228,236	221,259
- Sales & Marketing \$	47,013	71,499	24,486	201,482	714,990	513,508	1,431,892	2,459,027
- Administration \$	54,729	89,223	34,494	293,463	897,255	603,792	2,339,630	3,041,186
- Finance \$	-	-	-	-	-	-	-	8,295
- Contingency \$	-	100,422	100,422	-	1,204,321	1,204,321	20,364	1,562,298
- Net profit \$	629,648	406,421	223,227	9,392,405	12,919,460	(3,527,055)	104,363,746	105,463,452
- Net profit \$/lot	125,930	101,605		159,193	143,550		129,644	127,371

- FY17 YTD Gross profit is \$3.1m behind budget due to unfavourable settlements of 31 lots partly offset by favourable selling costs \$9k/lot, and lot production costs \$21k/lot.
- Special sites gross profit is \$2.8m unfavourable due to timing of sales & settlements (Stg 11 local centre & 2 Stage 18B Group Housing sites). Sale of the local centre site for \$1.4m (\$400k above budget) is progressing with the negotiation of the Heads of Agreement almost complete and is now projected to settle in the next financial year. The tender for the Stage 18B Group Housing sites closed on 30 November with no tenders registered. The Stage 18B Group Housing sites are proposed to be re-tendered in FY18, and if unsuccessful further development and sale options will be assessed.
- YTD Marketing costs are \$514k below budget due to Community Development costs \$137k under budget (CD activities have only just recommenced for the project), Signage \$131k below budget (Strategy & authority approval delays) and lower general marketing activity and advertising \$246k.
- FY17 YTD net profit is unfavourable against budget by \$3.5m, due to the unfavourable gross profit variance \$3.1m and unfavourable special site variance \$2.8m partly offset by unused contingency \$1.2m and favourable marketing and admin costs of \$1.1m.

**YEAR TO DATE VERSUS FULL YEAR BUDGET**

	YTD Act	FY17 Full Year Bgt	Var
- Revenue \$ (Stlmts)	16,294,000	26,283,530	(9,989,530)
- Revenue \$/lot	276,169	282,619	
- Selling & GST \$	1,633,905	3,380,978	1,747,073
- Selling & GST \$/lot	27,693	36,355	
- Cost of sales \$	4,776,062	9,395,814	4,619,752
- Cost of sales \$/lot	80,950	101,030	
- Gross profit \$	9,884,033	13,506,738	(3,622,705)
- Gross profit \$/lot	167,526	145,234	
- Gross profit Mgn %	60.66%	51.39%	
- Special Sites \$	-	2,762,735	(2,762,735)
- Other income \$	3,317	-	3,317
- Sales & Marketing \$	201,482	857,988	656,506
- Administration \$	293,463	1,075,701	782,238
- Finance \$	-	-	-
- Contingency \$	-	1,484,252	1,484,252
- Net profit \$	9,392,405	12,851,532	(3,459,127)
- Net profit \$/lot	159,193	138,189	

**CATALINA**  
**FINANCE REPORT**  
**APRIL 2017**

**2.1 GROSS PROFIT ANALYSIS**

Actual

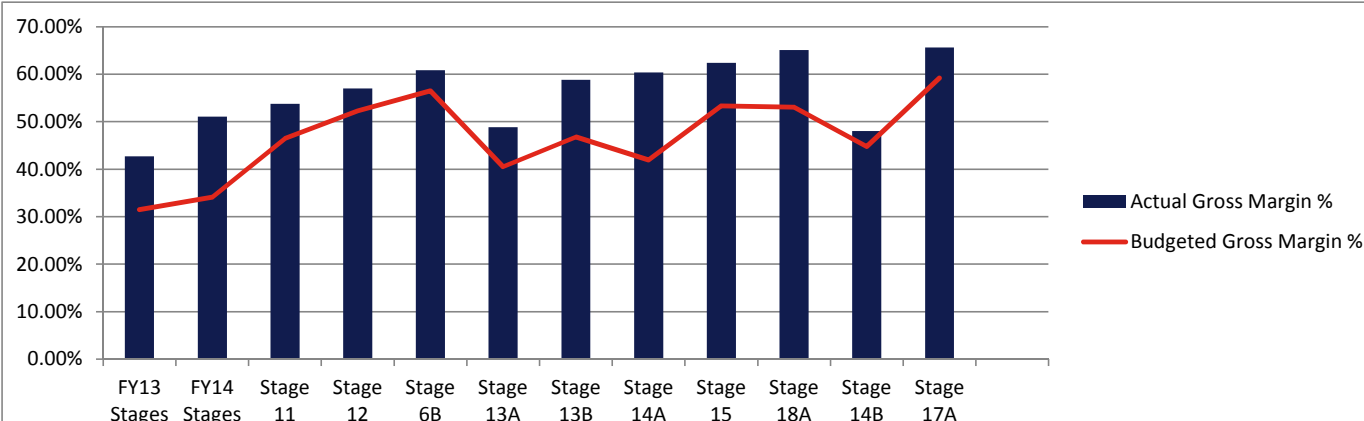
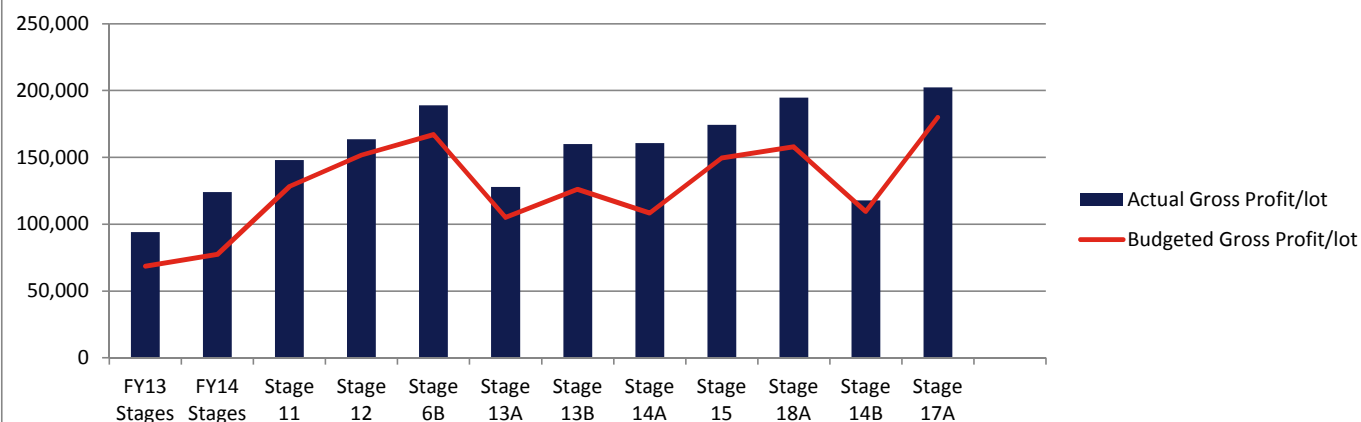
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
FY13 Stages	2012 / 2013	51,375,500	220,496	29,448,888	126,390	21,926,612	94,106	42.68%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,635,745	119,013	25,689,255	124,103	51.05%
Stage 11	1-Oct-14	17,611,000	275,172	8,143,826	127,247	9,467,174	147,925	53.76%
Stage 12	3-Dec-14	13,768,000	286,833	5,922,162	123,378	7,845,838	163,455	56.99%
Stage 6B	19-Jan-15	7,452,000	310,500	2,916,524	121,522	4,535,476	188,978	60.86%
Stage 13A	30-Mar-15	9,675,000	261,486	4,947,835	133,725	4,727,165	127,761	48.86%
Stage 13B	11-May-15	11,683,000	271,698	4,807,944	111,813	6,875,056	159,885	58.85%
Stage 14A	4-Jun-15	16,784,000	266,413	6,653,009	105,603	10,130,991	160,809	60.36%
Stage 15	15-Dec-15	14,253,000	279,471	5,358,594	105,070	8,894,406	174,400	62.40%
Stage 18A	27-May-16	7,474,000	298,960	2,607,642	104,306	4,866,358	194,654	65.11%
Stage 14B	28-Oct-16	981,000	245,250	509,613	127,403	471,387	117,847	48.05%
Stage 17A	20-Feb-17	1,850,000	308,333	636,395	106,066	1,213,605	202,268	65.60%
		<u>203,231,500</u>		<u>96,588,177</u>		<u>106,643,323</u>		

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

Budget

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)	Direct Costs/lot	Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%
Stage 11	Aug-14	17,645,281	275,708	9,444,658	147,573	8,200,623	128,135	46.47%
Stage 12	Aug-14	14,221,581	290,236	6,787,551	138,521	7,434,030	151,715	52.27%
Stage 6B	Aug-14	7,098,672	295,778	3,089,032	128,710	4,009,640	167,068	56.48%
Stage 13A	Aug-14	9,585,882	259,078	5,703,355	154,145	3,882,527	104,933	40.50%
Stage 13B	Aug-14	12,111,408	269,142	6,443,000	143,178	5,668,408	125,965	46.80%
Stage 14A	Aug-14	15,504,265	258,404	9,001,574	150,026	6,502,690	108,378	41.94%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%
		<u>210,392,820</u>		<u>123,037,381</u>		<u>87,355,439</u>		

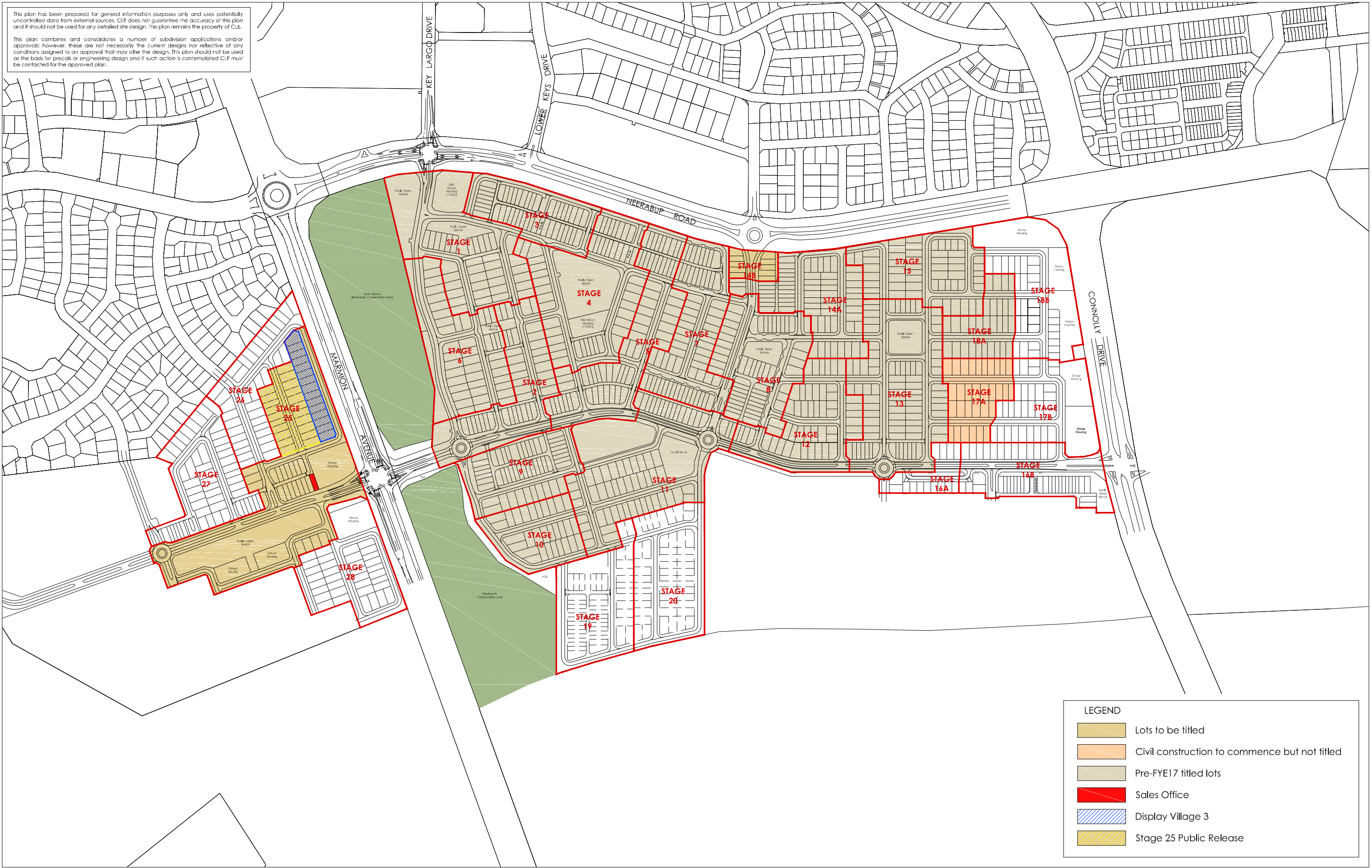
- Values for budget are based on 'total lots' for the relevant stages.



# **Appendix 9.5**

This plan has been prepared for general information purposes only and uses potentially uncontrolled data from external sources. CLE does not guarantee the accuracy of this plan and it should not be used for any detailed site design. This plan remains the property of CLE.

This plan combines and consolidates a number of subdivision applications and/or approvals; however, these are not necessarily the current designs nor reflective of any conditions assigned to an approval that may alter the design. This plan should not be used as the basis for pre-cuts or engineering design and if such action is contemplated CLE must be contacted for the approved plan.



**LEGEND**

- Lots to be filled
- Civil construction to commence but not titled
- Pre-FYE17 titled lots
- Sales Office
- Display Village 3
- Stage 25 Public Release

0 100 200 300 400 500m

# **CATALINA FYE 2017 OPERATIONS** Catalina Estate, Tamala Park City of Wanneroo



**plan no: 2228-351C-02**  
 scale: 1:6,000 @ A3  
 date: 26.05.2016



## **Appendix 9.6**



30 April 2017

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

Via Email: [luke.aitkin@tamalapark.wa.gov.au](mailto:luke.aitkin@tamalapark.wa.gov.au)

Dear Tony

### **CATALINA: Early Construction Rebate Extension**

The Tamala Park Regional Council meeting held on 18 February 2016, resolved to approve an early construction rebate to the value of \$8,000 per lot on selected lots until 30 June 2016, and subsequently to the 31 December 2016.

On 8<sup>th</sup> of December 2016, the Council resolved to accept the early construction rebate to the value of \$8,000 per lot for selected lots on the market for more than 6 months for contracts entered into after 8 December 2016 and until 30 June 2017, subject to the purchaser providing a copy of a signed Building Contract prior to settlement, with the rebate being paid to the purchaser(s) nominated builder within 6 months of the settlement of the lot.

### **WA Market Overview (March 2017)**

#### **For Sale Listing: 15,030**

The total amount of properties currently listed for sale is 3% lower compared to the same time last year. Average selling days (3 months to February) 75 days.

Land sales listings comprise 2,636 lots on the market, reflecting 17.54% of all current listings.

#### **Rental Listings: 10,486**

The total amount of properties available for rent is 10% higher than the same time last year.

#### **Rental Vacancy Rate for February 2017: 6.6%**

#### **WA Market Key Observations:**

- WA's consumer sentiment index has dipped in February, down 3.5% to 91.9 off the back of perceptions of economic conditions for the next 12 months.
- WA unemployment dropped slightly to 6.6% in December although Western Australia employment fell marginally by 7,900 to 1.33 million.

- Commodity prices in December were stronger with the monthly average iron ore price up 10% to US\$80 a tonne and steel up 13%. This recent recovery in metal and mining prices and record mining export volumes are encouraging developments.
- 3 month to December Seller discounting is up to 54.2%; the average discount is -6.6%.
- UDIA's Land Snapshot survey for February 2017 showed total lot sales increased 53.4% from January, while still down -18.7% from the same time last year to 365.
- FHOG applications (WA) has decreased YOY to December 2016 by -26.8%
- The boost to the First Home Owners Grant (FHOG) by the state government in December 2016 and positive changes to the lending criteria of Keystart has helped stimulate buyer activity, with enquiry and sales conversion increasing since January 2017.
- Lending policies of the major banks remain tight and a significant hurdle for buyers looking to enter the market. In recent months some major lenders have increased their fixed rates.
- Low property valuations have become common in the current market, with established properties and the proposed new house and land packages both being effected. Valuers continue to approach the new home market with caution and consistently take a very conservative approach with new construction contracts.
- Prospective buyers demonstrate a lack of motivation, as they thoroughly assess all available options and offers.
- Discounts and incentives implemented by builders and developers remain widespread and have now become a necessary just to compete for purchasers in many locations
- The RBA cash rate remains at 1.5%.

Sources: REIWA & UDIA

## Catalina Sales

Sales activities at Catalina Estate since July 2016 has yielded 72 net sales and 59 settlements.

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

Buyers remain sensitive to any increases in block prices and are looking for a 'sharp' price and in many cases, a retail incentive, to proceed with a purchase. The sales team continues to actively promote the estate with a significant focus on networking and partnering with key project home builders through home and land packaging. Consistent sales service is being provided to builder sales reps through weekly visits to a selected number (usually 3) of local display builders, quarterly builder presentations and bi-annual builder sales meetings.

The extension of sales incentives provides an opportunity to re-engage the Catalina client database as well as the builder database.

The current FYE17 sales budget of 119 lots is based on achieving 10 net sales per month. Currently the project is netting 8 sales per month.

Since the builder rebate was approved by the TPRC council in October 2015 it has enabled the sales team to move old and difficult stock that had previously received little interest from potential purchasers.

Since May 2016, SPG have contracted on 21 lots in total since its commencement in October 2015 with the early construction rebate in place. With an average of 1 a month, SPG believes this rebate is working well.

As outlined in the table below there are currently 7 lots on the market, out of the 35 total lots available, that have been on the market for a period of more than six months and meet the criteria for the \$8,000 early construction rebate to be applied.

Stage	Release Date	Months on Market	Lot Number	Price	M <sup>2</sup>	Comment
12A	May 2014	36	305	\$295,000	447	Corner lot, side loaded, located on Aviator Boulevard, opposite future primary school site.
18A	Mar 2016	13	883	\$335,000	450	Regular lot, 15m frontage
14B	July 2016	9	773	\$234,000	314	Cottage lot – rear loaded, corner at the roundabout and abuts Neerabup Road, acoustic wall, quiet house requirements.
14B	July 2016	9	775	\$252,000	290	Cottage lot – rear loaded, 10.1m frontage, quiet house requirements
14B	July 2016	9	777	\$252,000	285	Cottage lot – rear loaded, 9.5m frontage
15D	August 2016	8	835	\$288,000	376	Regular lot abutting Neerabup Road, Quiet house requirements.
15D	August 2016	8	836	\$288,000	375	Regular lot abutting Neerabup Road, Quiet house requirements.



## Recommendation

Satterley Property Group provides the following recommendations to maintain a minimum of aged stock as more lots become eligible and to assist the FYE18 sales target:

- Approve the extension of the early Construction rebate of \$8,000 on specified lots above that are older than six months and up to 450m<sup>2</sup> from 30 June 2017 to 30 June 2018.

Should you require any further clarification please contact the undersigned.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Antonina Lazzara'.

**Antonina Lazzara**  
Project Director

# **Appendix 9.7**



TAMALA PARK – CATALINA

## LOT SALE & RELEASE STRATEGY

May 2017

### Introduction

This document outlines the sales and lot release strategy proposed by the Satterley Property Group for sales releases planned up to 30 June 2018. We have not provided a strategy beyond this date as it is likely the strategy would change prior to implementation.

Set out below is a recommended process for:

- Future builder releases;
- Future public releases;
- Special Site releases; and
- Lot release and staging strategy up to 30 June 2018.

The strategy is contingent on timely development approvals, WAPC subdivision approval and sufficient sales being obtained. The strategy is consistent with the proposed FYE2018 budget.

The number of sales anticipated for the year of 118 lots consists of 64 lots within the central cell and 54 lots within Catalina Beach. This lot release throughout the two precincts allows for differing buyer profiles at both medium and high price points.

A conservative approach in relation to the projected lot sales anticipated for the year has been taken, with similar results forecast over the next 12 months. Whilst it is expected that 2017 is the bottom of the market the significant stock overhang that has built up will delay an immediate recovery once demand does start to further increase.

### Medium Density Builders Allocation - Builder Release

In February 2015 the TPRC Council approved the tender procedure for medium density lots. This process required suitably qualified building companies to tender for packages of medium density lots (234M<sup>2</sup> - 307m<sup>2</sup>), with builders being ranked in accordance with the approved selection criteria with the highest ranked builder receiving the first selection. The tender procedure represents a fair and efficient methodology for the sale of medium density lots and has yielded sound results to date.

The lots proposed to be sold under the medium density tender process have been selected in order to achieve a uniform streetscape in medium density precincts, capitalise on the cost efficiencies of constructing multiple dwellings, leading to improved affordability to end users and to assist in the

marketing and sale of lots at Catalina.

If lots are not sold via the medium density builder allocation process they are to be placed on the market via the public release process.

As the market has softened and lack of builder interest the number of builders' releases reduced in 2015, with no builders' releases in FYE2016.

The next builders' release is proposed in Stage 25 (Catalina Beach) and planned for release in FYE2017/FYE2018, under the Hold Allocation.

Two different methods of builder allocations are to be used at Catalina as outlined below:

#### Put Option Allocations

Put options are a contract between the TPRC and a Builder which can require the Builder (at the TPRC's option) to purchase contracted lots if they have not been sold to the public within an agreed period of time.

The lots are marketed by the Builder as House and Land packages and sold to the public on the condition the Purchaser enters into a building contract with the Builder. This method has been used for all builder releases to date at Catalina. Put Option allocations are the preferred method for allocations of lots that do not require any mandatory 2 storey housing.

#### Hold Allocations

The Hold Allocation procedure consists of the TPRC placing a parcel of lots on hold for a builder for an agreed period of time. Placing the lots on hold for a builder provides the builder sufficient confidence to prepare detailed house and land costings and actively market the house and land packages to the public. Builders are incentivised to actively market the house and land packages by being offered additional allocations (if available) once all of the lots in their allocation are sold. If a builder is not successful in selling the proposed houses in their allocation then the remaining lots will be allocated to the next highest ranked builder who is yet to receive an allocation.

Additionally Hold Allocations may be appropriate when Put Option Allocations are not acceptable in the market, which is what the market is currently experiencing.

The lots proposed to be sold under the medium density tender process have been selected in order to achieve a uniform streetscape in medium density precincts, and capitalise on the costs efficiencies of constructing multiple dwellings, leading to increased affordability to end users.

Hold Allocations are to be used for lot allocations when the allocation includes any mandatory 2 storey lots, such as in Stage 25.

## **Display Village – Builder Release**

In April 2016 the TPRC Council approved 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), for the Catalina Beach Display Village.

The tender for the 15 Catalina Beach display village lots was undertaken in February 2017, with all 15 display lots due to be allocated in May 2017.

There are no planned display village lots to be released in FYE2018.

## **Public Release**

The sale procedure for public releases (Private Purchaser Lots), was approved by the TPRC Council in April 2014. Public Releases have been carried out via an online sales release process to ensure transparency of process from a probity perspective.

In recent times the public releases have received limited registrations, with six purchasers registering for Stage 17A lots in October 2016 and two purchasers registering for the most recent release Stage 18B lots. This reflects the soft market conditions being experienced in Perth and the lack of urgency from purchasers.

For the Public Releases it is proposed that:

- Public advertising occur a minimum of 7 days prior to a release, advising the public that a release is to occur. Public advertising may utilise a variety of mediums, including state wide press, local press, website, direct mail or signage;
- Registrants will be able to register online for a 48 hour period from the commencement of the release. Registrations will include the registrant nominating three preferred lots and state if the offer is cash unconditional or subject to finance;
- Registrants will then be allocated a lot based on the following:
  - Firstly, by the finance status of the registration with cash unconditional given preference, followed by offers being subject to finance.
  - Secondly, by the time of registration, the earlier the registration the higher the preference.
- Subject to availability registrants will be allocated a lot in accordance with their preferences;
- Following the completion of allocations, any registrants who were not allocated a lot will be offered first preference of any remaining lots, before the remaining lots are released to the market;
- Purchasers are required to sign an offer and acceptance within 7 days of being notified of their allocation.



## **Special Sites**

### *Stage 18 Group Housing Sites*

There are two group housing sites in Stage 18, Lot 995 Labuan Way - 7,358 m2 and Lot 996 Labuan Way - 3,039 m2. The sites are in prominent locations overlooking Neerabup Road and Connolly Drive.

Given the strategic location of the Stage 18 grouped housing sites and to achieve good built-form outcomes the Council required tender be subject to design guidelines that address the following:

- Orientation to public streets;
- Passive surveillance of public open space;
- Vehicle access from streets other than Aviator Boulevard;
- Provides a built form that addresses Connolly Drive and Neerabup Road where relevant;
- The building(s) addresses the internal street frontage to the Estate; and
- Limits vehicle crossovers and screens parking from the street;
- Provision of central private open space areas, developed as a resident meeting/recreation area, incorporating useable facilities and trees which will provide shade and amenity.

The Council also considered that the development of the sites should incorporate a mixture of residential product and also support the TPRC sustainability objectives which should include the following:

- Passive solar design;
- Installation of Photovoltaic panels;
- Other sustainability initiatives, water wise, etc;
- Participation in Catalina Waster Recycling Program; and
- Innovation in product and construction techniques.

In 13 October 2016, the TPRC invited tenders, consistent with the Lot Sales and Release Strategy (2016) for the purchase / development of two group housing sites (Lot 995 and Lot 996 Labuan Way) within Stage 18. The Tender proposed that the TPRC would appoint a Preferred Tenderer and work exclusively, with the Preferred Tenderer, for a 45-day period to explore development opportunities, progress design concepts and determine commercial terms for the site(s). The tender period was extended to provide greater opportunity for tenderers, however, no tenders were received.

The Group Housing sites will need to be tendered again (consistent with Council's design and sustainability requirements) to comply with LGA requirements. If this process is unsuccessful the SPG propose that the lots are advertised to the market via Public Release, based on the same guidelines as per the tender with a price guide of \$1,900,000 - \$2,000,000 and \$800,000 - \$900,000 respectively. If no further interest is received, SPG will assess the viability of subdividing or holding for a period of time prior to re-releasing to the market and report to Council. The tender will be prepared for advertising by 5th July 2017, closing 26<sup>th</sup> July 2017. If no tenders are received, a report of recommendations will be prepared for the following Committee meeting.

## **Lot Release**

The lot release staging is represented on the attached plan (Annexure A) to provide an overview of the strategy to be employed.

A summary of this information is provided on a Stage basis as listed below. Release yields and lot typologies are subject to statutory approvals and changes to stage boundaries, which may lead to some variations in staging boundaries and yields.

### **Stage 25 Builders Release**

<b>Date of Release</b>	<b>July 2017</b>
Forecast Stock	14 lots
Forecast Title Date	August 2017
Method of Sale	Public Release

### **Stage 26 – Public Release**

<b>Date of Release</b>	<b>September 2017</b>
Forecast Stock	38 lots
Forecast Title Date	March 2018
Method of Sale	Public Release

### **Stage 17B – Public Release**

<b>Date of Release</b>	<b>November 2017</b>
Forecast Stock	36 lots
Forecast Title Date	April 2017
Method of Sale	Public Release

### **Stage 16A - Public Release**

<b>Date of Release</b>	<b>May 2018</b>
Forecast Stock	13 lots
Forecast Title Date	September 2018
Method of Sale	Public Release

*\*Subject to further planning consideration and TPRC approval*

### **Stage 16A - Medium Density Builders Allocation - Builder Release**

<b>Date of Release</b>	<b>May 2018</b>
Forecast Stock	6 lots
Forecast Title Date	September 2018
Method of Sale	<b>Medium Density Builders Allocation - Builder Release</b>

*\*Subject to further planning consideration and TPRC approval*

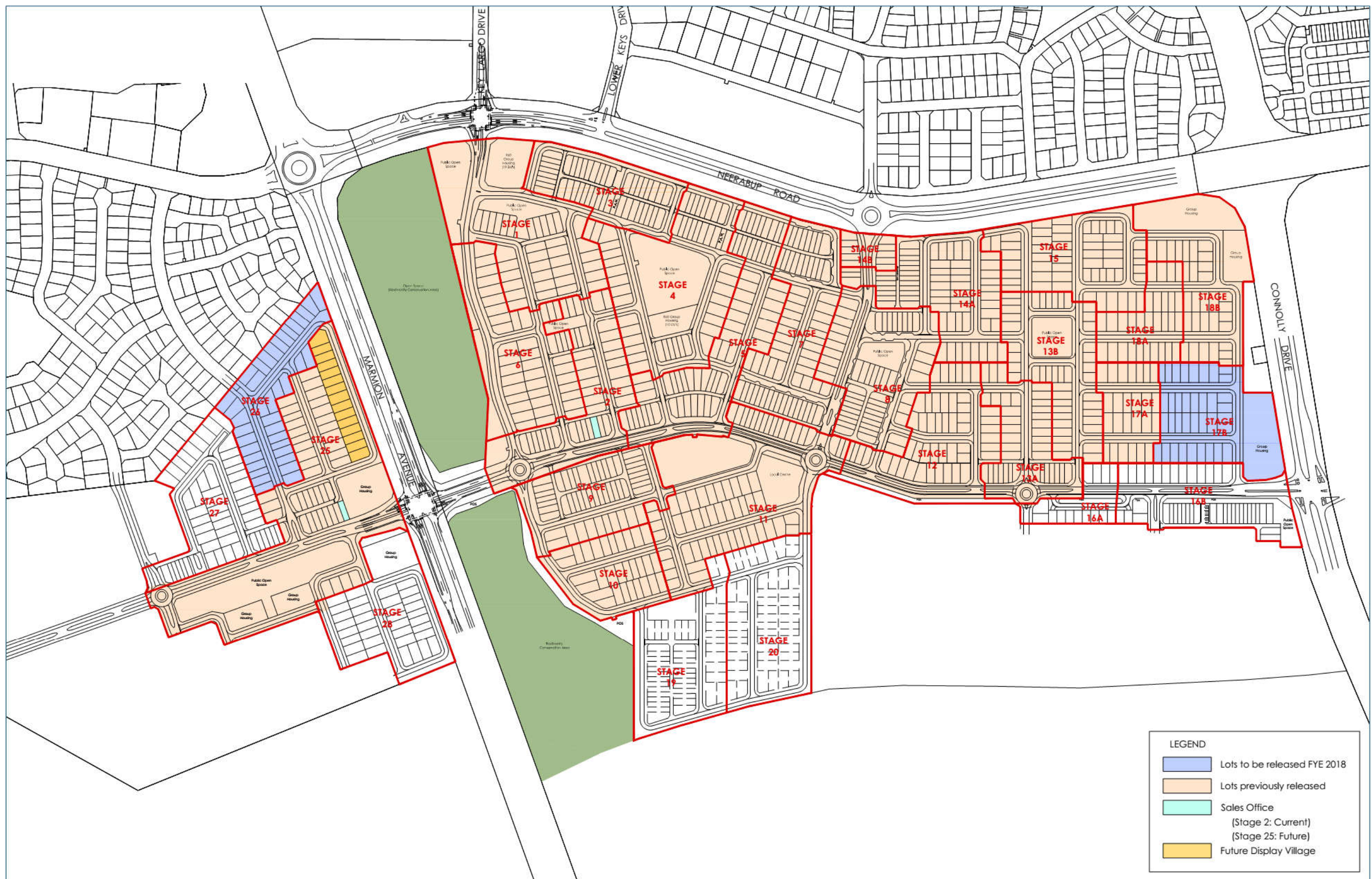
### **Stage 18 Group Housing Sites – Special Site Tender**

<b>Date of Release</b>	<b>July 2017</b>
Forecast Stock	*2 group housing sites
Forecast Title Date	TBC
Method of Sale	Public Release

*\*Previously released.*

## Annexure A







# **Appendix 9.8**

11 May 2017

Mr Tony Arias  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6019

Dear Tony,

## **Proposed Catalina FY2018 Budget**

Please find attached the proposed FY2018 Catalina Budget. The review is discussed under the following headings:

1. Budget Comparisons
2. Financial Year Ending 2017 (FY2017)
3. Operations for Financial Year Ending 2018 (FY2018)
4. Review of FY2018
5. Key Risks for achieving FY2018 Budget
6. Snapshot of Financial Year Ending 2019 (FY2019)
7. Project Forecast
8. Assumptions
9. Civil Construction Triggers
10. Cash Requirement, Capital Return and Profit Distribution Capacity

### **1. Budget Comparisons**

Budget review and variance analysis in this document for FY2017 compares to the FY2017 Mid-Year Budget Review approved in December 2016, which approved cash flows relating to FY2017 only.

Budget review and variance analysis in this document for FY2018 and subsequent years compares to the 2014 Project Forecast, which approved cash flows for the life of project. Since the preparation of the 2014 Project Forecast, there has been a significant deterioration in market conditions.

### **2. Financial Year Ending 2017**

The proposed FY2018 Catalina budget forecasts a net cashflow of (\$2.9m) for the 2017 financial year, which is \$0.7m higher than the FY2017 Mid-Year Budget Review approved in December 2016. The high level areas of variance are summarised below:

- › 110 sales are now budgeted for in FY2017, 19 lots less than the approved FY2017 Mid-Year Budget Review. 15 of these sales are from stage 25, which has been revised down due to a deferred launch date.

- › Gross income is forecast to be \$5.8m lower, which is the result of 13 fewer lot settlements and deferral of \$3.6m in group housing settlements.
- › Development costs are forecast to be \$6.5m lower than the approved FY2017 Mid-Year Budget Review, driven by deferred lot production costs of \$2.2m which includes \$1.0m of production costs for stage 25 and \$0.4m for stage 26 from delayed timings in Catalina Beach. Landscaping costs of \$2.1m have also been deferred, \$1.6m of which relates to Catalina Beach items which will now occur in FY2018. Infrastructure costs for FY2017 are anticipated to be \$0.9m lower than the Mid-Year Review as a result of deferred costs from the Catalina Beach Pump Station works which will now all be paid for in FY2018.
- › Distribution guidance for FY2017 remains unchanged at \$11m.

### **3. Operations for Financial Year Ending 2018**

The key operations for the 2018 financial year as forecast in the proposed budget are as follows:

1. Distributions of \$4m forecast.
2. Forecast sales of 118 lots (-82 from 2014 Project Forecast).
3. Forecast settlements of 123 lots (-67 from 2014 Project Forecast).
4. Forecast gross income of \$37.1m.
5. WAPC land acquisition forecast for Apr-18 at a budgeted purchase price of \$10.3m.
6. Forecast titles to be issued for stages 17B, 25 and 26, totaling 131 residential lots.
7. Subdivision approvals for stages 16A and 16B in Catalina Central and stages 36 and 37 in Catalina Grove. Lodge minor LSP Amendment for Catalina Grove.
8. Civil construction contracts to be let for stages 16A, 16B, 17B, 26 and 27 totaling 189 lots, and earthworks contracts for the Primary School site, Catalina Beach stages 29-31 and initial Catalina Grove stages.
9. Total earthworks and civil construction costs for the year of \$14.6m.
10. There will be a big focus on estate presentation in FY2018 with landscaping upgrades for Catalina Central of \$1.0m in addition to \$2.5m for specific works across stages 10 – 14. \$4.6m of spend for Catalina Beach landscaping will set the standard for the new precinct, with the \$2.6m lineal POS as the centerpiece. Total landscaping of \$10.2m budgeted.
11. Infrastructure costs of \$7.7m are forecast for FY2018 including the works for the Connolly Drive Green Link intersection (\$1.9m), Aviator/Portofino extension (\$1.4m) and West Beach Access (\$1.6m). The waste water pump station in Catalina Beach (\$2.0m) will commence with the Water Corporation set to reimburse full costs of the pump station 13 months after installation in FY2019.



#### 4. Review of Financial Year Ending 2018

The proposed FY2018 Budget forecasts a net cashflow before distributions of (\$11.4m) for the year to 30 June 2018, which is \$29.0m less than the 2014 Project Forecast as a result of a significant reduction in forecast settlements. The main areas of variance are summarised below:

- › Annual sales for FY2018 are expected to total 118, 82 lots lower than the 2014 Project Forecast.
- › Settlement forecast of 123 lots is 67 less than the 2014 Project Forecast. Budgeted lot income has reduced by \$19.1m, and is now forecast at \$39.9m.
- › Other income is \$7.6m less than the 2014 Project Forecast due to a reduction in special site settlements. The stage 11 Local Centre site is now budgeted for an Oct-17 settlement of \$1.0m, with \$0.8m anticipated in Jan-18 for one stage 18B group housing site. By comparison, the 2014 Project Forecast anticipated settlement proceeds of \$3.3m to be received from two stage 18 group housing sites (now forecast Jan-18: \$0.8m, Jul-18: \$1.9m), \$3.0m from the first Catalina Grove group housing site (now forecast Aug-21: \$3.7m), and \$3.1m from the Catalina Grove retail site (now forecast May-20: \$2.8m).
- › Landscaping works are \$7.0m higher in FY2018 compared to the 2014 Project Forecast. The FY2018 budget provides \$5.6m for landscaping Catalina Central, which was predicted to be largely complete in the 2014 Project Forecast with only \$0.7m budgeted. Landscaping works for Catalina Beach have increased in scope since the 2014 Project Forecast, with a much higher standard of landscaping now provided. FY2018 Catalina Beach landscaping costs are expected to total \$4.6m, which includes higher cost items such as the lineal POS and entry statement which in the 2014 forecast would have been completed. The 2014 Project Forecast allowed \$1.4m of costs for Catalina Beach which included Western Foreshore works alongside stages 27 and 28 landscaping. \$90,000 in initial scoping works for Catalina Grove landscaping is provided for FY2018, compared to the 2014 Project Forecast which allowed \$1.2m for landscaping stages 36 and 37.
- › There is \$7.7m in net infrastructure costs budgeted for FY2018, which compares to \$0.8m in the 2014 Project Forecast. The differences relate to timing, with the 2014 Project Forecast assuming much higher sales rates and therefore that the project would have already incurred the higher cost infrastructure items which are now forecast. FY2018 infrastructure works include \$1.9m for the Connolly Drive Green Link Intersection, \$2.0m for the Catalina Beach Pump Station, \$1.4m for the Aviator/Portofino extension and \$1.5m for West Beach Access. The 2014 Project Forecast budgeted \$0.8m for the Neerabup Green Link Underpass and \$1.0m for the Catalina Grove Pump Station, which was to be offset by a \$0.9m refund for the Catalina Beach Pump Station works.
- › Lot production costs for FY2018 are forecast to total \$14.6m, which is \$5.5m lower than the 2014 Project Forecast. 131 titles are forecast for FY2018, compared to 222 in the 2014 Project Forecast, which explains the lower levels of production costs now forecast. FY2018 allows for \$1.5m in bulk earthworks for the Primary School & GHS site in Catalina Central, \$0.3m for the

initial earthworks for the next Catalina Beach phase (stages 29-31) and \$2.2m for the initial earthworks of Catalina Grove. Civil costs include \$3.0m for stage 17B, \$2.8m for stage 26, \$1.0m for stage 25 and 1.0m for stage 16B in addition to \$1.3m in outstanding scheme costs for completed stages. The 2014 Project Forecast had anticipated that Catalina Central was fully complete, with \$1.9m budgeted for stage 29-31 earthworks in Catalina Beach, \$4.4m civil construction costs for Catalina Beach stages 27-29 and \$13.9m in civil construction for Catalina Grove stages 36 to 42.

- › Budgeted distributions for FY2018 remain at \$4m, as per guidance in the FY2017 Mid-Year Budget Review. Distribution forecasts are low in FY2018 due to the WAPC land acquisition which will result in a large cash outflow in FY2018, but will provide future project profits over the long term. The 2014 Project Forecast had anticipated distributions of \$18m on the back of significantly higher settlement volumes for residential lots and group housing sites.

## **5. Key Risks for Achieving Financial Year Ending 2018 Budget**

The following are key risks for TPRC receiving budgeted revenue in the proposed FY2018 Budget:

- › Achieving sales rates in accordance with the budget;
- › Settlements forecast for FY2018 being deferred to FY2019 (including group housing sites), resulting in lower revenue being achieved in FY2018;
- › Construction delays resulting in delays in titles issuing;
- › Achieving sales prices as per the budget;
- › Higher than expected cancellation rates for sales resulting in delayed settlements.

In addition, key to the FY2018 budgeted cashflow is the assumption that the WAPC land acquisition takes place in April 2018 at a purchase price of \$10.3m. Adjustments to timing and price could impact the actual cashflow position, with a flow on effect to forecast distributions.

The proposed FY2018 Budget also assumes initial earthworks for Catalina Grove will commence in April 2018. Any delays to Council decisions relating to Catalina Grove may affect this timing and may have a flow on effect to Catalina Grove sales and thus revenue in future years. Based on the LSP revision requests, there is a risk the project may run out of affordable stock. To mitigate this risk SPG needs to identify an area of subdivision based on the existing structure plan to ensure a supply of affordable stock while the Local Structure Plan amendment is being undertaken.

## **6. Review of Financial Year Ending 2019**

The proposed budget forecasts net cashflow before distributions of \$8.3m for the year to 30 June 2019, which is \$29.2m lower than the 2014 Project Forecast. The high level areas of variance are summarised below:

- › Gross Income has decreased by \$27.2m, driven by a \$25.3m reduction in lot income as a result of 78 fewer settlements than the 2014 Project Forecast, which assumed significantly higher sales rates than have occurred and are now forecast in the proposed FY2018 Budget.
- › Overall development costs are \$1.9m higher than the 2014 Project Forecast, driven by \$3.2m of higher landscaping costs, \$6.9m of higher bulk earthworks and \$0.7m costs now forecast for a charity home. Offsetting these increases is a reduction of \$8.9m in civil construction costs as a result of lower forecast titles (157 forecast titles compared to 216 in the 2014 Project Forecast).
- › Distribution capacity for FY2019 is forecast at \$10m, \$27m lower than the 2014 Project Forecast as a result of significantly lower settlements.

## 7. Project Forecast

The proposed FY2018 Budget forecasts an overall net cash profit of \$342.1 million for the life of the project, which is \$12.5m lower than the approved FY2017 Mid-Year Budget Review. With fairly minimal changes to underlying costs and revenues from the previous budget, the movement has come about by an assumption change to defer the onset of budget escalation by 12 months. With the long term project forecast being highly sensitive to escalation assumptions, the deferral of escalation has accounted for \$10.6m of the \$12.5m reduction in project profit. An increase in landscaping costs of \$1.1m has been included in the budget, which includes additional allowance for street trees (\$0.3m), Marmion Ave shrubs (\$0.2m), a new bore to service Connolly Dve (\$0.15m) and ground covers (\$0.1m). Survey and title fees have increased by \$200 per lot to \$1,200 per lot, which results in a \$0.4m reduction to the life of project budget profit.

The 2014 Project Forecast had returned an overall project profit of \$396.9m, which had assumed significantly higher escalation assumptions which have been revised down and deferred as the market has deteriorated.

It is worth noting that the life of project profit forecast for the proposed FY2018 Budget has increased by \$30.3m from the initial feasibility forecast of \$311.8m, with an improvement in project IRR from 18.2% to 19.9%.

## 8. Assumptions

Achieving title dates, and therefore the revenue streams, as described in the budget model are dependent on obtaining planning and engineering approvals. Any deferment of the commencement of works will result in titles being deferred, impacting the current distribution profile for FY2018 and 19.

Additionally, the timeframes provided by the engineers are dependent on the civil contractor being able to achieve these timeframes.

Stage	Precinct	Lots	Titles
Stage 18B	Catalina Central	31	Jun-17
Stage 25	Catalina Beach	58	Jul-17
Stage 26	Catalina Beach	38	Mar-18
Stage 17B	Catalina Central	36	Apr-18
Stage 16A	Catalina Central	19	Sep-18
Stage 27	Catalina Beach	52	Dec-18
Stage 16B	Catalina Central	44	Feb-19
Stage 36	Catalina Grove	42	Jun-19

The onset of escalation has now been deferred 12 months from the FY2017 Mid-Year Budget Review and is modelled as follows;

Proposed FY20 18 Budget   Escalation Rates				
ESCALATION	FY17	FY18	FY19	FY20 ON
Income escalation	0%	0%	2%	4%
Cost escalation	0%	0%	1%	2%

## 9. Civil Construction Triggers

Civil construction triggers remain in place to ensure the project does not overcommit civil construction to protect against any further downturn in market conditions. The triggers ensure the risk to the project is minimised by only committing to construction if stock reduces to a certain level.

As the Central and Beach precincts appeal to different target markets and will have different sales rates, we continue to recommend separate sales triggers for each.

The recommended trigger closing stock level for this budget review remains unchanged from previously advised - 35 lots for Catalina Central and 20 lots for Catalina Beach. A lot is no longer considered stock once an offer is received from a purchaser at or above the list price.

## 10. Cash Requirement, Capital Return and Profit Distribution Capacity

The proposed FY2018 Budget forecasts a minimum cash balance for the project of \$16.8m in FY2018 and \$15.0m in FY2019. Approximately \$15m is maintained as a minimum ongoing cash balance for the life of the project, which affects the amounts of distributions able to be paid out.

Life of project distributions are now forecast as follows;

Catalina   Profit Distribution Capacity				
FINANCIAL YEAR	CURRENT BUDGET FY2018 REVIEW	FY2017 MID-YEAR APPROVED BUDGET	VARIANCE	CUMULATIVE VARIANCE
PTD FYE2016	42,700,000	42,700,000	-	-
FYE2017	11,000,000	11,000,000	-	-
FYE2018	4,000,000	4,000,000	-	-
FYE2019	10,000,000	18,000,000	(8,000,000)	(8,000,000)
FYE2020	23,000,000	22,000,000	1,000,000	(7,000,000)
FYE2021	35,000,000	34,000,000	1,000,000	(6,000,000)
FYE2022	39,000,000	42,000,000	(3,000,000)	(9,000,000)
FYE2023	31,000,000	34,000,000	(3,000,000)	(12,000,000)
FYE2024	33,000,000	34,000,000	(1,000,000)	(13,000,000)
FYE2025	26,000,000	22,000,000	4,000,000	(9,000,000)
FYE2026	48,000,000	55,000,000	(7,000,000)	(16,000,000)
FYE2027	27,000,000	23,000,000	4,000,000	(12,000,000)
FYE2028	12,369,632	12,879,696	(510,064)	(12,510,064)
Total	342,069,632	354,579,696	(12,510,064)	

Should you have any queries on this report, please do not hesitate to contact me.

Yours sincerely



**Antonina Lazzara**  
Project Director



## Catalina Project Forecast - Annual (May 2017)

Catalina Annual Cashflow	PROJECT TOTAL	PTD Jun-16	FYE2017	FYE2018	FYE2019	FYE2020	FYE2021	FYE2022	FYE2023	FYE2024	FYE2025	FYE2026	FYE2027	FYE2028
Sales Release	2,410	804	111	107	180	167	198	183	171	159	232	98	-	-
Sales	2,410	771	110	118	152	171	182	196	188	171	163	185	3	-
Titles	2,410	806	66	131	157	119	174	226	192	179	154	206	-	-
Settlements	2,410	746	80	123	123	174	176	191	194	194	136	200	73	-
Closing Stock	-	33	34	23	51	47	63	50	33	21	90	3	-	-
Contracts on Hand	-	25	55	50	79	76	82	87	81	58	85	70	-	-
Average Settlement Price	294,621	250,586	282,774	324,075	291,851	274,307	282,294	287,517	299,857	318,853	352,600	373,658	406,506	-
GROSS INCOME														
Income - Lots	710,037,026	186,937,500	22,621,917	39,861,285	35,897,618	47,729,498	49,683,660	54,915,755	58,172,177	61,857,389	47,953,597	74,731,692	29,674,939	-
Income - Other	47,881,540	2,827,419	3,317	1,761,500	8,678,839	4,006,163	15,927,566	12,717,199	-	-	1,959,537	-	-	-
Direct Selling Expenses	79,540,124	15,029,564	2,856,054	4,522,641	5,208,314	5,187,930	7,550,275	8,078,877	6,492,631	6,771,305	5,942,003	6,435,169	4,517,978	947,383
<b>GROSS INCOME</b>	<b>678,378,443</b>	<b>174,735,355</b>	<b>19,769,180</b>	<b>37,100,145</b>	<b>39,368,144</b>	<b>46,547,731</b>	<b>58,060,951</b>	<b>59,554,077</b>	<b>51,679,547</b>	<b>55,086,085</b>	<b>43,971,131</b>	<b>68,296,522</b>	<b>25,156,960</b>	<b>(947,383)</b>
DEVELOPMENT COSTS														
Land & Special Sites Development	14,147,678	874,132	49,657	10,846,000	2,172,087	105,802	-	50,000	-	50,000	-	-	-	-
Consultants	7,748,431	2,154,917	495,015	697,365	629,176	606,084	591,355	609,920	574,692	612,062	337,429	282,483	157,933	-
Landscape	45,628,188	8,193,354	3,995,915	10,245,403	6,738,290	7,321,421	2,324,259	1,397,417	1,433,139	1,519,394	1,458,341	907,155	94,100	-
Infrastructure	16,050,328	8,429,594	2,940,506	7,659,480	71,872	(3,051,124)	-	-	-	-	-	-	-	-
Lot Production	217,822,237	63,005,422	11,051,915	14,601,827	17,243,631	15,125,296	17,155,756	16,270,902	15,550,286	17,331,465	13,442,351	16,440,605	602,781	-
Administration	11,843,325	1,955,068	479,811	1,040,717	1,057,611	1,037,624	974,317	959,705	941,214	921,007	899,617	888,953	523,072	164,608
Marketing	8,452,782	1,657,257	663,734	795,000	1,335,560	584,554	559,895	555,255	566,463	566,836	578,278	589,950	-	-
Community Development	2,224,981	169,981	100,000	192,500	222,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	192,500	-
Finance/Bonds	(0)	(479,192)	2,218,962	(24,445)	-	(200,000)	-	-	-	-	-	-	(2,915,325)	1,400,000
Contingency	12,390,861	24,455	662,966	2,423,021	1,613,912	1,207,783	1,210,881	1,098,558	1,068,897	1,142,879	885,677	965,082	78,519	8,230
<b>DEVELOPMENT COSTS</b>	<b>336,308,811</b>	<b>85,984,988</b>	<b>22,658,480</b>	<b>48,476,868</b>	<b>31,084,639</b>	<b>22,929,940</b>	<b>23,008,962</b>	<b>21,134,258</b>	<b>20,327,192</b>	<b>22,336,143</b>	<b>17,794,194</b>	<b>20,266,728</b>	<b>(1,266,419)</b>	<b>1,572,839</b>
<b>CASHFLOW</b>	<b>342,069,632</b>	<b>88,750,367</b>	<b>(2,889,300)</b>	<b>(11,376,724)</b>	<b>8,283,504</b>	<b>23,617,791</b>	<b>35,051,989</b>	<b>38,419,819</b>	<b>31,352,355</b>	<b>32,749,941</b>	<b>26,176,937</b>	<b>48,029,794</b>	<b>26,423,380</b>	<b>(2,520,222)</b>
Minimum Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Calls	(13,300,000)	(13,300,000)	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	13,300,000	13,300,000	-	-	-	-	-	-	-	-	-	-	-	-
<b>Profit Distribution Capacity</b>	<b>342,069,632</b>	<b>42,700,000</b>	<b>11,000,000</b>	<b>4,000,000</b>	<b>10,000,000</b>	<b>23,000,000</b>	<b>35,000,000</b>	<b>39,000,000</b>	<b>31,000,000</b>	<b>33,000,000</b>	<b>26,000,000</b>	<b>48,000,000</b>	<b>27,000,000</b>	<b>12,369,632</b>
Cumulative Cash Balance	-	46,050,367	32,161,068	16,784,344	15,067,848	15,685,639	15,737,628	15,157,446	15,509,801	15,259,743	15,436,680	15,466,474	14,889,854	-

Catalina FY2017 Budget Review (May 2017)

FY18 BUDGET REVIEW	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY2017 TOTAL	FY2017 MID-YEAR APPROVED BUDGET TOTAL	VARIANCE
Sales Release	10	-	2	25	-	-	-	-	31	-	43	-	111	126	(15)
Sales - Stage 11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales - Stage 12	-	-	1	-	-	-	-	-	-	1	-	-	2	2	-
Sales - Stage 13B	-	1	1	1	-	1	1	1	-	-	1	-	7	8	(1)
Sales - Stage 14A	-	-	-	1	-	-	-	-	-	-	-	-	1	1	-
Sales - Stage 14B	-	4	1	-	-	-	(1)	1	2	1	1	1	10	10	-
Sales - Stage 15	2	3	3	(2)	1	-	1	(1)	1	1	1	-	10	10	-
Sales - Stage 17A	-	-	-	-	6	-	4	7	1	1	1	1	21	24	(3)
Sales - Stage 17B	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales - Stage 18A	6	2	2	1	-	-	1	-	-	1	-	1	14	14	-
Sales - Stage 18B	-	-	-	-	-	-	-	-	3	3	2	2	10	10	-
Sales - Stage 25	-	-	-	-	-	-	-	-	-	-	18	17	35	50	(15)
Total Sales	8	10	8	1	7	1	6	8	7	8	24	22	110	129	(19)
Titles	-	-	-	10	-	-	-	25	-	-	-	31	66	124	(58)
Settlements	7	7	2	10	11	5	7	1	8	8	9	5	80	93	(13)
Closing Stock	35	25	19	43	36	35	29	21	45	37	56	34	34	30	4
Contracts on hand	26	29	35	26	22	18	17	24	23	23	38	55	55	61	(6)
Average Settlement Price	255,714	306,143	277,500	278,200	265,455	293,800	263,571	210,000	309,776	303,696	284,110	288,630	282,774	286,065	(3,291)
GROSS INCOME															
Income - Stage 11	240,000	-	-	-	-	-	-	-	-	-	-	-	240,000	240,000	-
Income - Stage 12	-	-	-	-	240,000	299,000	-	-	-	-	-	304,000	843,000	843,000	-
Income - Stage 13B	-	-	-	-	237,000	237,000	420,000	210,000	-	-	210,000	210,000	1,524,000	1,734,000	(210,000)
Income - Stage 14A	-	261,000	-	215,000	-	-	315,000	-	-	-	-	-	791,000	791,000	-
Income - Stage 14B	-	-	-	-	726,000	-	-	-	-	-	497,333	-	1,223,333	2,471,000	(1,247,667)
Income - Stage 15	917,000	-	298,000	1,679,000	609,000	337,000	257,000	-	277,000	-	-	309,000	4,683,000	5,301,000	(618,000)
Income - Stage 17A	-	-	-	-	-	-	-	-	2,201,212	1,882,903	1,563,738	620,148	6,268,000	1,248,688	5,019,312
Income - Stage 18A	633,000	1,882,000	257,000	888,000	1,108,000	596,000	853,000	-	-	546,667	285,917	-	7,049,583	7,634,000	(584,417)
Income - Stage 18B	-	-	-	-	-	-	-	-	-	-	-	-	-	1,149,548	(1,149,548)
Income - Stage 25	-	-	-	-	-	-	-	-	-	-	-	-	-	5,191,780	(5,191,780)
Income - Lots Total	1,790,000	2,143,000	555,000	2,782,000	2,920,000	1,469,000	1,845,000	210,000	2,478,212	2,429,569	2,556,988	1,443,148	22,621,917	26,604,016	(3,982,099)
Income - Other	-	-	752	1,503	406	657	-	-	-	-	-	-	3,317	3,615,750	(3,612,433)
Direct Selling Expenses	241,989	351,138	71,676	329,666	245,124	172,103	173,814	158,202	291,487	289,371	299,859	231,625	2,856,054	4,677,532	1,821,478
GROSS INCOME	1,548,011	1,791,862	484,076	2,453,836	2,675,282	1,297,554	1,671,186	51,798	2,186,725	2,140,198	2,257,129	1,211,522	19,769,180	25,542,234	(5,773,054)
DEVELOPMENT COSTS															
Special Sites Development	-	-	-	-	-	-	-	49,657	-	-	-	-	49,657	49,657	-
Consultants	9,855	61,886	18,045	58,504	39,240	17,239	23,807	59,757	58,928	58,926	43,177	45,650	495,015	686,963	191,949
Landscape	217,792	108,390	112,428	100,598	93,313	5,344	17,709	111,615	111,615	96,352	1,481,914	1,538,846	3,995,915	6,064,606	2,068,691
Infrastructure	94,889	557,305	577,583	367,444	160,106	385,591	(74,494)	184,945	224,189	213,118	213,118	36,713	2,940,506	3,847,792	907,287
Western Cell Bulk Earthworks Stgs 25-28	23,801	2,880	120,973	490,995	339,596	35,238	12,801	24,735	24,735	24,735	24,735	-	1,125,223	1,125,223	-
Western Cell Bulk Earthworks Stgs 29-31	-	-	-	-	-	-	-	-	-	-	-	-	-	2,548	2,548
Eastern Cell Cell Bulk Earthworks Stgs 36-40	-	-	-	-	-	-	-	9,375	9,375	9,375	9,375	9,375	46,875	113,750	66,875
Eastern Cell Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	-	-	-	-	-	-	-	21,849	21,849
Lot Production - Stage 6B	-	-	-	-	-	-	-	-	-	-	-	-	-	27,000	27,000
Lot Production - Stage 6C	-	-	-	-	-	-	-	-	-	-	-	-	-	67,500	67,500
Lot Production - Stage 9	-	-	-	-	-	-	-	-	-	-	-	-	-	137,700	137,700
Lot Production - Stage 10	-	-	-	-	-	-	-	-	-	-	-	-	-	81,000	81,000
Lot Production - Stage 11	-	-	-	-	-	-	-	-	-	-	-	-	-	178,200	178,200
Lot Production - Stage 12	-	-	-	-	-	-	-	-	-	-	-	-	-	132,300	132,300
Lot Production - Stage 13A	-	-	-	-	-	-	-	2,722	2,722	-	-	-	5,445	105,345	99,900
Lot Production - Stage 13B	-	-	-	-	-	-	-	-	-	-	-	-	-	121,500	121,500
Lot Production - Stage 14A	2,333	1,167	1,167	3,844	400	1,167	-	12,647	-	-	-	29,883	52,607	190,450	137,843
Lot Production - Stage 14B	1,250	3,097	8,550	53,325	750	-	-	85,496	17,500	-	-	-	169,968	199,596	29,628
Lot Production - Stage 15	-	-	-	74,271	46,086	4,521	-	-	-	-	-	-	124,878	271,671	146,793
Lot Production - Stage 17A	17,263	15,345	12,788	-	82,066	357,966	362,419	125,653	48,064	48,064	5,911	5,911	1,081,450	1,324,852	243,402
Lot Production - Stage 17B	-	-	-	-	-	-	-	-	-	-	-	21,133	21,133	40,667	19,533
Lot Production - Stage 18A	(45,492)	-	-	-	-	-	-	180,217	1,045	1,045	-	346,639	483,456	134,101	(349,355)
Lot Production - Stage 18B	123,243	-	-	-	8,900	-	-	15,514	574,914	574,914	887,614	568,290	2,753,390	2,719,700	(33,690)
Lot Production - Stage 25	19,655	4,914	9,828	8,190	19,655	1,730,351	735,683	15,023	509,429	509,429	509,429	1,105,029	5,176,617	6,217,281	1,040,664
Lot Production - Stage 26	1,939	4,703	941	1,411	941	941	-	-	-	-	-	-	10,874	6,641	(4,232)
Administration	(135,610)	97,594	13,211	100,121	27,354	30,069	7,405	59,933	59,933	59,933	59,933	99,933	479,811	918,847	439,036
Marketing	9,510	25,196	5,805	17,627	18,469	3,726	15,971	113,486	113,486	113,486	113,486	113,486	663,734	761,778	98,044
Community Development	-	-	-	-	-	-	-	20,000	20,000	20,000	20,000	20,000	100,000	100,000	-
Finance/Bonds	100,000	-	-	-	-	-	(52,325)	1,151,094	-	-	-	-	1,198,769	1,298,769	100,000
Debtor/Creditor Movement	15,668	200,279	(315,016)	326,928	(11,533)	(2,006,022)	592,489	443,480	443,480	443,480	443,480	443,480	1,020,193	798,429	(221,764)
Contingency	-	0	-	-	-	-	-	54,533	102,151	99,823	181,789	224,670	662,966	1,403,626	740,660
DEVELOPMENT COSTS	456,096	1,082,754	566,301	1,603,256	825,343	566,130	1,641,465	2,719,884	2,321,567	2,272,680	3,993,962	4,609,040	22,658,480	29,149,341	6,490,861
CASHFLOW	1,091,915	709,108	(82,225)	850,580	1,849,939	731,424	29,721	(2,668,086)	(134,843)	(132,481)	(1,736,833)	(3,397,517)	(2,889,300)	(3,607,107)	717,807
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distribution Capacity	-	-	-	-	-	5,000,000	-	-	-	-	-	6,000,000	11,000,000	11,000,000	-
Cumulative Cash Balance	47,142,282	47,851,390	47,769,164	48,619,744	50,469,683	46,201,107	46,230,828	43,562,742	43,427,900	43,295,418	41,558,585	32,161,068	32,161,068	31,389,806	771,261
Cumulative Cash Balance Forecast (FY2017 Mid-Year Budget Review)	47,088,828	47,799,836	43,885,464	43,396,262	43,126,756	37,771,358	37,773,810	37,164,225	35,961,971	31,987,753	28,945,845	31,389,806	24,000,622		
Cumulative Cash Balance Variance	53,454	51,554	3,883,700	5,223,483	7,342,927	8,429,749	8,457,018	6,398,518	7,465,929	11,307,665	12,612,740	771,261	8,160,445		



Catalina FY2018 Budget (May 2017)

FY18 BUDGET REVIEW	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	FY2018 TOTAL	APPROVED FORECAST AUG-14 3 YRLY WOL PROJECT FORECAST	VARIANCE
Sales Release	14	-	38	-	36	-	-	-	-	-	19	-	107	174	(67)
Sales - Stage 13B	1	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Sales - Stage 16A	-	-	-	-	-	-	-	-	-	-	-	2	2	-	2
Sales - Stage 17A	2	2	-	-	-	-	-	-	-	-	-	-	4	-	4
Sales - Stage 17B	-	-	-	-	-	2	6	6	6	6	6	4	36	-	36
Sales - Stage 18B	2	3	3	3	6	4	-	-	-	-	-	-	21	-	21
Sales - Stage 25	5	4	3	2	2	2	2	2	-	-	-	-	22	-	22
Sales - Stage 26	-	-	-	4	4	4	2	2	4	4	4	4	32	-	32
Sales - Stage 27	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)
Sales - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	36	(36)
Sales - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	3	(3)
Sales - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	20	(20)
Total Sales	10	9	6	9	12	12	10	10	10	10	10	10	118	200	(82)
Titles	57	-	-	-	-	-	-	-	38	36	-	-	131	222	(91)
Settlements	6	15	19	17	9	8	6	5	8	10	8	12	123	190	(67)
Closing Stock	38	29	61	52	76	64	54	44	34	24	33	23	23	34	(11)
Contracts on hand	59	53	40	32	35	39	43	48	50	50	52	50	50	120	(70)
Average Settlement Price	285,217	324,974	322,510	328,666	317,718	318,971	316,469	310,653	301,928	341,605	356,205	334,660	324,075	310,104	13,971
GROSS INCOME															
Income - Stage 13B	-	-	210,000	-	-	-	-	-	-	-	-	-	210,000	-	210,000
Income - Stage 14B	249,533	249,533	249,533	249,533	249,533	-	-	-	-	-	-	-	1,247,667	-	1,247,667
Income - Stage 15	-	-	309,000	-	-	-	-	-	-	-	-	-	618,000	-	618,000
Income - Stage 17A	307,400	307,400	-	307,400	307,400	307,400	-	-	-	-	-	-	1,537,000	-	1,537,000
Income - Stage 17B	-	-	-	-	-	-	-	-	-	-	583,139	1,749,416	2,332,554	10,707,144	(8,374,590)
Income - Stage 18A	292,208	-	292,208	-	-	-	-	-	-	-	-	-	584,417	-	584,417
Income - Stage 18B	862,161	862,161	574,774	574,774	574,774	862,161	862,161	862,161	1,724,323	1,149,548	-	-	8,909,000	-	8,909,000
Income - Stage 25	-	3,455,517	4,492,172	4,146,621	1,727,759	1,382,207	1,036,655	691,103	691,103	691,103	691,103	691,103	19,696,448	-	19,696,448
Income - Stage 26	-	-	-	-	-	-	-	-	-	1,575,400	1,575,400	1,575,400	4,726,199	1,812,561	2,913,638
Income - Stage 27	-	-	-	-	-	-	-	-	-	-	-	-	-	18,069,635	(18,069,635)
Income - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	3,131,402	(3,131,402)
Income - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	10,902,948	(10,902,948)
Income - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	11,078,903	(11,078,903)
Income - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	3,217,160	(3,217,160)
Income - Lots Total	1,711,303	4,874,612	6,127,688	5,587,328	2,859,466	2,551,768	1,898,816	1,553,265	2,415,426	3,416,052	2,849,642	4,015,919	39,861,285	58,919,753	(19,058,468)
Income - Other	-	-	-	-	-	-	761,500	-	-	-	-	-	1,761,500	9,409,857	(7,648,357)
Direct Selling Expenses	321,336	511,349	533,889	714,802	455,867	377,237	381,369	120,794	244,985	293,003	267,323	300,688	4,522,641	8,365,187	3,842,546
GROSS INCOME	1,389,967	4,363,263	5,593,799	5,872,526	2,403,599	2,174,531	2,278,947	1,432,470	2,170,441	3,123,049	2,582,319	3,715,231	37,100,145	59,964,423	(22,864,278)
DEVELOPMENT COSTS															
Special Sites Development	-	-	-	-	50,000	50,000	50,000	50,000	50,000	10,256,000	170,000	170,000	10,846,000	13,061,817	2,215,817
Consultants	48,431	49,154	49,070	49,690	49,525	124,342	78,038	52,139	49,993	49,566	49,445	47,973	697,365	688,265	(9,100)
Landscape	1,247,058	1,103,799	1,308,516	1,285,671	1,010,579	1,042,981	606,860	525,155	531,821	527,655	527,655	527,655	10,245,403	3,259,650	(6,985,753)
Infrastructure	372,100	336,767	327,392	1,061,941	1,061,941	1,388,154	856,538	577,966	592,133	362,383	362,383	359,783	7,659,480	898,229	(6,761,251)
Main 01 Bulk Earthworks Stg 20-24 PS/GHS/Oval	-	-	-	-	-	-	381,625	381,625	381,625	381,625	-	-	1,526,500	-	(1,526,500)
Western Cell Bulk Earthworks Stgs 29-31	2,548	2,548	2,548	5,881	5,881	5,881	5,881	5,881	5,881	2,548	2,548	298,601	346,630	1,923,483	1,576,853
Eastern Cell Bulk Earthworks Stgs 36-40	9,375	13,375	13,375	13,375	13,375	13,375	9,375	-	-	721,800	721,800	721,800	2,251,025	-	(2,251,025)
Eastern Cell Bulk Earthworks Stgs 41-44	21,849	21,849	21,849	21,849	25,183	25,183	3,333	3,333	3,333	3,333	-	-	151,095	-	(151,095)
Eastern Cell Bulk Earthworks Stgs 45-47	-	-	-	-	-	-	-	-	-	-	-	16,093	16,093	-	(16,093)
Lot Production - Stage 6B	-	-	-	-	-	67,500	-	-	-	-	-	-	67,500	-	(67,500)
Lot Production - Stage 6C	-	-	-	-	-	27,000	-	-	-	-	-	-	27,000	-	(27,000)
Lot Production - Stage 9	-	-	-	-	-	137,700	-	-	-	-	-	-	137,700	-	(137,700)
Lot Production - Stage 10	-	-	-	-	-	81,000	-	-	-	-	-	-	81,000	-	(81,000)
Lot Production - Stage 11	-	-	-	-	-	178,200	-	-	-	-	-	-	178,200	-	(178,200)
Lot Production - Stage 12	-	-	-	-	-	132,300	-	-	-	-	-	-	132,300	-	(132,300)
Lot Production - Stage 13A	-	-	-	-	-	99,900	-	-	-	-	-	-	99,900	-	(99,900)
Lot Production - Stage 13B	-	-	-	-	-	121,500	-	-	-	-	-	-	121,500	-	(121,500)
Lot Production - Stage 14A	-	-	-	-	-	170,100	-	-	-	-	-	-	170,100	-	(170,100)
Lot Production - Stage 14B	-	-	-	5,000	-	27,000	-	-	-	-	-	-	32,000	-	(32,000)
Lot Production - Stage 15	-	-	-	-	123,171	148,500	-	-	-	-	-	-	271,671	-	(271,671)
Lot Production - Stage 16A	-	-	-	-	4,066	4,066	4,066	4,066	4,066	4,066	203,900	203,900	432,197	-	(432,197)
Lot Production - Stage 16B	-	-	-	-	17,617	17,617	17,617	17,617	17,617	17,617	468,117	468,117	1,041,933	-	(1,041,933)
Lot Production - Stage 17A	5,911	-	-	-	-	-	-	-	-	-	-	-	5,911	-	(5,911)
Lot Production - Stage 17B	21,133	21,133	21,133	21,133	21,133	443,467	443,467	443,467	767,533	422,333	422,333	-	3,048,267	-	(3,048,267)
Lot Production - Stage 25	509,429	509,429	10,000	-	-	-	-	-	-	-	-	-	1,028,859	-	(1,028,859)
Lot Production - Stage 26	12,960	12,960	12,960	12,960	400,627	400,627	400,627	762,267	387,667	387,667	-	-	2,791,321	-	(2,791,321)
Lot Production - Stage 27	-	-	-	-	22,600	22,600	22,600	105,933	105,933	105,933	105,933	105,933	597,467	862,324	264,857
Lot Production - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	3,368,404	3,368,404
Lot Production - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	135,577	135,577
Lot Production - Stage 36	-	-	-	-	-	-	-	-	-	-	22,829	22,829	45,659	2,664,891	2,619,232
Lot Production - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	3,404,456	3,404,456
Lot Production - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	4,025,135	4,025,135
Lot Production - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	2,296,373	2,296,373
Lot Production - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	996,942	996,942
Lot Production - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	402,603	402,603
Lot Production - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	68,886	68,886
Administration	54,217	54,217	359,337	62,550	62,550	62,550	72,550	62,550	62,550	62,550	62,550	62,550	1,040,717	1,126,212	85,495
Marketing	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	66,250	795,000	774,750	(20,250)
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	192,500	212,992	20,492
Finance/Bonds	-	-	-	-	-	-	-	100,000	-	-	-	-	100,000	-	(100,000)
Debtor/Creditor Movement	(124,445)	-	-	-	-	-	-	-	-	-	-	-	(124,445)	-	124,445
Contingency	132,489	123,500	111,061	131,588	158,255	254,419	162,471	175,567	164,609	681,772	162,801	164,490	2,423,021	2,201,808	(221,213)
DEVELOPMENT COSTS	2,395,347	2,331,023	2,319,533	2,753,931	3,108,794	5,128,253	3,197,339	3,349,857	3,207,054	14,069,139	3,364,586	3,252,014	48,476,868	42,372,797	(6,104,071)
CASHFLOW	(1,005,380)	2,032,241	3,274,266	3,118,596	(705,194)	(2,953,721)	(918,392)	(1,917,387)	(1,036,612)	(10,946,090)	(782,267)	463,217	(11,376,724)	17,591,626	(28,968,350)
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distribution Capacity	-	-	-	-	-	2,000,000	-	-	-	-	-	2,000,000	4,000,000	18,000,000	(14,000,000)
Cumulative Cash Balance	31,155,687	33,187,928	36,462,194	39,580,790	38,875,596	33,921,875	33,003,483	31,086,096	30,049,484	19,103,393	18,321,127	16,784,344	16,784,344	15,415,225	1,369,119
Cumulative Cash Balance Forecast (Aug-14 3 Yrly WOL Project Forecast)	19,110,749	22,604,474	23,508,754	22,597,057	24,654,544	19,902,088	25,025,139	26,129,686	27,649,755	19,798,706	21,361,352	15,415,225	15,415,225	-	-
Cumulative Cash Balance Variance	12,044,938	10,583,454	12,953,440	16,983,733	14,221,052	14,019,787	7,978,344	4,956,410	2,399,729	(695,313)	(3,040,225)	1,369,119			

Catalina FY2019 Budget Forecast (May 2017)

FY18 BUDGET REVIEW	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	FY2019 TOTAL	APPROVED FORECAST AUG-14 3 YRLY WOL PROJECT FORECAST	VARIANCE
Sales Release	52	44	-	-	-	-	42	-	-	-	-	42	180	215	(35)
Sales - Stage 16A	6	6	5	-	-	-	-	-	-	-	-	-	17	-	17
Sales - Stage 16B	-	-	4	9	9	9	9	4	-	-	-	-	44	-	44
Sales - Stage 26	4	2	-	-	-	-	-	-	-	-	-	-	6	-	6
Sales - Stage 27	-	2	4	4	4	4	4	4	4	4	4	6	44	-	44
Sales - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	12	(12)
Sales - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	36	(36)
Sales - Stage 36	-	-	-	-	-	-	-	5	9	9	9	9	41	-	41
Sales - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	22	(22)
Sales - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 44	-	-	-	-	-	-	-	-	-	-	-	-	-	4	(4)
Total Sales	10	10	13	13	13	13	13	13	13	13	13	15	152	200	(48)
Titles	-	-	19	-	-	52	-	44	-	-	-	42	157	216	(59)
Settlements	8	8	10	12	14	10	11	6	5	13	13	13	123	201	(78)
Closing Stock	65	99	86	73	60	47	76	63	50	37	24	51	51	49	2
Contracts on hand	52	54	57	58	57	60	62	69	77	77	77	79	79	119	(40)
Average Settlement Price	317,139	317,139	332,482	308,374	276,336	270,242	292,816	366,965	326,916	260,616	260,757	260,906	291,851	304,251	(12,400)
GROSS INCOME															
Income - Stage 16A	-	-	-	375,674	1,127,021	1,127,021	939,184	-	-	-	-	-	3,568,900	-	3,568,900
Income - Stage 16B	-	-	-	-	-	-	-	-	218,968	1,970,710	1,970,710	1,970,710	6,131,099	-	6,131,099
Income - Stage 17B	1,749,416	1,749,416	1,749,416	1,749,416	1,166,277	-	-	-	-	-	-	-	8,163,940	-	8,163,940
Income - Stage 26	787,700	787,700	1,575,400	1,575,400	1,575,400	1,575,400	1,575,400	787,700	-	-	-	-	10,240,099	-	10,240,099
Income - Stage 27	-	-	-	-	-	-	706,390	1,414,089	1,415,610	1,417,300	1,419,127	1,421,064	7,793,581	-	7,793,581
Income - Stage 28	-	-	-	-	-	-	-	-	-	-	-	-	-	15,849,638	(15,849,638)
Income - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	3,308,038	(3,308,038)
Income - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	8,042,899	(8,042,899)
Income - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	11,426,796	(11,426,796)
Income - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	11,593,462	(11,593,462)
Income - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	10,933,594	(10,933,594)
Income - Lots Total	2,537,116	2,537,116	3,324,816	3,700,489	3,868,698	2,702,421	3,220,974	2,201,789	1,634,578	3,388,010	3,389,837	3,391,775	35,897,618	61,154,427	(25,256,809)
Income - Other	1,855,795	-	-	-	852,090	2,408,017	-	-	-	-	-	3,562,937	8,678,839	13,892,919	(5,214,080)
Direct Selling Expenses	627,388	335,007	415,514	540,195	457,219	548,799	274,158	195,882	196,524	342,136	318,202	957,291	5,208,314	8,467,053	3,258,739
GROSS INCOME	3,765,523	2,202,108	2,909,302	3,160,294	4,263,570	4,561,639	2,946,816	2,005,907	1,438,054	3,045,875	3,071,635	5,997,421	39,368,144	66,580,293	(27,212,149)
DEVELOPMENT COSTS															
Special Sites Development	50,042	50,083	83,458	167,112	174,319	279,692	279,877	222,758	250,706	250,915	251,124	112,002	2,172,087	2,150,963	(21,124)
Consultants	47,291	47,161	47,338	97,540	48,108	48,035	48,799	48,161	48,707	49,466	48,846	49,724	629,176	643,221	14,045
Landscape	38,151	45,407	45,444	64,295	1,375,500	1,376,646	1,379,923	939,889	600,991	601,491	209,585	60,968	6,738,290	3,517,699	(3,220,591)
Infrastructure	312,275	312,535	43,791	43,827	379,306	379,622	(2,796,812)	360,153	345,437	345,725	346,013	-	71,872	(67,433)	(139,305)
Main 01 Bulk Earthworks Stg 20-24 PS/GHS/Oval	285,184	285,422	285,660	-	-	-	-	-	-	-	-	-	856,266	-	(856,266)
Western Cell Bulk Earthworks Stgs 29-31	298,850	299,099	299,348	299,597	299,847	2,561	2,563	2,565	2,567	2,569	2,572	2,574	1,514,712	-	(1,514,712)
Eastern Cell Bulk Earthworks Stgs 36-40	722,402	723,004	-	-	-	-	-	-	-	-	-	-	1,445,405	-	(1,445,405)
Eastern Cell Bulk Earthworks Stgs 41-44	433,697	434,059	434,420	434,782	435,145	435,507	-	-	-	-	-	-	2,607,611	-	(2,607,611)
Eastern Cell Bulk Earthworks Stgs 45-47	16,106	16,119	16,133	19,491	19,507	3,350	3,353	3,356	3,358	-	-	322,370	423,143	-	(423,143)
WAPC Land Bulk Earthworks Stgs 48-51	-	-	-	-	-	-	-	-	-	-	-	26,297	26,297	-	(26,297)
Lot Production - Stage 16A	204,147	368,956	202,105	202,352	-	-	-	-	-	-	-	-	977,560	-	(977,560)
Lot Production - Stage 16B	468,669	868,821	463,896	464,447	-	-	-	-	-	-	-	-	2,265,832	-	(2,265,832)
Lot Production - Stage 27	106,022	504,570	505,191	505,813	1,099,300	507,060	507,686	-	-	-	-	-	3,735,641	-	(3,735,641)
Lot Production - Stage 28	-	-	-	-	-	18,425	18,441	18,456	77,244	77,308	77,372	77,437	364,682	-	(364,682)
Lot Production - Stage 29	-	-	-	-	-	-	-	-	-	-	-	-	-	3,470,858	3,470,858
Lot Production - Stage 30	-	-	-	-	-	-	-	-	-	-	-	-	-	139,701	139,701
Lot Production - Stage 36	22,848	22,867	22,886	22,906	22,925	22,944	22,963	428,941	429,479	430,019	847,644	431,102	2,727,524	-	(2,727,524)
Lot Production - Stage 37	-	-	-	22,906	22,925	22,944	22,963	22,982	23,001	23,020	23,039	23,059	206,838	-	(206,838)
Lot Production - Stage 38	-	-	-	-	-	-	-	-	23,001	23,020	23,039	23,059	92,120	-	(92,120)
Lot Production - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	1,859,933	1,859,933
Lot Production - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	3,190,615	3,190,615
Lot Production - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	3,826,986	3,826,986
Lot Production - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	3,741,385	3,741,385
Lot Production - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	1,921,015	1,921,015
Lot Production - Stage 44	-	-	-	-	-	-	-	-	-	-	-	-	-	853,907	853,907
Lot Production - Stage 45	-	-	-	-	-	-	-	-	-	-	-	-	-	254,577	254,577
Lot Production - Stage 46	-	-	-	-	-	-	-	-	-	-	-	-	-	34,689	34,689
Administration	62,591	62,633	346,363	62,717	62,759	68,510	68,556	68,603	63,650	63,696	63,743	63,790	1,057,611	1,078,775	21,164
Marketing	50,459	50,501	50,543	50,585	50,627	777,942	50,712	50,754	50,796	50,838	50,881	50,923	1,335,560	798,255	(537,305)
Community Development	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	16,042	222,500	219,471	(3,029)
Finance/Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	166,861	225,456	163,244	145,356	235,294	211,165	(5,530)	109,658	98,744	98,702	99,994	64,968	1,613,912	1,504,909	(109,003)
DEVELOPMENT COSTS	3,301,636	4,332,734	3,025,861	2,649,765	4,241,602	4,170,444	(380,465)	2,292,318	2,033,723	2,032,813	2,059,895	1,324,313	31,084,639	29,139,526	(1,945,113)
CASHFLOW	463,887	(2,130,626)	(116,560)	510,529	21,968	391,194	3,327,280	(286,410)	(595,669)	1,013,062	1,011,740	4,673,108	8,283,504	37,440,767	(29,157,263)
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distribution Capacity	-	-	-	-	-	-	-	-	-	-	-	10,000,000	10,000,000	37,000,000	(27,000,000)
Cumulative Cash Balance	17,248,231	15,117,605	15,001,045	15,511,575	15,533,543	15,924,737	19,252,017	18,965,607	18,369,938	19,383,000	20,394,740	15,067,848	15,067,848	15,855,993	(788,145)
Cumulative Cash Balance Forecast (Aug-14 3 Yrly WOL Project Forecast)	17,310,836	19,660,673	24,119,739	26,327,654	28,498,876	15,029,243	17,329,597	18,507,465	26,714,593	32,400,986	34,342,230	15,855,993	15,855,993		
Cumulative Cash Balance Variance	(62,605)	(4,543,068)	(9,118,694)	(10,816,079)	(12,965,333)	895,494	1,922,420	458,142	(8,344,655)	(13,017,986)	(13,947,490)	(788,145)	(788,145)		

# **Appendix 9.10**

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# Catalina

## ANNUAL MARKETING PLAN FYE2018

## INTRODUCTION

This Annual Marketing Plan for Catalina Estate outlines the key marketing and communication activities for 1 July 2017 – 30 June 2018 period.

The purpose of the Annual Marketing Plan is to provide an overview of the market conditions and a strategic overview and timeline for all marketing activities planned for 1 July 2017 – 30 June 2018 period.

This Annual Marketing Plan is subject to approval by the Tamala Park Regional Council (TPRC) and the achievement of the key project milestones.

The Annual Marketing Plan for July 2017 – June 2018 includes:

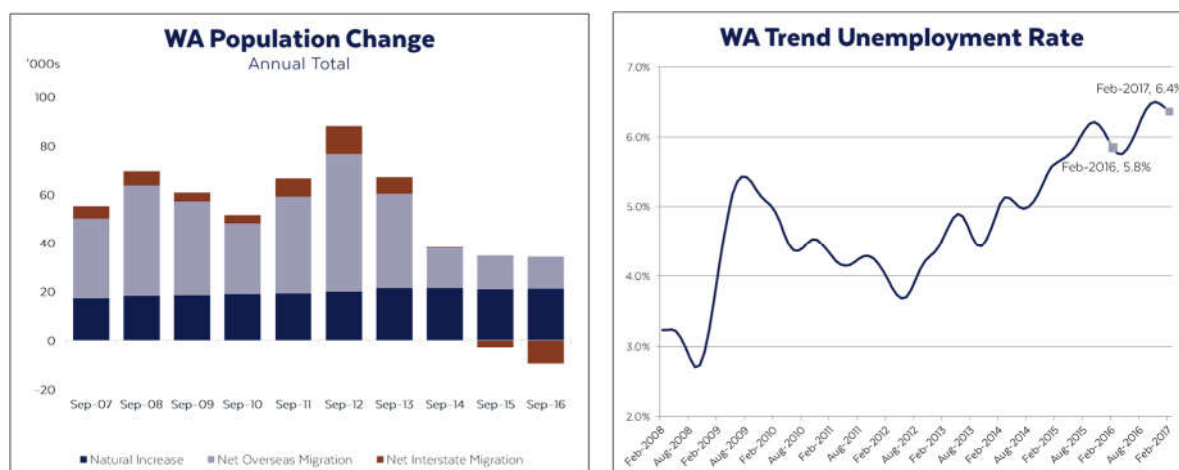
1. Market Conditions Overview
2. Sales Summary – Catchment Area
3. Sales Strategy and Monthly Targets
4. Key Marketing Objectives
5. Key Marketing Strategies
6. FY18 Marketing Budget

### Appendices

1. Swot Analysis
2. Additional Market Conditions
3. Competitor Report
4. Signage Strategy
5. Sales Office Strategy
6. Proposed Marketing Budget

## 1. MARKET CONDITIONS OVERVIEW

Despite interest rates remaining at historically low levels, the WA property market remains affected by concerns over job security as the transition of the economy from the mining construction boom continues. With the unemployment rate trending upwards, albeit with a slight reduction in recent months, people remain cautious about making large financial purchases including new homes. As workers relocate to find jobs, population growth in WA has slowed considerably.



Source: ABS

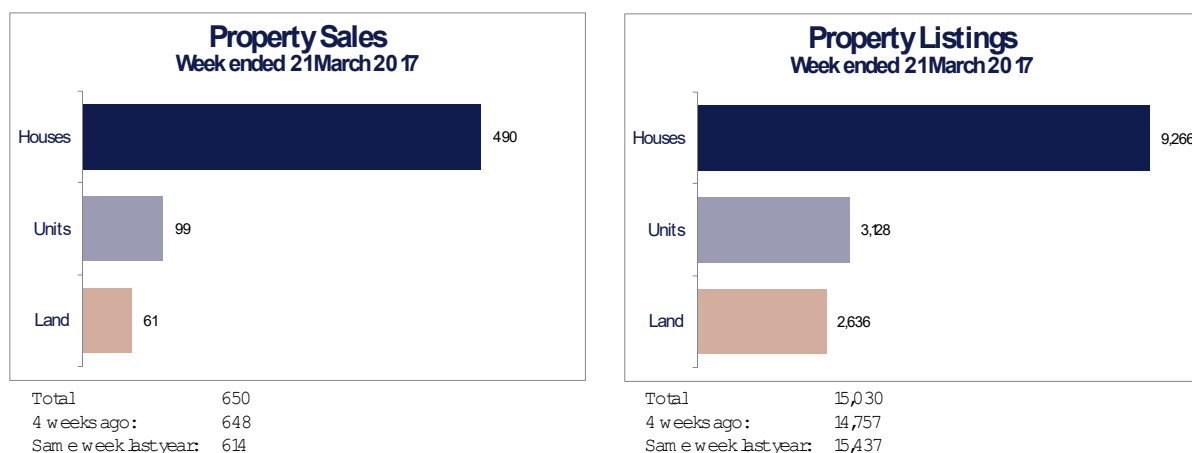
With net interstate migration recording negative values for ten consecutive quarters, WA's population growth in the year to Sep-16 has fallen to 1.0% (25,242 people). Over the past twelve months, the trend unemployment rate has risen from 5.8% at Feb-16 to 6.4% at Feb-17. These factors are having an impact on land sales across Perth.



Source: REIWA

Whilst Dec-16 quarter data is preliminary only and may be revised upwards, it is obvious to see that land sales volumes have dropped significantly over recent years. During 2013, land sales averaged 4,000 lots per quarter, however in 2016, this figure has more than halved to average 1,799. Median prices have risen over time, although recent medians have been more

volatility on the back of lower sales volumes. The recorded median in the Dec-16 quarter was \$269,000, which compares to a median of \$267,000 twelve months earlier.



Source: REIWA

Whilst it is encouraging property sales across the Perth metro area for the week ended 21 March 2017 showed some improvement to the same time last year, the total number of property listings (15,030) far exceeds the equilibrium level of 12,000. At current sales rates, without factoring new stock entering the market, there appears to be 23 weeks' worth of existing housing stock, 32 weeks' unit stock and 43 weeks' land stock. The North-West metro corridor is not immune from this.

North-West Metropolitan Corridor Snapshot					
DESCRIPTION	THIS QTR (DEC-16)	LAST QTR (SEP-16)	% CHANGE FROM LAST	YOY	% CHANGE YOY
Share of sales	23.7%	22.8%	4%	34.4%	(31%)
Lots sold (# of lots)	357	375	(5%)	571	(37%)
Lots sold (\$ m millions)	\$80.8	\$83.7	(3%)	\$135.2	(40%)
Avg. size of lots sold (sqm)	351	393	(11%)	384	(9%)
Avg. price of lots sold	\$226,346	\$223,204	1%	\$236,846	(4%)
Avg. rate per sqm of lots sold	\$645	\$567	14%	\$617	5%
Lots on the market	965	1050	(8%)	1154	(16%)
Stock on the market (months)	8.1	8.4	(3%)	6.1	34%
Avg. price of lots on the market	\$228,224	\$222,595	3%	\$243,293	(6%)
Avg. size of lots on the market (sqm)	372	369	1%	364	2%
Lots NOT on the market	519	376	38%	251	107%
Lots under construction (release within 12 months)	868	949	(9%)	1148	(24%)
Avg. size of lots under construction (sqm)	370	378	(2%)	434	(15%)

Source: UDIA WA

The Urban Development Institute of Australia WA (UDIA WA) suggests there is over eight months' stock on the market for land in the North-West corridor. Sales volumes for the Dec-16 quarter were down 5% from the previous quarter, and down 40% in year-on-year terms. The average price of lots sold has reduced and follows the reduction in average size of lots sold down to 351 m<sup>2</sup>. This accounts for the increase in the average per square metre rate to \$645 for the Dec-16 quarter. Additional market commentary can be reviewed in **Appendix 2**.





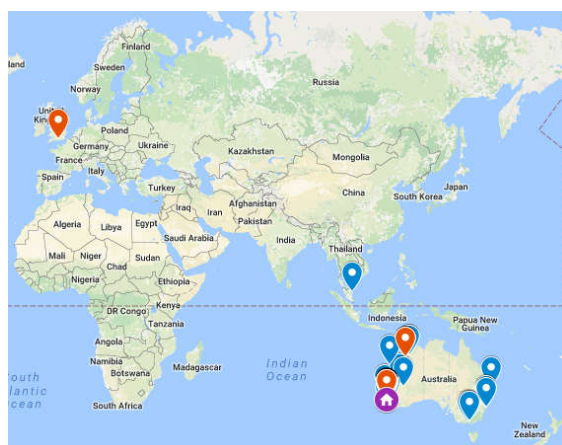
## 2. SALES SUMMARY – CATCHMENT AREA

The map below shows the geographical location of all purchasers (red dots) and sales leads (blue dots). Comparing YoY, FYTD17 saw some international investment from the United Kingdom and expression of interest from Malaysia, interest from Eastern States remains consistent.

ROI vs Purchase FY 16

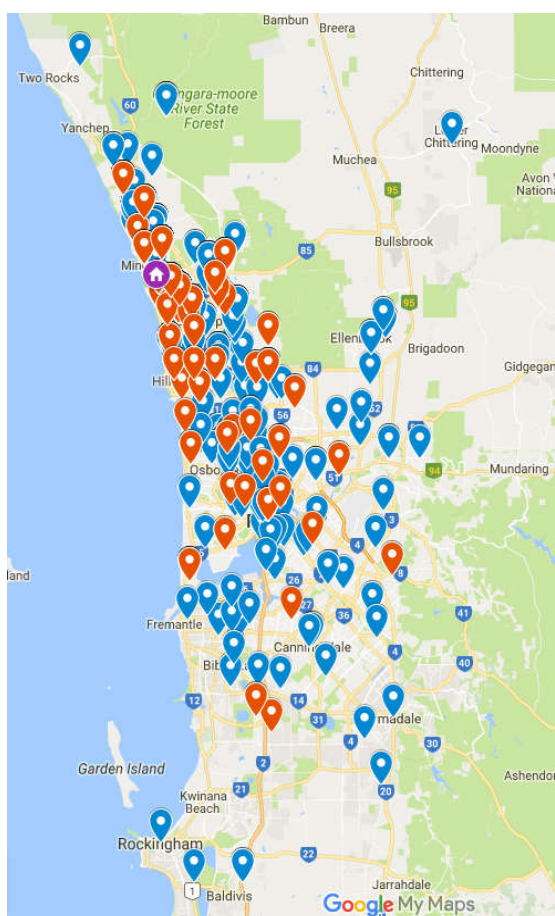


ROI vs Purchase FYTD17

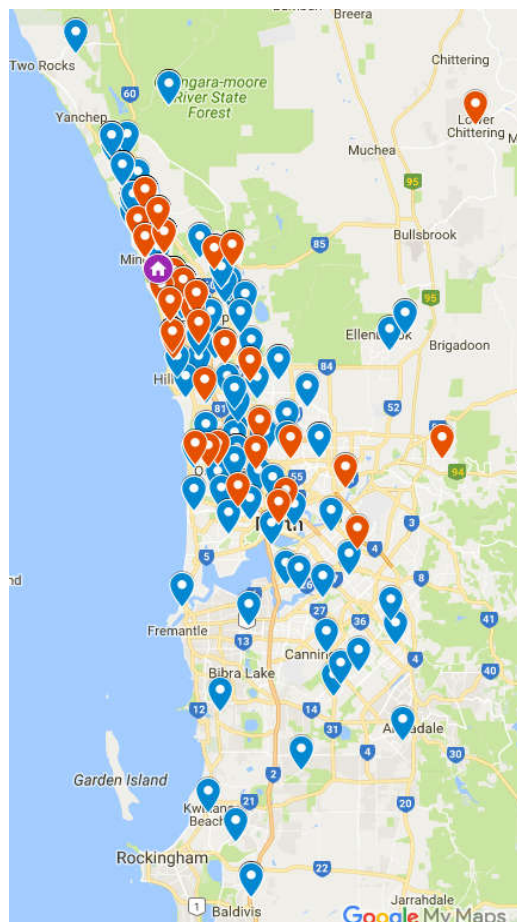


Looking at Perth metropolitan area, clusters remain similar to those from FY16, also demonstrating visually, how many ROI from FY16 proceeded to purchasing in FY17. Majority of the Catalina purchasers continue to come from Perth metropolitan northern suburbs, stretched from Perth CBD to Yanchep along the northern corridor. This trend will continue into FY18.

ROI vs Purchase FY 16 – Metro Area



ROI vs Purchase FYTD17 – Metro Area



### 3. SALES STRATEGY AND MONTHLY TARGETS

1<sup>st</sup> July 2017 - 30<sup>th</sup> June 2018

#### Objectives

- Sales Target FY18: 118 sales

#### Proposed Release Schedule

It is proposed that 74 lots will be released within the 12 month period July 2017 to June 2018 are shown in the table below:

Stage	Date	No of Lots
Stage 26	September 2017	38
Stage 17B	November 2017	36
Stage 16A	May 2018	19
<b>TOTAL</b>		<b>93</b>

Note: These will vary dependent on sales rate and market conditions.

Please see **Appendix 4** for visual reference of the Lot Sales & Release Strategy.



The information below outlines the details of Satterley sales strategy for the sale of lots in Catalina estate.

Set out below is a recommended process for:

- Public Release;
- Builder Engagement Strategy; and
- Stock Management.

### **Public Release**

Releases have been carried out using the TPRC approved online sales release process to ensure transparency. This approach will be utilised for all public releases in FY18.

### **Builder Engagement Strategy**

Satterley has strong relationships with key builders active in the Northern Metropolitan Corridor. Satterley will continue to engage with key builders to ensure that Catalina obtains and maintains support from builders and leverages these relationships to deliver a consistent stream of referral business into the estate. Building relationships with a wide selection of builders will also go a long way towards ensuring that a diverse range of product is being delivered into the estate.

The following sales activities will be undertaken by the sales team and form the basis of the builder engagement strategy:

#### **Catalina Display Village**

Satterley will work with the Catalina display village builders to ensure that all sales representatives working in the village have the latest information on the estate available in each of their display homes. Satterley plans to hold builder functions at the sales office or in their offices during the financial year. The timing of these will likely coincide with key milestones reached within the estate. Planned functions will provide an opportunity to engage our builder partners as a group, update them on the next phases of the development, provide them with the successes and learnings of the development and recognise their importance with helping to drive traffic and enquiry to the estate.

#### **Display Village Visits**

Weekly display village visits across the Northern corridor will be completed.

#### **Builder Management Updates**

Updates will be provided to key Building Sales Management notifying them of available stock, current offers and the land release program.

#### **Sales Team Visits to Builder Offices**

The sales team will deliver presentations throughout the year to Perth's leading home builders to ensure that all companies and their sales representatives are aware of the development progress as well as the key features and benefits of the estate.



**Sales Office**

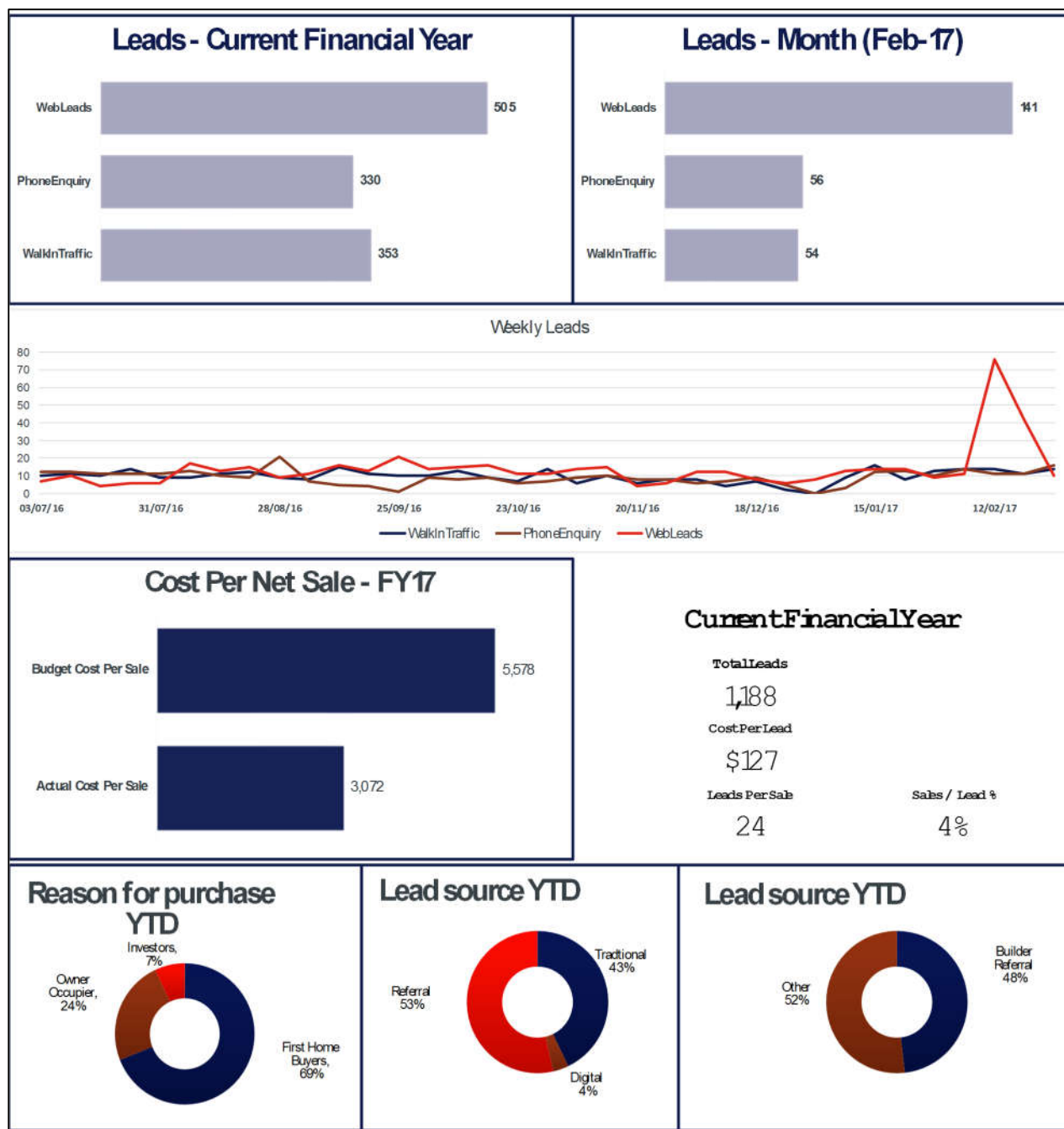
The current sales office will remain in operation for at least the life of Display Village 2 in Catalina Central, which is currently estimated to be end October 2018. The current sales office is the primary sales tool for the estate and provides a space for prospective clients and key stake holders to visit and speak with the sales team.

**Stock Management**

Satterley will review sales and planned releases on a weekly and monthly basis to ensure appropriate levels of stock are maintained on the market at all times.

## Customer Relationship Management System Overview – Sales Leads and Budget Analysis

FY17 – July 2017 to February 2017



## 4. KEY MARKETING OBJECTIVES

1<sup>st</sup> July 2017 – 30<sup>th</sup> June 2018

The primary marketing objectives for Catalina project and its precincts for the 1 July 2017 – 30<sup>th</sup> June 2018 period are outlined in detail below. When developing marketing objectives for this project the following factors were taken into consideration:

- the state of the WA property market and a highly competitive sales environment predominantly driven by the product discounting and various incentives available to purchasers and builders' representatives that are traditionally referring business to land developers;
- the current status of our point of sale environment and project signage in comparison to our competitors in the Northern corridor;
- FY18 sales targets; and
- the current level of lead enquiries generated directly by the project's marketing activities.

<b>Marketing Objectives – Catalina Central and Master Brand</b>	
<b>1. Brand Development</b>	Strengthen brand equity for Catalina master brand, build brand equity for Catalina Beach precinct in the northern corridor. Increase brand awareness and share of voice in the secondary and tertiary catchment areas.
<b>2. Lead Generation</b>	Generate sales leads and traffic to the estate sales office and website keeping the quality of leads at 4% conversation rate or above through traditional and digital advertising and builder relationships. Optimise campaign performance to achieve campaign goals while making effective use of advertising funds with appropriate measurements in place.
<b>3. Project Signage</b>	Implement signage strategy including new signage structures, upgrades and reskins of the existing project signs. Create strong brand statement with signature signs, which will contribute to brand equity; utilise outer signs to promote estate's key points of difference, with internal estate signage to mark the key project amenities, as well as improve customer journey through the estate.
<b>4. Point of Sale (Sales Office)</b>	Maintain strong Catalina master brand and Catalina Beach precinct presence at Catalina Central Sales Office; provide functional space for community development component.
<b>5. Project Website and Search Engine Optimisation (SEO)</b>	With the new website developed and search engine optimised (SEO) in FY17, objective for FY18 is to utilise this media channel as a key driving tool for lead generation in conjunction with lead generation and remarketing through search engine marketing (SEM) and social media.
<b>6. Sales Collateral</b>	Maintain sales collateral up-to-date, aligned to master brand and respective precincts, reinforcing value proposition.



## 7. Community Development

Support Community Development function from marketing support and brand guidance perspective in order to deliver added value, build brand equity and advocacy among the existing residents.

### Marketing Objectives – Catalina Beach

#### 1. Brand Development

Launch and establish Catalina Beach brand as a premium beach precinct in September 2017. Increase awareness of beach precinct in the catchment areas. Increase the return on investment from beach precinct by driving the value proposition for beach precinct. Enable Catalina Beach to compete successfully with the next best options in consumer consideration set.

#### 2. Lead Generation

Generate new sales leads and traffic to the estate sales office and website. Convert maximum number of existing database leads into sales. Optimise campaign performance to achieve campaign goals while making effective use of the advertising funds.

#### 3. Project Signage

Deliver overall signage strategy including new signage structures, upgrades and reskins of the existing project signs.

#### 4. Point of Sale (Sales Office)

Develop concept for the new Beach Precinct Sales Office, which will communicate premium status of the precinct, highlight its points of difference and reasons to believe why Beach precinct is 'land without compromise'.

#### 5. Sales Collateral

Develop precinct specific print collateral to demonstrate the key aspects of beach precinct.

#### 6. Advertising

Enable Catalina Beach to compete successfully with the next best options in consumer consideration set. Ensure effective use of allocated funds to promote brand and retail components of Beach precinct to generate quality traffic which converts into leads at the rate of equal to or greater than 5%.

## 5. KEY MARKETING STRATEGIES

The following section outlines the specific marketing strategies that are designed to meet FY2017/18 sales targets and the key marketing objectives. Supporting marketing documentation is listed in the Appendices section of this document.

Item	Strategy
<b>Branding</b>	<p><b><u>Brand, market research and advertising strategy</u></b></p> <p><b>Strategic Branding Direction</b> Capitalise on the refreshed brand and value proposition launched in FY17/18, continue the roll out to all elements of the marketing and sales process. Ensure brand awareness and brand engagement at each stage of customer journey, starting with problem identification (the need to purchase land/house), through solution search, evaluation and consideration, down to purchasing and post-purchasing behaviour.</p> <p><b>Catalina Central</b> Catalina Central is an established brand that will evolve in line with the new strategic brand direction in FY18.</p> <p>Adjustment of the brand will include the following steps:</p> <ul style="list-style-type: none"> <li>▪ clearly communicate key points of difference (PODs) creating favourable associations</li> <li>▪ post-purchase information and communication</li> <li>▪ change in marketing communication with the general public</li> <li>▪ communication with builders.</li> </ul> <p><b>Catalina Beach</b> The primary purpose of our brand strategy for this precinct is to continue the process of establishing Catalina Beach brand as highly desirable through key visual and content brand elements. Followed by the content strategy rollout to the website, point of sale environment, marketing collateral, advertising and database communication.</p>
<b>Research</b>	<p><b><u>Market Research</u></b> The following market research tools are recommended to be put in place to better understand Catalina consumer:</p> <ul style="list-style-type: none"> <li>• Ongoing Customer Tracker Buyers Research</li> <li>• Geomapping Update and Analysis</li> <li>• Profiling of Geographical Draw Area and Analysis</li> </ul> <p>Additional market research around the Catalina Beach apartment product should be considered to better understand the market demand and expectation for this type of product. Provision for this research is not included in FY17 marketing budget.</p>
<b>Advertising</b>	<b>Brand Advertising</b>



Brand Advertising should account for approximately 40% of the advertising spend, which will increase the brand awareness in our primary and secondary catchment areas to deliver on set objectives. Media channel strategy will be based on increasing the project's brand awareness in the secondary and tertiary catchment areas; and therefore increasing the potential for the lead conversion from these areas. This form of advertising would also be designed to build brand perception about the project in terms of its vision, positioning in the market place, product offering and pricing.

When executed in line with the proposed brand advertising allocation, we would expect consistent growth of the market share and brand equity, the latter in turn is passed on to the project investors (TPRC).

#### **Lead Generation Performance Advertising**

The remaining 60% of the advertising spend should be allocated to lead performance advertising designed to drive traffic to the sales office, web/phone enquiries or referral traffic to the Catalina display village.

Media buying methodology would include profiling our target market segments from a demographic and sociographic perspective and using 2<sup>nd</sup> and 3<sup>rd</sup> party media consumption behavioural data from big data platforms that we can access through our media buying partner Carat.

In view of high cost effectiveness and measurability, backed up by consumer behaviour, Search Engine Marketing (SEM) is highly recommended in the performance advertising media mix to target audience searching for our product, as well as re-marketing to this audience once they visit Catalina website.

#### KPIs Catalina Central

Land Sales (estimate): 54

Lead per sales ratio: 31:1

Leads required: 1,674

Walk in: 1,121 (67%)

ROI Web: 401 (24%)

Email: 51 (3%)

Phone: 101 (6%)

#### KPIs Catalina Beach

Land Sales (estimate): 64

Lead per sales ratio: 31:1

Leads required: 1,984

Walk in: 1,329 (67%)

ROI Web: 476 (24%)

Email: 59 (3%)

Phone: 120 (6%)

The media plans to deliver the above results will be briefed in closer to the time when a confirmed launch date has been agreed; will include consistent share of digital advertising; the overall media budget would remain the same.

**Key Milestones for Catalina Central and Beach Precincts are as follows:**

- 2 Public Land Releases
- Catalina Beach POS completion

Broad estimate of proposed stage releases within the 12 month period July 2017 to June 2018 for Central and Beach is as follows:

Stage	Date	No of Lots
Stage 26	September 2017	38
Stage 17B	November 2017	36
Stage 16A	May 2018	19
<b>TOTAL</b>		<b>93</b>

Note: These will vary dependent on sales rate and market conditions.

**Reporting**

The following reporting tools will be used to analyse performance advertising campaigns:

- Google Analytics
- Ad serving platforms reports
- Jet Interactive phone tracking numbers
- Microsoft Dynamics CRM report (database reporting, sales status)

**Catalina Beach launch strategy**

Proposed Launch Date: September 2017 or the opening of the public open space (POS), whichever occurs earlier.

Product on the ground: fully completed POS and Stage 26.

**Marketing rationale:**

Followed the soft launch of Catalina Beach precinct with Stage 25 public release, our recommendation is to plan for a major Launch event, which will be promoted through advertising channels from a brand and retail point of view. This will have a direct impact on market's perception of the precinct value, which in return will maximize the return on investment from this precinct through premium component in the pricing.

In addition to this, we strongly believe that we can achieve much better brand positioning and sales outcome, if we market product that presents well and offers a set date for beach access and completed park amenity at the time of the purchase.

The following section outlines the key components of Catalina Beach launch strategy:

**Phase 1 – Registration of interest**

Overall Timing: 1 - 2 months prior to launch

Strategy:

	<p>Generate sales enquiries from the primary and secondary catchment areas via highly effective communication channels:</p> <ul style="list-style-type: none"> <li>• SEM/SEO (designed to target and drive brand traffic to website)</li> <li>• real estate portals (designed to drive research enquiries to website)</li> <li>• project signage/point of sale (designed to drive traffic from Marmion Ave to the sales office)</li> <li>• direct marketing (designed to nurture traffic through different cycles of lead conversion funnel)</li> <li>• PR (designed to engage with potential buyers through traditional and social media)</li> <li>• sponsorship, i.e. Mindarie Marina Festival (designed to drive brand awareness and lead generation)</li> <li>• local newspapers (designed to drive brand awareness and lead generation)</li> </ul> <p>Consequently engage with leads and drive them through the lead nurturing process as follows:</p> <ul style="list-style-type: none"> <li>• prequalification (interests, purchase timeframe, budget, product type)</li> <li>• useful content and project updates (keeping prospect interested)</li> </ul> <p><u>Phase 2 – Release/Launch Campaign</u></p> <p>Overall Timing: 2-3 weeks prior to release date</p> <p>Strategy:</p> <p>Launch Catalina Beach brand and its product offering in the Northern Corridor and generate sales enquiries from potential purchasers that have limited or no awareness of Catalina Beach and its offering.</p> <p>Incorporate the following communication channels:</p> <ul style="list-style-type: none"> <li>• Press – Local Community papers to be targeted and special features in The West</li> <li>• Digital: <ul style="list-style-type: none"> <li>○ real estate portals</li> <li>○ social media - Facebook advertising</li> <li>○ direct response media</li> </ul> </li> <li>• SEM – Google AdWords marketing and re-marketing</li> <li>• eDM to all Satterley promotions with 20km post code targeting</li> <li>• project signage/point of sale</li> <li>• direct marketing</li> <li>• sponsorship, i.e. Mindarie Marina Festival (designed to drive brand awareness and lead generation)</li> </ul> <p>Finalise lead nurturing process to separate leads from longer term database contacts through the following process:</p> <ul style="list-style-type: none"> <li>• explain sales process;</li> <li>• provide full product and pricing information;</li> <li>• re-confirmation of intent to buy (conversion stage).</li> </ul> <p><u>Phase 3 – Post-Purchase Nurturing</u></p> <p>Post-purchasing consumer behaviour is concerned with re-assuring a buyer that the decision to purchase into Catalina Estate was the right choice. This will happen through:</p> <ul style="list-style-type: none"> <li>- community events designed to build a stronger community and provide point of difference in comparison to majority of other estates in Northern Corridor;</li> </ul>
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<b>Signage</b>	<ul style="list-style-type: none"> <li>- delivering on what was promised within the given time frame, i.e. rebates, and communicating this clearly;</li> <li>- on-going communication and updates, re-assuring superiority and exclusivity of the estate (i.e. additional enviro leaf, grand landscaping, new park attractions, etc.);</li> <li>- on-going brand advertising through sponsorship of the local events and geo-targeted SEM (search engine marketing);</li> <li>- managing publicity through anticipating and mitigating any possible negative coverage and fostering positive, feel-good stories;</li> </ul> <p><b><u>Signage, point of sale, website and marketing collateral strategy</u></b></p> <p>Finalise, production and installation of the new and upgraded signage.</p> <p>Delivery of the new and upgraded internal and external signage will support brand awareness, communication of retail messaging and way-finding through the estate.</p> <p>Key initiatives as follows:</p> <p><u>External Signage</u> To increase the opportunity to communicate brand and retail messages to traffic passing through the Marmion Ave, Connolly Drive and Neerabup Rd.</p> <p><u>Internal Signage</u> To improve the navigation through the development, we propose to install way-finding signage directing traffic to the sales office/display village area.</p> <p>Messages on this banner mesh should identify the site's purpose and appropriate delivery timeframes.</p> <p><u>Banner Mesh</u> We recommend placing branding bannermesh along Marmion Avenue to define the Beach precinct, as well as the construction site of the Catalina Grove precinct and future school site at Catalina Central.</p> <p>Banner mesh will not only mark the project boundary areas and form a part of the sand/dust management strategy, but will also create an opportunity to communicate high level brand messages to passing traffic in high traffic areas.</p>
<b>Sales Office</b>	<p><u>Sales Office Internal Signage</u> Maintain presentation of the sales office through updated internal signage.</p>
<b>Website</b>	<p>Satterley delivered a responsive and user friendly new website platform which hosts Catalina website. The work continues into FY18 to fine-tune user experience at the front end and added functionality at the developer end, ensuring integration with customer relationship management (CRM) system.</p> <p>Catalina website clearly distinguishes the Central and Beach Precinct and offers quality content and imagery to the incoming traffic. Visual aspects of the website are now aligned with the new strategic brand model.</p>

<b>Project Collateral</b>	<p>Specific campaign landing pages for Catalina Central and Catalina Beach will be developed to ensure improved lead capture and campaign results monitoring.</p> <p>The following sales and marketing collateral needs to be maintained and updated on as needed basis:</p> <p><b>Vision brochure</b> Purpose: Communicate project vision, structure, amenities and lifestyle offering.</p> <p><b>Project Sales Folder</b> Purpose: High level branding and sales documentation holder.</p> <p><b>Precinct Collateral</b> (Beach and Central Precincts) Purpose: Communicate specific aspects of the precinct, key amenities, precinct plan and key precinct's brand messages.</p> <p><b>Sales plan and Price list</b> (Precinct specific) Purpose: Showcase product for sale, pricing and incentives.</p>
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## 6. FY18 MARKETING BUDGET – JULY 2017 TO JUNE 2018

The following marketing budget for FY18 combines marketing expenditure required for delivery of brand, promotional and advertising activities needed for generating sufficient sales leads in line with our sales targets of 118 lots, as well as significant upgrade of long term marketing assets such as signage and sales office. Marketing asset costs form part of the project infrastructure and do not relate specifically to the lot sales targets for FY18.

Category	Budget Plan FY17	Description	Budget
<b>Brand Development</b>	Market Research	<i>Market Research - Overall</i> <ul style="list-style-type: none"> <li>Customer Tracker Buyers Research</li> <li>Geomapping update and analysis</li> <li>Profiling of Geomap draw areas</li> </ul>	\$7,500
	Photography	Estate Photography & Stock Imagery	\$10,000
	Brand	Additional brand / identity requirements, including provision for motion assets production (video, fly-over, animated banners))	\$20,000
<b>Sales Office</b>	Sales Office Internal Signage	Catalina Beach Sales Office concept development, fit out and branding in line with new branding creative and photography.	\$65,000
<b>Collateral</b>	Sales Brochures and Folders	Re-print and update on as needed basis of the new Vision Brochure for Catalina.	\$20,000
	Display Village Guide	New guide for the Catalina Beach Display Village, including re-print.	\$6,500
	Map & Amenities Flyers	Updates and reprinting as required.	\$6,000
	Sales Maps	Development of sales maps.	\$12,000
<b>Advertising and Direct Marketing</b>	Estate Advertising	Brand campaigns and retail campaigns (i.e. stage release campaigns and similar) in Beach and/or Central precincts.  Includes allocation for Catalina Beach Charity Home 2018, includes Houseandland.com.au listing	\$235,000
	Advertising Production	Production of all advertising including the release periods, retail campaigns, special features, builder release advertisements.	\$48,000
	Sponsorship	Provision for productive cooperation with Mindarie Marina festival, which will ensure strong brand	\$30,000

		positioning for Catalina Beach, as well as access to the festival data base.	
	Promotions	Provision for an integrated marketing promotion with the goal of extending Catalina database of leads, such as a smart TV or some kitchen/outdoor appliance, etc.	\$30,000
	Public Relations	Managing, creating content and monitoring of public relations for Catalina estate.	\$5,000
<b>Signage</b>	Estate Signage &	New signage, banner mesh and reskins in line with the overall signage strategy and new brand creative for both Catalina Central and Beach.	\$250,000
	Maintenance	Signage maintenance after implementation of signage strategy in FY18 - includes allowance for storm damage, vandalism and general wear and tear to signs and banner mesh requiring repairs, re-skinning or reattaching to fence; flag rotation quarterly	\$10,000
<b>Website</b>	Special Projects	Allowance for landing and release page/s, platform enhancement.	\$30,000
<b>Total</b>			<b>\$785,000 ex gst</b>



# Appendices

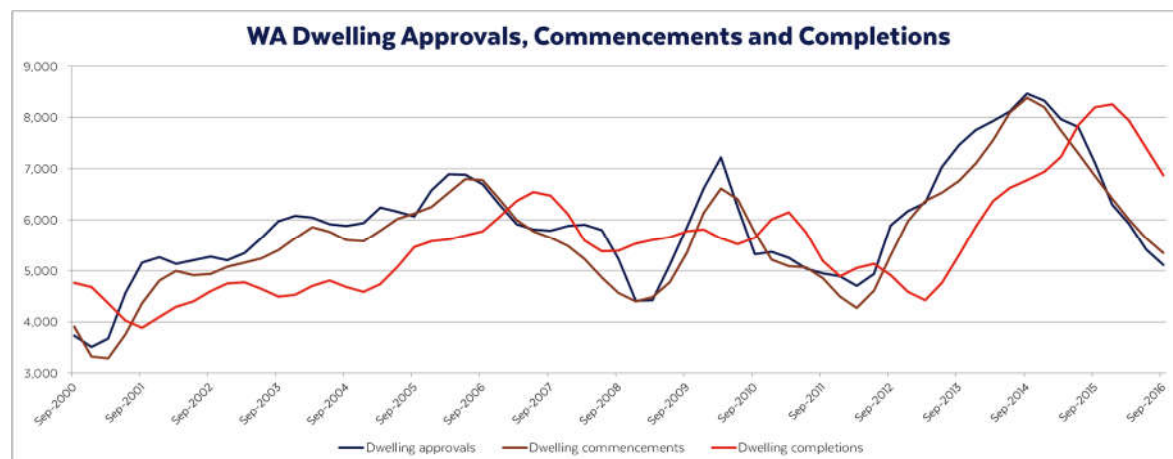


## Appendix 1 - Swot Analysis

Weaknesses	Threats
<ul style="list-style-type: none"> <li>Limited amenities within the estate</li> <li>No beach access</li> <li>Difficulty in developing beach access</li> <li>Public transport is limited</li> <li>Landfill site in close proximity</li> <li>Estate feels in early construction stages</li> <li>Lack of signage visibility</li> </ul>	<ul style="list-style-type: none"> <li>Buyer perception of West vs. East Marmion</li> <li>Established real estate market – main competitor</li> <li>City Of Wanneroo signage approval restrictions</li> <li>Threat of loss in market share in Northern Corridor due to many other competing estates including rebates &amp; price cuts that can't be matched</li> <li>Negative perceptions of Clarkson area transferred to Catalina</li> <li>Perception of environmental impacts from Tamala Park landfill</li> <li>Historically price only proposition marketing /advertising has meant lack of brand communication &amp; awareness of Catalina's offering in market</li> <li>Catalina Grove possible joint venture with DoH may mean public housing</li> </ul>
Strengths	Opportunities
<ul style="list-style-type: none"> <li>Proximity to the beach</li> <li>Close date of completion of Mitchell Freeway &amp; Neerabup Road extension</li> <li>Access to surrounding established amenities such as Mindarie Marina, Ocean Keys shopping centre and local schools</li> <li>Great accessibility to Clarkson Train Station</li> <li>Proximity to Perth CBD (compared to other northern corridor competitors)</li> <li>Close proximity to key employment centres including Neerabup Business Park and Joondalup City Centre</li> <li>Future planned amenities – schools, local centre</li> <li>Satterley brand association with the development</li> <li>Active Residents Group &amp; Community Development activities (Satterley)</li> <li>Different Housing options and including FHB product</li> <li>Sought after 'Mindarie' address for Beach precinct</li> <li>Beach precinct release May 2017</li> <li>Strong Builder relationships including display Village strong source of direct referrals</li> <li>New Display Village in Beach precinct</li> <li>Currently Private Estate - No public housing</li> <li>High traffic area with main roads providing good opportunity for exposure</li> </ul>	<ul style="list-style-type: none"> <li>Breadth of project creates diversity – 2.4km</li> <li>Capitalise on the existing amenities in surrounding suburbs</li> <li>Beach access and development of pathway</li> <li>Further development of Greenlink into Beach and Grove precincts will provide a key selling point</li> <li>Improve brand awareness and equity through brand communication strategy and improved signage strategy</li> <li>Better diversity of housing options including opportunities for built form and medium &amp; high density options</li> <li>"Bush Forever" to the south of the development 450ha</li> <li>New sales office located near Marmion Ave</li> <li>Landfill site reducing in size and will eventually become 'District open space'</li> <li>Baby boomers moving into retirement</li> <li>Gateway location with more projects planned north of Catalina which will increase in both traffic and attention to area</li> <li>Early establishment of neighbourhood activity centre, childcare site along with other community services</li> <li>Improvement of estate presentation</li> <li>Community development</li> <li>Brand positioning and lead generation through Social Media</li> </ul>

## Appendix 2 – Additional Market Conditions and Commentary

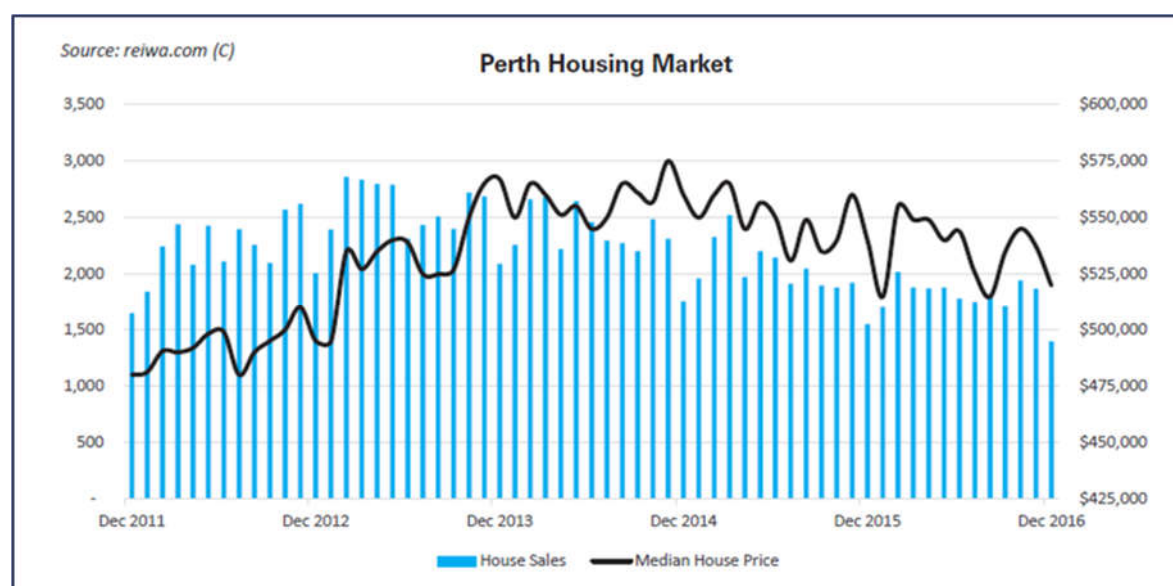
### Construction



Source: ABS

- › Dwelling completions continue to decline, coming off record high volumes of approvals and commencements back in 2013 and 2014.

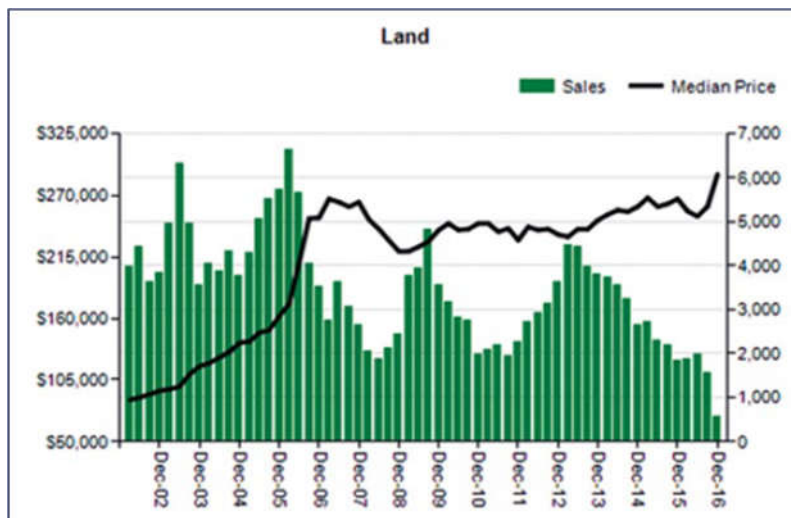
### House Prices and Sales Volumes



- › The median house price in Perth at Dec-16 (preliminary figures only) was reported at \$520,000, a 3.7% fall from the previous year. The overall downward trend from mid-2014 suggests an easing of prices.
- › Sales volumes have continued to trend downward since mid-2015 reflecting an overall dampening in the housing market which has been seen for some time now.

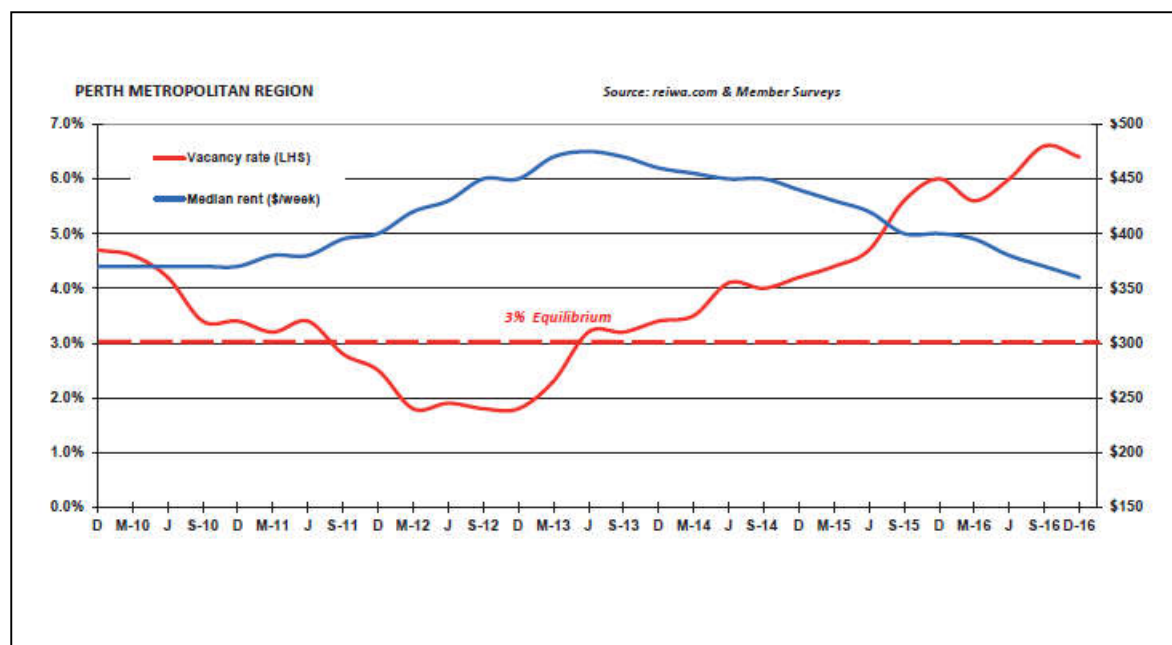
&gt;

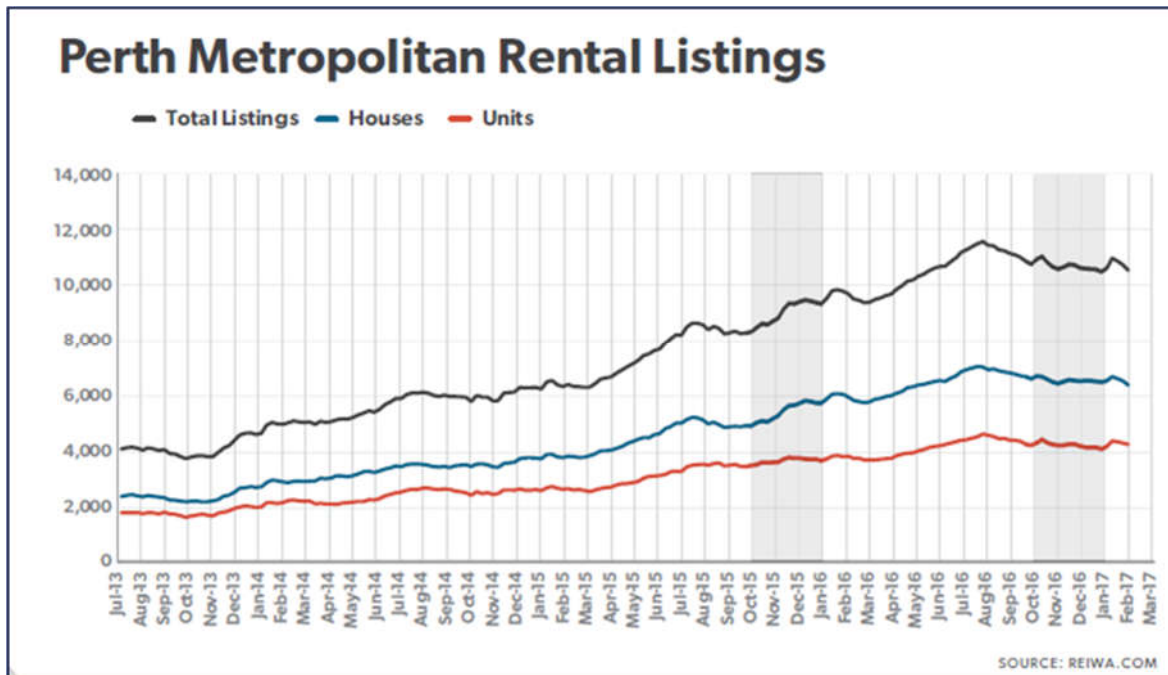
## Land



- > Land sales levels continue to follow the downward trend seen since Mar-13.
- > The reduction in sales volumes is reflective of a softening in the market.
- > The recent spike in the median land price is skewed by low volumes and correlates to an increase in the median lot size observed.

## Rental Market





- › To a backdrop of declining population growth, the rental vacancy rate has increased considerably over the past two years to reach 6.4% in Dec-16, a calendar year increase of 0.4 percentage points. Vacancy rates now sit well above the 3.0% equilibrium, indicating median rents will remain soft.
- › Median rent prices dropped throughout 2016 and stand at \$360/week in Mar-17, down 10% from the same time last year, and nearly 20% over two years.

### **Other WA Market Drivers 2016**

- › The market remains underpinned by ongoing investment in mining and energy, albeit this has continued to decline.
- › Resource sector investment still high with \$96.9 billion worth of significant resource projects either under construction or committed (as at Sep-16) and a further \$46.1 billion under consideration.
- › WA will see growing exports from LNG as new projects come online.
- › WA Government has increased the grant to first home buyers to \$15,000. Coupled with the stamp duty concessions, this will continue to underpin the first home buyer new build market until December 2017..
- › Keystart loans have been available in WA for 25 years and continue to make home ownership in WA more affordable for low income families. Income thresholds were recently increased by \$20,000.

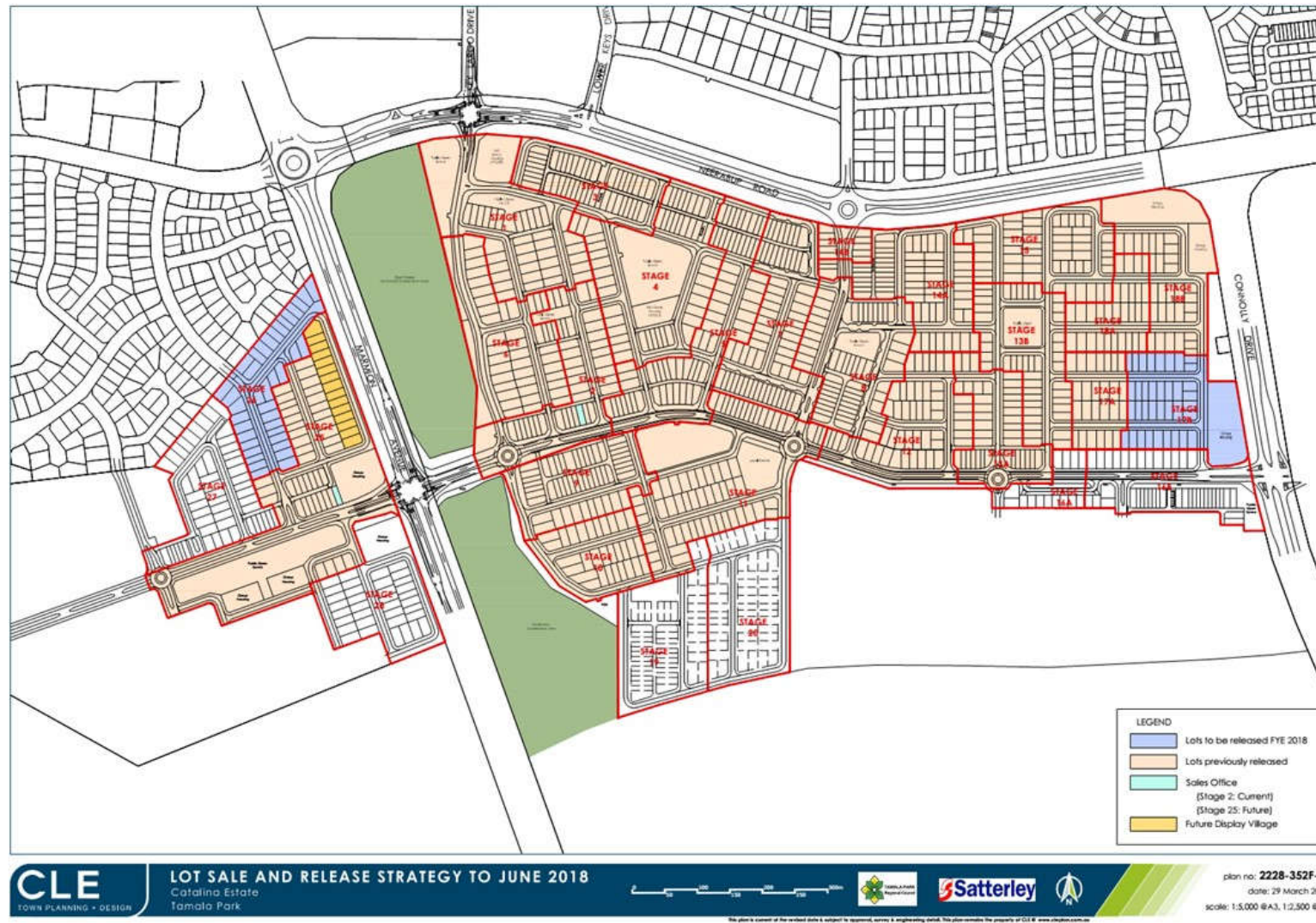
## Appendix 3 – Competitor Report FYTD17

### COMPETING ESTATES - NORTH WEST CORRIDOR - 2016/17

Estate	Sales												Sub Total	Size Range (m2)	Price Range (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm Price (\$)	Display Village (Y/N)	Stock @ month end	Comments (e.g. What type of product is selling, New Releases, Products, Incentives, Presentation of Estates, Marketing, etc)
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun										
<b>Alkimos Beach</b> Nimit Acharya 0411 029 904	9	9	9	5	6	5	7	10					50	150-535	\$123,000 - \$395,000	\$215,000	\$252,000	\$280,000	\$335,000	Y	55	\$16,500 discount
<b>cancellations</b>	3	0	1	1	1	3	2	2					11									
<b>Allara</b> Carl McNeill 0419 503137 Calvin Young 0427 862838	16	18	11	11	4	7	8	12					87	225-525	129,950 - \$249,000	\$169,000	\$193,000	\$223,000	\$249,950	Y	47	\$11,000 Clever Lifestyle Bundle. New release stage 5B
<b>cancellations</b>	3	3	0	0	0	0	0						6									
<b>Amberton</b> Archie Pandya 0429 771010 Jon Curtis 0418 470 192	15	12	11	15	4	6	6	7					76	188-505	\$138,000 - \$295,000	\$199,000	\$233,000	\$270,000	\$295,000	Y	28	Fencing and Landscaping bonus.
<b>cancellations</b>	2	1	1	2	3	2	3	1					15									
<b>Banksia Grove</b> Mary Coleman 0419 867859, Linda Demasson 0417 994421	21	16	20	23	19	17	17	22					155	282-465	\$190,000 - \$254,000	\$196,000	\$228,000	\$254,000	\$264,000	Y	22	Government New Start sales.
<b>cancellations</b>	9	4	5	6	5	6	5	7					47									
<b>Brighton</b> Heinz Pfenniger and Melanie Davidson 9368 9150	2	3	1	3	0	1	0	2					12	225	\$149,000					N	1	Side and rear fencing included, front landscaping included.
<b>cancellations</b>	0	0	0	1	1	1	0	1					4									
<b>Eden Beach</b> Heinz Pfenniger and Melanie Davidson 9368 9150	9	11	7	17	9	4	6	8					71	225-530	\$185,000 - \$425,000	\$245,000	\$289,000	\$339,000	\$425,000	Y	49	No rebates. No campaign. Side and rear fencing included, front landscaping included.
<b>cancellations</b>	1	3	0	2	0	0	0	4					10									
<b>Catalina</b> Domonique Rain 0438 701286	8	11	9	5	9	1	7	11					61	272- 450	\$234,000 - \$335,000	\$257,000	\$298,000	\$335,000	N/A	Y	16	\$8,000 early construction rebate continued on selected stock. New release March 4th.
<b>cancellations</b>	0	1	0	2	2	0	1	3					9									
<b>Capricorn Estate</b> Sharon Daniel	1	14	7	4	3	2	2	7					40	300 - 1228	\$191,000 - \$300,000	\$195,000	\$212,000	\$251,000	275,000	Y	32	No Rebates, Incentives or Campaigns currently being offered. Front landscaping and side and rear fencing included.
<b>cancellations</b>	1	3	0	3	1	2	4	2					16									
<b>Jindee</b> Nicola Phillips 0437 602 109	-	-	-	-	-	-	-	-					0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	WILL NOT BE PARTICIPATING IN REPORTING.
<b>cancellations</b>	-	-	-	-	-	-	-	-					0									
<b>Jindowie Estate</b> Daniel Strasser and Andrew Graham 9214 7900	7	4	4	2	5	4	5	6					37	280-535	\$140,000 - \$185,000	\$145,000	\$165,000	\$170,000	\$ 175,000	N	20	\$5k rebate
<b>cancellations</b>	0	0	2	2	0	1	2	1					8									
<b>Ellenbrook</b> Josh Knapp 9297 9999	10	33	12	39	12	14	11	19					140	121 - 2997	121,000 - 459,000	175,000	220,000	245,000	265,000	Y	71	New release in Ellenbrook Town Centre
<b>cancellations</b>	5	7	4	2	5	3	1	6					28									
<b>Shorehaven</b> Gina Gould 0447 220 839	4	4	8	0	1	1	1	6					25	217-385	\$169,000 - \$285,000	\$265,000	\$287,000	N/A	N/A	N	48	Hot Lots
<b>cancellations</b>	2	3	0	4	2	0	0	1					12									
<b>Trinity</b> Garth Kanair 9590 0000	18	4	5	10	7	8	3	8					63	180sqm - 510sqm	\$138k - \$286k	\$202k	\$230k	\$255k	\$286k	Y	28	Our Marketing Campaign has ended. Currently no promotion in place.
<b>cancellations</b>	0	1	1	2	0	2	0	0					6									
<b>Yanchep Golf Estate</b> Sarah Hodnett	4	5	9	5	5	5	4						37	210-1591sqm	\$130,000-\$450,000	\$165,000	\$185,000	\$202,000	\$223,000	N	29	Hot Lots
<b>cancellations</b>	1	1	2	0	0	1	2						7									
<b>Vertex at Yanchep</b> Garth Kanair 9590 0000	2	1	1	0	2	1	4	3					14	298-523	\$164,000-\$209,000	N/A	\$172,000	\$197,000	N/A	N	10	Pay your mortgage for a year - \$15k rebate after settlement
<b>cancellations</b>	0	0	0	0	0	1	0	0					1									
<b>The Reef</b> Dane Rawlings 0418 491 737	1	0	2	2	2	2	3	4					16	225-624	\$119,500-\$255,000	\$155,000	\$155,000	\$175,000	210,000	N	32	Fencing and Landscaping included 8 New Lots - \$10,000 off
<b>cancellations</b>	0	0	0	0	0	1	0	1					2									
<b>Total Sales:</b>	115	142	115	138	88	77	84	113	0	0	0	0	884									
<b>Catalina Market Share:</b>	7%	8%	8%	4%	10%	1%	8%	10%	0	0	0	0										
																			<b>Total Stock</b>	<b>488</b>		



## Appendix 4 – Lot Sales & Release Strategy





# **Appendix 9.11**

# Catalina

## RISK MANAGEMENT PLAN

*DATE: MAY 2017*



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## 1. Introduction

The purpose of the Risk Management Plan is to identify, assess and record risks to the Catalina development. The Plan also allows mitigation strategies to be developed, implemented and tracked to ensure risk associated with the Catalina development is well managed.

## 2. Organisational Context

The Tamala Park Regional Council (TPRC) was established in 2006 for the specific purpose of creating an urban development of 170 hectares of land in Clarkson and Mindarie, known as the Catalina Estate. The objectives of the TPRC are:

- 1) to develop and improve the value of the Land;
- 2) to maximise, within prudent risk parameters, the financial return to the participating Councils;
- 3) to balance economic, social and environmental issues; and
- 4) to produce a quality development demonstrating the best urban design and development practices.

The TPRC holds the financial risk and control over the Catalina project. The TPRC has appointed the Satterley Property Group (SPG) as Development Manager of Catalina. Under the Development Management Agreement the SPG is responsible for the co-ordination of all matters pertaining to the project including supervision of all project consultants and contractors, procurement of approvals, maintenance of records, sales and marketing activities, management of accounts, and contractual and legal compliance.

## 3. Risk Strategy

Risks have been considered, ranked and recorded on the Catalina Risk Register. Mitigation strategies are to be monitored and reviewed on an ongoing basis by the SPG. If new risks are identified these shall be recorded and an updated Risk Management Plan will be presented to the Council for approval annually.

At appropriate times during the course of the Catalina project, particularly when the Project may be moving into a new phase, it may be appropriate for the SPG, TPRC and the project consultants to review the Risk Management Plan.

## 4. Risk Register

A risk register identifying the major risk items considered relevant to the Catalina project is included in Appendix 1. Each risk item has been ranked in regard to its likelihood of occurrence (1: Rare, 5: Almost Certain) and risk consequence (1: Insignificant, 5: Catastrophic). The level of risk of each item has been determined by multiplying these two assessments, to prioritise risks and identify those that have the greatest potential to negatively impact the project. Risks with a score of 15 or above have been assessed as High Risk.

## 5. Qualitative Assessment of High Risks

### Risk 3.1 Lifting of urban deferred buffer does not meet cashflow expectations

The approved project budget is based on a development schedule that assumes the Tamala Park Landfill buffer will progressively recede to allow urban deferred zonings to be lifted and development to continue to the site's southern boundary by 2024.

Uncertainty as to the rate of filling of the landfill site means there is a risk that delays to the movement of the landfill buffer will prevent rezonings and subdivision approvals being obtained in a timely manner. Additionally

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environmental risks from the landfill following completion of filling may delay removal of the buffer beyond this date.

In order for development to proceed towards the site's southern boundary it will be necessary for the landfill buffer to be removed progressively from the Catalina site by approximately 2022. If the buffer is not removed beyond 2022 it is likely that delays to the project schedule will be incurred, which will affect the Project Forecast cashflow.

Close liaison with the MRC is recommended on the filling of the landfill site, environmental issues, projected movement of the buffer line and expedient lodgement of applications for the lifting of the Urban deferred zoning once the buffer line recedes.

## **6. Qualitative Assessment of Medium Risks with Major – Catastrophic Consequences**

A number of Medium rated risks have major – catastrophic consequences. While the lower likelihood of these events occurring has resulted in a Medium risk rating we have provided a qualitative assessment of these risks due to the seriousness of the consequences.

### **Risk 4.1 – Non Compliance with Work Health and Safety Requirements Leads to Death or Serious Injury**

The Catalina project includes significant earthworks, civil works and landscape works which involve high risk activities including working in trenches deeper than 1.5 metres, powered mobile plant, work near electrical services, work on busy roads and works adjacent to pressurised gas mains.

In order to manage safety the SPG use their best intentions of checking that civil and landscape contractors satisfy WH&S legislation. This consists of:

- a WHS prequalification process;
- obtaining copies of any 2<sup>nd</sup> party audits conducted on the project site that have been completed;
- evidence that a project specific risk identification workshop has been undertaken including a summary of outcomes;
- regular reporting of WHS leading and lagging indicators including contractor WHS non-conformance and areas of improvement;
- WHS issues are on the agenda for discussion at all site meetings.

### **Risk 5.1 – The potential impacts from the landfill operations include contamination of the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public.**

The adjacent Tamala Park Waste Management Facility is a putrescible landfill operated by the Mindarie Regional Council. There is a risk that the landfill operations could contaminate the TPRC's landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public. The SPG is not aware of any management issues with the landfill that affect the Catalina development and has received a copy of a letter from the Mindarie Regional Council dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants indicating the landfill is having no adverse affect on the water sampled. Additionally the letter notes that no landfill gas has been recorded on the northern boundary in monitoring wells at Tamala Park.

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SPG does not have copies of any recent Risk Management Plans or Environmental Management Plans prepared by the Mindarie Regional Council however notes the Council's website states their Environmental Management System is certified by NCS International as compliant with ISO14001 Environmental Management.

Mitigation measures include providing purchasers with adequate information on landfill timing and impacts on request, providing an adequate buffer between landfill operations and residential development, monitoring any odour complaints from residents and the TPRC liaising with Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.

## **7. Review of Catalina Risk Management Plan**

The Catalina Risk Management Plan will be monitored, reviewed and updated on an ongoing basis by the SPG and an updated version will be presented to the TPRC Council for endorsement annually.

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## Appendix 1 – Catalina Risk Register



## RISK REFERENCES TABLES

TABLE 1

### QUALITATIVE MEASURES OF LIKELIHOOD

LEVEL	DESCRIPTOR
1	Rare
2	Unlikely
3	Moderate
4	Likely
5	Almost Certain

TABLE 2

### QUALITATIVE MEASURES OF CONSEQUENCE OR IMPACT

LEVEL	RANK	INJURIES TO STAFF & GENERAL PUBLIC	FINANCIAL LOSS	INTERRUPTION TO LAND SALES OR CONSULTANCY SERVICE	REPUTATION & IMAGE	PERFORMANCE
1	Insignificant	No injuries	Less than \$100,00	Less than 1 day	Unsubstantiated , low impact, low profile or no news item.	Up to 5% Variation in KPI or objective.
2	Minor	First aid treatment	Between \$100,000 to \$1m	1 day to 1 week	Substantiated, low impact, low news profile.	5% to 10% Variation in KPI or objective.
3	Moderate	Medical treatment required	Between \$1m to \$5m	1 week to 2 months	Substantiated, public embarrassment, moderate impact, moderate news profile.	10% to 25% Variation in KPI or objective.
4	Major	Death or Extensive injuries	Between \$5m to \$10m	2 months to 1 year	Substantiated, public embarrassment, high impact, high news profile, Third Party actions.	25% to 50% Variation in KPI or objective.
5	Catastrophic	Multiple deaths or severe permanent disablements	Over \$10m	More than 1 year	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, Third Party actions.	More than 50% Variation in KPI or objective.

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## Appendix 2 – High Risk Treatment Plans

<b>Reference: 3.1</b>
<b>Risk identified and likely impact</b>  Lifting of urban deferred buffer does not meet cashflow expectations.
<b>Summary of recommended response</b>  Continue to liaise with Mindarie Regional Council in relation to landfill activities and the expected date for buffer removal and the management of environmental risks.  Request Buffer Removal Plan from Mindarie Regional Council once filling has progressed and environmental risks have been appropriately managed.
<b>Key Resource requirement</b>  TPRC Chief Executive Officer TPRC Project Co-ordinator SPG Project Director
<b>Timing</b>  Ongoing
<b>Reporting and monitoring required</b>  As required through the updated risk register.

## CATALINA RISK REGISTER MAY 2017

### SALES AND MARKETING

	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
1.1	Low interest from builders leads to lack of medium density lot sales in builder releases.	4	3	12	Medium	<p>Reduce number of lots to be sold in FYE 2017 builder release tenders.</p> <p>Work with wide range of builders to create value for money house and land packages on medium density lots.</p> <p>Continue to liaise with builders on lot configuration and commercial terms.</p>	<i>The recommended mitigation strategy has been implemented in an ongoing manner through marketing and development actions and is considered an appropriate response to the risk.</i>
1.2	Cashflow impacted by slower sales or delayed settlements.	3	3	9	Medium	<p>Budget for sales and settlements that reflect market conditions.</p> <p>Ensure an appropriate minimum bank balance is included in the budget.</p> <p>Maintain stock level trigger before commencing construction of future civil works.</p> <p>Monitor expenditure on future works, including the size of earthwork stages.</p> <p>Review distributions to participating Councils.</p>	<p><i>The recommended mitigation actions have been adopted within the Project Budget including the application of sales triggers.</i></p> <p><i>The TPRC monitors bank balances to ensure minimum cashflow is maintained.</i></p> <p><i>Weekly sales and monthly financial reporting is occurring to monitor the progress of sales/settlements and expenditure/revenue and cashflow.</i></p>
1.3	Negative change in market sentiment reduces sales and / or pricing.	3	3	9	Medium	<p>Careful positioning of Catalina brand to soften impact of any fall in house and land prices across the Perth market.</p> <p>On-going research to gauge market sentiment specific to Catalina</p> <p>Budget for sales and settlements that reflect market conditions.</p> <p>Ensure pricing is not too aggressive so lots are affordable when interest rates rise. (Consultation with valuers and banks if required).</p> <p>Ensure lot mix includes opportunity for affordable housing options.</p> <p>Apply sales triggers before awarding civil works contracts to ensure there is not an oversupply of land.</p> <p>If market deteriorates then defer non-essential spending.</p> <p>Monitor cancellation rates and rationales</p> <p>Budget for sales and settlements that reflect market conditions.</p>	<p><i>The recommended mitigation actions have been implemented through the approved Catalina Marketing Plan which has guided the Project's marketing activities.</i></p> <p><i>All pricing is subject to formal valuation by the TPRC appointed valuer and recommendation by the Development Manager.</i></p> <p><i>Continued implementation of the recommended mitigation action is supported.</i></p>

**Ranking:**

\*High Risk = 15 – over

\*Medium Risk = 7 – 14

\*Low Risk = 0 – 6

BUDGET							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
2.1	Expenditure exceeds budget projections due to increased development costs.	2	3	6	Low	<p>Regular monitoring of works contracts and strong budget control work practices.</p> <p>Use of fixed price contracts and maximise provisional sums for rock to limit variation costs and uncertainty.</p> <p>Undertake advanced planning to facilitate accurate OPC estimates for incorporation within annual budget review and six monthly budget reviews.</p> <p>Contingency included in budget for any unforeseen items.</p>	<p><i>The recommended mitigation actions have been implemented in accordance with the Project Program and all budget review processes.</i></p> <p><i>All major construction contracts have been issued as lump sum contracts and all project expenditure is closely monitored to budget.</i></p> <p><i>Monthly financial reporting is occurring to monitor expenditure/revenue and cashflow.</i></p> <p><i>The continued implementation of the recommended mitigation actions and the above project processes is supported.</i></p>
2.2	Cashflow delays provision of early infrastructure items and release on new sales fronts.	2	3	6	Low	<p>Ensure TPRC is fully briefed on development and distribution options so they can consider the costs and benefits.</p> <p>Continue to manage the Project to achieve budget sales triggers.</p> <p>Ensure planning and engineering risks are managed so settlement program is met.</p>	<p><i>The recommended mitigation actions are being implemented via project planning and development processes.</i></p> <p><i>Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.</i></p>
2.3	Reduced cashflow results in lower distributions than budgeted.	3	3	9	Medium	<p>Defer non-essential expenditure to reduce impact on distributions.</p> <p>Release Catalina Beach Precinct to provide more diverse product mix to assist sales rates and reduce the risk of reduced cashflow over the medium to long term.</p> <p>Revisit incentives/pricing to encourage sale and settlement of already Titled Lots, including 'Aged Stock'.</p> <p>Release first stage in Catalina Grove to maintain diverse product mix to assist sales rates and reduce the risk of reduced cashflow over the medium to long term.</p>	<p><i>The recommended mitigation actions are being implemented via project planning and budget control processes.</i></p> <p><i>Monthly financial reporting and bi-annual budget reviews are undertaken to monitor and manage this risk.</i></p> <p><i>SPG to provide a program identifying key milestones for Council approvals for the Catalina Grove precinct, recommendations for early construction of infrastructure, which may assist with timing of Phase 1 Catalina Grove; provide advice on the impacts of delays to the Catalina Grove precinct development program on sales and cashflow as part of the Project Forecast review in August 2017 and outline mitigation measures to avoid impacts on TPRC cashflow predictions.</i></p>

PLANNING AND ENVIRONMENTAL APPROVALS							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
3.1	Lifting of urban deferred zoning does not meet cashflow expectations, currently causing delays for future staging.	3	5	15	High	<p>Close liaison with Mindarie Regional Council on shifting of landfill buffer.</p> <p>Apply for urban deferred lifting when buffer is removed and environmental risks are acceptable.</p> <p>Adopt conservative timing of development of the urban deferred land in the Project Forecast cashflow.</p> <p>Controlled releases of Catalina Beach Precinct to ensure land is available when Catalina Grove and Catalina Central Urban Zoned land are sold out.</p>	<p><i>Implementation of the recommended mitigation actions are occurring via liaison with the MRC and planning processes, including a projection of the movement of the landfill buffer movement sought from the MRC.</i></p> <p><i>The SPG to provide a further advice on this matter as part of the Project Forecast review in August 2017, including impacts on sales and cashflow recommendations on mitigation measures to avoid impacts on TPRC cashflow predictions.</i></p> <p><i>The continued implementation of the recommended mitigation actions is supported.</i></p>

**Ranking:**

\*High Risk = 15 – over

\*Medium Risk = 7 – 14

\*Low Risk = 0 – 6

3.2	Non-compliance with EPBC environmental approval conditions.	2	3	6	Low	Undertake ongoing monitoring and review of EPBC conditions.  Annual audit completed by environmental consultant.	<i>Annual audits of actions/conditions relating to EPBC conditions is undertaken and provided to SEWPAC. To date there have been no issues with compliance.</i>  <i>Ongoing monitoring of SEWPAC conditions is being undertaken.</i>
3.3	Non-compliance with Environmental Management Plan requirements.	2	3	6	Low	Strategy to be put in place to progressively action EMP commitments to ensure compliance with this plan.	<i>The TPRC has prepared an audit of all actions required under the EMP confirming all actions are on schedule.</i>  <i>Implementation of the recommended mitigation actions is ongoing.</i>
3.4	Delays achieving environmental, planning and development Approvals which impact cashflow.	2	3	6	Low	Develop and maintain the Project Program to ensure sufficient approval periods are allowed.  Close liaison with approval authorities including the City of Wanneroo and Water Corporation officers to maintain strong knowledge of approval requirements and build relationships.	<i>The recommended mitigation action is being implemented in accordance with the Project Program.</i>  <i>In addition to the lodgement of subdivision applications ongoing liaison with the WAPC and referral authorities is being undertaken.</i>  <i>This action is considered to represent good project management practice and continued implementation is supported.</i>
3.5	Delays in commencing and undertaking Tamala Park LSP Amendment process for Catalina Grove precinct may impact sales releases.	4	3	12	Medium	Develop program for approvals for first Phase 1 - the Catalina Grove Precinct consistent with Project Program.  Provide advice for key items to be included for Local Structure Plan amendment for the Catalina Grove Precinct.  Construct Connolly Drive intersection prior to LSP approval.  Monitor and adopt revised timing of development of the first Phase 1 land in the Project Forecast cashflow in 3-year review – August 2017.	<i>SPG to provide a program identifying key milestones for Council approvals for the Catalina Grove precinct, recommendations for early construction of infrastructure, which may assist with timing of Phase 1 Catalina Grove; provide advice on the impacts of delays to the Catalina Grove precinct development program on sales and cashflow as part of the Project Forecast review in August 2017 and outline mitigation measures to avoid impacts on TPRC cashflow predictions.</i>
3.6	City of Wanneroo scheme contributions higher than forecast.	2	3	6	Low	Continue to adequately budget for scheme contributions. Continue discussions with City of Wanneroo on key infrastructure items and administration of scheme contributions.	<i>The recommended mitigation action has been implemented with discussions with the City of Wanneroo.</i>  <i>The Project Budget accounts for scheme contributions requirement.</i>  <i>Agreement reached with MRWA on Neerabup Road Underpass.</i>
3.7	Beach access road from Catalina Beach is not agreed to by Statutory Authorities	2	3	6	Low	Foreshore Management Plan and environmental and planning applications submitted to relevant authorities.  Continue to closely engage with WAPC and City of Wanneroo regarding access.	<i>The Foreshore Management Plan and Beach access proposal lodged with the City of Wanneroo. The location of the proposed access route and the carpark area have been carefully selected to follow existing informal tracks or areas of damaged vegetation and minimise impacts on flora in the area</i>  <i>Ongoing liaison with the City of Wanneroo and WAPC.</i>
3.8	Delay in obtaining clearances for the first stage of Catalina Beach. A delay in obtaining clearances to create Titles will impact on the timing of settlements in the Catalina Beach Precinct which will impact the Project's cashflow.	3	3	9	Medium	Subdivision works are almost complete. Construction of the Pump Station can potentially hold up Clearances and delay settlements. Meetings with the Water Corporation have reduced the risk of the clearances being delayed. Close liaison to continue until clearances received.	<i>The recommended mitigation action has been implemented with discussions with the Water Authority, City of Wanneroo and WAPC.</i>  <i>Implementation of the recommended mitigation actions is ongoing.</i>
3.9	Changes to the property development laws, including laws related to zoning & town planning, restrictions on land use, environmental controls, user restrictions, stamp duty, land tax, income taxation and capital gains tax. Changes to law in relation to civil design principles and potential restrictions on land use.	3	2	6	Low	Ensure clear understanding from Town Planner & Environmental Consultant in relation to the current laws and recently amended laws.  Develop a strategy to address any issues that may arise due to changes (in the planning/environmental/civil design stage). Account for possible delays in the project feasibility analysis.	<i>The TPRC monitors industry monitors industry publications and forums and attends industry workshops and seminars on these issues.</i>  <i>Implementation of the recommended mitigation actions is ongoing.</i>

**Ranking:**

\*High Risk = 15 – over

\*Medium Risk = 7 – 14

\*Low Risk = 0 – 6

ENGINEERING AND CONSTRUCTION							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
4.1	<p>Non-compliance with Work Health and Safety Requirements leads to serious injury and/or death. Potential for Worksafe investigation or claim for damages due to incident.</p> <p>WHS acts or omissions which result in, or have the potential to result in, serious personal injury and/or death that could be dealt with as:</p> <ul style="list-style-type: none"><li>• An indictable offence; or</li><li>• A breach of law that has a civil (not criminal) penalty.</li></ul>	2	4	8	Medium	<p>SPG to provide TPRC:</p> <ul style="list-style-type: none"><li>• Evidence that SPG’s WHS Management System satisfies the best intentions of the <i>Occupational Safety and Health Act (WA) 1984</i> (“Act”) and <i>Occupational Safety and Health Regulations (WA) 1996</i> (“Regulations”);</li><li>• Evidence of implementation of the SPG WHS Contractor Management Procedure, which includes:<ul style="list-style-type: none"><li>▪ WHS prequalification process;</li><li>▪ Copies of any 2<sup>nd</sup> Party (Principal Contractor) audit reports conducted on the Project site (at the request of TPRC);</li><li>▪ Evidence that a project specific risk identification workshop has been undertaken in conjunction with the Principal Contractor (at the request of TPRC), including a summary of session outcomes; and</li></ul></li><li>• Regular reporting of WHS leading and lagging indicators (including contractor WHS non-conformances and areas for improvement, and incidents and hazards).</li></ul>	<p><i>The TPRC’s contractors are qualified in managing safe working practices.</i></p> <p><i>There are regular site meetings where site safety is discussed and safe working practices confirmed and site inspections undertaken to monitor the site and site works.</i></p> <p><i>The SPG’s mitigation actions are supported and being monitored by the TPRC.</i></p>
4.2	Delays and increased cost of key infrastructure items including pump stations, underpasses and overpasses presents a future cashflow risk.	3	2	6	Low	Engage with the City of Wanneroo, Main Roads WA and Service Authorities early to ensure infrastructure requirements are known and adequately timed and budgeted for.	<p><i>Allowances for infrastructure items have been provided for within the TPRC budget in accordance with advice from relevant servicing authorities.</i></p> <p><i>Liaison with servicing authorities has been undertaken to ensure infrastructure items are included within capital works programming of relevant authorities.</i></p> <p><i>Continued implementation of the above actions is supported.</i></p>
4.3	Delays to clearances leads to delay in settlements.	2	3	6	Low	<p>Preparation of clearance request documentation and submission to statutory authorities in accordance with the Project Program.</p> <p>Close liaison with relevant officers of clearance authorities to ensure consensus agreement exists in regards to condition requirements.</p> <p>Deposited plans, covenant and noise &amp; fire notifications to be created and lodged early in the process.</p>	<p><i>The recommended mitigation action has been implemented via the preparation of clearance packages and liaison with clearance authorities.</i></p> <p><i>The clearances process is closely monitored by the SPG and the TPRC.</i></p>

STAKEHOLDERS							
RISK		LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
5.1	The potential impacts from the landfill operations include contamination of the TPRC’s landholding from contaminated groundwater or a gas leak which could provide a significant safety risk to the public.	2	5	10	Medium	<p>SPG is not aware of any management issues with the MRC landfill and have sighted a letter dated April 2014 advising that the groundwater sampled within Catalina had normal levels of contaminants. The MRC’s website states their Environmental Management System is certified by NCS International as being compliant with ISO14001 Environmental Management.</p> <p>Mitigation measures consist of providing purchasers with adequate information on landfill timing and impacts on request, ensuring an adequate buffer is maintained between the landfill operations and residential development, monitoring any odour complaints from residents and liaising with the Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.</p>	<p><i>Staging has been devised to maintain separation from the landfill site during initial phases of development.</i></p> <p><i>There is ongoing liaison with MRC regarding landfill operations and potential impacts.</i></p> <p><i>Continued implementation of the recommended mitigation actions is supported.</i></p>

**Ranking:**

\*High Risk = 15 – over

\*Medium Risk = 7 – 14

\*Low Risk = 0 – 6



5.2	Delay in provision of services within Catalina including shopping and schools.	3	2	6	Low	<p>Engage with local schools in Clarkson and Mindarie and provide information to residents regarding existing local services.</p> <p>Engage with the Department of Education regarding the timing of the Catalina Primary School site.</p> <p>Provide budget for the landscaping of the local oval to commence in FYE 2018.</p>	<p><i>Proposed mitigation measures are included in the TPRC Annual Plan FYE 2018 to be considered by Council.</i></p> <p><i>There is on-going liaison with service agencies to ensure timely provision of necessary services.</i></p>
5.3	Adverse community reaction to ongoing development due to nuisance from construction activities.	2	3	6	Low	<p>Undertake pro-active community engagement through support of community groups in order to garner support from community groups which can then be enlisted to support development should adverse publicity arise.</p> <p>Implement Dust Mitigation Strategy to ensure sites are being managed by the civil contractor, and where possible complete bulk earthworks during winter months.</p>	<p><i>Implementation of recommended mitigation actions has commenced with appointment of the Community Development Manager, and the necessary community consultation strategies are being progressed.</i></p> <p><i>Review of scheduling earthworks adjacent to residential areas to occur in winter months to reduce dust and objections from residents. Consultation to be undertaken prior to commencement of works.</i></p>

MANAGEMENT							
	RISK	LIKELIHOOD	CONSEQUENCE	OVERALL	RANKING *	MITIGATION	TPRC COMMENT
6.1	TPRC project objectives not being met.	2	3	6	Low	<p>Ensure TPRC approvals received for actions undertaken by project team and implementation of project are in accordance with TPRC approvals.</p> <p>Regularly review objectives of TPRC strategy documents and ensure implementation by project team.</p>	<p><i>Implementation of the recommended mitigation action is occurring via all project planning, development and reporting processes.</i></p> <p><i>All project documentation and planning is reviewed by the SPG and TPRC to ensure adherence to the TPRC objectives.</i></p> <p><i>The recommended mitigation action represents good project management practice and its continued implementation is supported.</i></p>

Ranking:

\*High Risk = 15 – over

\*Medium Risk = 7 – 14

\*Low Risk = 0 – 6

# **Appendix 9.12**



# Sustainability Initiatives Plan

## 2017 Review



May – Rev B

# Catalina Sustainability Initiatives Paper

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## Introduction

Since 2011, the SIP has been annually reviewed by SPG. The SIP was reviewed at the TPRC August 2016 Council meeting where it was decided the following initiatives were to be implemented:

- Completion of Shared Bore Trial for Stages 4, 5 & 7;
- Solar Panel Rebate;
- Fibre Optic Service;
- Community Development;
- Waste Recycling;
- WELs fixtures fittings and appliance rebate (Catalina Beach and Catalina Grove)
- Sustainable Housing through Design Guidelines;
- Dwelling Densities;
- Sustainable landscaping including native, lower water using plants, native seed collection and propagation and use of site mulch
- Civil and Landscape Construction initiatives.

Each of the previously approved initiatives is currently in various stages of implementation.

Two of TPRC's fundamental objectives promote the balance of environmental issues and the commitment to development that demonstrates best practices. In order to facilitate the achievement of TPRC's objectives, the Satterley Property Group has undertaken a review of the SIP to determine if opportunities for improvement to current practices are now available.

The following review provides a number of recommendations regarding previously approved and implemented initiatives and new initiatives.

## Background

The Catalina Sustainability Initiatives Plan (SIP) was prepared by Satterley Property Group in March 2011 and reviewed by Active Sustainability in September 2011. The SIP provided a detailed analysis of sustainability initiatives which may be considered for implementation at Catalina to set the project's sustainability objectives. The TPRC Council received the SIP in December 2011 and approved implementation of specific elements of the SIP at the same meeting.

## Competitor Review

Catalina is implementing a high standard of environmental initiatives. The initiatives being implemented exceed those at the majority of competing developments. Generally sustainability initiatives at competing developments consist of community development, retention of vegetation, environmentally friendly front landscaping and a fibre optic service. The Projects that have EnviroDevelopment certification ratings range from 1 leaf to 6 leaves and average 3.4 leaves. Five (5) of Catalina's competitors in the northern corridor have EnviroDevelopment ratings.

A summary of these ratings is shown in the table below.

Project	Developer	Leaves	EcoSystem	Waste	Energy	Materials	Water	Community
Alkimos Beach	LendLease / LandCorp	6	X	X	X	X	X	X
Trinity	LWP	2	X					X
Capricorn Village	Capricorn Village JV	2	X					X
Shorehaven	Peet	1					X	
Allara	LandCorp / SPG	6	X	X	X	X	X	X
<b>Average / Total</b>		<b>3.4</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>4</b>

Alkimos Beach, a joint venture between Landcorp and Lendlease, has received a 6 leaf EnviroDevelopment rating, being the market leader in both Perth and the north-west corridor. The Alkimos Beach development includes an Energy Smart Home Package which includes the following:

- A cash rebate of \$2,500 upon installation of a 1kW or greater solar panel system;
- A cash rebate of \$1,500 towards a solar hot water system (gas boosted);
- In home energy display valued at approximately \$200;
- A cash rebate of \$750 towards energy efficient television, refrigerators and washing machines
- A cash rebate of \$300 towards an LED light upgrade
- Efficient airconditioning rebate valued at approximately \$750;
- Front landscaping package to the value of \$2,500.

Allara, a joint venture between Landcorp and Satterley in Eglinton, commenced in November 2014 and was recently awarded a 6 leaf EnviroDevelopment Accreditation. The sustainability initiatives being implemented at Allara may be summarised as follows:

- Smart thermostat to provide energy efficient air conditioning value valued at \$300;
- Energy monitors and smart meters valued at \$366;
- LED lights valued at \$500;
- Photo voltaic cells to the value of \$2,600;
- Waterwise front landscaping to the value of \$3,500.
- Showerhead Exchange Program
- Centralised waste recycling and compost facilities.

The Table included in **Annexure 1** shows the known sustainability initiatives being implemented in competing estates.

## Current Initiatives

### Solar

The provision of the solar panel rebate allows purchasers of all lots within Catalina to claim a \$2,000 rebate on the basis they complete their home, install solar panels with a minimum 1.5 kw convertor and claim the rebate subject to home owners completing construction within 18 months of settlement for a single storey home or 24 months for a two storey home.

To date 281 purchasers have claimed the rebate out of the 777 homes that have been completed indicating a take up rate of 36%. Some recently completed homes are still eligible to obtain the rebate, which could increase this take up rate.

A sample of the rebates claimed showed the size of the solar systems installed ranged from 1.5 kw to 5.0 kw with the average size being 3.0 kw. A 3.0 kw system will generally provide sufficient power for a small home compared to a 4.5kw to 6kw system for a larger home.

The size and cost of systems currently being installed is very similar in size and cost to systems being installed 12 months ago.

Based on a 1.5 kw system being installed, the estimated savings to purchasers is in the order of \$540 per annum which feeds back an estimated 341 kWh per annum into the grid. This is a significant saving providing an affordable living option for owners which also reduces greenhouse gas emissions by approximately 1.4 tonnes per annum per home. Applying this across the 281 homes with solar panels installed to date results in a total reduction in greenhouse gas emissions of 393.4 tonnes per annum.

Based on the take up rate of 36%, the ongoing power savings for purchasers, the cost of installation and the reduction in greenhouse gas emissions it is recommended that the solar rebate of \$2,000 per lot is maintained for future stage releases. SPG will include promoting the rebate upon approval of building design concepts and ongoing, after sales communications with purchasers to remind them of their entitlement to the rebate. The Satterley Property Group are in the process of establishing automated notifications to purchasers within the Catalina Estate including an email sent to owners five months after settlement advising them to consider applying for their rebates.

***Recommendation: It is recommended that the solar rebate of \$2,000 per lot is maintained for future stage releases with communications sent to home owners advising them of the offer available.***

### Waterwise Landscape Packages

Purchasers of lots sold within public releases of the Catalina Estate are eligible for installation of the front Waterwise Landscape Package provided they have completed construction of their home within 18 months for a single storey home or 24 months for a double storey home.

The Waterwise Landscape Package includes a number of waterwise initiatives within the front landscape package including:

- Native and water efficient plants with reduced water requirements;
- fully automated waterwise irrigation system (to turf areas and garden beds), including a hydrowise irrigation control;
- Soil preparation, fertiliser application and additives to enhance moisture retention abilities;



- Subsurface irrigation of garden beds to reduce water loss and minimise potential bore water staining.

The cost to implement the Waterwise Landscape Packages is approximately \$5,000 + GST per lot for lots contained within the public releases. There is currently an allowance within the budget for water wise landscape packages.

The waterwise landscaping packages are being progressively installed with landscaping in Stages 1 – 18A substantially completed.

The average front landscape package in Catalina has a turf to native shrubs ratio of 40:60 equating to 30-40m<sup>2</sup> native shrub planted areas per front garden. Landscaping sustainability benefits enjoyed by Catalina residents include:

- Increased habitat and foraging flora for West Australian endemic fauna;
- Decreased water consumption due to advanced sensors fitted to every controller which yield up to a 30% water saving;
- Decreased water consumption due to Hydrawise Irrigation Controllers which receive weather information from weather station and adjust sprinkler run times accordingly and yields up to a 30% water saving
- The use of sub-mulch in-line drip irrigation to shrub areas in front landscape packages allows increased watering efficiency by reducing run-off, evaporation and vandalism;

The majority of the street trees planted within Catalina are primary feeding plants for Carnaby's Cockatoos.

Water sensitive native plants have also been selected for verges in medium density areas. .

***Recommendation: SPG recommends continuing waterwise front landscaping packages.***

## Fibre Optic Services

At its December 2011 Council Meeting the TPRC resolved to proceed with entering into an agreement with NBN Co. for the supply of fibre optic services through stages 1-6 of the Catalina development. In April 2014 the TPRC resolved to continue using NBN Co for the provision of fibre optic services for stages 7-18 of the Catalina development, covering all Urban zoned land in the Catalina Central precinct. In early 2017, TPRC entered into an Agreement for NBN services to extend in to the Catalina Beach Estate.

The NBN network provides many benefits for Purchasers including:

- work-life balance with the opportunity to work from home rather than from the office saving travel time and providing flexibility;
- small business opportunities where businesses can be established from home without the expense of renting an office;
- connecting with friends and family through high quality video conferencing;
- entertainment options such as video streaming and tv / movies on demand;
- a superior service for busy households where everyone can be online at the same time on multiple devices while still enjoying a high speed service;
- opportunity to sign up with all major Internet Service Providers, which isn't the case for the fibre optic service provided in some competing developments.

NBN Co. has provided a high standard of service to residents at Catalina. Residents have been able to connect to the internet immediately and are receiving a superior service to areas still serviced by copper.

The cost to install pit and pipes for NBN Co. is approximately \$600 per lot these works are carried out by the civil contractor. As of 1 July 2015 NBN Co. revised their fees for any lots that are not subject to an existing agreement with NBN Co. These fees are as:

- a fibre deployment charge of \$600 per lot payable by the developer;
- where NBN Co does not have backhaul available to connect a new development, an additional charge will be payable by the developer with the amount dependent on the amount of backhaul required;
- a one-time connection charge of \$300 per home, which will be payable by homeowners when they initially connect to the internet.

SPG recommends building on the existing advantages of being NBN connected through the creation of WiFi hot spots in the Stage 11 Phase 2 POS. This will enable residents and visitors to the estate to log in to the network and browse the internet. NBN Co offer a reliable NBN connection and WiFi hotspots would enable TPRC to promote the service available at Catalina.

***Recommendation: SPG recommend continuing the contract with NBN Co and working with NBN Co's Momentum to trial WiFi in Stage 11 POS Phase 2.***

## Community Development

Community development activities over the past 12 months included the Meet, Greet and Eat series, sports days, walking group, community garden, community newsletter and the online notice board

The community development work undertaken is beginning to show benefits for the Catalina community including:

- creating a community where residents get the opportunity to meet their neighbours ;
- creating a community that is aware of its environment;
- creation of a community garden where residents have an opportunity to cultivate vegetables, herbs and relationships.

***Recommendation: SPG to provide a Community Annual plan outlining community engagement initiatives to be undertaken over a twelve month period.***

## Housing Construction

The Catalina Waste Management Program was approved at the February 2013 TPRC Committee meeting and has been extended to February 2018.

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.

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

To date 3,864 tonnes of waste have been diverted from landfill and recycled at a rate of 96% of all materials. In order to offset the additional costs to builders, the TPRC provides a rebate of \$600 to \$900 (exc GST) per home to participating builders.

The Program is voluntary in public stages, however it has been mandated for builder releases from Stage 9 onwards and the 2<sup>nd</sup> and 3<sup>rd</sup> display home villages to increase the participation rate. It is receiving good feedback from builders who have participated to date and is achieving excellent recycling results.

A total of 168 homes are participating in the Program to date out of a total of 777 homes that have the opportunity to participate, indicating a participation rate of 21.6%. SPG have provided additional communication to builders regarding the availability of the rebate with no uplift in participation. Builders have advised that they:

- Utilise the services of Instant Waste Management;
- Have existing commercial arrangements for the provision of waste services; and / or
- Utilise another 'enviro waste' provider

***Recommendation: SPG recommend that the Catalina Waste Management Program is continued until February 2018 at which time participation rates will be reviewed and the continuation of the program assessed.***

## Sustainable Housing through Design Guidelines

The Catalina Design Guidelines were approved by the TPRC at the December 2011 Council meeting and modified in 2016 as part of Council's decision to provide additional recommendations regarding sustainable built form outcomes. The Design Guidelines include a number of recommendations for purchasers to reduce the consumption and cost of household energy and water. These recommendations include:

- installing high star rated electrical using appliances;
- installing a solar hot water system;
- installing an array of photovoltaic cells (rebate offered);
- Installation of high rated WELs appliances (rebate applicable to Catalina Beach where WELs ratings are mandated through Design Guidelines)
- incorporating shade devices that allow northern winter sun to living areas and prevent summer sun access;
- passive solar design by locating the dwelling's daytime living areas and their associated openings to a north facing aspect where practical;
- The recommended use of low-e glazing / double glazing
- The recommended use of roof and wall insulation
- The recommended use of shading devices including awnings and trees
- locating windows and doors in habitable rooms opposite each other to allow for ventilation through the dwelling from cooling summer breezes from the south-west.

The benefits of implementing these recommendations include a reduction in greenhouse gas production, lower power costs, cleaner air and a cooler home.

As the guidelines are only recommendations they are being incorporated into designs with mixed success. Design elements such as living and outdoor areas facing north and cross ventilation by placing windows and doors opposite each other, are being incorporated into the majority of designs. It is likely that this is due to there being little to no cost implications for these elements. Solar hot water systems and shade devices are generally not being included in building designs due to the higher cost involved with their installation.

To assist in the demonstration of the above initiatives, it was mandated that builders in the 3<sup>rd</sup> Catalina display home village proceed with at least three of these initiatives in each home.

***Recommendation: SPG Recommends that Design Guidelines for Catalina Beach and Catalina Central be reviewed annually to incorporate new sustainability requirements as they evolve.***

## Dwelling Densities

The Catalina development has included a diversity of lot sizes, including a high proportion of small lots with an area of 180m<sup>2</sup> to 562m<sup>2</sup>, compared to competing developments. Areas for small lot and higher density housing are detailed in the Catalina Built Form and Housing Strategy (September 2013). To date in FYE2016, a total of 14 Lots 250m<sup>2</sup> or less were created, representing 16.6% of the 84 Lots created.

Front loaded small lots with areas ranging from 200m<sup>2</sup> to 250m<sup>2</sup> have been constructed in Stage 15 providing new, affordable product to the market that can be delivered at a lower cost than rear loaded 225m<sup>2</sup> lots as there are no additional rear laneway costs.

- Small lots and medium density housing provide a number of benefits including:
- Low maintenance for residents;

- Affordable living for residents;
- Affordable homes creating a greater diversity of residents.
- Improves the viability of local and neighbourhood shops, resulting in shorter journeys to facilities and services;
- Greater opportunities for social interaction and support such as use of local parks due to smaller back yards;
- Greater opportunities for provision of social infrastructure due to a higher density of residents.

Opportunities for medium density lot with areas less than 180m<sup>2</sup> are currently being considered within Stage 16A and 16B. Further, higher density lots with areas from 120m<sup>2</sup> will be considered in the planning of Catalina Grove within a walkable catchment of the Clarkson Train Station.

***Recommendation: That TPRC continue to provide small lot and Medium Density Housing opportunities in accordance with the Catalina Housing Strategy.***

## Landscape Design and Construction

Landscape contracts have included some of the following sustainability initiatives:

- Reuse of limestone boulders and logs from on site;
- Propagation of native seeds taken from site for planting in conservation and open space areas;
- Use of site mulch from trees cleared during earthworks;
- Installation of solar lights in parks;
- Rehabilitation of Biodiversity Conservation Areas through weed management, fencing and planting of native species while minimising disturbance;
- Planting of native trees along streets and in parks that are a feeding habitat for Carnabys Cockatoo;
- Reuse of pots after trees and shrubs are planted;
- Recycling of material through Instant Waste Management.

***Recommendation: SPG recommends that the existing landscape design and construction initiatives are continued***

## Fauna Relocation

Prior to the commencement of each earthworks stage at Catalina the TPRC undertakes best practice fauna relocation.

This involves trapping for Bandicoots and small marsupials, reptiles and subterranean fauna at regular intervals to maximise their performance. Trapping is augmented by significant site inspections looking for species which don't trap well and hand capturing for relocation. All native fauna is relocated to an appropriate Crown Reserve or National Park. There is strict recording of each specimen and photos taken at time of capture and release.

The program also includes the trapping / capture any introduced and non endemic species such as rabbits, foxes, feral cat, european rat and house mouse.

Trees are checked for Carnaby Black-Cockatoo nesting activity. Should nesting birds be observed, the zoologist is to provide advice on the expected duration of nesting and appropriate management responses and any active nests will be discussed with the Department of Environmental Regulation.

Opportunities exist to provide habitat for native fauna. The installation of nesting boxes and artificial hollows has been recommended by the UDIA. Satterley property group are supportive of this initiative. Further, it is

recommended that dog and cat control signage be installed throughout the estate, particularly in areas with environmental significance.

***Recommendation: SPG recommends the installation of dog and cat control signage (interpretative signage) in the northern and southern BCA's.***

## Flora Relocation

Prior to the commencement of each earthworks stage grass trees are relocated from areas of the land that are to be cleared. The grass trees are removed for reuse in landscape contracts in public open space and in road verges. However due to the poor success of transplanting grass trees, they will no longer be transplanted into streetscapes (including road verges and medians).

The *Fabronia hampeana* (Priority 2 moss species) has been relocated from the Catalina Beach as part of the proposed earthworks in July 2015 and located within the Stage 10 Public Open Space.

## Flora Revegetation Programs

The majority of the landscape species are native, low water use plants. In addition over 50% of plantings of trees and shrubs in street-scaping and other public areas comprise plant species which are primary feeding plants for Carnaby's Black Cockatoo.

The TPRC has also commenced the rehabilitation program for the Biodiversity Conservation Area (BCA), which is an important conservation area adjacent Marmion Avenue. The rehabilitation has included conservation fencing and control of unauthorised tracks. The southern BCA has been fenced and re-vegetation is scheduled to be completed in 2017.

The TPRC has collected seeds from uncleared areas on site and has undertaken a propagation program. These plants have then been used for tubestock planting in conservation and open space areas within the Catalina Estate.

## Water Savings Fixtures Fitting and Appliances

In 2016, the Tamala Park Regional Council approved a \$1,000 rebate to be paid to homeowners who install high WELS rated fixtures fittings and appliances as follows:

- Installing minimum 6 Star WELS rated taps
- Installing minimum 3 Star WELS rated showerhead
- Installing minimum 4 Star WELS rated toilet
- Installing a minimum 6 Star WELS rated Dishwasher
- Installing a minimum 4 Star WELS rated washing machine

The above described requirements have been mandated in the Catalina Beach Design Guidelines forming part of the contract of sale.

Based on sales and construction timeframes, it is not anticipated that claims will be made for the rebate until 2018.

## Education

SPG and TPRC continue to promote sustainability through a variety of forums to residents within the Estate. The Community newsletter includes information regarding a different sustainability element in each issue. Examples of sustainability previously promoting include the community garden and recycling.

During a recent community event, TPRC / SPG entered into a partnership with the Mindarie Regional Council. The Mindarie Regional Council had their educational officer attend the event and provide information regarding the benefits of recycling and materials suitable for recycling. The Mindarie Regional Council education officer also facilitated the potting of seedlings in recycled pots.

***Recommendation: SPG recommends ongoing promotion of sustainability initiatives and providing Catalina residents with educational tools to facilitate behavioral changes resulting in greener living. Educational materials may be distributed through post purchase communications, community newsletters, electronic platforms and at community events.***

## Shared / Community Bore

A shared bore trial has been implemented on 72 traditional lots in Stages 4, 5 & 7 as well as on the Lot 248 group housing site in Stage 4. The cost allocated to implement the shared bore trial for 72 homes was approximately \$250,000 over the three stages. The current cost to install a shared bore is \$3,500 per lot. Based on administrative issues and the lower sustainability score associated with shared bores, the trial was discontinued as greater value may be realized in the implementation of alternative initiatives.



# Proposed Initiatives

## Tablet Device

The Satterley Property Group have investigated the benefits of providing residents who purchase into the Estate with a tablet device upon successful settlement. The tablet device would serve a multitude of functions including:

- Reducing hard copy printing. Estate brochures, rebate forms and contracts could be preloaded on to the gifted tablet device. Home owners may also receive and upload their building plans on to the tablet.
- Application promoting sustainable living, including energy monitoring, water consumption monitoring, carbon tracking,
- Home automation including turning lights off and on
- Personal fitness and health
- Identification of sustainable products
- Chemicals management
- Education; including providing a platform for the installation of publications including the Australian Governments *Your Home* guide to building new houses in a sustainably responsive way
- Communication- providing updates and reminders to residents through pre-installed applications.

The cost to purchase a 32 Gb WiFi compatible tablet from reputable brand is less than \$500 per unit. There is no cost associated with setting up the tablets and where possible, free applications selected. If applications are required to be purchased (generally \$0.99 to \$1.14), the total value of the tablet will not exceed \$500 per unit.

Applications and loaded documents cannot be locked on the tablets. In this regard, a purchaser may undertake a factory reset of the tablet and remove all the developer installed documents and applications.

There are approximately 1390 lots remaining to sell within the Catalina Estate. Based on an approximate cost of \$500 per unit, the total cost to the project would be approximately \$695,000 over the life of the project.

The tablets would be preloaded with:

- Catalina Estate information including:
  - Estate Design Guidelines
  - Rebate application forms
  - Estate marketing brochures
  - Sales Maps
  - Local Development Plans
  - Local Structure Plan
  - Lot details
  - Contract of Sale
  - Satterley contact details
  - Other contact information including City of Wanneroo and servicing authorities
- Education Material including:
  - *Your Home* – The Australian Government’s guide to constructing environmentally and socially responsive homes. The document addresses a variety of sustainable building principals including building materials, designing for reduced energy and water consumption and designing a home that responds to market requirements and individuals changing needs.
  - Water Conservation (app)
  - 30 by 30 (app)

- Links to Water Corporation, Alinta and Synergy websites including person account registration
- Sustainability@BU (app)
- Sustainability Compass (app)
- Shower timer
- Water use calculator
- Clear Standards Carbon Tracker (i-pad only)
- Communications with residents
  - Hip Chat / Slack / Snapchat to distribute Estate updates and community newsletters.

In addition to the above, a tablet would allow home owners to connect to a smart home system if they desire. The benefits of smart home are described and recommended as a new SIP within this review.

Many of the Estate's key builder partners offer their clients a portal through which they can log in to view their building plans. Access to the portal and the building plans could be achieved by using the tablet device.

The gifting of a tablet device would have significant marketing benefits. SPG are unaware of any competitors offering a similar offer to home buyers.

***Recommendation: SPG recommends that Tamala Park Regional Council provide purchasers within the Catalina Estate with a tablet device (i-pad preferred due to the larger quantity of sustainability apps available) upon successful settlement of their lot (Including Stage 25 and future stages ).***

## LED Lighting

LED is a highly energy efficient lighting technology. Residential use approximately 75% less energy and last 25 times longer, than incandescent lighting.

If home owners are to retrofit LED bulbs indicative prices for a variety of bulbs are as follows:

- \$7.43 for a 5.3W LED (GU10, 240V)
- \$11.95 for a 5.5W LED (MR16, 12V)
- \$12 to \$18 for a 10W LED (standard globe replacement)
- \$79.95 for a 'smart' colour changing bulb (Phillips)

Indicative prices for downlight kits that include the bulb, driver, fitting, lead and plug are as follows:

- \$19.99 for a 12W downlight kit (single unit, low profile and dimmable)
- \$28 for a 13W LED downlight kit (single unit, dimmable)

LED lights generally come with a 3 to 5 year warranty and may last up to 50,000 hours (over five years).

SPG consider that the mandatory implementation of LED Light fittings would have a substantial energy savings throughout the estate. Competing Estates including Alkimos Beach offer residents with an incentive to install LED lights. The rebate offered at Alkimos Beach is \$400.

SPG consider that home owners may be deterred the additional costs associated with LED light fittings and recommend that should LED light fittings be mandated, an incentive offered to residents. Should the TPRC be supportive of this recommendation, contract documents will include an annexure obligating residents to install LED light fittings and the Design Guidelines updated accordingly.

A \$400 rebate, consistent with the rebate offered by competitors, would allow residents to purchase approximately 20 LED down light kit or upgrade approximately 80 standard 240w down lights (entry level).

SPG also consider that TPRC should offer LED replacement globes for existing residents throughout the Estate. SPG may facilitate a light globe exchange program whereby residents are offered up to 10 replacement LED light globes. This program would run for three months only and with resident details being logged through CRM. It is proposed that replacement packages be limited to the first 500 eligible homes (being 60% of lots created to date).

An estimate of the total project cost is as follows:

990 single residents - Catalina Grove x \$400	= \$396,000
400 single residential lots – Catalina Beach x \$400	= \$160,000
500 replacement packages x \$150	= \$75,000
<b>TOTAL Project Cost -</b>	<b>= \$631.000</b>

***Recommendation: SPG recommends mandating the use of LED Light fittings, offering a \$400 rebate to offset the additional costs to be incurred by the homeowner.***

***Offer existing residents an LED lighting replacement pack valued at \$150.***

## Conclusion

To facilitate the achievement of TPRC's objectives to balance economic, social and environmental issues; and to produce a quality development demonstrating the best urban design and development practice.

The Satterley Property Group recommend the following sustainability initiatives.

- ***SPG recommends continuing waterwise front landscaping packages.***
- ***SPG recommend continuing the contract with NBN Co. and trial developer funded wifi trial in the Stage 11 Phase 2 POS***
- ***SPG to provide a Community Annual plan outlining community engagement initiatives to be undertaken over a twelve month period.***
- ***SPG recommend that the Catalina Waste Management Program is continued until February 2018 at which time participation rates will be reviewed and the continuation of the program assessed.***
- ***SPG Recommends that Design Guidelines for Catalina Beach and Catalina Central be reviewed annually to incorporate sustainability requirements.***
- ***That TPRC continue to provide small lot and Medium Density Housing opportunities in accordance with the Catalina Housing Strategy.***
- ***SPG recommends that the existing landscape design and construction initiatives are continued.***
- ***SPG recommends that Tamala Park Regional Council provide purchasers with the Catalina Estate with a tablet device (i-pad preferred due to the larger quantity of sustainability apps available) upon successful settlement of their lot (Stage 25 and future stages) up to the value of \$500.00.***
- ***SPG recommends mandating the use of LED Light fittings, offering a \$400 rebate to offset the additional costs to be incurred by the homeowner.***

## Appendix 1 – Competitor Assessment

	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	Tablet Device	Warm Asphalt	Battery Power	Waste Recycling	Education	Tree Canopy	WELS
Allara		\$2.6	\$1.2	\$3.5		\$.36	x	\$.5	x		x	x	\$.3				x	x		x
Burns Beach			x	x				Rec.	x		x	x	Rec							
Eden Beach			\$1.2	\$4							x	x								
Catalina	\$3.5	\$2	\$1.2	\$5					x	\$.75	x	x	x							\$1
Alkimos Beach		\$2.5	x	\$2.5	\$1.5	\$.2	\$.75	\$.3	x	x	x	x	\$.75		trial ed	x	x	x		
Amberton				x							x	x								
Shorehaven	x	Rec		x				Rec	x		x	x	Rec							
Trinity			x	x					x		x	x						x	x	

\*Shared Bore was trialed and has now been discontinued at Catalina

\$ denotes value of rebate (,000)

Rec = Recommended / Encouraged

# **Appendix 9.13**

## POLICY MANUAL

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### Complaints Policy (June 2017)

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#### 1. OBJECTIVE

The objective of this Policy is to guide the Tamala Park Regional Council (TPRC) in its management and handling of complaints.

#### 2. POLICY STATEMENT

The TPRC is committed to providing a responsive and accountable complaints management framework.

This Policy reflects best practice as outlined by the Australian Standards – *Guidelines for Complaint Management in Organisations*, and the WA Ombudsman Guidelines on Complaint Handling.

#### 3. SCOPE

This Policy applies to all Elected Members, employees of the TPRC and consultants or contractors who are engaged to provide services to the TPRC.

#### 4. POLICY

##### What is a complaint?

A complaint is:

“an expression of dissatisfaction made to or about an organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required” (as defined by the *AS/NZS 10002-2014 Guidelines for Complaint Management in Organisations*).

##### Making a complaint

The TPRC will accept complaints via the complaints form located on the TPRC website.

The following information is to be supplied in order to effectively process the complaint:

- Name and address;
- Contact details;
- Complaint details;
- Date of occurrence of complaint;
- Signature of complainant.

## POLICY MANUAL

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### Complaints Policy (June 2017)

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#### Timeliness

All complaints submitted to the TPRC will be acknowledged within five business days.

All complaints submitted to the TPRC will be responded to within 10 business days. If the nature of the complaint requires a longer period to resolve an interim response will be provided outlining the reason for the delay, further action to be taken and the anticipated timeframe for a full response.

#### Risk

In establishing the order in which complaints will be attended to, consideration will be given to the urgency of each complaint in terms of public safety implications, seriousness, frequency of occurrence, severity and the need for immediate action.

#### Confidentiality

Complainants have the right to expect that their privacy will be respected when making a complaint or having a complaint investigated. Personal information related to the complaint will be kept confidential in accordance with the *Freedom of Information WA Act 1992*.

All complaints are treated confidentially, unless required by law or the complainant provides their permission to release information.

#### Dealing with unreasonable complainant conduct

An unreasonable complainant is defined as the following:

- A rude, angry and harassing customer;
- Aggressive customer;
- Habitual or obsessive. This includes;
  - cannot 'let go' of their complaint;
  - cannot be satisfied despite the best efforts of the Council;
  - makes unreasonable demands on the Council where resources are substantially and unreasonably diverted away from its other functions or unfairly allocated.

The TPRC may restrict, withhold or withdraw the provision of service to unreasonable complainants by taking one of the following actions:

- Require the complainant to make an appointment to meet with employees;



## POLICY MANUAL

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### Complaints Policy (June 2017)

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- Limit all future dealings to writing;
- Only respond to future correspondence which provides significant new information about the complaint or raises new issues which the TPRC believes warrant fresh action;
- Direct all contact to be through a specific employee or area.

The decision to restrict, withhold or withdraw contact with the TPRC will only be made by the Chief Executive Officer.

#### **Recording complaints**

All correspondence relating to a complaint must be recorded within the TPRC's business systems. Information recorded must be factual, accurate and current as per the *State Records Act 2000*.

#### **Complaints about employees**

A complaint against an employee is considered confidential under the *Freedom of Information Act 1992* and the complainant will not be advised of the outcome, unless required by law.

#### **Complaints to Elected Members**

All complaints received by Elected Members are to be forwarded to the Chief Executive Officer.

#### **Complaints about Elected Members**

The *Local Government Act 1995* provides a disciplinary framework to deal with individual misconduct by local government Elected Members.

Complaints of this nature are confidential and outcomes will not be disclosed, unless required by law.

#### **Complaint outcomes**

The TPRC may determine to take the following courses of action:

- Take no further action and give the complainant reason/s;
- Resolve the complaint by use of appropriate strategies such as, but not limited to, mediation, informal discussion or negotiation; and
- Discontinue the assessment in circumstances where it becomes evident that the matter would be referred to another body or person and advise the complainant accordingly.

## POLICY MANUAL

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### Complaints Policy (June 2017)

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This Complaints Policy is authorised by the Chief Executive Officer on 15 June 2017.

Signature:

Name:

Date:

# **Appendix 9.15**

31 May 2017

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

Via email: [luke.aitken@tamalapark.wa.gov.au](mailto:luke.aitken@tamalapark.wa.gov.au)

Dear Mr Arias

**RE: CATALINA GROVE CANOPY RETENTION - UPDATE**

Further to Council's recent meetings, the Satterley Property Group provide the following update regarding tree canopy cover and proposed retention targets for the Catalina Grove Estate. During the Tamala Park Regional Council's meeting of the 8<sup>th</sup> December 2016, the Tamala Park Regional Council considered a revised Structure Plan Concept for the Catalina Grove. During consideration of this item the Council requested that SPG:

***"c) Provide a map showing the location of all significant trees in the Precinct, and how many of those significant trees are retained under the recommended Concept Plan.***

***d) Undertake a tree canopy cover survey of the Catalina Grove Precinct to allow Council to set a realistic target for future tree canopy cover for the Precinct."***

The Catalina Grove Structure Plan review and proposed amendment was again considered by Council in February 2017 upon completion of static financial modelling with Council making the following resolutions requiring the SPG to address:

***"3.1 That following the completion of the tree canopy analysis for the Grove Precinct it provides recommendations on tree canopy retention targets for the Catalina Grove Precinct for Council's consideration.***

***3.2. To provide a report to Council on the number of significant trees to be retained under Concept Plan (Option 3) prior to the finalisation of the Amendment to the Tamala Park Local Structure Plan."***

Following Council's requests, the Satterley Property Group sought quotations from suitably qualified geospatial / surveying experts to undertake a tree canopy assessment of Catalina Grove. On the 10<sup>th</sup> March, 2016 Specterra Services completed a flight over Catalina Grove, Catalina Central and Catalina Beach. During the flight, digital images were captured of tree / tree canopy locations. The information collected forms a baseline to ascertain current canopy cover for Catalina Grove.

Trees with a height over six metres have had their height mapped at 1 metre intervals.

The following tables provide a high level canopy cover assessment for Catalina Grove:

	Catalina Grove
<b>Total Vegetation Cover Percentage</b>	41.59%

Vegetation Strata - Percentage of Cell	
	Catalina Grove
<b>0-3 metres</b>	15.39%
<b>3-6 metres</b>	13.43%
<b>6-12 metres</b>	9.77%
<b>12 metres +</b>	3.01%

The Western Australian Planning Commission define the urban forest as trees greater than 3 metres in height. For the purpose of commercial viability trees with a height greater than 6 metres have been proposed for retention where practical, and in closer proximity to significant trees. Trees with heights six metres or less are readily available through nursery suppliers. The current canopy cover for trees with heights greater than 6 metres in Catalina Grove is 12.78%.

Arbor Logic have been commissioned to undertake a tree health assessment of significant vegetation within Catalina Grove. The field work for this assessment is to be carried out during the week commencing 5<sup>th</sup> June, 2017. A technical report and geo-spatial coordinates will be provided thereafter. Based on this advice, the overall tree canopy suitable for retention within Catalina Grove may be reduced.

One of Perth's leading tree transplant specialists have also been consulted to discuss the opportunity to transplant trees within the Catalina Grove Estate to mitigate canopy loss by relocating the trees within the project or offering to developers within member local government areas. Tuart trees with a trunk diameter of 30cm or less (generally less than 10 metres in height), transplant successfully. SPG are undertaking further consultation with to identify opportunities for preparing the selected trees for relocation. Root preparation of Tuarts generally takes between 9 months and 12 months.

Vegetation in urban landscapes provides multiple benefits to the social and physical environment.

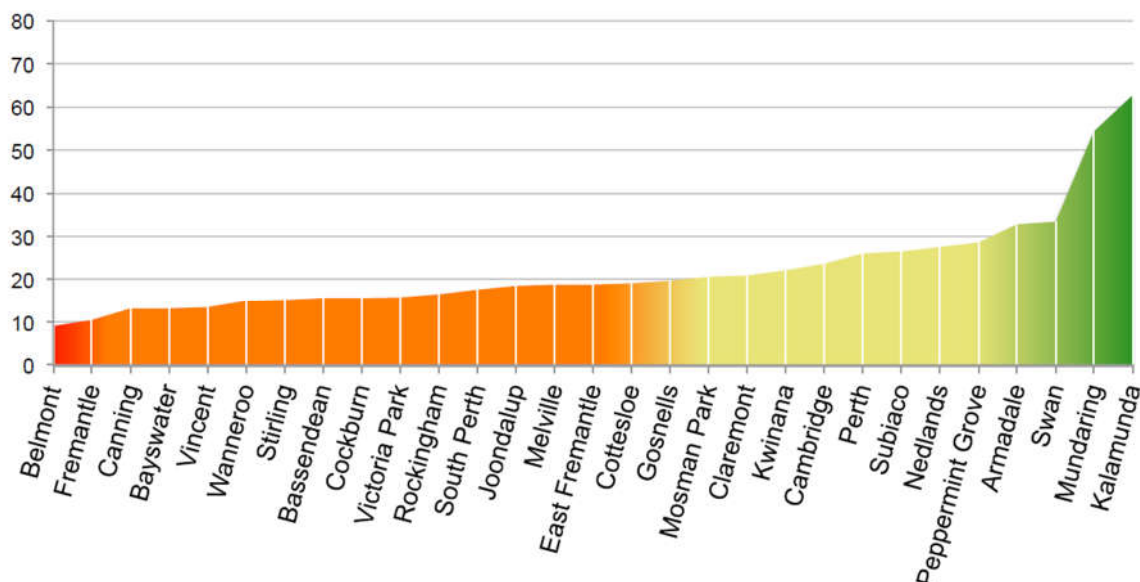
These benefits include:

- Maintenance of habitat for native fauna, which can include vulnerable or threatened species including the Carnaby's Black Cockatoo;
- Reduction of the urban heat island effect;
- Improvements in air quality;
- Improvements in storm water management through reductions in the extent of hardscaped surfaces;
- Provision of spaces for interaction, amenity and recreation, which improve community health and social well-being; and
- Being aesthetically appealing.

There are several local governments within the Perth Metropolitan area currently working towards achieving greater tree canopy cover also referred to as Urban Forest target. When assessing canopy cover, these established local government areas consider all vegetation including street trees, reserves, public open space, trees within residential lots, and foreshore reserves. Generally canopy

increases in older, more established suburbs with larger residential lots, larger areas of national parks and reserves and fewer areas of commercial and industrial zoned land.

The following chart represents current tree canopy cover by selected Local Government area:



Based on tree canopy assessments, many local governments have set tree canopy targets. The following provides a summary of targets of other local government areas:

- The City of Stirling have established a long term canopy target of 18% (by 2030) from a base reference of 15%.
- The City of Perth have established a long term canopy target of 30% (by 2036) from a base reference of 19% (public realm).
- The City of Bayswater have established a long term canopy target of 20% (by 2025) from a base reference of 13.2%.
- The City of Vincent have established a long term canopy target of 20-25% (by 2050) from a base reference of 11.7%.
- The City of Belmont have established a long term canopy target of 14.1% from a base reference of 9.1% (no timeframe nominated).

The current canopy cover for the City of Wanneroo is 15%. The City of Wanneroo do not currently have a long term canopy target.

In formulating the long term canopy cover target of Catalina Grove, from a development perspective, key planning, engineering and landscaping elements need to be considered in the process at this higher level and then in further detail, during the detailed design stage as part of the subdivision process.

These elements are being considered whilst preparing the draft options for the August 2017 Council meeting. Each option presented will highlight the impact the design has on yield, time and budget that will assist in determining the best considered outcome for the TPRC.

Following receipt of all technical inputs associated with tree mapping for Catalina Grove including advice from the Arbor Centre and Arbor Logic, the consultant team including planners and engineers

will finalise a minimum of two structure plan options to model the tree retention scenarios and will provide a static feasibility analysis on each. The options and financial assessments will be presented to Council in August with an outlook to progress a preferred Structure Plan. The Option 3 scenario previously considered by Council will be presented as part of this assessment in accordance with Councils support of this initial option. Plans depicting the location of significant trees will be presented as part of this process.

Significant trees, tree retention target and long term tree canopy targets for Catalina Grove and the Catalina Estate will be considered subsequent to finalisation of technical inputs for presentation to Council in August.

Should you have any queries or require additional information, please do not hesitate to contact me at your convenience.

Kind Regards



Antonina Lazzara

**Project Director**

## **Appendix 9.16**

CONFIDENTIAL



## **Appendix 9.17**

CONFIDENTIAL

## **Appendix 9.18**

CONFIDENTIAL