

Appendix 9.1

Landscaping Table

Landscape Works	FYE 2018 Budget	Detailed Design	City of Wanneroo Approval	Proposed Construction Commencement	Proposed Completion	Comments
Catalina Beach Landscaping Works (A) Linear Park (B) Greenlink/Entry (E) Streetscapes	\$2,655,357.00	Complete	15 May 2017	August 2017	March 2018	Landscape works commenced in late August. Practical Completion of the Linear POS (including play tower), Green Link and Streetscapes was achieved in March 2018.
Catalina Beach Landscaping Works (C) Entry Statements		Under review	15 May 2017	May 2018	July 2018	The design of the Entry Statement is being finalised. Works anticipated to commence in May 2018.
Catalina Beach Landscaping Works (D) Marmion Ave Verges - West		Complete	15 May 2017	February 2018	May 2018	Landscape works commenced in March and are anticipated to be complete in May 2018.
Catalina Beach Landscaping Works (F) Sales Office Car Park		Complete	15 May 2017	June 2018	October 2018	Landscape works for the Sales Office car park are required to be coordinated with the construction of the Sales Office and car parking facilities. Works are anticipated to commence in June.
Stage 11 POS (Phase 2) Temporary Sales Office Car Park	\$750,000	Complete	12 April 2017	July 2018	October 2018	Phase 2 includes landscaping the temporary Sales Office Car Park. As part of the Mid-Year Budget Review the works have been programmed to commence in FYE 2019.
Aviator Boulevard Entry Statement	\$116,667.00	Complete	28 March 17	February 2018	April 2018	Landscape works included the installation of ground cover at the entry of the Central Precinct (Aviator Boulevard). Works commenced in February 2018 and completed in April 2018.
Biodiversity Conservation Area (South)	\$331,325.00	Complete	15 April 16	May 2018	July 2018	Southern BCA works to include path construction, minor revegetation works and installation of interpretive signage. Works anticipated to commence in May 2018
Biodiversity Conservation Area (North)	\$116,147.00	Complete	Feb 2015	May 2018	July 2018	Norther BCA works to include minor revegetation works and the installation of interpretive signage. Works anticipated to commence in May 2018
Neerabup Road Verges (Phase 2)	\$1,670,223	Complete	August 2016	May 2018	August 2018	Phase 1 of the works were completed in August 2017. Phase 2 works are anticipated to commence in May 2018.

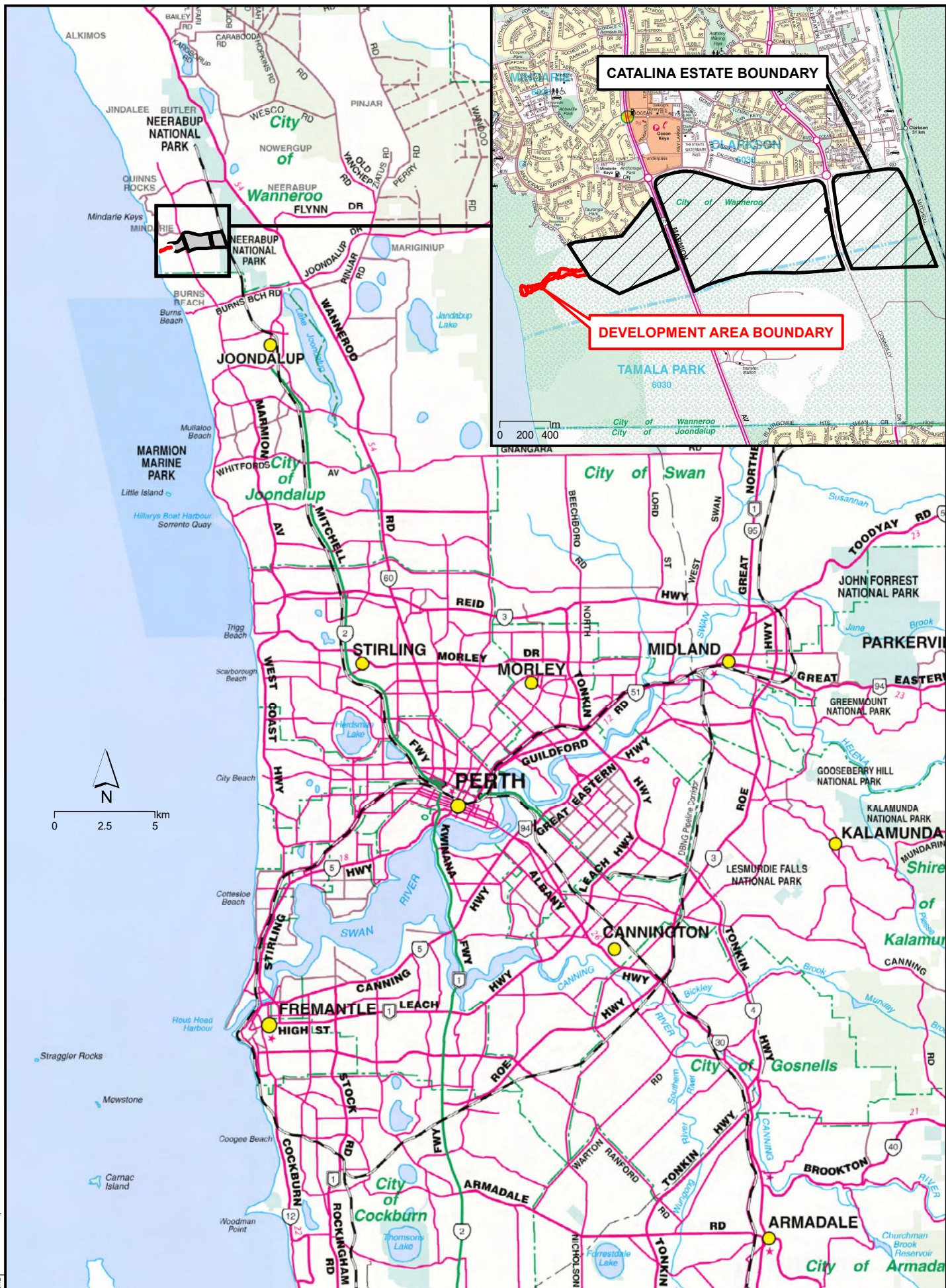
Catalina Beach Landscape Works – POS 25



Aviator Boulevard Entrance Upgrades







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

SITE LOCATION

Appendix Page 5

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)

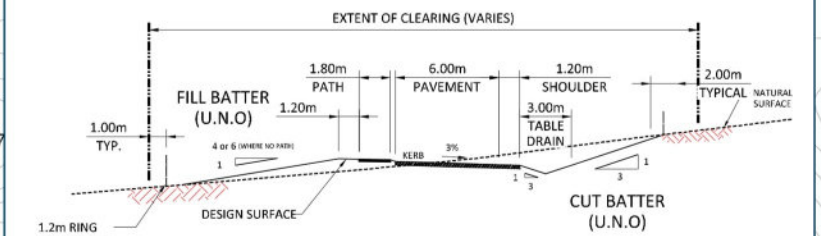
- approx 15m X 5m

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).

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

BEACH ACCESS INFRASTRUCTURE
CONCEPT PLAN

Figure 2

Appendix 9.2

TAMALA PARK REGIONAL COUNCIL
MONTHLY STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018**

	NOTE	28 February 2018 Actual \$	28 February 2018 Y-T-D Budget \$	2017/18 Amended Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues	1,2				
Interest Earnings		677,306	616,432	900,000	9.88%
Other Revenue		2,030	2,030	2,318	0.00%
		679,336	618,462	902,318	9.84%
Expenses	1,2				
Employee Costs		(351,677)	(491,279)	(751,838)	(28.42%)
Materials and Contracts Other		(91,596)	(305,496)	(440,916)	(70.02%)
Depreciation		0	0	(21,212)	0.00%
Utilities		0	(4,300)	(6,450)	0.00%
Insurance		(10,894)	(10,894)	(10,894)	0.00%
Other Expenditure		(126,479)	(135,029)	(181,955)	(6.33%)
		(580,646)	(946,998)	(1,413,265)	(38.69%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	0	21,212	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Plant and Equipment	3	0	0	(26,250)	0.00%
LESS MEMBERS EQUITY					
Development of Land for Resale					
Income Sale of Lots - Subdivision		19,053,260	23,862,709	25,844,383	(20.15%)
Income other - Subdivision		0	1,841,500	2,161,500	100.00%
Development Costs - Subdivision		(9,287,952)	(29,596,281)	(30,839,499)	(68.62%)
Contribution Refund		(78,501)	0	(268,725)	0.00%
Profit Distributions		(2,000,001)	0	(4,000,000)	0.00%
Change in Contributed Equity	6	7,686,806	(3,892,072)	(7,102,341)	(297.50%)
Net Current Assets July 1 B/Fwd	7	39,246,178	39,246,178	39,246,178	0.00%
Net Current Assets Year to Date	7	47,031,674	35,025,570	31,627,852	

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 2017 TO 28 FEBRUARY 2018

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

This statement comprises a special purpose financial report, prepared in accordance with applicable Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this statement presented below and have been consistently applied unless stated otherwise. They been prepared on on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of the financial report in conformity with Australian Accounting Standards require management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(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

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

(f) Cash and Cash Equivalents

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018

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 measured 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.

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, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed. Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed to the buyer at this point. Land held for resale is classified as current except where it is held as non-current based on the 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 local government 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.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018

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) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(l) 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 Council 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.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) 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.

(o) 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 2017 TO 28 FEBRUARY 2018

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:

	28 February 2018 Actual \$	Amended 2017/18 Budget \$
<u>By Program</u>		
Other Property and Services		
Motor Vehicle	0	26,250
	0	26,250
<u>By Class</u>		
Plant and Equipment	0	26,250
	0	26,250

4. DISPOSALS OF ASSETS

There are no assets budgeted to be disposed during the financial year ended 30 June 2018.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2017-18 financial year.

6. CONTRIBUTED EQUITY

	28 February 2018 Actual \$	30 June 2017 Actual \$
Town of Victoria Park	4,081,579	3,432,788
City of Perth	4,081,579	3,432,788
Town of Cambridge	4,081,579	3,432,788
City of Joondalup	8,163,160	6,865,577
City of Wanneroo	8,163,160	6,865,577
Town of Vincent	4,081,579	3,432,788
City of Stirling	16,326,319	13,731,154
TOTAL	48,978,956	41,193,460
Total Movement in equity	7,785,496	

Movement in Contributed Equity Represented by:

	Development Expenses 28 February 2018 \$	Land Sales 28 February 2018 \$	Return of Contribution 28 February 2018 \$	Rates Equivalent 28 February 2018 \$
Town of Victoria Park	(773,996)	1,587,772	(166,667)	0
City of Perth	(773,996)	1,587,772	(166,667)	(26,167)
Town of Cambridge	(773,996)	1,587,772	(166,667)	0
City of Joondalup	(1,547,992)	3,175,543	(333,333)	(52,334)
City of Wanneroo	(1,547,992)	3,175,543	(333,333)	0
Town of Vincent	(773,996)	1,587,772	(166,667)	0
City of Stirling	(3,095,984)	6,351,086	(666,667)	0
	(9,287,952)	19,053,260	(2,000,001)	(78,501)
Members Contributed Equity Movements	7,686,806			
TPRC Net Result	98,690			
Total Movement in equity	7,785,496			

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 28 FEBRUARY 2018

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	28 February 2018 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	47,049,289	39,213,368
Receivables	299,367	306,092
Settlement Bonds	600	4,800
	47,349,256	39,524,260
LESS: CURRENT LIABILITIES		
Payables and Provisions	(317,582)	(278,082)
NET CURRENT ASSET POSITION	47,031,674	39,246,178

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 2017 TO 31 JANUARY 2018

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**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 31 JANUARY 2018**

	NOTE	31 January 2018 Actual \$	31 January 2018 Y-T-D Budget \$	2017/18 Adopted Budget \$	Variances Budget to Actual Y-T-D %
<u>Operating</u>					
Revenues	1,2				
Interest Earnings		602,206	535,621	793,512	12.43%
Other Revenue		2,030	0	2,035	0.00%
		604,236	535,621	795,547	12.81%
Expenses	1,2				
Employee Costs		(309,943)	(432,953)	(751,838)	(28.41%)
Materials and Contracts Other		(79,943)	(275,266)	(482,916)	(70.96%)
Depreciation		0	0	(21,212)	0.00%
Utilities		0	(3,225)	(6,450)	0.00%
Insurance		(10,894)	(10,469)	(10,469)	4.06%
Other Expenditure		(87,362)	(91,383)	(181,955)	(4.40%)
		(488,142)	(813,296)	(1,454,840)	(39.98%)
<u>Adjustments for Non-Cash (Revenue) and Expenditure</u>					
Depreciation on Assets		0	0	21,212	0.00%
<u>Capital Revenue and (Expenditure)</u>					
Plant and Equipment	3	0	0	(26,250)	0.00%
LESS MEMBERS EQUITY					
Development of Land for Resale					
Income Sale of Lots - Subdivision		17,066,445	25,548,409	40,372,252	(33.20%)
Income other - Subdivision		0	1,761,500	1,761,500	100.00%
Development Costs - Subdivision		(7,839,928)	(25,833,874)	(55,659,496)	(69.65%)
Contribution Refund		(52,334)	0	(268,725)	0.00%
Profit Distributions		(2,000,001)	0	(4,000,000)	0.00%
Change in Contributed Equity	6	7,174,182	1,476,035	(17,794,469)	386.04%
Net Current Assets July 1 B/Fwd	7	39,246,178	39,260,668	39,260,668	(0.04%)
Net Current Assets Year to Date	7	46,536,454	40,459,028	20,801,868	

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 2017 TO 31 JANUARY 2018

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(b) The Local Government Reporting Entity

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(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

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

(f) Cash and Cash Equivalents

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

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 31 JANUARY 2018

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 measured 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.

Land Held for Resale

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(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 local government 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.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 31 JANUARY 2018

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) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council 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.

(l) 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 Council 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.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 31 JANUARY 2018

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) 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.

(n) 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.

(o) 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 2017 TO 31 JANUARY 2018

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:

	31 January 2018 Actual \$	Adopted 2017/18 Budget \$
<u>By Program</u>		
Other Property and Services		
Motor Vehicle	0	26,250
	0	26,250
<u>By Class</u>		
Plant and Equipment	0	26,250
	0	26,250

4. DISPOSALS OF ASSETS

There are no assets budgeted to be disposed during the financial year ended 30 June 2018.

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 31 JANUARY 2018

5. INFORMATION ON BORROWINGS

No borrowings have been undertaken in the period under review. No borrowings are budgeted during the 2017-18 financial year.

6. CONTRIBUTED EQUITY

	31 January 2018 Actual \$	30 June 2017 Actual \$
Town of Victoria Park	4,040,311	3,432,788
City of Perth	4,040,311	3,432,788
Town of Cambridge	4,040,311	3,432,788
City of Joondalup	8,080,623	6,865,577
City of Wanneroo	8,080,623	6,865,577
Town of Vincent	4,040,311	3,432,788
City of Stirling	16,161,246	13,731,154
TOTAL	48,483,736	41,193,460
Total Movement in equity	7,290,276	

Movement in Contributed Equity Represented by:

	Development Expenses 31 January 2018 \$	Land Sales 31 January 2018 \$	Return of Contribution 31 January 2018 \$	Rates Equivalent 31 January 2018 \$
Town of Victoria Park	(653,327)	1,422,204	(166,667)	0
City of Perth	(653,327)	1,422,204	(166,667)	0
Town of Cambridge	(653,327)	1,422,204	(166,667)	0
City of Joondalup	(1,306,655)	2,844,407	(333,333)	(52,334)
City of Wanneroo	(1,306,655)	2,844,407	(333,333)	0
Town of Vincent	(653,327)	1,422,204	(166,667)	0
City of Stirling	(2,613,310)	5,688,815	(666,667)	0
	(7,839,928)	17,066,445	(2,000,001)	(52,334)
Members Contributed Equity Movements	7,174,182			
TPRC Net Result	116,094			
Total Movement in equity	7,290,276			

TAMALA PARK REGIONAL COUNCIL
NOTES TO AND FORMING PART OF THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD 1 JULY 2017 TO 31 JANUARY 2018

7. NET CURRENT ASSETS

Composition of Estimated Net Current Asset Position	31 January 2018 Actual \$	Brought Forward 1-Jul \$
CURRENT ASSETS		
Cash - Unrestricted	46,464,306	39,213,368
Receivables	373,502	306,092
Settlement Bonds	13,600	4,800
	46,851,408	39,524,260
LESS: CURRENT LIABILITIES		
Payables and Provisions	(314,954)	(278,082)
NET CURRENT ASSET POSITION	46,536,454	39,246,178

8. RATING INFORMATION

The Regional Council does not levy rates on property.

9. TRUST FUNDS

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

Appendix 9.3

**Tamala Park Regional Council
Summary Payment List
February 2018**

Date	Num	Name	Description	Amount
1/02/2018	ET-4363	Employee Costs	Wages for period 18/01/18 - 31/01/18	-11,137.67
1/02/2018	ET-4366	Australian Super	Superannuation for period 18/01/18 - 31/01/18	-591.18
1/02/2018	ET-4367	National Australia Bank	Superannuation for period 18/01/18 - 31/01/18	-1,141.77
1/02/2018	ET-4368	Australian Taxation Office	BAS for quarter Oct - Dec 2017	-10,085.00
1/02/2018		Arborman	Firebreak maintenance	-1,980.00
1/02/2018		Buckby Contracting	WWPS West (Cert 3)	-186,821.77
1/02/2018		CBRE Valuations Pty Limited	Review of Project Forecast	-8,250.00
1/02/2018		City of Stirling	GST Dec. 2017	-2,338.55
1/02/2018		Dominic Carbone & Assoc.	Consultancy services (December 2017)	-396.00
1/02/2018		Emerge Associates	Portofino Blvd Median (December 2017)	-1,100.00
1/02/2018		Kyocera Mita	Printing (January 2018)	-33.21
1/02/2018		LD Total	Stage 25 SPA (December 2017)	-470,326.60
1/02/2018		Market Creations	Website Design Refresh - Concept to Live	-2,002.00
1/02/2018		Moore Stephens	SOFA & BAS (December 2017)	-2,601.50
1/02/2018		Neverfail	Bottled water x 1	-14.75
1/02/2018		NJ Carpentry	Sales Office - Repairs to damaged ceiling	-1,993.20
1/02/2018		R J Vincent & Co	Stage 17B Civil Works (Cert 2)	-281,676.78
1/02/2018		Satterley Property Group	Community Development (July 2017)	-6,388.80
1/02/2018		Stephen Heath Photography	Christmas Mixer Photography	-515.00
1/02/2018		Supreme Settlements	Rates adjustment - Lot 874	-589.63
1/02/2018	ET-4369	Telstra	Mobile Phones (CEO & PC) for period 14/01/18 - 13/02/18	-110.00
1/02/2018	ET-4370	Water Corporation	Sales Office water charges for period 20/11/17 - 18/01/18	-1,001.92
5/02/2018	ET-4372	B Bhabra Investment Trust	Lot 173 (20th instalment over a 5 year period)	-2,887.50
5/02/2018	ET-4373	Steel Test Pty Ltd	Lot 169 (20th instalment over a 5 year period)	-2,887.50
12/02/2018	CH-200558	Carpet All Floorcoverings	Sales Office - Repair of flooring damaged by collapsed ceiling	-3,478.79
12/02/2018	CH-200557	City of Wanneroo	Stage 17B Council Supervision Fee	-5,778.80
13/02/2018	ET-4392	D'Rozario, Antonia	Lot 168 (20th instalment over a 5 year period)	-3,281.25
14/02/2018	ET-4382	Westpac Bank	Payment of credit card charges (CEO & EA) - February 2018	-260.14
15/02/2018	ET-4374	Employee Costs	Wages for period 01/02/18 - 14/02/18	-11,137.67
15/02/2018	ET-4377	Australian Super	Superannuation for period 01/02/18 - 14/02/18	-591.18
15/02/2018	ET-4378	National Australia Bank	Superannuation for period 01/02/18 - 14/02/18	-1,141.77
15/02/2018	ET-4379	Australian Taxation Office	IAS January 2018	-14,208.00
15/02/2018		Anderson, Claire	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		Barton, Lexi	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		Burgess Rawson	GST Valuations (January 2018)	-660.00
15/02/2018		Caddy, Karen	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		Carter, J. & Conway, R.	Solar Panel Rebate (Lot 916)	-2,000.00
15/02/2018		Chester, John	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		City of Stirling	TPRC office rent (March 2018)	-3,573.74
15/02/2018		City of Vincent	GST Sept - Dec 2017	-10,101.00
15/02/2018		City of Wanneroo	Connolly Drive/Aviator Bvd Roundabout Engineering Assessment Fee	-287.64
15/02/2018		Cole, Emma	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75

15/02/2018		Cossill & Webley	Engineering services	-32,721.63
15/02/2018		Coterra Environment	Environmental consulting	-3,012.41
15/02/2018		Docushred	Security bin	-51.70
15/02/2018		Dominic Carbone & Assoc.	GST December 2017 & Mid-Year Budget Review	-1,452.00
15/02/2018		Eco Logical Australia	Vegetation retention area (January 2018)	-346.50
15/02/2018		Emerge Associates	Landscape architecture services	-5,480.20
15/02/2018		Fenn, Samantha	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		Ferrante, Joe	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		GJ Gardner Homes	Early construction rebate (Lot 305)	-8,000.00
15/02/2018		Ireson, J. & McGrath, K.	Solar Panel Rebate (Lot 500)	-2,000.00
15/02/2018		Italiano, Giovanni	Chairman allowance 20 October 2017 - 19 January 2018	-8,886.50
15/02/2018		Jones, Nige	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		LD Total	Landscaping services	-266,616.51
15/02/2018		Marketforce	Statutory advertising (Jan 2018)	-649.59
15/02/2018		McLeods Barristers & Solicitors	Legal advice (January 2018)	-3,173.74
15/02/2018		McMullen Nolan Group	Surveying services	-4,449.50
15/02/2018		Murphy, Jimmy	Alternate member attendance fee 20 October 2017 - 19 January 2018 (1 x meeting)	-236.00
15/02/2018		Neverfail	Bottled water x 2	-28.25
15/02/2018		New Great Cleaning Service	TPRC office cleaning	-214.50
15/02/2018		New Living Cleaning	Sales Office cleaning (January 2018)	-495.00
15/02/2018		Paulus, Jarrod & Natasha	Solar Panel Rebate (Lot 794)	-2,000.00
15/02/2018		Picnic Tables Hire	Additional tables for Christmas Mixer	-264.00
15/02/2018		Plan E	Landscape Architect Retainer (January 2018)	-7,315.00
15/02/2018		R J Vincent & Co	Stage 17B Civil Works Christmas Hydromulch	-37,549.71
15/02/2018		Redesign Group	Sales Office gutter & downpipe repairs (insurance claim)	-780.00
15/02/2018		Reudavey, Peter	Solar Panel Rebate (Lot 976)	-2,000.00
15/02/2018		Sandri, Bianca	VOID: Payment Bounced - Incorrect account details provided	0.00
15/02/2018		Satterley Property Group	Community Development Services (June 2017)	-9,002.40
15/02/2018		Signs & Lines	Hoarding & Plinth Signs	-93,687.01
15/02/2018		Swann Rubbish Removal	Rubbish Removal (February 2018)	-800.00
15/02/2018		Timmermanis, Andres	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
15/02/2018		Town of Victoria Park	GST Dec. 2017	-585.00
15/02/2018		Treacy Fencing	Fencing services	-13,343.88
15/02/2018		Treby, Brett	Deputy Chairman allowance 20 October 2017 - 19 January 2018	-3,855.25
15/02/2018		Wettig, Mark & Katrina	Solar Panel Rebate (Lot 824)	-2,000.00
15/02/2018	ET-4380	Synergy	Power for Sales Office & 4 x POS	-4,198.85
15/02/2018	ET-4393	Imagesource	Christmas Mixer Flyers	-411.95
20/02/2018	ET-4381	City of Wanneroo	Amendment to Local Development Plan No 7	-401.32
21/02/2018	CON-115	Town of Cambridge	GST owing December 2017	-584.63
22/02/2018	ET-4383	Sandri, Bianca	Elected member attendance fee 20 October 2017 - 19 January 2018	-2,613.75
22/02/2018	CON-116	City of Perth	GST Nov 2017 - Jan 2018	-5,966.45
27/02/2018	ET-4336	National Australia Bank	Bank charges NAB At-Call AC	-10.00
28/02/2018	ET-4384	Yang, Shan-Hao	Lot 172 (20th instalment over a 5 year period)	-2,887.50
28/02/2018	CON-118	City of Joondalup	GST Nov 2017 - Jan 2018	-11,932.90
TOTAL				-1,616,897.69

Tamala Park Regional Council
Summary Payment List
January 2018

Date	Num	Name	Description	Amount
4/01/2018		Employee Costs	Wages for period 21/12/17 - 03/01/18	-11,137.67
4/01/2018	ET-4356	Australian Super	Superannuation for period 21/12/17 - 03/01/18	-591.18
4/01/2018	ET-4357	National Australia Bank	Superannuation for period 21/12/17 - 03/01/18	-1,141.77
4/01/2018		Action Couriers	Courier charges for period 14/12/17 - 24/12/17	-47.36
4/01/2018		Aitken, L.	Reimbursement for plastic cups (Catalina community event)	-18.70
4/01/2018		Dominic Carbone & Assoc.	Consultancy services (November 2017)	-660.00
4/01/2018		Kyocera Mita	Printing (December 2017)	-87.15
4/01/2018		Market Creations	Website Design Refresh - Design Concept	-2,002.00
4/01/2018		Town of Victoria Park	GST Oct - Nov 2017	-6,573.00
4/01/2018	ET-4358	Telstra	Mobile Phones (CEO & PC) for period 14/12/17 - 13/01/18	-110.00
4/01/2018	ET-4359	Water Corporation	Sales Office water charges for the period 21/09/17 - 20/11/17	-1,009.26
10/01/2018	CON-113	City of Wanneroo	GST owing November 2017	-4,100.12
17/01/2018	ET-4360	Westpac Bank	Payment of credit card charges (CEO & EA) - January 2018	-3,146.71
18/01/2018		Employee Costs	Wages for period 04/01/18 - 17/01/18	-11,137.67
18/01/2018	ET-4361	Australian Super	Superannuation for period 04/01/18 - 17/01/18	-591.18
18/01/2018	ET-4362	National Australia Bank	Superannuation for period 04/01/18 - 17/01/18	-1,141.77
18/01/2018		Action Couriers	Courier fees for period 02/01/18 - 07/01/18	-36.19
18/01/2018		Atkins, Jasmine	Christmas event live entertainment	-350.00
18/01/2018		Burgess Rawson	Valuation services	-1,100.00
18/01/2018		City of Stirling	Rent & GST Nov 2017	-11,774.01
18/01/2018		Content Living	Early Construction Rebate (Lot 822)	-8,000.00
18/01/2018		Cossill & Webley	Engineering services	-34,462.23
18/01/2018		Coterra Environment	Foreshore Management Plan (May - July 2017)	-3,882.93
18/01/2018		Crux Creative	Christmas Mixer flyer	-310.00
18/01/2018		Eco Logical Australia	Vegetation Retention Area Relocation	-1,980.00
18/01/2018		Emerge Associates	Landscaping Architect Services	-7,099.49
18/01/2018		EventPro Perth	Christmas Mixer Equipment	-946.00
18/01/2018		Fahie, Sonya	Solar Panel Rebate (Lot 836)	-2,000.00
18/01/2018		Imagesource	Christmas Newsletter	-655.60
18/01/2018		LD Total	Landscaping services	-69,693.97
18/01/2018		Marketforce	Statutory advertising	-1,677.82
18/01/2018		McCarthy, Finbarr & Nicola	Solar Panel Rebate (Lot 890)	-2,000.00
18/01/2018		McMullen Nolan Group	Stage 17B Surveying (December 2017)	-4,796.00
18/01/2018		Neverfail	Bottled water x 2	-28.25
18/01/2018		New Great Cleaning Service	Cleaning of TPRC office (Jul-Dec '17)	-858.00
18/01/2018		New Living Cleaning	Sales Office cleaning (December 2017)	-495.00
18/01/2018		Officeworks	Office supplies	-62.99
18/01/2018		Picnic Tables Hire	Christmas Mixer Table Hire	-1,210.00
18/01/2018		Plan E	Landscape architect retainer (December 2017)	-7,315.00
18/01/2018		Rare Pty Ltd	Marketing	-1,640.50
18/01/2018		Satterley Property Group	Community Development Services	-7,603.20
18/01/2018		Shrapnel Urban Planning	Grove Retail Comm Consulting	-5,390.00
18/01/2018		Supreme Settlements	Rate Adjustments	-370.04
18/01/2018		Treacy Fencing	Fencing services	-15,098.93

18/01/2018	CH-200551	Quinns Men's Shed Inc.	Christmas Mixer BBQ	-520.00
29/01/2018	CH-200552	Water Corporation	Stage 17B Infrastructure Contributions (WAPC 150071)	-174,756.30
29/01/2018	CH-200553	City of Wanneroo	Stage 17B Subdivision Clearance Fee (36 lots)	-1,450.00
29/01/2018	CH-200554	McMullen Nolan Group	Stage 17B Landgate Survey Lodgement Fee	-2,937.00
29/01/2018	CH-200555	McMullen Nolan Group	Stage 17B WAPC Lodgement Fee (36 lots + 1 x balance lot)	-859.80
30/01/2018	CON-114	City of Wanneroo	GST owing December 2017	-1,169.26
31/01/2018	CH-200556	Western Power	Stage 26 Extension to quote viability period	-385.00
TOTAL				<u>-416,409.05</u>

Appendix 9.4

21 March 2018

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

Dear Tony

Catalina Financial Report for February 2018

Please find attached the Catalina Financial Report for February 2018. This report has been prepared on a cash basis and compares actual income and expenditure to the August 2017 approved budget for the period 1 February 2018 to 28 February 2018.

Residential settlement revenue for the financial year to 28 February 2018 is \$19.3m which is \$7.5m behind the approved 'August 2017' budget with 26 less residential settlements for the year.

Sales for FYE2018 are \$13.0m unfavourable to budget due to 41 less residential lot sales for the year.

Overall FYE2018 expenditure is \$18.0m (69%) under budget per the approved 'August 2017' budget, with \$7.9m spent against a budget of \$25.9m. The main areas of variances are summarised below:

- Lot Production is \$6.4m under budget, noting the following variances:
 - Stage 15 \$0.3m under budget due to savings;
 - Stage 17B \$0.6m under budget due to timing of receiving invoices for payment;
 - Stage 18A \$0.5m under budget due to savings;
 - Stage 18B \$0.7m under budget due to minor works still to be completed;
 - Stage 25 (\$0.6m) over budget due to timing of receiving invoices for payment (works budgeted and completed last financial year, paid in current year; in line with total project to date budget);
 - Stage 26 \$2.0m under budget as work not yet commenced (mid-year budget review shows works commencing April 2018);
 - Timing of bond payments \$1.2m under budget.
- Landscaping is \$5.0m under budget, noting the following variances:
 - Stage 18 Landscaping \$1.0m under budget (phase 1 complete, phase 2 & 3 currently under review);
 - Stage 25 Greenlink Landscaping \$1.2m under budget (due to timing of payments);
 - Stage 11 Landscaping Phase 2 \$0.8m under budget (deferred to FYE2019);
- Infrastructure is \$3.9m under budget, noting the following variances:
 - Connolly Drive Greenlink Intersection \$0.9m under budget (due to timing of payments);
 - Aviator Boulevard Extension \$1.2m under budget (Aviator/Connolly Round-a-bout not yet commenced, delayed due to Water Corporation requirement to commence works in August).



- Stage 20-24 Primary School \$0.8m under budget due to delay in commencement of earthworks within the Primary School Site. Reimbursement for earthworks is linked with title creation (and not completion of earthworks), which is now planned for 2020.
- Waste Water Pump Station \$0.4m under budget due to timing of receiving invoices for payments

- P&L expenditure is \$2.1m under budget, noting the following variances:
 - Marketing \$382k (72%) under budget with \$148k spent against YTD budget of \$530k;
 - Rates and Taxes \$261k under budget as full provisional amount not yet required;
 - Contingency \$1.2m not required.

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

Yours faithfully

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

Antonina Lazzara
Project Director

CATALINA
**FINANCE REPORT
FEBRUARY 2018**
1.0 Management Accounts
1.1 KEY STATISTICS
1.1.1 RESIDENTIAL LOTS & DISTRIBUTIONS

	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Prior Years	872	872	848	848	815	815	67,000,000	67,000,000
Jul-2017	-	57	8	13	7	6	-	-
Aug-2017	58	-	-	22	4	17	-	-
Sep-2017	-	-	14	13	8	9	-	-
Sep-17 Qtr	58	57	22	48	19	32	-	-
Oct-2017	-	-	6	6	14	9	-	-
Nov-2017	-	-	9	8	6	12	-	-
Dec-2017	-	-	2	5	2	18	2,000,000	-
Dec-17 Qtr	-	-	17	19	22	39	2,000,000	-
Jan-2018	-	-	2	8	12	11	-	-
Feb-2018	-	-	2	9	7	4	-	-
Mar-2018	-	38	-	8	-	7	-	-
Mar-18 Qtr	-	38	4	25	19	22	-	-
Apr-2018	-	36	-	9	-	10	-	-
May-2018	-	-	-	8	-	10	-	-
Jun-2018	-	-	-	9	-	14	-	4,000,000
Jun-18 Qtr	-	36	-	26	-	34	-	4,000,000
PTD	930	929	891	932	875	901	69,000,000	67,000,000
Full 2017/18 Year	58	131	43	118	60	127	2,000,000	4,000,000
2018/19		105		152		96		2,000,000
2019/20		136		171		176		27,000,000

- A \$2m distribution was paid in December, with the next distribution forecast for June 18.
- 7 residential lots settled in February comprising:

Lots

Stage 13B	1
Stage 17A	1
Stage 18A	1
Stage 18B	1
Stage 25	3

1.2 Sales & Settlements

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
Residential						
- Sales #	2	9	43	84	891	932
- Sales \$	560,000	2,880,275	14,199,000	27,194,659	230,357,500	243,353,159
- Sales \$/lot	280,000	320,031	330,209	323,746	258,538	261,109
- Settlements #	7	4	60	86	875	901
- Settlements \$	2,007,000	1,219,874	19,260,000	26,768,281	225,537,500	233,045,781
- Settlements \$/lot	286,714	304,969	321,000	311,259	257,757	258,652
Special Sites						
- Sales #	-	-	-	-	2	2
- Sales \$	-	-	-	-	1,895,000	1,895,000
- Sales \$/lot	-	-	-	-	947,500	947,500
- Settlements #	-	-	-	-	2	2
- Settlements \$	-	-	-	-	1,895,000	1,895,000
- Settlements \$/lot	-	-	-	-	947,500	947,500
Lots Under Contract						
- Unsettled sales #	17		{ Unconditional		1	Titled 934 incl. Spec sites
- Unsettled sales \$	4,820,000		{ Conditional		16	
- Unsettled sales \$/lot	283,529					

1.3 Cashflow - MTD Actuals to budget

	MTD Act	MTD Bgt	Variance
Income			
Settlement Revenue	2,007,000	1,219,874	787,126
Margin GST	(22,004)	(18,182)	(3,822)
Direct selling costs	(89,861)	(54,665)	(35,196)
Interest Income	-	-	-
Forfeited Deposits	1,818	-	1,818
Other Income	-	-	-
Rebate Allowance	(40,938)	(21,450)	(19,488)
	<u>1,856,016</u>	<u>1,125,578</u>	<u>730,438</u>
Development costs			
Lot production	272,223	1,343,421	1,071,198
Landscaping	602,852	708,987	106,135
Consultants	13,091	58,463	45,372
Infrastructure	183,880	1,169,660	985,779
Sales office building	-	50,000	50,000
	<u>1,072,047</u>	<u>3,330,530</u>	<u>2,258,483</u>
Overheads			
Sales & marketing	85,761	66,250	(19,511)
Community Develop.	15,122	16,042	920
Administration	128,601	62,550	(66,052)
Finance/Contingency	-	187,938	187,938
	<u>229,484</u>	<u>332,780</u>	<u>103,296</u>
Net Cashflow	<u>554,486</u>	<u>(2,537,731)</u>	<u>3,092,217</u>

1.4 Cashflow - YTD Actuals to budget

	YTD Act	YTD Bgt	Variance
Income			
Settlement Revenue	19,260,000	26,768,284	(7,508,284)
Margin GST	(216,741)	(390,909)	174,169
Direct selling costs	(859,731)	(1,276,246)	416,514
Interest Income	-	-	-
Forfeited Deposits	8,182	-	8,182
Other Income	-	1,543,318	(1,543,318)
Rebate Allowance	(501,901)	(1,770,614)	1,268,713
	<u>17,689,809</u>	<u>24,873,833</u>	<u>(7,184,025)</u>
Development costs			
Lot production	1,903,912	8,308,486	6,404,574
Landscaping	4,106,240	9,102,159	4,995,919
Consultants	256,117	610,540	354,423
Infrastructure	1,123,006	4,974,448	3,851,442
Sales office building	-	249,657	249,657
	<u>7,389,275</u>	<u>23,245,290</u>	<u>15,856,015</u>
Overheads			
Sales & marketing	148,128	530,000	381,872
Community Develop.	49,459	128,333	78,874
Administration	319,620	825,206	505,586
Finance/Contingency	-	1,182,104	1,182,104
	<u>517,207</u>	<u>2,665,643</u>	<u>2,148,436</u>
Net Cashflow	<u>9,783,327</u>	<u>(1,037,100)</u>	<u>10,820,427</u>

The YTD revenue variance comprises:

- Settlement revenue is \$7.5m unfavourable to budget on 26 less residential settlements than the budget for FY2018.

1.5 Bonds

	Last Year	Last Month	This Month
City of Wanneroo	539,029	263,132	263,132
	<u>539,029</u>	<u>263,132</u>	<u>263,132</u>

Bonds relate to stages 18B & 25 early clearances and are all expected to be returned within 12 months.

CATALINA
**FINANCE REPORT
FEBRUARY 2018**
2.0 PROFIT & LOSS

	MTH Act	MTH Bgt	Var	YTD Act	YTD Bgt	Var	PTD Act	PTD Bgt
- Revenue \$ (Stlmts)	2,007,000	1,219,874	787,126	19,260,000	26,768,281	(7,508,281)	225,537,500	233,045,781
- Revenue \$/lot	286,714	304,969		321,000	311,259		257,757	258,652
- Selling & GST \$	205,637	116,955	(88,682)	2,102,245	2,538,869	436,625	23,546,913	23,983,537
- Selling & GST \$/lot	29,377	29,239		35,037	29,522		26,911	26,619
- Cost of sales \$	754,026	421,163	(332,863)	6,561,583	9,622,886	3,061,303	82,787,224	85,848,527
- Cost of sales \$/lot	107,718	105,291		109,360	111,894		94,614	95,281
- Gross profit \$	1,047,337	681,756	365,581	10,596,172	14,606,526	(4,010,353)	119,203,364	123,213,717
- Gross profit \$/lot	149,620	170,439		176,603	169,843		136,232	136,752
- Gross profit Mgn %	52.18%	55.89%		55.02%	54.57%		52.85%	52.87%
- Special Sites \$	-	-	-	-	651,463	(651,463)	1,284,073	1,935,536
- Other income \$	1,818	-	1,818	8,182	-	8,182	238,898	230,717
- Sales & Marketing \$	34,367	86,019	51,652	96,675	688,152	591,477	1,621,959	2,213,436
- Administration \$	69,060	86,537	17,477	344,984	728,470	383,486	2,783,201	3,142,233
- Finance \$	-	-	-	-	-	-	-	-
- Contingency \$	-	187,994	187,994	-	1,245,937	1,245,937	-	1,266,301
- Net profit \$	945,728	321,206	624,522	10,162,695	12,595,430	(2,432,734)	116,321,175	118,758,000
- Net profit \$/lot	135,104	80,302		169,378	146,458		132,938	131,807

- YTD Gross profit is \$4.0m behind budget due to 26 unfavourable settlements.
- Special sites gross profit is \$651k unfavourable due to timing of stg 11 local centre and GHS lot 995 (stg 18B) deferred with no interest at tender.
- YTD Marketing costs are \$591k below budget due to Signage \$126k below budget (\$82k of expenditure reclassified as Capital, Strategy & authority approval delays), Community Development \$109k under budget (Payment approval delays) and lower general marketing activity and advertising \$356k.
- YTD administration costs are \$383k below budget due to full provisional sums for rates and taxes, R&M and training not being required.
- YTD net profit is unfavourable against budget by \$2.4m, due to the unfavourable gross profit variance \$4.0m, partly offset by unused contingency \$1.2m and favourable marketing and admin costs of \$975k.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	YTD Act	FY18 Full Year Bgt	Var
- Revenue \$ (Stlmts)	19,260,000	40,372,249	(21,112,249)
- Revenue \$/lot	321,000	317,892	
- Selling & GST \$	2,102,245	3,785,523	1,683,278
- Selling & GST \$/lot	35,037	29,807	
- Cost of sales \$	6,561,583	14,887,619	8,326,036
- Cost of sales \$/lot	109,360	117,225	
- Gross profit \$	10,596,172	21,699,107	(11,102,935)
- Gross profit \$/lot	176,603	170,859	
- Gross profit Mgn %	55.02%	53.75%	
- Special Sites \$	-	651,463	(651,463)
- Other income \$	8,182	-	8,182
- Sales & Marketing \$	96,675	1,032,228	935,553
- Administration \$	344,984	1,074,618	729,634
- Finance \$	-	-	-
- Contingency \$	-	2,461,148	2,461,148
- Net profit \$	10,162,695	17,782,576	(7,619,881)
- Net profit \$/lot	169,378	140,020	

2.1 GROSS PROFIT ANALYSIS

Actual

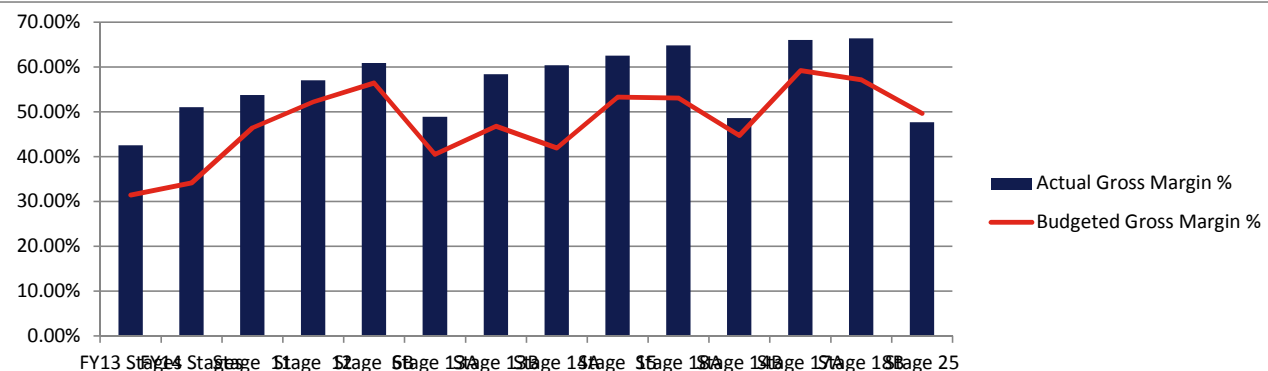
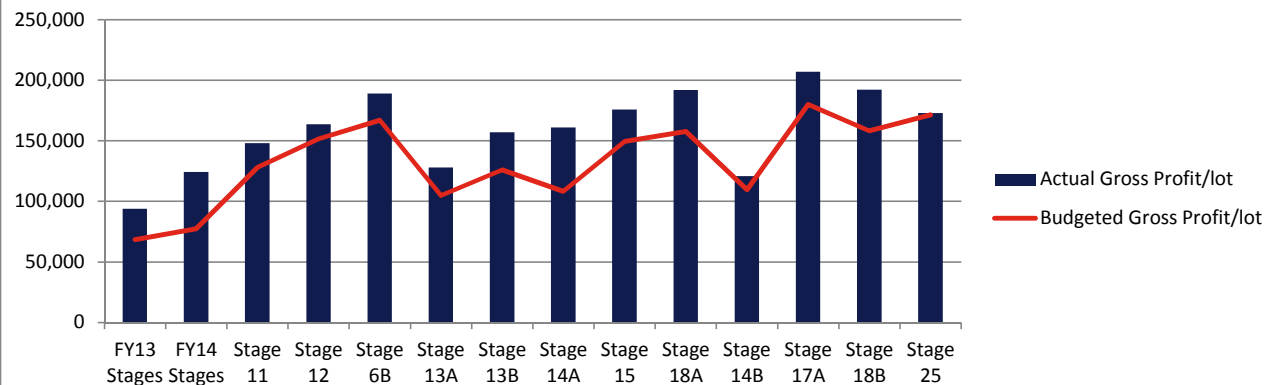
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)		Direct Costs/lot	Actual Gross	Actual Gross	Actual Gross
							Profit	Profit/lot	Margin %
FY13 Stages	2012 / 2013	51,375,500	220,496	29,530,933		126,742	21,844,567	93,754	42.52%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,635,745		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	14,063,000	287,000	6,046,428		123,396	8,016,572	163,604	57.00%
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	12,103,000	268,956	5,037,016		111,934	7,065,984	157,022	58.38%
Stage 14A	4-Jun-15	16,784,000	266,413	6,647,554		105,517	10,136,446	160,896	60.39%
Stage 15	15-Dec-15	15,164,000	280,815	5,679,024		105,167	9,484,976	175,648	62.55%
Stage 18A	27-May-16	8,291,000	296,107	2,916,047		104,145	5,374,953	191,963	64.83%
Stage 14B	28-Oct-16	1,985,000	248,125	1,020,249		127,531	964,751	120,594	48.60%
Stage 17A	20-Feb-17	6,580,000	313,333	2,233,377		106,351	4,346,623	206,982	66.06%
Stage 18B	13-Jun-17	4,341,000	289,400	1,459,221		97,281	2,881,779	192,119	66.39%
Stage 25	8-Aug-17	9,788,000	362,519	5,120,357		189,643	4,667,643	172,876	47.69%
		225,537,500		106,334,136			119,203,364		

- 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	Budgeted Gross	Budgeted Gross
							Profit	Profit/lot	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%
Stage 18B	Jun-16	8,584,690	276,925	3,677,414		118,626	4,907,276	158,299	57.16%
Stage 25	Aug-17	19,696,448	345,552	9,915,141		173,950	9,781,307	171,602	49.66%
		238,673,958		136,629,937			102,044,021		

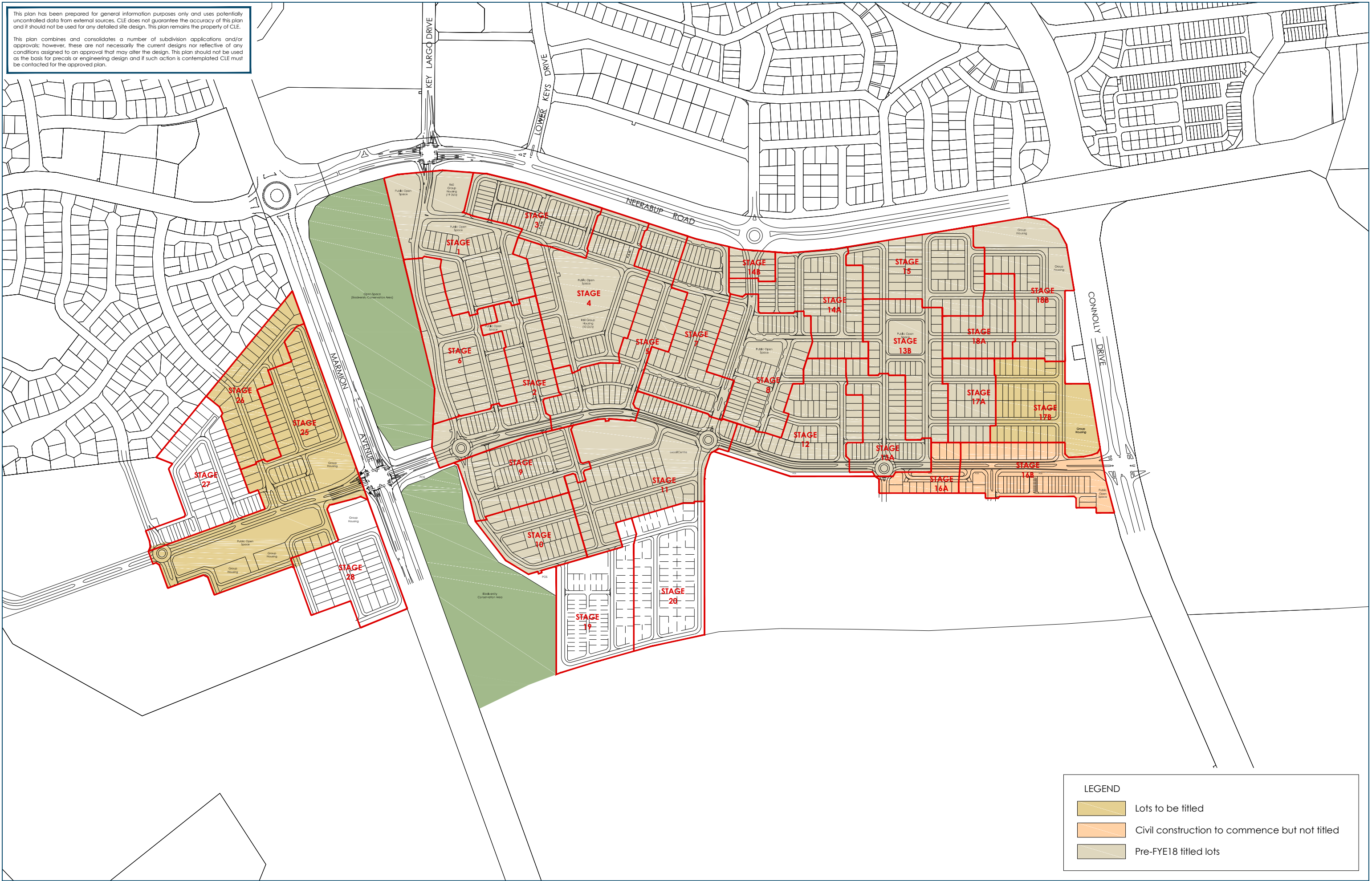
- Values for budget are based on 'total lots' for the relevant stages.



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 precasts or engineering design and if such action is contemplated CLE must be contacted for the approved plan.



LEGEND

- Lots to be titled
- Civil construction to commence but not titled
- Pre-FYE18 titled lots

Appendix 9.6

27 March 2018

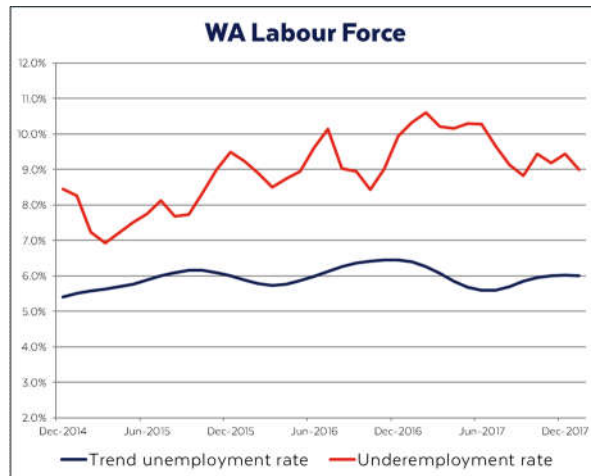
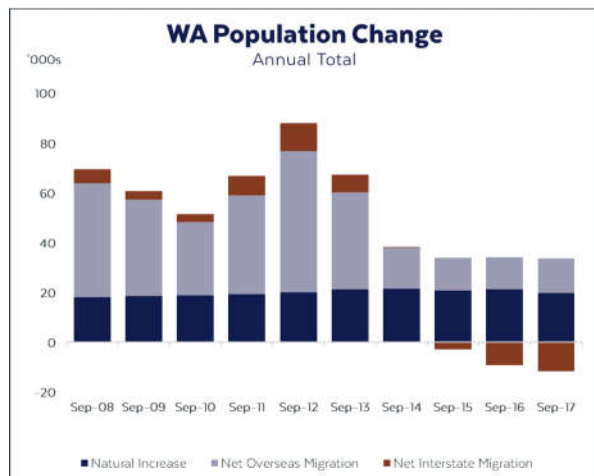
Mr Tony Arias
Chief Executive Officer
Tamala Park Regional Council
Unit 2, 369 Scarborough Beach Road
INNALOO WA 6018

Dear Tony

CATALINA: REPRICING OF LOTS STAGES 14B, 17A and 18B

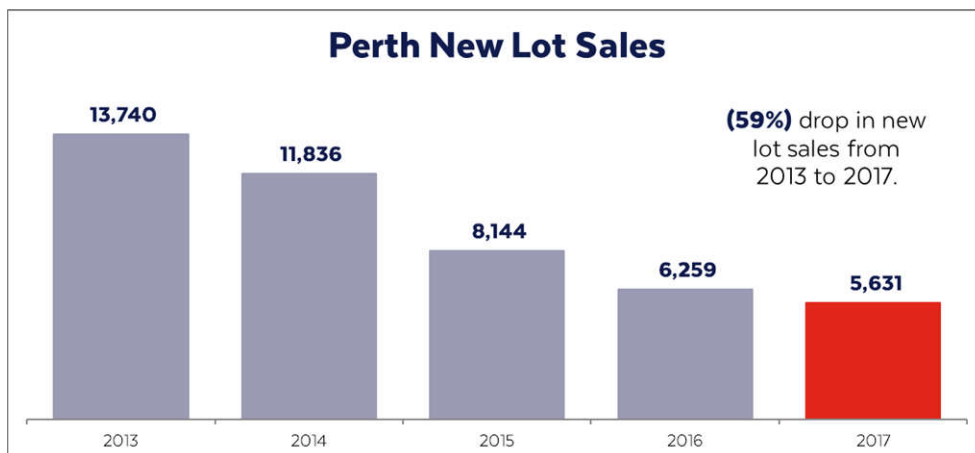
WA Market Update

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. As workers relocate to find jobs, population growth in WA has slowed considerably with high negative net interstate migration. There are signs that population growth statistics have turned the corner and are trending upwards, but with the underemployment rate remaining high, albeit with an improving trend, people remain concerned about job security and are cautious about making large financial purchases including new homes.



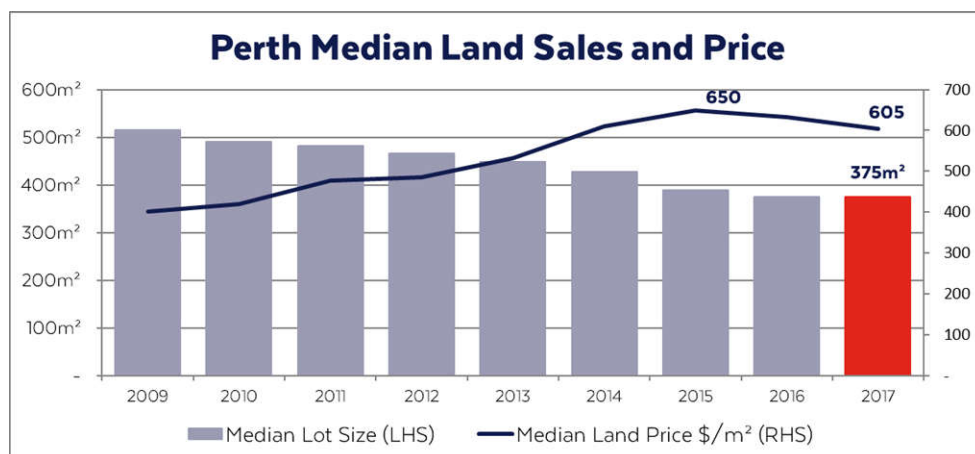
Source: ABS

The significant fall in population growth and concerns over employment has directly affected new lot sales over recent years.



Source: 2018 UDIA State of the Land Report (March 2018)

In tackling affordability, the broader market trend for smaller lot sizes continues, with the Perth median new lot size for 2017 standing at 375m². Despite the reduction in lot sizes which ordinarily would attract higher revenue per square metre, lower sales and increased competition has led to a decrease in the median price from \$650/m² in 2015 to \$605/m² in 2017.



Source: UDIA State of the Land Report

The deterioration of market conditions since 2014 have resulted in a more moderate long-term economic outlook for Western Australia.

Catalina Estate

Competition amongst developer estates operating in the northern corridor remains highly competitive, including the newest release Kinross Estate, by Peet, continued offerings of discounts, rebates, holidays or similar being offered to entice buyers. There is also a continued lack of urgency from prospective buyers and visitations to the sales office and display villages remain consistently low.

Buyers remain sensitive to any increases in block prices and are looking for a 'sharp' price and in many cases, a retail incentive, to proceed with a purchase. In addition to this the land market is competing with the established housing market, where the price of houses on similar lot sizes can be purchased for less than the cost of a house and land package, in many instances by approximately \$30,000. The sales team continues to actively promote the estate with a significant focus on networking and partnering with key project homes builders through home and land packaging. Consistent sales service is being provided to builder sales reps through visits to local display villages and group presentations at builder sales meetings.

The builder rebate since it was approved by the TPRC council in October 2015 has enabled the sales team to move aged stock that previously was receiving little interest from potential purchasers. Despite the builder rebate being in place on three of the lots, aged stock remains on the market that SPG consider do not meet buyer expectations in relation to price.

In order to continue to move aged stock, a price adjustment across the lots to meet the market is requested as follows:

Stage	Lot Number	Release Date	Months on Market	Current Price	Recommended	M ²	Comment
14B	773	July 16	19	\$234,000	\$223,000	314	Only lot left from stage, corner irregular lot, quiet house design requirement package B, neighbouring to Neerabup Road.
17A	979	Oct 16	16	\$335,000	\$323,000	450	Several neighbouring lots, street light and footpath out the front.
17A	951	Oct 16	16	\$335,000	\$323,000	450	Drainage and footpath out the front.
18B	903	Mar 17	11	\$335,000	\$323,000	447	No interest, several neighbouring lots, cross over and street light, close to Connolly Drive.
18B	901	Mar 17	11	\$265,000	\$257,000	300	Cross over with footpath, on main thorough-fair road, opposite Connolly Drive, quiet house design requirement

							(Package B).
18B	899	Mar 17	11	\$260,000	\$252,000	291	Cross over with footpath, on main thorough fair road, opposite to Connolly Drive, quiet house design requirement (Package B), side rear loader.
18B	898	Mar 17	11	\$335,000	\$323,000	447	No interest, several neighbouring lots, on T junction, close to Connolly Drive.
18B	897	Mar 17	11	\$308,000	\$299,000	395	Cross over with footpath, on main thorough fair road, close to Connolly Drive.
18B	895	Mar 17	11	\$298,000	\$289,000	375	Cross over with footpath, on main thorough fair road, close to Connolly Drive.
18B	876	Mar 17	11	\$274,000	\$266,000	338	Opposite group housing site, no interest, close to Connolly Drive.
18B	873	Mar 17	11	\$308,000	\$299,000	395	Opposite group housing site, no interest, several neighbouring lots.
				\$3,287,000	\$3,177,000		

The proposed decrease in revenue from the sale of the affected lots is \$110,000 from the list price and budget.

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

Budget

Satterley Property Group advise the \$110,000 shortfall in revenue from the reduced pricing for aged stock will have a direct, albeit minimal, impact on the bottom line for the FY18 forecast budget. The reduction in revenue will be reflected in the FYE2019 budget.

The \$110,000 shortfall will be partly offset by the \$8,000 rebate currently available on a selection of aged stock, with the shortfall considered reasonable in such a depressed market.

Recommendation

Satterley Property Group provides the following recommendation to assist in achieving the FYE18 sales target:

- Approve the reduction in Lot List Price on the lots as outlined in the above table; or
- Adopt the TPRC revaluation figure if the value is less than the original list price but higher than SPG's recommendation.

Should you require any further clarification please contact the undersigned.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Antonina Lazzara', positioned above the printed name.

Antonina Lazzara
Project Director

Appendix 9.7

1 March 2018

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

Dear Tony,

RE: CATALINA SALES OFFICE HOURS

The Satterley Property Group is pleased to provide the following information in relation to operating hours for the Catalina sales office. During its meeting on 20th April 2017, the Tamala Park Regional Council REQUESTED:

“...the Satterley Property Group to provide a comprehensive report on the operation of the trial Sales Office opening hours, including advice on competing estates, sales against budget and feedback from the public and display builders to be presented for Council’s consideration at its April 2018 meeting”.

Satterley Property Group has undertaken a review of the revised Sales Office opening hours from April 2017 to 31 January 2018 (approved by Council until the end of April 2017).

Competing Estate Opening Hours

Estate	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Brighton	12pm-5pm	12pm- 5pm	12pm-5pm	12pm- 5pm	CLOSED	12pm-5pm	12pm-5pm
Eden Beach	12pm-5pm	12pm- 5pm	12pm-5pm	12pm- 5pm	CLOSED	12pm-5pm	12pm-5pm
Trinity	2pm-5pm	CLOSED	CLOSED	CLOSED	CLOSED	1pm-5pm	1pm-5pm
Alkimos Beach	10am-5pm	10am- 5pm	10am-5pm	10am- 5pm	10m- 5pm	10am-5pm	10am-5pm
Alkimos Vista	Sales Office Opening in 2018.						
Shorehaven	1pm - 5pm	1pm- 5pm	1pm-5pm	CLOSED	CLOSED	1pm-5pm	1pm-5pm
Burns Beach	1pm - 5pm	1pm- 5pm	1pm-5pm	CLOSED	CLOSED	1pm-5pm	1pm-5pm
Amberton	1pm - 5pm	10am-5pm	10am-5pm	10am-5pm	10am-5pm	10am-5pm	10am-5pm
Allara	1pm-5pm	1pm- 5pm	1pm-5pm	CLOSED	CLOSED	12pm-5pm	12pm-5pm



Vertex	CLOSED	CLOSED	CLOSED	CLOSED	CLOSED	1pm - 5pm	1pm - 5pm
CATALINA	12pm - 5pm	12pm - 5pm	12pm - 5pm	CLOSED	12pm-5pm	12pm - 5pm	12pm - 5pm

Please find above a summary of the competing estates in the northern corridor and their respective office hours.

Since SPG's last report, Trinity have now closed Tuesday – Friday (previously 9am – 5pm), Alkimos Beach has reduced their opening times to 10am – 5pm (previously 9am – 5pm), Amberton has increased their opening days and hours (now open Thurs/Fri 10am to 5pm), Allara has decreased their operating hours (previously 12pm – 5pm Mon to Wed and 10:30am -5pm Sat/Sun) and Vertex have also reduced their office opening days (further closing on Monday and Wednesday).

The Catalina Sales office is open six days per week for five hours per day. The opening hours are consistent with the Brighton Estate and Eden Beach Estate. There are several sales offices that are open less frequently than the Catalina Sales office with only Alkimos Beach and Amberton Estates operating longer hours than the Catalina Sales Office.

Sales Against Budget

The following table summarises sales to date (calendar month) against budget for the period October 2017 to January 2018:

	October	November	December	January
Budget	6	8	5	8
Actual	6	9	2	2
Variance	0	1	(3)	(6)

During the last four months, sales are below current budget forecasts. Given the softened market conditions over the last 12 months, current low traffic levels and the overall competitiveness of the land development industry the sales staff continue to perform well under these circumstances, maintaining market share during this softened period.

The table below highlights the reduction in numbers of people visiting the sales office over a 3-year calendar period.

Calendar Year	Persons Attended	Busiest Day/s	YoY Change (%)
2015	1,128	Saturday to Monday	
2016	650	Saturday to Monday	(43%)
2017	549	Saturday and Sunday	(15%)

Estates within the northern corridor have stagnated or continue to suffer a decline in sales, in some instances by up to 50%*, (July 2017 to December 2017 compared to July 2016 to December 2016).

**Source: Competing Estates Report*

Builder Feedback

Despite these numbers, builder referrals still account for approximately 60% of leads currently being generated therefore the Satterley Property Group consider that the sales professionals are required to continue to provide a high level of service and work closely with the builders to assist in the delivery of the sales targets for the FYE18 period.



Having two sales staff and coverage six days per week enables the sales team to be responsive to the needs of the builders, and currently facilitates the following:

- Visitations by Satterley sales staff to the builder display homes and display villages located in and around each estate;
- Providing resources to attend to administrative tasks i.e. preparing for new releases, following up all current and active leads, actioning any tasks or outstanding items from the weekend, 'mining' the database and networking with our key builder partners.

Builders sales representatives rostered days off are generally Wednesday and / or Thursday. In this regard, the sales office opening hours provide coverage during typical builders working days.

Public Feedback

No complaints have been received by the public regarding the Catalina Sales Office open hours. The Sales Office is fit out with a brochure holder including pricelists, lot plans and the contact details for the Estate Manager providing potential purchasers who visit the Sales Office out of hours with the information they require to make an appointment with the sales team.

The Sales Office open hours are also listed online (including the Catalina website), REA, office hour windows and are included within the online / google profile.

Proposal

The current opening times for Catalina are as follows:

- Mon — Wed: 12.00pm — 5.00pm
- Fri — Sun: 12.00pm — 5.00pm

There is no proposed change to the current sales office hours. Based on the recent movements (mainly reduction in hours and / or days) SPG feels that the opening hours are adequate and comparative to Catalina's closest competitors, providing a competitive edge in many instances.

Catalina Beach Sales Office (due to open on 31 October 2018)

The Catalina Beach Sales Office is due to open on the 31st of October 2018, in line with the official opening of the Display Village. The Sales Office in Catalina Central will be closed at this time, with both sales staff relocating to the Catalina Beach Sales Office. It is proposed that the opening hours for the Catalina Beach Sales Office will remain the same as per the current opening hours.

Recommendation

Satterley Property Group recommends that the current Sales Office days and hours continue at the proposed times listed above with a review to be undertaken in the future should there be a change in the market and / or circumstances.

Should you have any queries please do not hesitate to contact the undersigned.

Regards

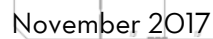
Antonina Lazzara
Project Director

Appendix 9.8

LAND USE / STATISTICS				
		WAPC Ref-		
TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
lots (Total)		13	13	
		13	13	
lots (Total)	#	27	34	
	#	20	20	0.566
		7	4	0.254
space	P.O.S.	4		0.480
uncations)				
		44	47	

LAND USE / STATISTICS				
WAPC Ref- NOT ISSUED				
TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Res (Total)		25	25	1.0128
		25	25	1.0128
Space	P.O.S.	0		0
Unclassified				0.2607
		25	25	1.2795

LAND USE / STATISTICS				
WAPC Ref> NOT ISSUED				
TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL D'WELLINGS	AREA (ha)



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Background

The Tamala Park Regional Council have a mandate to create housing diversity and affordable housing. To facilitate this objective, a number of Group Housing Sites (GHS) have been created and proposed throughout Catalina Beach, Catalina Central and Catalina Grove. GHS create the opportunity for survey strata and / or built strata which are often more affordable than green titled lots.

A plan depicting the constructed and proposed Group Housing Sites throughout Catalina Central and Catalina Beach has been included as Annexure A. Included within this plan are Lots 995 and 996 located within Stage 18B and Lot 341 within Stage 17B of Catalina Central. These lots are subject to previous Council consideration. Lot 995 and 996 included within Stages 18B are also referred to in the Catalina Housing Strategy and the FYE 18 Annual Plan and are subject of this report.

Lot 996 is located at the intersection of Connolly Drive and Neerabup Road and has an area of 7,417m². The lot is elevated approximately 3 metres from Connolly and Neerabup Road with a landscaped batter providing an interface between the lot and the surrounding rounds. Lot 995 is located on Connolly Drive and adjoins Lot 996. Lot 995 has an area of 3,046m². A Pre-Cal depicting the size and shape of Lots 995 and 996 has been included as Annexure B. The following Table (Table 1) summarises the development potential of Lots 995 and 996.

Table 1: Lot 995 and 996 Development Potential

PRELIMINARY YIELD ESTIMATES - STAGE 18B GROUP HOUSING SITES (CATALINA CENTRAL)			
	Gross Area (m ²)	Density Coding	Yield Estimate (dwelling units)
Lot 996	7,358m ²	R6O (min. 120m ² / avg. 150m ²)	32
Lot 995	3,039m ²	R6O (min. 120m ² / avg. 150m ²)	13
Notes: <ul style="list-style-type: none"> Lot 995 and Lot 996 have not had the benefit of a detailed building design being prepared and yield estimates are hence based on the gross area depicted on the MNG pre-cal dated 25/02/2016. Yield estimates have been calculated assuming a group dwelling outcome, based on a R6O density (average lot size 150m²). Yield estimates include a 30% road contingency. 			

Lot 341 is located at the intersection of Connolly Drive and Aviator Boulevard and has an area of 6,921m² and is capable of accommodating approximately 30 dwellings.

In December 2015, the Tamala Park Regional Council considered the Central Precinct Grouped Housing Sites Disposal and Development Strategy. This document discussed the proposed sale of Lots 995, 996 and 341. During this meeting the Council resolved as follows:

2. APPROVES the disposal of Lots 341, 995 and 996 by public tender 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;*
- *Provision of internal POS and*
- *Limits vehicle crossovers and screens parking from the street.*

3. APPROVES that the Lots 341, 995 and 996 Tender to include requirements that the development of the site should incorporate a mixture of residential product and also support the TPRC sustainability objectives which include the following:

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

On behalf of the TPRC, the Satterley Property Group have prepared two tenders (2016 and 2017) in an effort to divest the land subject to the requirements of Council's resolution. However, the land has failed to attract a buyer with no offers received during either tender period or as a result of subsequent negotiations.

Further to the commitments outlined in the Annual Plan FYE 18, the Satterley property Group has prepared this advice for Council's consideration to determine the optimal and best use for the land and the sale of the two Stage 18B Group Housing Sites.

Housing Strategy

The Catalina Housing Strategy (May 2017) guides the planning for the provision of housing throughout the Estate over the project life. The objectives of the housing strategy include (but are not limited to):

- Providing housing choice;
- Creating affordable housing opportunities;
- Promoting sustainability in the planning, design and delivery of housing;
- Innovation; and
- Achieving quality, contemporary, place responsive built form.

The Housing Strategy discusses Group Housing Sites and opportunities. The Housing Strategy identifies that although Group Housing Sites are generally offered for sale by tender, prevailing softened market conditions will impact on the quantity and quality of tender offers.

Specifically, the Housing Strategy recognised that the Stage 18B Group Housing sites had previously failed to sell through a tender process (2016). The Housing Strategy identifies the following options for Lots 995 and 996:

- Re-tender for sales (completed - 2017);
- Subdivide to create smaller green title / survey strata lots;
- Sell Lots 995 and 996 through a public release;
- Hold Lots 995 and 996 and review options for sale biennially. Release when market demand for product has improved;
- List Lots 995 and 996 with an external specialist real estate agent.

FYE 2018 Annual Plan

The FYE 2018 Annual Plan prepared for the Catalina Estate establishes the key deliverables to be completed within financial year ending June 2018. The annual plan includes recommendations to achieve the TPRC's objective to create a diverse range of dwelling and housing types and maximise development opportunities.

One opportunity to provide an alternative housing type is through the sale and subsequent development of the Group Housing Sites including Lot 995 and 996. The lots have also been identified as a demonstration to maximise development opportunities within the Estate.

The Annual Plan identifies measurable tasks associated with the Stage 18B Group Housing Site lots (being Lot 995 and 996) as follows:

- SPG to advertise for sale by tender the Stage 18B Group Housing Site/s in August 2017 (completed); and
- SPG to report to Council by December 2017 options for the Stage 18B Group Housing Sites (including subdivision, hold etc) should a suitable tender not be received.

As outlined in subsequent sections of this report, SPG prepared a tender advertised by TPRC in August 2017. No submissions were received.

Local Structure Plan No. 79

The Catalina Local Structure Plan (LSP 79) was initially endorsed by the Department of Planning in April 2011. LSP 79 sought to establish the high level statutory planning framework for the development of the Estate identifying land use classifications, road hierarchy and densities.

LSP 79 identified five (5) '*Iconic Development Sites*'. The intention of the Iconic Development Sites was to create a unique built form outcome with consideration to the building elevations, windows, roof forms, balconies, articulation, entry forecourts, materials and colour. Iconic Development Sites were initially located and approved at the gateway locations to the Catalina Estate.

The western side of the intersection of Neerabup Road and Connolly Drive was identified as an 'Iconic Development Site'.

Since being endorsed by the Department of Planning / Western Australian Planning Commission, LSP 79 has been amended four times. LSP amendment No. 3 resulted in a number of LSP modifications including the classification of the Group Housing Sites from Mixed Use and residential land use zonings to a residential land use classification and saw the removal of reference to an iconic site at the intersection comprising Lot 996. In this regard, the City of Wanneroo and Western Australian Planning Commission recognised that the site was not well positioned for an 'Iconic Development'.

Local Development Plan / Detailed Area Plan

The Detailed Area Plan prepared for Catalina Central identifies the following characteristics of the Group Housing Sites (Lot 995 and 996);

- Zoning - Residential
- Residential Density Coding - R60
- Quiet House Requirements - Package B Ground floor, Package C Upper Floor

The most significant impact of the Detailed Area Plan on the Group Housing Sites (Lots 995 and 996) is the quiet house requirements which include a requirement to construct a 2.4 metre high (minimum) solid fence on the boundary of the site fronting Connolly Drive / Neerabup Road. The requirement for fencing is reinforced through the following conditions of subdivision approval for Stages 15 - 18:

2. Uniform fencing being constructed along the boundaries of all of the proposed lots abutting Neerabup Road, Connolly Drive and Aviator Boulevard; and

10. Detailed Area Plans being prepared and approved for lots shown on the plan dated 23rd May 2014 that address the Quiet House Design to the Satisfaction of the Western Australian Planning Commission.

In this regard, in order to create titles for the lots as approved through subdivision, the TPRC will be required to construct approximately 274 lineal metres of 2.4 metre high masonry walls along Neerabup and Connolly Drive.

Sales and Lot Release Strategy

The Sales and Lot Release Strategy prepared by the Satterley Property Group for the Catalina Estate (FYE 18) was considered and approved by the Council in June 2017. The Sales and Lot Release Strategy provides the framework for all stage and lot releases throughout the Estate within the current financial year.

The Sales and Lot Release Strategy considered the release of Special Sites being the Stage 18 B Group Housing Sites (Lot 995 and 996). The Sales and Lot Release Strategy proposes that Lots 995 and 996 be offered for sale through a second tender to be advertised in July 2017. The SPG recommend that should the tender process prove unsuccessful, Lots 995 and 996 be offered for Sale via a public release. If the lots fail to attract a buyer subsequent to public release, opportunities for the further subdivision of the Group Housing Sites would be considered.

Tender Offer 2016

Further to Council's meeting in December 2015, the Satterley Property Group completed a tender offer (advertised by the TPRC) in October 2016. As instructed by TPRC, the tender offered for Sale Lot 996 with option to purchase 995 only in conjunction with Lot 996. During the tender campaign, SPG received very limited interest despite referring the submission to all builders on the Satterley Property Group data base. The tender advertising period was extended to allow additional time to identify a prospective purchaser however at the conclusion of the tender advertising period, no submissions were received.

In accordance with the provisions of the Local Government Act, subsequent to tender close the Satterley Property Group undertook liaison with a number of developers and builders with an outlook to secure a purchaser for the site. Unfortunately, no offers for the sale of Lots 995 or 996 were received within six months of tender close.

Tender Offer 2017

As outlined in the Sales and Lot Release Strategy (FYE 18) and the Annual Plan (FYE 18), the Satterley Property Group prepared a second tender in consultation with the TPRC. As requested by the TPRC, the tender offered for sale Lot 995 only. The tender was advertised between the 16th August until the 14th September. The Satterley Property Group notified all builders on the Satterley data base and notified a number of developers. Despite these efforts, no tender submissions were received.

Following tender close and in accordance with the provisions of the Local Government Act, the Satterley Property Group engaged with a number of builders and developers in efforts to identify a potential purchaser for the Group Housing Sites. A purchaser for the site has not been identified and no offers have been received.

Market Assessment

Builders Feedback

The Satterley Property Group have undertaken consultation with a number of builders and developers who have assessed the site and provided the following feedback:

- A minimum two storey development across the site is not commercial;
- Many builders are currently not acquiring new development sites due to market considerations;
- The sale of existing group housing dwellings within the corridor is slower than anticipated / there is slower than anticipated market demand for Group Housing Sites;
- Lots 995 and 996 have low amenity (i.e. are not located within immediate proximity of POS not within a walkable catchment of a train station / public transport node, bounded by two high traffic roads);
- Local Government (TPRC) processes are too difficult (including timeframe for approval and acceptance of contract, upfront design requirements etc);
- The Design Guidelines are restrictive with built form requirements impacting commercial returns / viability including the requirement for internalised POS.
- The mandatory sustainability initiatives impact on the commercial terms.

Availability of Group Housing Sites

There are a number of Grouped Housing Sites throughout Catalina Beach, Catalina Central and Catalina Grove (planning stage only). The following summarises the Group Housing Site opportunities throughout Catalina Beach (proposed Stages 25 to 28) and Catalina Central:

- Catalina Beach - 4,574m²
- Catalina Beach - 3,768m²
- Catalina Beach - 1,796m² (x2)
- Catalina Central - Lot 1 (19 Development Units) - Constructed and 100% sold - 4,604m² (ABN Development) (Stage 1).
- Catalina Central - Lot 248 (13 Development Units) - Constructed and 77% sold - 2,295m² (Delstrat) (Stage 4)
- Catalina Central - Lot 995 - 3,039m² (Stage 18B)
- Catalina Central - Lot 996 - 7,358m² (Stage 18B)
- Catalina Central - Lot 341 - 6,922m² (Stage 17B)
- Catalina Central - 7,189m² (Stage 12) - opportunities for further subdivision to create smaller Group Housing Sites.
- Catalina Central - 1,436 (Stage 12 School Site)

Delstrat completed construction of the Stage 4 Group Housing Site, over looking and immediately adjacent to the Stage 4 POS in January 2017 and listed the properties for sale in February 2017. Delstrat have advised that as of the end of October 2017, 10 of the 13 dwelling units have sold with only 3 dwellings remaining available for sale including what Delstrat describe as an irregular design. The valuations for each of the dwelling units came in at approximately \$490,000. Delstrat received low interest when the dwellings were listed for around \$500,000. Delstrat subsequently reduced the price to \$450,000 per dwelling unit and are satisfied with the price, profit and rate of sales. The homes constructed by Delstrat are to a high quality in an area with high amenity.

In addition to the above the Catalina Central Local Centre site also provides opportunities for grouped housing.

Competitor Assessment

The Eden Beach Estate is currently holding back the release of 13 Group Housing Sites throughout the Estate including 5 Group Housing Sites along Marmion Avenue and 3 Group Housing Sites adjacent to the beach club (water front) with an R100 density coding. The lots have been held back from release to allow the market for this product to improve and maximise the sales price as an infill product in a later stage of the project.

There are currently a number of Group Housing Sites available on the market within the corridor including:

- 1 Zodiac Drive, Alkimos (Alkimos Beach Estate - Peet) - Offers 68 dwelling units (water front);
- Waterfront Apartments - 2 Commander Drive, Alkimos (Alkimos Beach Estate - Peet) - Offers 20 dwelling units. Danmar Homes
- Vista Blue Town Houses (Shorehaven - Peet)

Options for Stage 18B Group Housing Sites (Lots 995 and 996)

Hold Group Housing Sites

The Tamala Park Regional Council may wish to hold Lots 995 and 996 until there is an uplift in the market and demand for development sites / group housing lot product increases.

Strengths

- Selling the lots when the market is more buoyant may result in a higher sale price.
- Selling the lots in a more competitive market may yield a better built form outcome.
- Selling lots in a more established market may result in an accelerated sales rate.
- Creation of an infill development towards the end of the project to mitigate potential competition between completed construction and lot sales.
- Greater commercial negotiation powers to TPRC.

Weaknesses

- The price per square metre for the Group Housing Sites has been discounted comparative to the single residential lots in order to provide an attractive package for a single builder / developer to mitigate their risks.
- The Group Housing Sites will require the construction of an acoustic noise wall at a cost of approximately \$300,000 to the TPRC.
- The requirement to construct an acoustic noise wall along the perimeter of the Site (fronting Connolly Drive and Neerabup Road), will result in a large, lifeless façade at an entry to the Estate. The 2.4 metre high acoustic wall is required to be constructed at the top of a 3 metre batter resulting in a sub-optimal built form and interface outcome (for images of the Batter Please refer Annexure C).
- Delayed settlement and financial return to the budget.
- Low amenity group housing lots may be difficult to sell.
- Perception of Group Housing Lots may impact on sales of single residential lots within surrounding stages.

Opportunities

- Allows for market improvement.
- Allows for review of the design guidelines.
- Allows review the Quiet House Design Requirements (including requirement for acoustic wall).

Threats

- Uncertain outcomes, SPG cannot reasonably predict when the market will support the creation of Group Housing Sites.
- The sites have been offered twice before with builder and developer interest being very limited.
- Saturation of the market with Group Housing Sites within the Estate and competing Estates within the corridor (including the Stage 17A Group Housing site located at the intersection of Aviator Boulevard and Connolly Drive).
- Competing Estates are offering Group Housing Sites within high amenity locations (including beach front).

- Potential to fully exhaust the availability of single residential lots within Catalina Central whilst holding Group Housing Sites that have failed to sell on multiple occasions to the market.

Subdivide into Single Residential

Strengths

- Greater financial return to the TPRC (between \$700,000 and \$1,000,000).
- Existing market demand for small / narrow lot product.
- Creation of up-to 22 Green Titled Lots and 7 Survey Strata Lots.
- Opportunity to reduce the price of the Green Title and survey strata lots in recognition of the lower amenity and mandate a two storey home framing the estate. In this regard, subdivision is likely to yield the built form outcomes desired by the TPRC.
- The requirement to construct an acoustic noise wall can be challenged due to the increased setback to Neerabup Road and Connolly Drive. Noting the 2.4 metre acoustic / masonry wall would be located on top of a three metre batter from Neerabup / Connolly.
- Creation of a more attractive interface between Connolly Drive and Neerabup Road into the Estate.
- Consistent with TPRC housing objectives.
- Creation of survey strata lots not historically offered within the Estate (lot / housing diversity).

Weaknesses

- Perception that TPRC's objective to create housing diversity may be diminished noting however that narrow low product result in similar built form outcomes to terrace / townhouse developments often constructed on group housing site lots. Further, opportunity for the creation of survey strata lots (as opposed to Green Title lots) has been proposed. Survey Strata is synonymous with Group Housing Sites.

Opportunities

- Creation of an additional Stage within Catalina Central until the MRC buffer recedes.
- Further Group Housing Site lots within Catalina Central (including Stage 17B) to provide the opportunity for Group Housing Sites in accordance with TPRC's objective.
- Opportunity for additional narrow lot product (4.5m and 6m product) should the Stage 16A and 16B trial be successful.
- Smaller, low amenity lots provide opportunities for affordable housing (including potential shared equity with Department of Housing).

Threats

- Low amenity lots (noting that the lots will be priced accordingly).

Subdivide Part of Group Housing Site and Hold a Group Housing Site

Strengths

- Greater financial return to the TPRC (approximately \$300,000).
- Existing market demand for small / narrow lot product.
- Creation of up-to 22 Green Titled Lots and 7 Survey Strata Lots (Refer Annexure D - attached Subdivision Concepts).
- Opportunity to reduce the price of the Green Title and survey strata lots in recognition of the lower amenity and mandate a two storey home framing the estate. In this regard, subdivision is likely to yield the built form outcomes desired by the TPRC.
- The requirement to construct an acoustic noise wall can be challenged due to the increased setback to Neerabup Road and Connolly Drive. Noting the 2.4 metre acoustic / masonry wall would be located on top of a three metre batter from Neerabup / Connolly.
- Opportunity for further narrow lot product should the Stage 16A / B trial prove successful.
- Creation of a more attractive interface between Connolly Drive and Neerabup Road into the Estate.
- Creation of survey strata lots not historically offered within the Estate (lot / housing diversity).
- Strategically considered interface with Connolly Drive and Neerabup Road to mitigate impact of acoustic noise walls.

Weaknesses

- Limiting subdivision design opportunities and lot yield.
- Diminished commercial return comparative to subdivision of lots.
- Requirement to construct a length of acoustic noise wall at a cost of approximately \$300,000.

Opportunities

- Mitigates risk by diversifying product offer.
- Opportunity to review acoustic attenuation requirements
- Group Housing Sites fronting Connolly Drive may be more marketable / desirable when Catalina Grove has commenced (including the Neighbourhood Centre site).

Threats

- Potential to fully exhaust single residential lots within Catalina Central whilst holding a group housing site that has failed to sell through the tender process on multiple occasions.
- Uncertain outcomes, SPG cannot reasonably predict when the market will support the created group housing site.
- Both Group Housing Sites have been offered separately with builder and developer interest being very limited.
- Saturation of the market with Group Housing Sites within the Estate and competing Estates within the corridor.
- Competing Estates are offering Group Housing Sites within high amenity locations (including beach front).

Reduce Price and Sale Terms

Strengths

- Potential for expeditious sale.
- Potential for build out of the Neerabup / Connolly intersection.

Weaknesses

- May not achieve the built form outcomes desired by Council.
- Reduced economic return noting that the rate per square metre has already been discounted.
- Requirement to construct a 2.4 metre high acoustic noise wall on top of a 3 metre batter at a cost of approximately \$300,000.
- Poor interface between Connolly Drive / Neerabup Road and the Estate.
- Perception of Group Housing Lots may impact on sales of single residential lots within surrounding stages.

Opportunities

- Allows for review of the design guidelines.

Threats

- The sites have been offered twice before with builder and developer interest being very limited.

Builtform

Strengths

- Desired built form outcome as TPRC would have control over the design outcome.
- Ability to create diverse dwelling types in accordance with TPRCS's objectives.
- Ability to create innovative housing.
- Ability to undertake innovative approaches to manage acoustic requirements.
- Additional financial return (albeit delayed).
- Build out of the corner of Neerabup / Connolly to frame this corner of Catalina Central.

Weaknesses

- Increased risk if the built form outcome fails to attract buyers.
- Delayed financial return, increased holding costs.

Opportunities

- Opportunity to review the acoustic noise requirements including the acoustic noise wall through updated acoustic modelling, design and individual lot assessments. This may include incorporation of the acoustic noise wall within the structure of the home.
- Opportunity to undertake a demonstration in sustainable construction.
- Opportunities for affordable and diverse housing stock.
- Opportunity to capitalise on purchasers seeking to enter into the established home market.

Threats

- Competing estates and Group Housing Sites offering higher amenity, density housing options.

Subdivide to create smaller Group Housing Site

Strengths

- Creation of more affordable lots for developer.

Weaknesses

- Diminished commercial return comparative to subdivision of lots.
- Requirement to construct a length of acoustic noise wall at a cost of approximately \$300,000.
- Aesthetic impact of the construction of a 2.4 metre high acoustic wall on top of three metre batter.

Opportunities

- Mitigates risk by diversifying product offer.
- Group Housing Sites fronting Connolly Drive may be more marketable / desirable when Catalina Grove has commenced (including the Neighbourhood Centre site).

Threats

- Potential to fully exhaust single residential lots within Catalina Central whilst holding a group housing site that has failed to sell through the tender process on multiple occasions.
- Uncertain outcomes, SPG cannot reasonably predict when the market will support group housing site.
- Both Group Housing Sites have been offered separately with builder and developer interest being very limited.
- Builders have not expressed interest in a group housing site in this location at any size.
- Saturation of the market with Group Housing Sites within the Estate (including the Stage 17B Group Housing Site) and competing Estates within the corridor.
- Competing Estates are offering Group Housing Sites within high amenity locations (including beach front).

Aged Care

If requested by TPRC, SPG may liaise with Aged Care service providers to determine if the sites are suitable for an aged care / dependent persons facility. This land use would facilitate objectives of the TPRC. Aged and dependent persons are less sensitive to noise. Proximity to the neighbourhood centre, future transport connections and retail facilities may be well suited to the requirements of an aged care accommodation provider. Current planning proposed the inclusion of aged care facilities within Catalina Grove due to improved accessibility to retail, commercial and medical land uses and public transport.

Summary

Despite multiple and best efforts to sell the Stage 18B Group Housing Sites through tender and post tender negotiations, a purchaser for either (or both) sites has not been identified.

As outlined in the Annual Plan, Sales and Lot Release Strategy and Housing Strategy, SPG have considered a number of scenarios for the sale, development and / or subdivision of the Stage 18B Group Housing Sites.

SPG consider that in the current market, the Stage 18B Group Housing Sites may have a higher a better value as green title and / or survey strata lots.

The proposed subdivision of the Stage18B Group Housing Lots (being Lots 995 and 996) would result in a similar built form outcome desired by the Council whilst mitigating the interface issues associated with the construction of the 2.4 metre masonry acoustic wall and associated costs (in the order of \$300,000).

SPG consider that the creation of smaller lots in the location provide the opportunity for entry level housing within Catalina Central without compromising on the desired built form objectives and outcomes. Design Guidelines will provide controls to manage built form outcomes with lot typologies proposed to deliver housing diversity and innovation.

Alternatively, given that no interest has been received for the purchase of both or either group housing sites despite offering flexible commercial terms in the tender, should the TPRC wish to pursue grouped housing on Lots 995 and 996 the lot may be held until the market supports this form of housing.

There are a further eight group housing sites proposed throughout Catalina Central and Catalina Beach with group housing sites also planned for Catalina Grove. SPG consider that the other group housing sites offered throughout the Estate have a greater market appeal due to several factors including proximity to public open space, proximity to public transport, proximity to retail and commercial land uses, proximity to future educational facilities, proximity to the beach. Based on these consideration, the other group housing sites are considered to have a broader market appeal and shall provide opportunities for further diversification of housing stock and housing product.

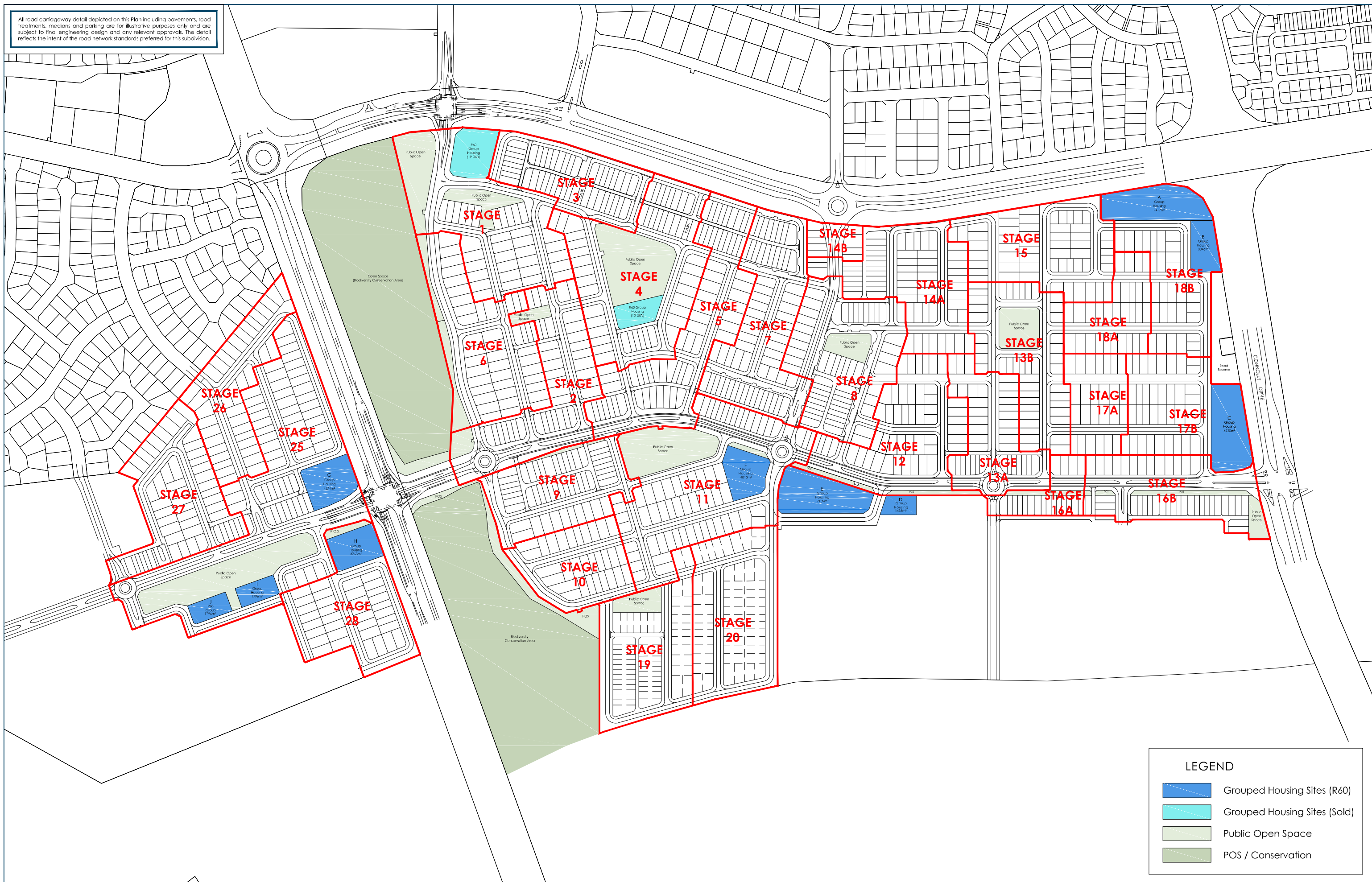
Recommendation

1. Finalise a preferred subdivision concept for the Stage 18B Group Housing Site providing delegation to the CEO to approve a preferred concept that optimises built form outcomes and financial returns to the TPRC. The preferred subdivision design will include small and narrow lot product to optimise diversity in built form outcomes.
2. Lodge a subdivision application with the Western Australian Planning Commission.
3. Proceed with civil design of the Stage 18B Group Housing Site in accordance with the Subdivision approval over Lots 995 and 996.
4. Prepare site specific design guidelines to control built form outcomes for lots created through the subdivision of the Stage 18B Group Housing Sites.
5. Undertake site specific acoustic modelling to mitigate the acoustic attenuation requirements required through the house design and construction.
6. Subsequent to the release of Stage 16A and 16B narrow lot product and achieving sales resulting in stock levels below the sales trigger of 35 lots, undertake civil construction of the Stage 18B Group Housing Site subdivision.
7. Offer lots for sale through a combination of exclusive builder allocations (hold option) on strategically selected lots and public release.
8. Amend the Design Guidelines for the future sale of Lot 341 to absolve the developer to complete a two storey group housing site and provide internal POS.

Alternatively, the TPRC may wish to hold the lots and reconsider all options in 24 months to determine if a market for the group housing sites is available and / or reassess the highest and best use for the sites.

Annexure A – Catalina Central and Catalina Grove Group Housing Site Locations

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



LEGEND

- Grouped Housing Sites (R60)
- Grouped Housing Sites (Sold)
- Public Open Space
- POS / Conservation

Annexure B – Pre-Cal Plan

LAND USE / STATISTICS				
STAGE 16A				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Traditional Lots (Total)		4	4	0.1557
single		4	4	0.1557
Medium Density Lots (Total)	#	15	16	0.3764
single	#	14	14	0.3446
duplex	#	1	2	0.0318
Public Open Space	P.O.S.	1		0.0948
Roads (inc. truncations)				0.2842
STAGE TOTAL		20	20	0.9111

LAND USE / STATISTICS				
STAGE 16B				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Traditional Lots (Total)		13	13	0.5075
single		13	13	0.5075
Medium Density Lots (Total)	#	27	34	0.7191
single	#	20	20	0.5066
duplex	#	7	14	0.2124
Public Open Space	P.O.S.	4		0.4882
Roads (inc. truncations)				0.9356
STAGE TOTAL		44	47	2.6503

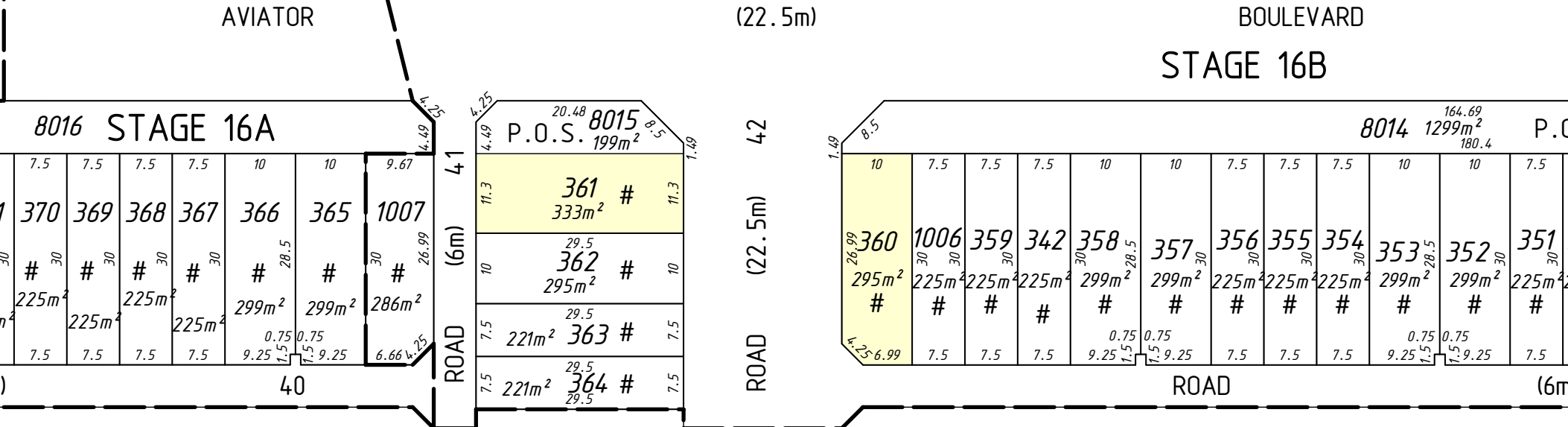
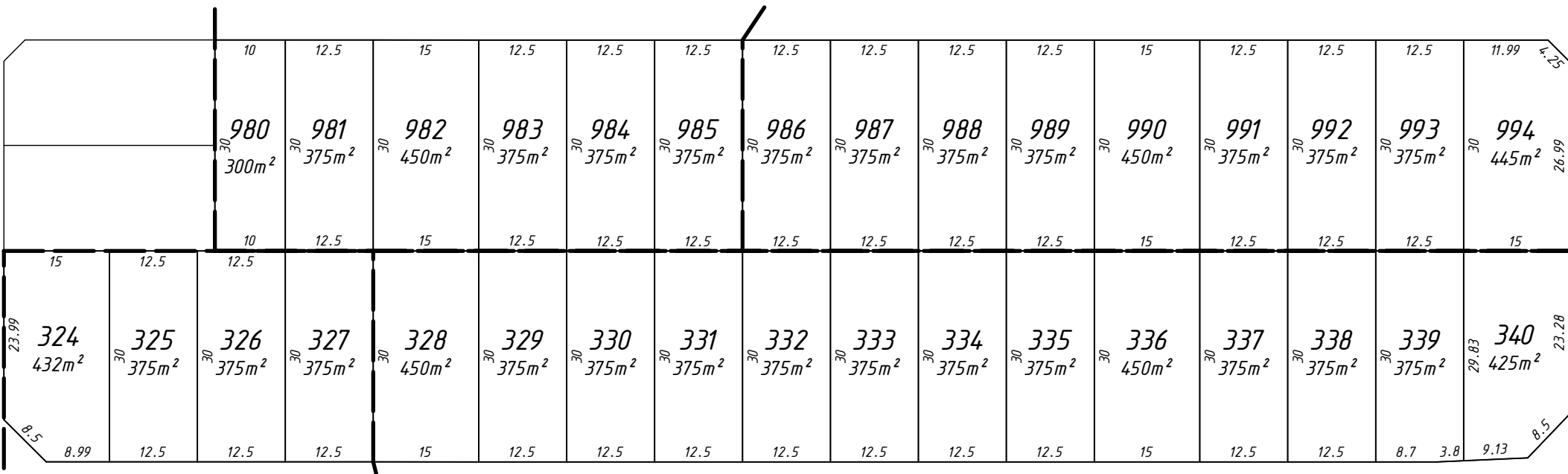
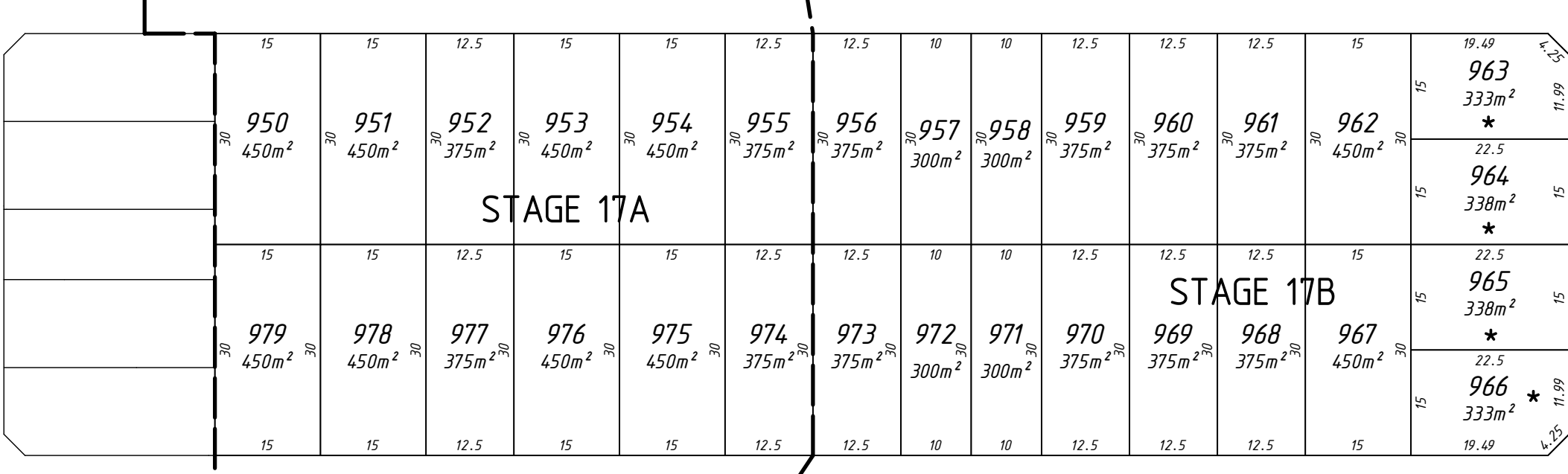
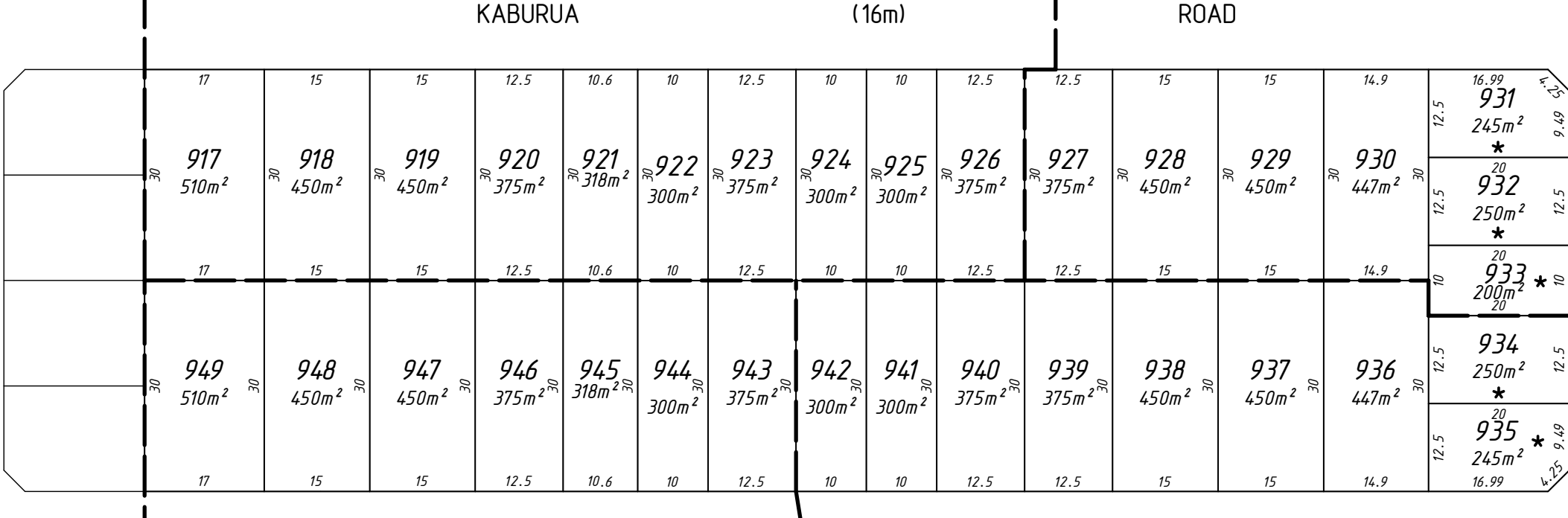
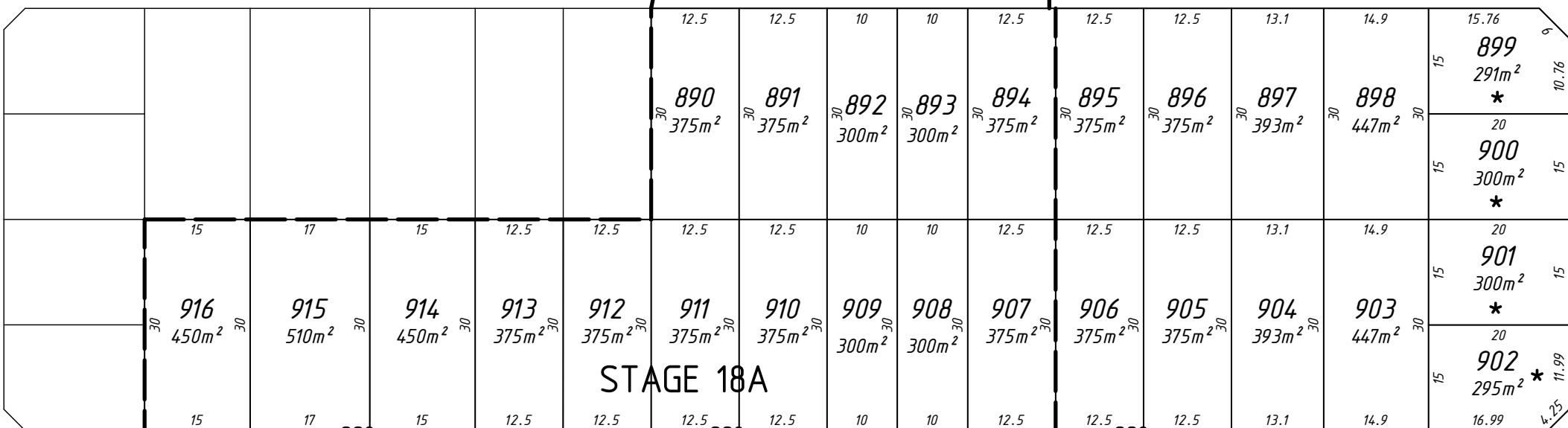
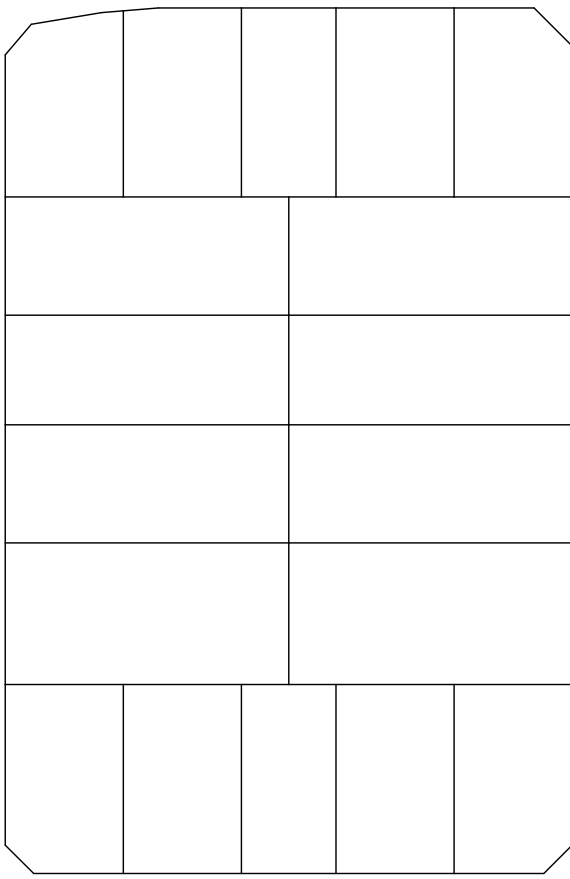
LAND USE / STATISTICS				
STAGE 17A				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Traditional Lots (Total)		25	25	1.0128
single		25	25	1.0128
Public Open Space	P.O.S.	0		0
Roads (inc. truncations)				0.2607
STAGE TOTAL		25	25	1.2735

LAND USE / STATISTICS				
STAGE 17B				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Traditional Lots (Total)		30	30	1.1317
single		30	30	1.1317
Cottage Lots (Total)	*	6	6	0.1836
single	*	6	6	0.1836
Medium Density Lots (Total)	#	1	46	0.6922
group housing	#	1	46	0.6922
Public Open Space	P.O.S.	0		0
Roads (inc. truncations)				0.5656
STAGE TOTAL		37	82	2.5732

LAND USE / STATISTICS				
STAGE 18A				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Traditional Lots (Total)		29	29	1.0971
single		29	29	1.0971
Public Open Space	P.O.S.	0		0
Roads (inc. truncations)				0.2898
STAGE TOTAL		29	29	1.3869

LAND USE / STATISTICS				
STAGE 18B				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Traditional Lots (Total)		20	20	0.7982
single		20	20	0.7982
Cottage Lots (Total)	*	11	11	0.3254
single	*	11	11	0.3254
Medium Density Lots (Total)	#	2	69	1.0397
group housing	#	2	69	1.0397
Public Open Space	P.O.S.	0		0
Roads (inc. truncations)				0.6957
STAGE TOTAL		33	100	2.8590

LAND USE / STATISTICS				
UNSTAGED				
PARCEL TYPE	MAP SYMBOL	NUMBER OF PARCELS	TOTAL DWELLINGS	AREA (ha)
Public Open Space	P.O.S.	1		0.4457
STAGE TOTAL		1	0	0.4457



UNSTAGED

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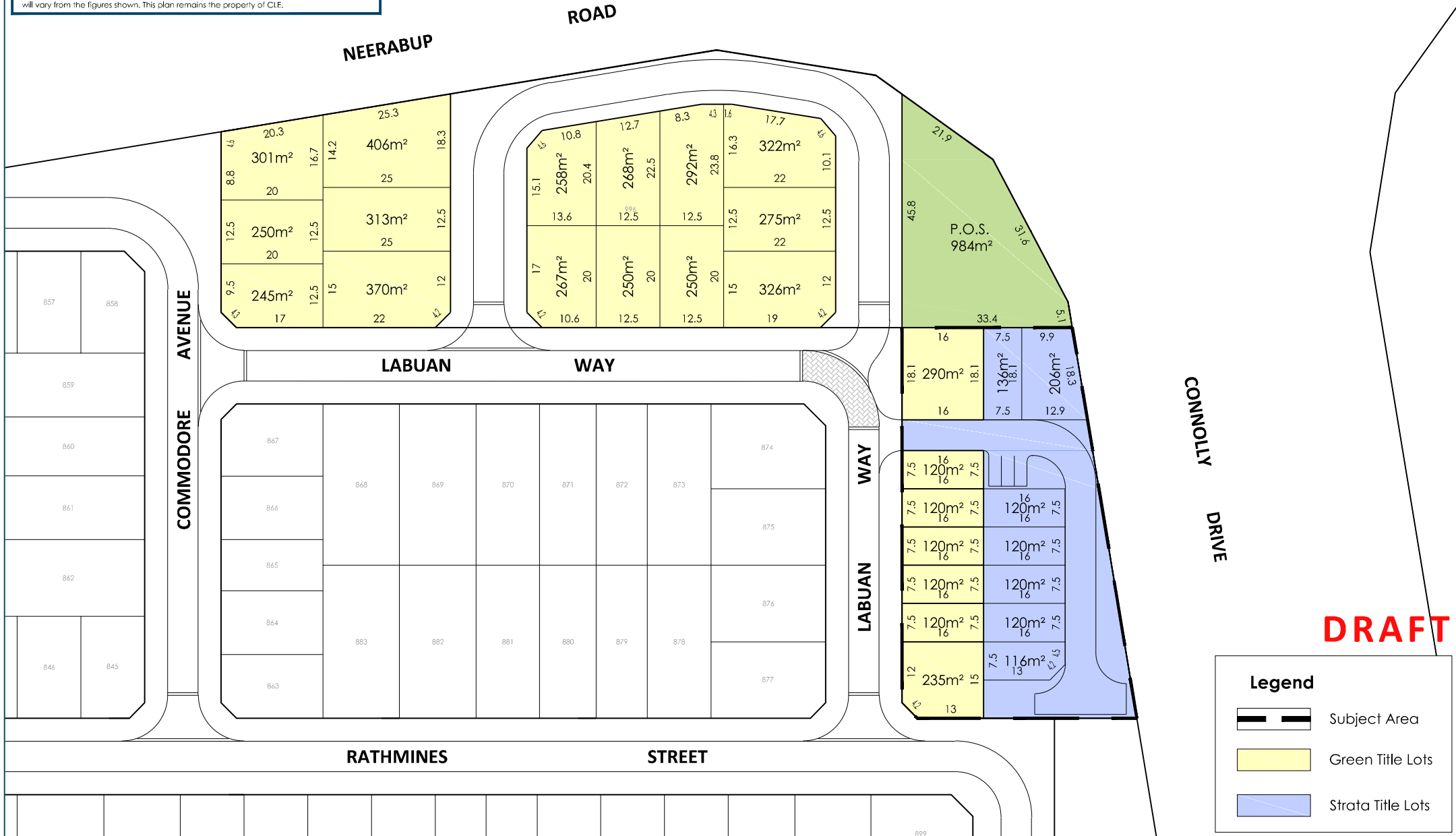
Annexure C – Stage 18B Group Housing Site Lots from Connolly Drive
/ Neerabup Road



Annexure D – Subdivision Concepts

All road carriageway detail where depicted on this subdivision plan including road pavements, road treatments, medians or parking, are for illustrative purposes only and are subject to final engineering design and separate approval processes. The detail reflects the preferred urban design intent for the road network standards.

All dimensions and areas depicted on this plan are subject to pre-val and final survey and will vary from the figures shown. This plan remains the property of CLE.



Appendix 9.9

Bi-annual Strategic Marketing Plan

December 2017



Prepared by:

Antonina Lazzara – Project Director

Lauren Vidler – Project Manager

Lena Kozak – Project Marketing Manager

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1. Overview

This document outlines the Marketing Strategy for the Catalina Estate owned by Tamala Park Regional Council (TPRC) and being project managed and marketed by Satterley Property Group (Satterley). This plan is a culmination of inputs gathered from December 2015 until November 2017 in the project, marketing and sales areas.

In accordance with TPRC requirements, a review has been undertaken in December 2017 to align the plan with the two-year strategic development of the project, sales and marketing strategies. Multiple reports and strategic documents were taken into consideration in the preparation of this strategy, including The Housing Strategy FY18 and Annual Marketing Strategy FY18.

Research has been undertaken by Satterley to determine the demographic profile, competitor analysis and target market characteristics, based on Urban Development Institute of Australia (UDIA) and Australian Bureau of Statistics (ABS) data, as well as historic sales and Satterley customer relations management (CRM) system data over the past two-year period.

2. Purpose

The purpose of the Bi-annual Strategic Marketing Plan is to look at the medium-term Marketing Strategy for the Catalina Estate and align it with established corporate strategic periods so that marketing activities support the project's overall business objectives. Furthermore, the aim is to capture external, macro-economic and environmental changes such as changes in customer demographics, economic outlook and overall sales projections.

3. Background

The initial Bi-annual Marketing Plan was created in 2013 to support the launch of the Catalina Estate, to introduce "Catalina" as a brand, and to position the Catalina Estate as the market leader in Perth's Northern Corridor setting a benchmark in design, presentation and sustainability. The plan was subsequently updated in 2016 to align the Strategic Bi-annual Marketing Plan to current marketing conditions.

In 2016, a brand re-fresh took place to capture market changes, as well as project development changes with the need to differentiate between the three precincts and the overarching Catalina brand. TPRC, Satterley and Rare conducted a workshop to determine the aspirations and opportunities for the Catalina brand, the over-arching Catalina brand positioning and brand architecture, and to develop a core idea which gives the project a point of difference and competitive edge to the brand.

4. Key Changes

The key changes captured by this updated Bi-annual Strategic Marketing Plan relate to the following strategic marketing disciplines:

- Brand;
- SWOT analysis;
- target audience; and
- marketing channels.

As a result of a brand review workshop undertaken by TPRC, Satterley and Rare in 2016 the *brand* has undergone a significant change by adopting the “branded house” brand architecture strategy. Such brand architecture allows a differentiation between the three estate precincts whilst contributing to the overarching brand of “Catalina”. Examples include Virgin and Fedex branded houses. This is a deviation away from the retro theme toward modern interpretation, setting “Land Without Compromise” as the brand’s slogan/rally call. Subsequently, all visual brand elements were developed. Marketing and Sales collateral have been updated and a new signage strategy has been developed.

The *SWOT* analysis registered a greater number of strengths and opportunities compared to 2015. New (however, not greater) types of threats to the Catalina Estate market position have been identified, whilst generally the same weaknesses remain.

The target *audience* split remains the same, however the size and order has changed, making middle income, 23 – 55 year old couples with young and adolescent families the primary target audience, first home buyers the secondary target audience followed by downsizers.

The proposed marketing *strategies* are now grouped based on the respective discipline and are focused on finalising the brand refresh implementation, placing greater focus on digital marketing channels and providing a framework for the launch of key project milestones and/or advertising campaigns.

5. Objectives

The Tamala Park Regional Council vision have four primary objectives for its operations:

- to develop and improve the value of the land;
- to maximise, within prudent risk parameters, the financial return to the participants;
- to balance economic, social and environmental issues; and
- to produce a quality development demonstrating the best urban design and development practice.

The primary objectives have been considered in the preparation of this Bi-annual Strategic Marketing Plan, resulting in setting the following overarching marketing objectives:

- contribute toward improving the value of the land through further brand equity growth of the Catalina master brand and three precinct sub-brands;
- promoting project development milestones through integrated marketing communication in a way that maximises return on investment and gains brand equity;
- utilise innovative and emerging marketing channels/approaches whenever possible and appropriate to gain further market share and market penetration;

- support social, economic and environmental initiatives through corporate social responsibility approach via the choice of suppliers, community activities and marketing communications;
- embed messages to promote sustainability, innovation, land use and transit orientated design into all marketing communication whenever possible and appropriate.

6. Vision

In 2008, the Tamala Park Regional Council defined the vision for the Catalina Estate:

The development will incorporate environmental responsibility, effective community development and wellbeing, foster local economic development and employment opportunities, enhance transport (including public transport) opportunities, facilitate efficient energy use and production, minimise waste and water consumption and provide healthy profits for landowners.

The review of the Bi-annual Strategic Marketing Plan undertaken in 2016 defined the vision for the Catalina Estate to “create an urban centre for choice, sustainability, community and opportunity from the land”.

7. The Project

The Catalina Estate is a high quality master planned development that sets a benchmark in design, presentation and sustainability. The project is positioned as a market leader in Perth’s Northern Corridor leveraging off its unique position of being urban infill, with strong existing community facilities in retail/shopping, health, education and transport.

Masterplan

When complete, Catalina will be a predominantly residential area with commercial, retail, business, education and community facilities, with good access to public transport and regional facilities. It is anticipated the development will facilitate in excess of 2,400 dwellings over the 180ha project area comprising a mix of single residential housing, group housing, and apartments. The project is anticipated to be developed at an average rate of 100 – 150 lots per annum.



MASTERPLAN



Catalina can be further broken down into Precincts.

Catalina Central is an affordable precinct offering traditional homesites, whilst strategically nominating locations for higher density development. Catalina Central provides a range of recreation and lifestyle options for residents with pedestrian and cyclist paths created through a Green Link connecting the estate east to west. There are a number of smaller public open space areas dispersed throughout Catalina Central. The Biodiversity Conservation Areas located on the western perimeter of Catalina Central provides feeding habitat for the Carnaby's Cockatoo and establishes the environmental undertones of this precinct.

Catalina Beach is the premium precinct of the Catalina Estate. Located to the west of Marmion Avenue the land is located within the more coveted suburb of Mindarie. Catalina Beach will be marketed as offering a premium coastal lifestyle and will benefit from a proposed foreshore access way planned from the west of the development. The proposed foreshore access will connect residents and visitors of Catalina Beach to the only local, safe swimmable stretch of coast.

Catalina Grove is situated to the East of Connolly Drive and is considered a Transit Orientated Development (TOD) due to the sites proximity to the Clarkson Train Station. Increased density targets are proposed closer to the Clarkson Train Station. Catalina Grove is also undergoing a review of tree health and possible retention, with the retention of vegetation a key aspect in the planning process. Catalina Grove will provide opportunities for aged housing, affordable housing and innovation. It is expected that Catalina Grove will be more urban in nature and theming due to proposed density targets and proximity to public transport infrastructure.

Features and Benefits of the Estate

The Catalina Estate has been designed and developed in such a way that the key features of the product place Catalina in the category of innovative, sustainable and proud estates in the Northern Corridor. The Catalina Estate has been designed and developed to position itself as a market leader in sustainability and innovation.

The Catalina Estate is located within close proximity to the beach, marina and transportation hub and offers the below features, which in turn define the brand essence and benefits to a broad customer market and project stakeholders.

- urban infill development with strong existing community facilities in retail/shopping, health, education and transport;
- approximately 2,400 dwellings with a population of around 6,600 people in three precincts;
- wide mix and variety of land sizes and housing options, catering for different lifestyle choices and affordability;
- wide product range with mix of lot sizes, house and land packages, completed homes, high density apartments, and traditional housing;
- two activity centres; a local centre in the Catalina Central precinct, and a neighbourhood centre associated with an employment node in the Catalina Grove precinct;
- a central Green Link that will span across the three precincts will act as a significant public transport, cycle, pedestrian and social corridor;
- primary school site co-located with public open space for active recreation;
- more than 10% public open space, including significant bio-diversity conservation areas;
- housing choice and diversity, encouraging building partners to provide multiple residential and mixed-use options enabling vibrant and varied community to emerge and develop;
- proximity to train station and freeway, the beach and marina, as well as established infrastructure; and
- community development engagement.

Innovation and Sustainability (planned & proposed):

- “Green link” as a corridor linking the main activity areas and providing an attractive pedestrian-friendly and cycling connection between the Catalina Grove Precinct and the Catalina Beach Precinct;
- Interpretative signage highlighting the local flora and fauna and history of the area;
- Water-wise front gardens;
- Construction Waste Management System;
- Range of environmental/sustainability initiatives, including and not limited to solar, water and WELs rebates;
- Encouragement of passive solar design within prescribed Design Guidelines;
- Installation of Photovoltaic panels to grouped housing sites;
- Sales Office that incorporates innovation and sustainability throughout the design; and

The above provides for highly desirable benefits to the numerous socio-economic market segments in Perth’s Northern Corridor. These benefits relate to both intrinsic and extrinsic housing purchase motivators and are presented below.

Key Benefits:

- Saving time (freeing time for a vibrant life);
- Saving money (and/or increasing equity); and
- Social recognition (status/ambition satisfaction).

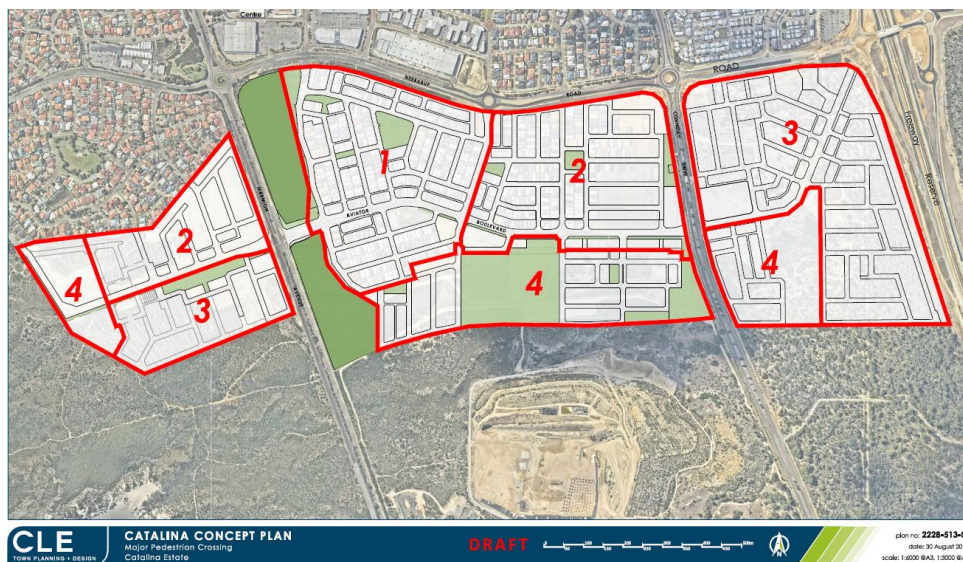
The aforementioned benefits can be utilised in a number of ways to many marketable benefits/messages, some of which include but are not limited to:

- Perceived ease of commute to/from workplace that is based in CBD, Joondalup and Osborne Park business districts;
- More quality time with the family due to the family friendly estate design (parks, playgrounds, future primary school);
- More time for favourite activities, such as swimming, surfing, cycling, exercise, etc. due to the estate's design, location and established infrastructure surrounding the estate;
- Sense of belonging and exclusivity as a result of purchasing into a unique community;
- Sense of pride as a result of living in a sustainable estate;
- Satisfaction of the social status needs, reference group approval;
- Ability to make a long-term investment from which future generations will benefit;
- Ability to cut down utility costs due to the estate location, estate and house design, rebates offered and environmental initiatives; and
- Ability to live a full diverse life within the estate and surrounding amenities.

Pricing and Product Mix

The Catalina development is planned to provide for around 2,400 lots in Perth's Northern Corridor and is set to be developed at a rate of 100 – 150 lots per annum. To date, over 900 lots have been sold.

The indicative development phasing plan remains unchanged at the present time and comprises four phases. As of December 2017, the project has reached phase three.



Maximum market skimming pricing in combination with product-quality leadership strategies are employed to set the price across the Catalina Estate. This mixed strategy is also effected by the current challenging economic conditions in Western Australia.

Product mix is determined by the market needs, changing demographic landscape of WA, existing sales/demand data of the estate and macro-economic considerations. Each product type has a distinct market segment among consumers which, in combination with other factors, will determine marketing communications (message, channel, frequency, etc.) for each land release and project milestone.

Product Mix FY18:

Orient	Frontage	Std Area	Description	No. of Lots	%	Average Price
Front	10m	300	Cottage A	11	11.6%	263,268
Front	12.5m	375	Cottage B	33	34.7%	330,418
Front	15m	265-300	Squat	7	7.4%	334,917
Front	15m	450	Traditional	21	22.1%	389,855
Front	17.5m	525	Large Traditional	8	8.4%	432,583
Rear	7.5m	225	Terrace A	11	11.6%	245,000
Rear	10m	300	Terrace B	4	4.2%	279,500
Rear	7.5m	120	NEW 7.5M	-	-	-
Rear	4.5m	135	NEW 4.5M	-	-	-
Rear	6m	180	NEW 6M	-	-	-
				95	100%	332,682

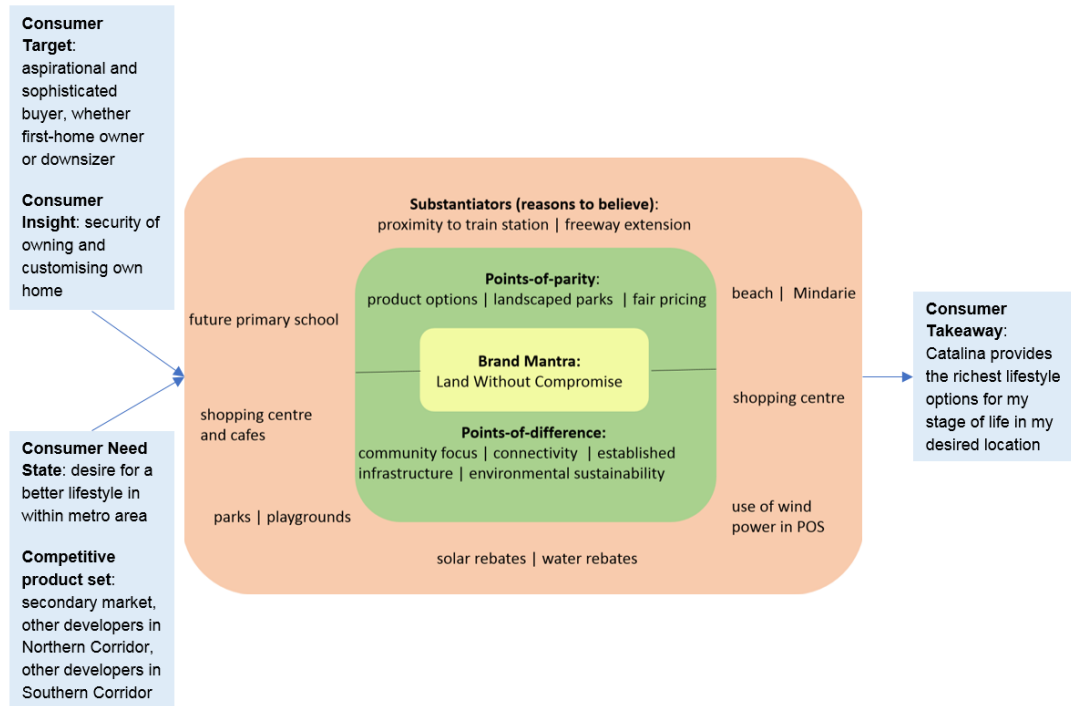
Product Mix FY19:

Orient	Frontage	Std Area	Description	No. of Lots	%	Average Price
Front	10m	300	Cottage A	-	-	-
Front	12.5m	375	Cottage B	13	18.1%	298,000
Front	15m	265-300	Squat	-	-	-
Front	15m	450	Traditional	4	5.6%	326,997
Front	17.5m	525	Large Traditional	-	-	-
Rear	7.5m	225	Terrace A	1	1.4%	186,418
Rear	10m	300	Terrace B	5	6.9%	215,525
Rear	7.5m	120	NEW 7.5M	6	8.3%	162,433
Rear	4.5m	135	NEW 4.5M	16	22.2%	138,600
Rear	6m	180	NEW 6M	27	37.5%	168,000
				72	100%	196,864

8. Brand Strategy and Position

Brand Essence

The Catalina brand has evolved significantly since its inception. Customer target and insight, consumer needs and competitive product set changes, as well as the development itself have provided new points of difference since its launch. Subsequently new substantiators (reasons to believe) emerged and consumer take away of the brand changed. As at December 2017 the brand essence is summarised in the below graph.



Brand Architecture

The Catalina brand architecture was reviewed throughout 2016 (by TPRC, SPG and Rare as part of a workshop), resulting in the below architecture, known as “branded house”. This structure is utilised by many respectable brands, such as Virgin, FedEx, Oracle, etc. The key benefit realised by the Catalina Estate from such a structure is that it allows it to gain synergies between sub-brands which are transferable to the master brand, while differentiating the product offering under each sub-brand. In summary, it works best toward increasing the brand equity of the estate.



Source: brand workshop 2016

Each sub-brand has six traits unique to it, forming the sub-brand personality and reflecting the individual precinct product and target market. Precinct traits will be reviewed on an annual basis or as required based on the project development, product on the ground and customer and market data.

The strategy is to maintain the above architecture as it is most effective in gaining brand equity, which in turn contributes toward improving the value of the land – one of TPRC's core objectives for the project.

Position

Catalina Beach

Catalina Beach will be an aspirational development that appeals to a spirited buyer, who has worked hard, attained a level of success and is looking to make an impression. Maybe a family with older (teenager) children, who love the outdoor life, the smell of the ocean and endless Indian Ocean sunsets.

Precinct personality is determined by these traits: sophisticated, status, vivacious, active, classic coastal and confident. The established sub-brand personality determines the mood, look and feel of marketing communications across all channels.

Household Income \$200,000

Land Prices \$250,000 to \$500,000

House & Land Prices > \$550,000

Key Attributes:

- High quality of streetscape, street furniture and paving;
- Beaumaris standard of landscaping (higher standard than Burns Beach).

The marketing campaign will reinforce the coastal lifestyle, proximity to Mindarie Keys and premium housing.

Catalina Central

Catalina Central appeals to a family that aspire to build their dream life, they did their homework and realised that the precinct is great value for money and gives them an opportunity to have a great lifestyle amongst a community of like-minded people with similar values.

Precinct personality is determined by these traits: proud, social, ambitious, family orientated, hard-working and measured. Established sub-brand personality determines the mood, look and feel of marketing communications across all channels.

Household Income \$150,000 to \$200,000

Land Prices \$190,000 to \$370,000

House & Land Prices \$385,000 to \$650,000

Apartments \$300,000-\$380,000

Key Attributes:

- High quality of streetscape, street furniture and paving;
- Heron Park (Harrisdale) standard of landscaping;
- Some 2-storey product;
- Some medium density product adjacent to Ocean Keys Shopping Centre, transport routes and parks.

The marketing campaign will reinforce the high quality of landscaping, coastal lifestyle, beach and proximity to Clarkson DC and train station.

Catalina Grove

Catalina Grove will appeal to value conscious customer seeking low-maintenance property, who wants to live in a vibrant, connected community, close to public transport, with public space to

walk, cycle and socialise. Cool and cosmopolitan, the precinct will have the perfect blend of compact living and open tree lined green space to appeal to a young suburbanite.

Household Income \$125,000 to \$150,000

Land Prices \$185,000 to \$310,000

House & Land Prices \$375,000 to \$575,000

Apartments \$290,000-\$370,000

Key Attributes:

- Attracted to connectivity of the precinct and easy-care property types, as well as proximity to infrastructure, cycling paths and parks
- Not focused on and/or do not need big backyards
- High quality of streetscape, street furniture and paving;
- Brighton medium density standard of landscaping
- Some 2-Storey product

The marketing campaign will reinforce proximity to amenities in particular Clarkson DC, the Clarkson Train Station and will promote tree retention providing for a lush green look and feel.

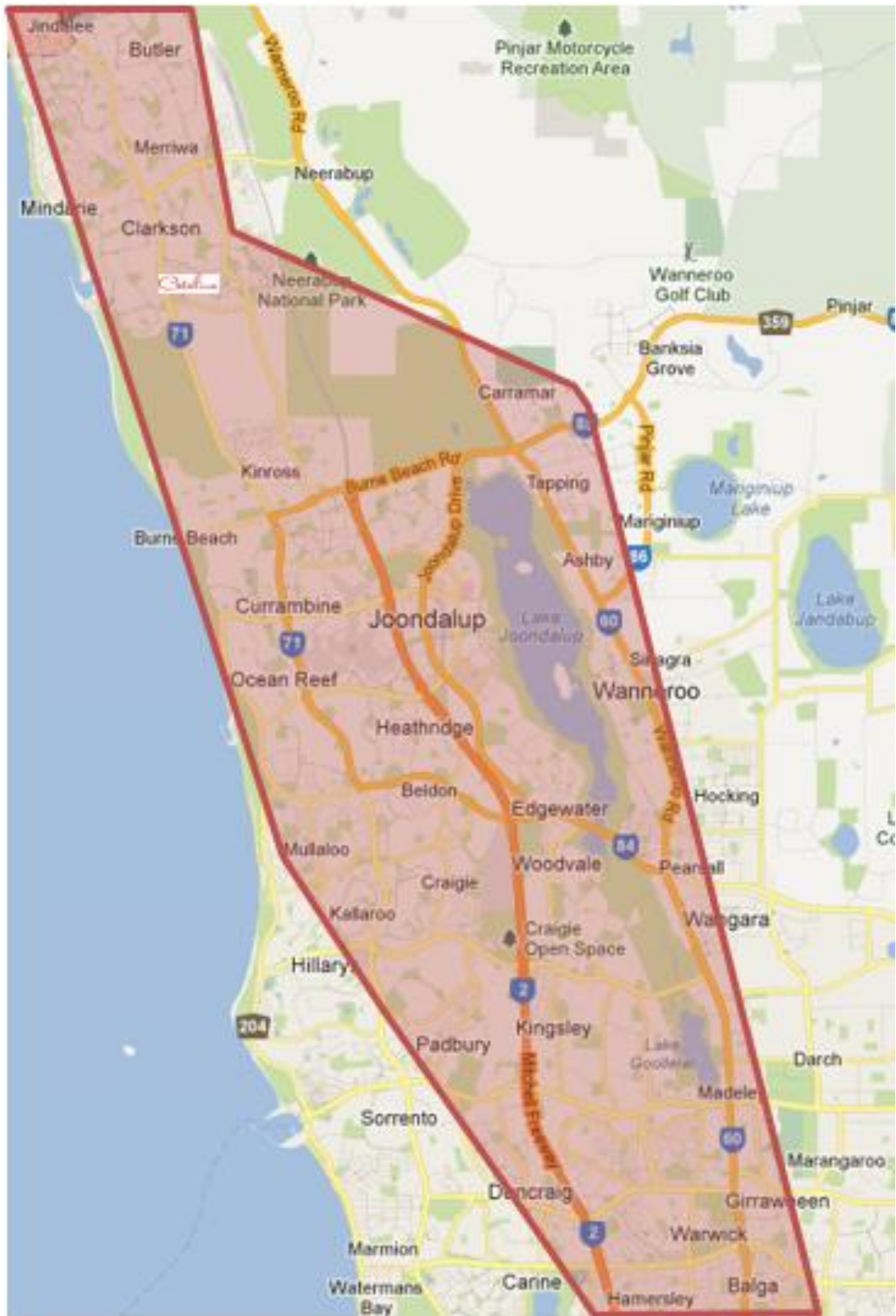
9. Situation Analysis

Location and demographic

The Catalina Estate is located in the suburbs of Clarkson and Mindarie, within the City of Wanneroo. It is bound by the foreshore reserve to the west, Neerabup Road to the north, the Mitchell Freeway to the east and the Tamala Park Refuse Centre to the south. Its nearest competitor by geographical location is Burns Beach to the south.

The catchment area for target customers is represented by the shaded area on the map provided, Perth's Northern corridor.

This includes the areas north of Reid Highway, inland from Balga to Wanneroo and Carramar and north to Jindalee. This catchment area encompasses the cities of Wanneroo and Joondalup.





The key demographic characteristics and trends in the cities of Wanneroo and Joondalup in Perth's Northern Corridor are:

- Even split of females and males;
- Young median age of 33 in the City of Wanneroo, older population in the City of Joondalup with a median age of 40. This compares to a median age in greater Perth of 36;
- Largely Australian born, with high immigration from the United Kingdom and a strong contingent of persons born in New Zealand and South Africa;
- Decline in rate of outright home ownership, increase in rates of mortgaged homes and rentals as housing affordability becomes increasingly unachievable;
- Median personal and family incomes higher than Perth Metro in the City of Joondalup and lower than Perth Metro in the City of Wanneroo;
- Noticeable increase over time in people without any religious affiliation.

Population Demographics in the Catchment Area:

Census Snapshot	City of Wanneroo LGA		City of Joondalup LGA	
	2016	%	2016	%
Population	188,212	Female 50.6% Male 49.4%	154,445	Female 50.4% Male 49.6%
Total households	64,706		55,631	
Couples with children	26,012	40.2%	22,118	39.8%
One parent families	7,693	11.9%	5,142	9.2%
Couples without children	15,093	23.3%	15,497	27.9%
Other families	698	1.1%	537	1.0%
Lone person, group and other households	15,210	23.5%	12,343	22.2%
Average household size	2.9 people		2.8 people	

Source: ABS

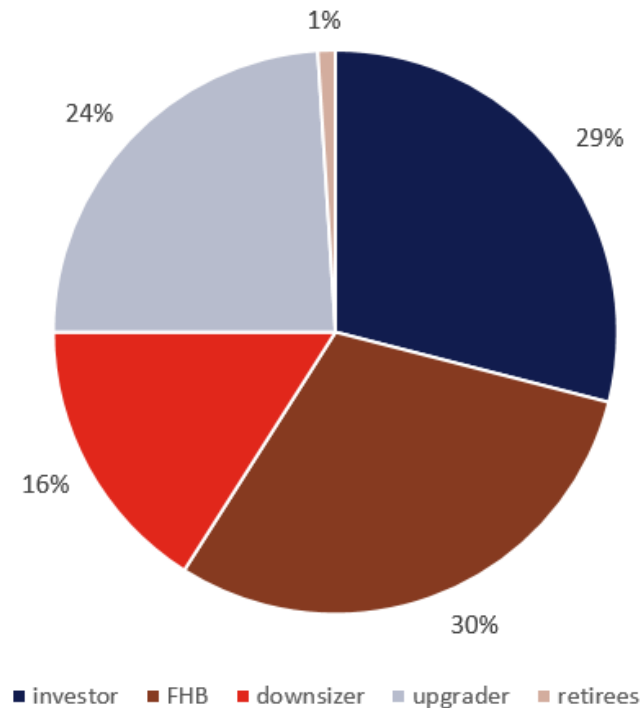
Population Demographics in the Local Area:

Census Snapshot	Clarkson		Mindarie	
	2016	%	2016	%
Population	12,971	Female 50.7% Male 49.3%	7,520	Female 50.1% Male 49.9%
Total households	2,424		2,446	
Couples with children	931	38.4%	1,222	50.0%
One parent families	396	16.3%	185	7.6%
Couples without children	572	23.6%	746	30.5%
Other families	21	0.9%	20	0.8%
Lone person, group and other households	504	20.8%	273	11.2%
Average household size	2.7 people		3.0 people	

Source: ABS

The above general statistical data supports the product mix for each precinct within the Catalina Estate, providing diverse buyer market segments in the local and catchment areas. No significant change from the previous two-year period has been established. Additionally, Satterley data specific to the estates in the Northern Corridor in the previous two-year period demonstrates strong interest among first home buyers (FHB) and investors (sample size more than 3,300 customers).

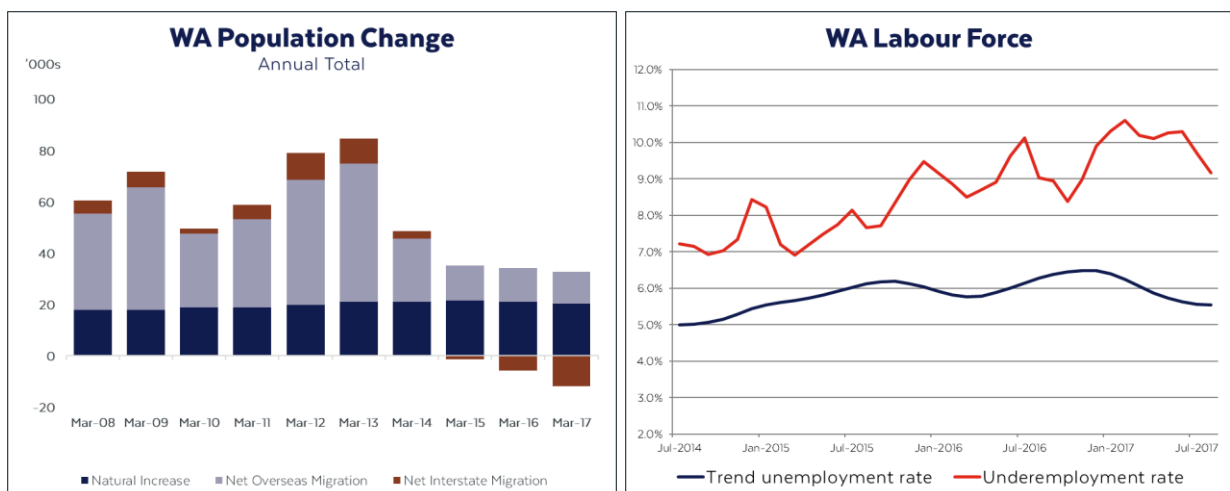
Satterley Estates, Northern Corridor by buyer type, 2016-2017



The above chart summarises available internal data for Satterley estates in the Perth's Northern Corridor, where the two main groups of buyers are first home buyers (FHB) and investors. This information stems from customers' self-assessment of their buyer status and life stage.

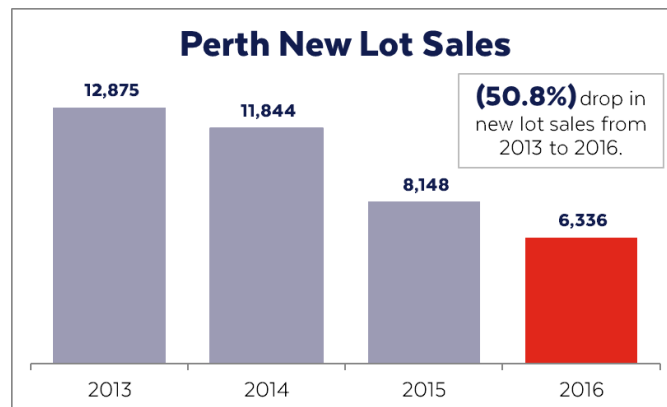
Trading Conditions

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. As workers relocate to find jobs, population growth in WA has slowed considerably with high negative net interstate migration. Whilst the exodus to other states helps mitigate a rise in the unemployment rate that might be otherwise expected, high underemployment ensures people remain concerned about job security and are cautious about making large financial purchases including new homes.



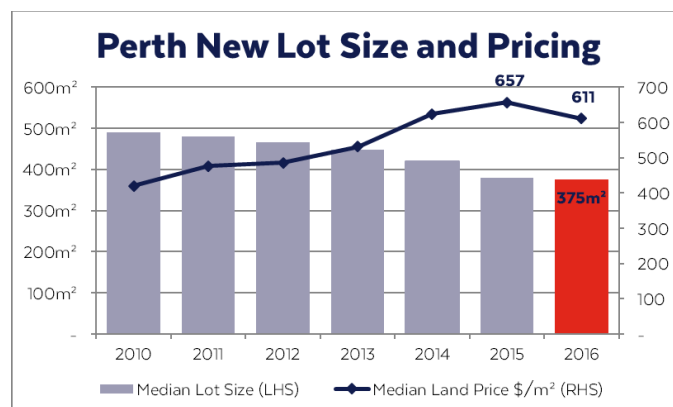
Source: ABS

The significant fall in population growth and concerns over employment has directly affected new lot sales over recent years.



Source: UDIA State of the Land Report

In tackling affordability, the broader market trend for smaller lot sizes continues, with the median new lot size for 2017 standing at 388m². The median price per square metre fell sharply in 2016, despite a reduction in lot sizes that would normally attract higher rates.



Source: UDIA State of the Land Report (Sep-17 Quarter)

The Urban Development Institute of Australia WA (UDIA WA, Sept-17 quarter) suggests there is over eight months' stock on the market for land in the North-West corridor, providing plenty of choice for prospective purchasers and ensuring strong competition between developers. Sales volumes for the Sep-17 quarter grew by a modest 1% from the previous quarter, and down 3% in year-on-year terms. Reflecting an increase in the share of sales from more expensive coastal lots in the City of Joondalup over inland lots in the City of Wanneroo, both the average price of lots sold and price per square metre rose in the September 2017 quarter.

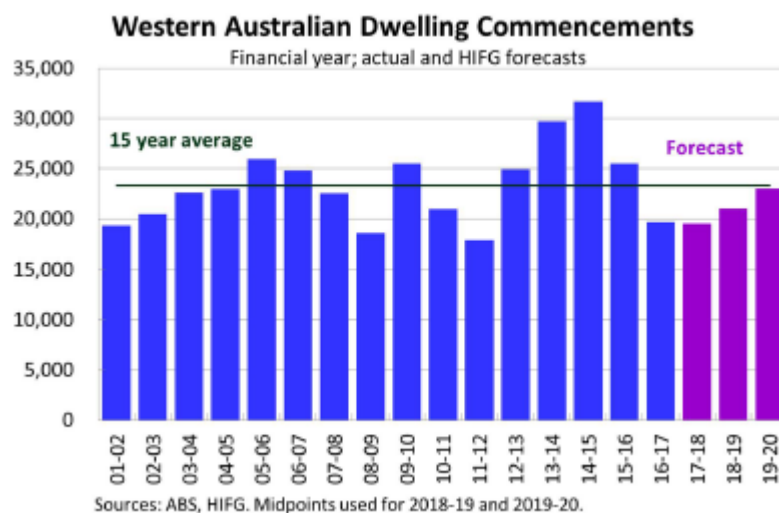
North-West Metropolitan Corridor Snapshot

DESCRIPTION	THIS QTR (SEP-17)	LAST QTR (JUN-17)	% CHANGE FROM LAST QTR	YOY	% CHANGE YOY
Share of sales	26.6%	21.4%	24%	22.8%	17%
Lots sold (# of lots)	363	359	1%	375	(3%)
Lots sold (\$ millions)	\$89.9	\$90.2	(0%)	\$83.7	7%
Avg. size of lots sold (sqm)	398	395	1%	393	1%
Avg. price of lots sold	\$247,607	\$251,213	(1%)	\$223,204	11%
Avg. rate per sqm of lots sold	\$622	\$637	(2%)	\$567	10%
Lots on the market	917	968	(5%)	1050	(13%)
Stock on the market (months)	7.6	8.1	(6%)	8.4	(10%)
Avg. price of lots on the market	\$237,311	\$223,691	6%	\$222,595	7%
Avg. size of lots on the market (sqm)	386	381	1%	369	5%
Lots NOT on the market	524	531	(1%)	376	39%
Lots under construction (release within 12 mths)	845	862	(2%)	949	(11%)
Avg. size of lots under construction (sqm)	344	376	(9%)	378	(9%)

Source: UDIA State of the Land Report (Spet-17 Quarter)

According to HIA Residential Land Report (June 2017) projections, “[l]and sales are signalling an end to what has been a protracted and rather painful downturn in Perth’s detached house construction sector”.

Housing Industry Forecasting Group Report (HIFG) from October 2017 presents up-ward dwelling commencement trend for the next three years, however not returning to the 2015/16 level. Population growth remains slow in WA and is expected to increase slightly over the forecast horizon.



In summary, while overall market conditions are tough and are expected to remain so in 2018-2019, while HIFG predicts overall demand for housing “to pick up slowly over the forecast horizon in line with economic improvements”. Catalina’s premium product (Catalina Beach) generates and maintains market interest, appealing to high-end customers (upper middle class). The mid-section of the market (middle and lower middle class) is subject to numerous product options and require greater marketing efforts to ensure Catalina Central and, eventually, Catalina Grove remain in the purchasers’ consideration and selection set.

Competitor Analysis

Competitive landscape in the Northern Corridor has intensified since the project's inception, with 13 developments, inclusive of Catalina, presenting broad variety of land and house & land solutions in the Corridor. The current snapshot of all estates in the Northern Corridor is presented below, while comprehensive FY17 competitor analysis can be found in **Appendix 1**.

Estate	Developer	Location	Lot Sizes	Price Range
Brighton	Satterley	Butler	3 Lots available ranging from 225sqm to 337sqm.	\$149,000 to \$189,000
Shorehaven	Peet and Co	Alkimos	28 Lots available ranging in size from 217sqm to 360sqm.	\$185,000 to \$289,000
Burns Beach	Peet and Co	Burns Beach	18 Lots available ranging in size from 360sqm to 814sqm. \$10,000 Flight centre voucher on top of fencing and landscaping.	\$450,000 to \$575,000
Beaumaris	Satterley	Iluka	14 Lots available ranging in size from 355.6sqm to 707.9sqm.	\$445,000 to \$600,000
Jindalee	Heath Development Company	Jindalee	10 Lots available ranging in size from 612sqm to 920sqm.	\$465,000 to \$710,000
Banksia Grove	Walker and PRM	Banksia Grove	25 Lots available ranging in size from 180sqm to 480sqm.	\$132,000 to \$258,000
Alkimos Beach	Land Corp Lend Lease	Alkimos	26 Lots available ranging in size from 240sqm to 823sqm. \$10,000 off lots on top of 'Energy Smart Home Package', fencing and landscaping.	\$171,000 to \$345,000
Trinity	LWP	Alkimos	12 Lots currently available ranging in size from 179sqm to 418sqm. Sale on all lots up to \$20,000 off.	\$112,000 to \$207,000
Eden Beach	Satterley	Jindalee	49 Lots currently available ranging in size from 194.85sqm to 513sqm. \$10,000 Builder Bonus on top of incentives.	\$175,000 to \$410,000
Amberton	Stockland	Eglinton	14 Lots currently available ranging in size from 300sqm to 450sqm.	\$194,000 to \$284,000
Jindee	Estates Development Company	Jindalee	25 Lots currently available ranging in size from 300sqm to 776sqm.	\$269,000 to \$440,000
Allara	Satterley Land Corp	Eglinton	37 Lots currently available ranging in size from 281.94sqm to 613.73sqm. \$10,000 Builder bonus on top of Clever Lifestyle Bundle incentive.	\$159,000 to \$235,000

The above demonstrates the intense competition in Perth's Northern Corridor in key attributes, such as price and lot size in combination with some rebates. As follows from the situation and trading analysis, the market remains price-sensitive with elastic demand, meaning that those ready to compromise on the location to offset the cost - will.

SWOT Analysis

Weaknesses	Threats
<ul style="list-style-type: none"> • No beach access yet • Difficulty acquiring approval for the beach access development • Convenient <i>local</i> public transport is limited (i.e. bus) • Landfill site in close proximity 	<ul style="list-style-type: none"> • Established real estate market – main competitor • Threat of loss in market share in Northern Corridor due to many other competing estates offering rebates & price cuts that cannot be matched • Negative perception of Clarkson area transferred to Catalina • Perception of environmental impacts from Tamala Park landfill • Historically “price only” proposition marketing /advertising has meant lack of brand communication & awareness of Catalina's offering in market
Strengths	Opportunities
<ul style="list-style-type: none"> • Proximity to the beach • Mitchell Freeway & Neerabup Road extension • Access to surrounding established amenities such as Mindarie Marina, Ocean Keys shopping centre and local schools • Accessibility to Clarkson Train Station • Proximity to Perth CBD (compared to other northern corridor competitors) • Close proximity to key employment centres including Neerabup Business Park and Joondalup City Centre • Future planned amenities – school, local and neighbourhood centre • Satterley brand association with the development • Community Development activities (Satterley) • Different housing options, including FHB product • Sought after ‘Mindarie’ address for Beach precinct • POS opening and another Beach release in February 2018 • Strong Builder relationships including Display Village strong source of direct referrals • New Display Village in Beach precinct • Currently Private Estate - No public housing • High traffic area with main roads providing good opportunity for exposure 	<ul style="list-style-type: none"> • Breadth of project creates diversity – 2.4km • Capitalise on the existing amenities in surrounding suburbs • Beach access and development of pathway • Further development of Greenlink into Beach and Grove precincts will provide a key selling point • Improve brand awareness and equity through brand communication strategy and improved signage strategy • Better diversity of housing options including opportunities for built form and medium & high density options • “Bush Forever” to the south of the development 450ha • New sales office located near Marmion Ave • Landfill site reducing in size and will eventually become ‘District open space’ • Baby boomers moving into retirement • Gateway location with more projects being developed north of Catalina, leading to increase in both traffic and attention to area • Early establishment of neighbourhood activity centre, childcare site along with other community services • Improvement of estate presentation • Brand positioning and lead generation through Social Media

Overcoming Weaknesses and Mitigating Threats

Weaknesses

- Limited amenities within the estate
- No beach access yet
- Difficulty in developing beach access
- Convenient public transport is limited
- Landfill site in close proximity

Threats

- Buyer perception of West vs. East Marmion
- Established real estate market – main competitor
- Threat of loss in market share in Northern Corridor due to many other competing estates including rebates & price cuts that cannot be matched
- Negative perceptions of Clarkson area transferred to Catalina
- Perception of environmental impacts from Tamala Park landfill
- Historically “price only” proposition marketing /advertising has meant lack of brand communication & awareness of Catalina’s offering in market

Overcoming Weaknesses

- Project design and innovation
- Sustainability initiatives
- Integrated Marketing Communication to focus on unique value proposition
- Execute signage strategy
- Foster stakeholder engagement

Mitigating Threats

- Maintain established brand architecture to gain synergies among sub-brands West and East of Marmion Avenue
- Marketing communication to focus on extrinsic motivations of customising your own home
- Consider “hot lot” strategy to draw initial enquiries, then nurture received leads and upsell where possible
- Claim Mindarie Marina to establish Catalina Beach as a strong and rightful member of Mindarie suburb
- Continue to invest into brand communication and equity

10. Target Audience

Geographic composition – Northern Corridor

Catalina offers a broad mix of product in the corridor to suit every demographic group. Historic data across Satterley communities proves that approximately 70% - 80% of buyers come from the surrounding suburbs, up to 30km removed.

The Clarkson, Mindarie-Quinns-Jindalee and Butler-Merriwa-Ridgewood statistical areas provide a combined population of 39,712 people aged 18 and over. More than half of the population in this area were born overseas and approximately 73% are of non-Australian ancestry, bringing UK, NZ, Chinese and some Indian heritage to the Northern Corridor.

Furthermore, one third of the Clarkson and Butler-Merriwa-Ridgewood population are currently renting, representing an attractive local market of over 15,600 people. Similarly, one fifth of the Mindarie-Quinns-Jindalee area represents almost 4,000 renters. Based on the average household for each suburb, more than 5,500 households in the immediate proximity to the estate are in the market to buy a property.

Further details are presented in the Census data graph in **Appendix 2**, including median total family income, median mortgage repayments and median rent for the Northern Corridor and Greater Perth.

Demographics and Attitudinal

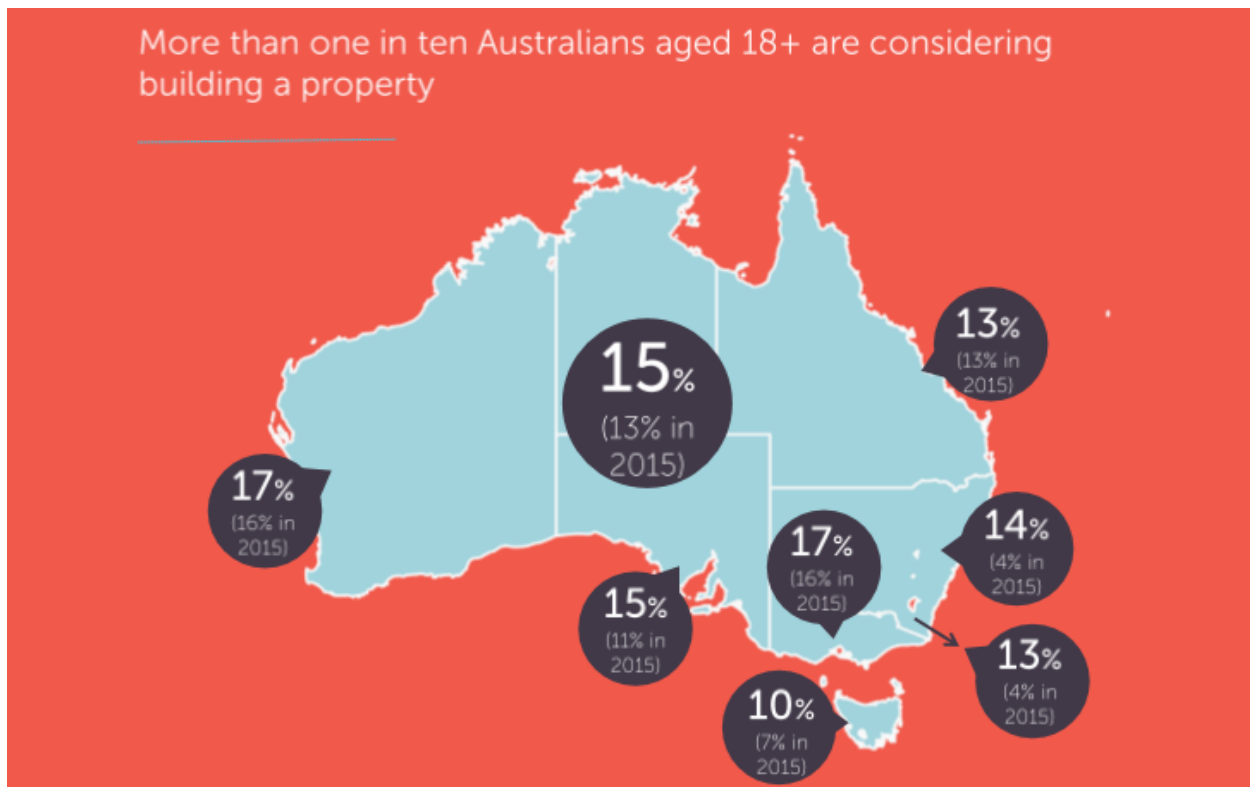
This section reviews and analyses standard demographic characteristics relevant to urban development such as age, income, tenure, dwelling types, mortgage and rent. Additionally, target audience is viewed through the attitudinal lense to take into consideration the audience's life stage and attitude toward property purchase, ignoring segmentation based on purely demographic factors.

For example, first home buyers (FHB) are grouped based on their need to own a house in Australia (attitude). This may include the usual 20 – 30 year old audience, as well as the older demographic of 40 year olds (i.e. UK and NZ migration). Therefore, the demographic and attitudinal approach combined provides for better picture and target audience segmentation.

Key demographics of the target market catchment areas are shown below.

Census Snapshot	City of Wanneroo LGA		City of Joondalup LGA		Perth Metro
	2016	%	2016	%	2016
People and Households					
People	188,212		154,445		1,943,858
Households	64,706		55,631		732,349
Age Distribution					
under 18	51,306	27.3%	35,943	23.3%	22.7%
18-34	47,594	25.3%	31,441	20.4%	25.2%
35-49	42,224	22.4%	32,714	21.2%	20.9%
50-64	28,414	15.1%	32,452	21.0%	17.4%
65+	18,671	9.9%	21,894	14.2%	13.8%
Median age	33		40		36
Income					
Median total personal income (\$/week)	709		776		728
Median total family income (\$/week)	1,875		2,230		1,955
Median total household income (\$/week)	1,693		1,950		1,637
Tenure Type					
Owned outright	12,051	18.6%	18,708	33.6%	26.7%
Owned with mortgage	33,672	52.0%	24,918	44.8%	39.7%
Renter	14,019	21.7%	9,324	16.8%	25.5%
Dwelling Type					
Separate house	57,582	89.0%	49,362	88.7%	75.9%
Semi-detached, row or terrace	6,644	10.3%	4,673	8.4%	16.2%
Flat, Unit, Apartment	159	0.2%	1,333	2.4%	7.2%
Mortgage and Rent					
Median mortgage repayment (\$/month)	2,058		2,100		2,000
Median rent (\$/week)	375		410		360

Research conducted by realestate.com.au in March 2017, Looking to Build Consumer Journey, surveyed those who signed a contract for a new build/newly built house in the last 6 months or those considering a new build/newly built house in the next 12 months. Key trends and results are presented below demonstrating shallow current market, in which 65% are also considering buying an established property.

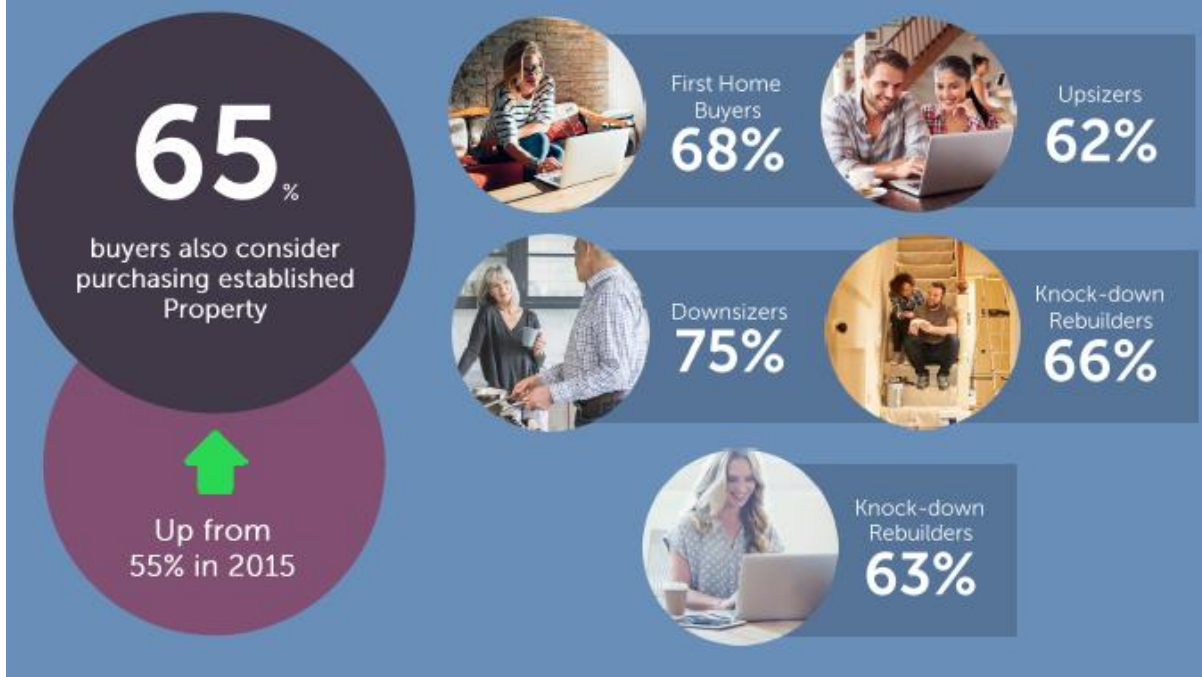


Source: REA research 2017

Approximately 81% of buyers are in the first two stages of their property purchasing journey ("investigate" and "explore & prioritise") where brand messaging, brand presence and campaigns are the key focus of marketing communications. It is further supported by the finding that the developer brand behind the estate is important to 80% of the buyers.

Journey Stage	Investigate	Explore & prioritise	Detailed Search & Research	Evaluate & Choose
Proportion of buyers	81%		19%	
Average length (weeks)	~14		~9	
Consumer Need	<ul style="list-style-type: none"> What are the benefits of building? What estates are in my search area? What builders operate in my search area? 		<ul style="list-style-type: none"> Which estate is best for me? Which builder is best for me? Choosing the right Home Design / Package 	
Communication	Brand Message		Retail Message	
Objective	<ul style="list-style-type: none"> Build brand awareness Get on the buyers shortlist 		Drive enquiries	

The majority of buyers also consider established property



Source: REA research 2017

Importance of branding



Source: REA research 2017

There are four ways a consumer *enters* the new build journey: land first (56%), house and land package first (22%), home design first (18%) and builder first (4%). However, the build journey is a complex one, consisting of many decisions and relying on multiple touch points, of which builders become a significant part in the *final stages* (approximately 60%) and possess great influential power, able to convince a customer change their location preference based on the budget, life stage requirements and house design aspirations.



Source: REA research 2017

Unexpected costs, funding and stress are the main barriers to building not only for the first home buyers, but also for upgraders and downsizers. Other barriers include overwhelming number of decisions that need to be made, lack of experience and a strong chance that the market may decline once the build is completed.

Metrix research 2015, commissioned by TPRC to analyse the buyer profile, specific to Catalina customer, identified the following top motivators to purchase within Catalina Estate: beachside living (43%), affordable (30%), public transport access (25%) and location (24%). Additionally, 43% were driven by the “security in home-ownership”. Further key findings included:

- The biggest group of buyers is in the \$400k-\$500k range
- Half consider rebates important in their decision to buy
- Eight in ten are using some form of online resource in their information search

The budget remains number one deciding factor in the land and house purchasing process, with unexpected costs of the new build being the main hurdle to overcome when deciding whether to build or buy established.

Findings of the research were highly beneficial and were utilised effectively in marketing strategy planning. It is recommended to conduct such research on annual basis to remain in touch with the market and ensure most effective marketing communications.

Primary Target Audience

The primary target audience for Catalina are middle income, 23 – 55 year old couples with young and adolescent families. West Australians within this demographic are likely to be purchasing their second or third home; at the growth stage of the purchase life cycle.

Key characteristics of “families” include:

- Low to medium density products are the most popular product;

- Seek space for growing children;
- Attracted to beach and outdoor lifestyle;
- Earn an average household income above \$100,000; and
- Prefer a large family home with three or four bedrooms.

Catalina Central and Catalina Beach are of high interest to this market segment.

Secondary Target Audience

“First home buyers” (FHB) represent an important market segment for Catalina, particularly with the current mix of medium density lots available. According to UDIA, FHOG applications saw almost 18% Year on Year increase in 2017 in WA, continuing the trend since 2015. First home buyers (FHB) are no longer single people or couples without children. These demographic groups are now joined by young families within WA and those migrated from overseas.

Therefore, young couples and families represent the majority of first home buyer audience, with the most common household makeup being couples with one young child. This trend is also reflective of the wider Joondalup and Wanneroo areas with the medium average household size of 2.85 people.

Of the single residents, a large proportion are single male FIFO workers who are attracted to the low maintenance of medium density homes and the security and ocean side benefits of the estate. There is great opportunity to target this segment by emphasizing the “easy and convenient living” message.

The key characteristics of First Home Buyers:

- Work full time;
- Couples, singles and young families with one child;
- Slight male skew due to FIFO workers with disposable income; and
- Inexperienced and naive to home building and ownership.

Catalina Central and, eventually, Catalina Grove will be of most interest to this market.

Tertiary Target Audience

“Downsizers” and/or pre-retirees make up the tertiary segment of the target audience. Downsizers are either middle aged and mature families or couples seeking to downsize from surrounding areas. This segment also consists of pre-retirees, often referred to as “empty nesters”. The proportion of the population over 55 is projected to increase from the current 14.2% in the City of Wanneroo to 19.4% by 2026.

Typically this segment moves from a traditional lot to a medium density or cottage lot as a result of a reduction in the household size or a desire to reduce debt and/or property maintenance time/costs. They have a higher amount of equity and have a lower cancellation risk than other target groups.

The key characteristics of Downsizers include:

- Largely still working in well paid positions;
- Attracted to “up-specked” product through more premium fittings and finishes;
- Want to downsize in order to free up equity and/or reduce property maintenance efforts;
- Want to live close to their families;

- Attracted to the convenience of lock-up-and-leave convenience (i.e. high density products);
- Own boats and caravans that need storage space; and
- Retirement villages are not in their consideration set because they do not consider themselves “retired”.

Key Stakeholders

Satterley enjoys strong and effective working relationships with a range of key stakeholders in the Northern Corridor, from community groups to Local and State Government authorities. This is partially due to the scale of representation it has in the region through Satterley’s other similar developments.

Audience	Rationale
Builders	The right product mix of display homes is essential to the success of the estate.
Builder’s Representatives	Builder’s representatives remain a highly important source of referral businesses not only those who are likely to take-up display home options within the estate but those on competing estates.
Family and friends of potential purchasers	Parents of young prospects and friends can be very influential in the purchase decision and often provide the early alert to purchasers of an estate’s existence or potential worth.
Current Satterley Residents	Current residents of Satterley estates, in particular at Catalina, are ambassadors and can provide firsthand experience and knowledge of the development to prospective residents/investors. This group will spread positive WOM amongst fellow colleagues, friends and family.
City of Wanneroo Mindarie & Clarkson Residents	Mayor, Councillors, CEO and officers. Favourable impressions and an ongoing relationship will assist in issues management and future developments in the area.
Audience	Rationale
Local Businesses	Referrals from business and to businesses in an area are a two-way street.
School Community	Principal, School Council and parents. This creates an opportunity for the referral both formally and informally.
Higher Education	Chancellor, University Council, Executive Team, Student Unions, International Students. Edith Cowan University, Joondalup West Coast TAFE, Joondalup This creates an opportunity for the referral both formally and informally.

11.Key Marketing Strategies

The below marketing strategies were developed in line with key strategic documents outlined in the document's overview section, therefore are in line with the Annual Marketing Plan FY18.

Discipline	Strategy
Branding	<p><u>Brand, market research and advertising strategy</u></p> <p>Strategic Branding Direction</p> <p>Capitalise on the refreshed brand and value proposition launched in FY17/18, complete the roll out to all elements of the marketing and sales process. Ensure brand awareness and brand engagement at each stage of the customer journey, starting with problem identification (the need to purchase land/house), through to solution search, evaluation and consideration, down to purchasing and post-purchasing behaviour.</p> <p>Catalina Central</p> <p>Catalina Central is an established brand that will evolve in line with the strategic brand direction. Adjustment of the brand will include the following steps:</p> <ul style="list-style-type: none"> ▪ clearly communicate key points of difference creating favourable associations; ▪ post-purchase information and communication; ▪ change in marketing communication with the general public; ▪ builder engagement. <p>Catalina Beach</p> <p>The primary purpose of our brand strategy for this precinct is to continue the process of establishing the Catalina Beach brand as highly desirable through key visual and content brand elements.</p> <p>Followed by the content strategy rollout to the website, point of sale environment, marketing collateral, advertising and database communication.</p> <p>Catalina Grove</p> <p>The primary purpose of our brand strategy for this precinct is the launch of the precinct in line with the brand essence identified in this document. Communicate and apply the Catalina Grove brand throughout the signage strategy.</p> <p>Followed by the content strategy rollout to the website, point of sale environment, marketing collateral, advertising and database communication.</p>
Complete in FY17/18	
January 2018	
December 2018	
Research	<p><u>Market Research</u></p> <p>The following market research tools are recommended to be put in place to better understand the Catalina consumer:</p> <ul style="list-style-type: none"> • Ongoing Customer Tracker Buyers Research; • Geomapping Update and Analysis; • Profiling of Geographical Draw Area and Analysis; • Apartment product mix research.
Complete annually	

<p>Signage</p> <p>Complete in FY17/18</p>	<ul style="list-style-type: none"> - Consequently engage with leads and drive them through the lead nurturing process as follows: prequalification (interests, purchase timeframe, budget, product type) and useful content and project updates (keeping prospect interested) <p><u>Phase 2 – Release/Launch Campaign</u> Overall Timing: 2-3 weeks prior to release date Strategy:</p> <ul style="list-style-type: none"> - 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; - Finalise lead nurturing process commenced in Phase 1 to separate leads from longer term database contacts through the following process: explain sales process; provide full product and pricing information; re-confirmation of intent to buy (conversion stage). <p><u>Phase 3 – Post-Purchase Nurturing</u> Overall Timing: 3 - 6 weeks past release/milestone Strategy:</p> <ul style="list-style-type: none"> - Post-purchasing consumer behaviour focuses on re-assuring a buyer that the decision to purchase into the Catalina Estate was the right choice. This will happen through: <ul style="list-style-type: none"> • community events designed to build a stronger community and provide point of difference in comparison to the majority of other estates in Northern Corridor; • delivering on what was promised within the given time frame, i.e. rebates, and communicating this clearly; • on-going communication and updates, re-assuring superiority and exclusivity of the estate (i.e. additional enviro leaf, grand landscaping, new park attractions, etc.); • on-going brand advertising through sponsorship of the local events and geo-targeted SEM (search engine marketing); • managing publicity through anticipating and mitigating any possible negative coverage and fostering positive, feel-good stories; <p><u>Signage, point of sale, website and marketing collateral strategy</u></p> <p>Beach and Central Finalisation, production and installation of Phase I and II in Catalina Central and Catalina Beach in line with the approved strategy. 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 to fall into these areas: <u>Phase I - External and Entry Statement Signage</u> To increase the opportunity to communicate brand and retail messages to traffic passing through Marmion Ave, Connolly Drive and Neerabup Rd.</p> <p><u>Phase II - Directional 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. Messages on this banner mesh will identify the site's purpose and appropriate delivery timeframes.</p>
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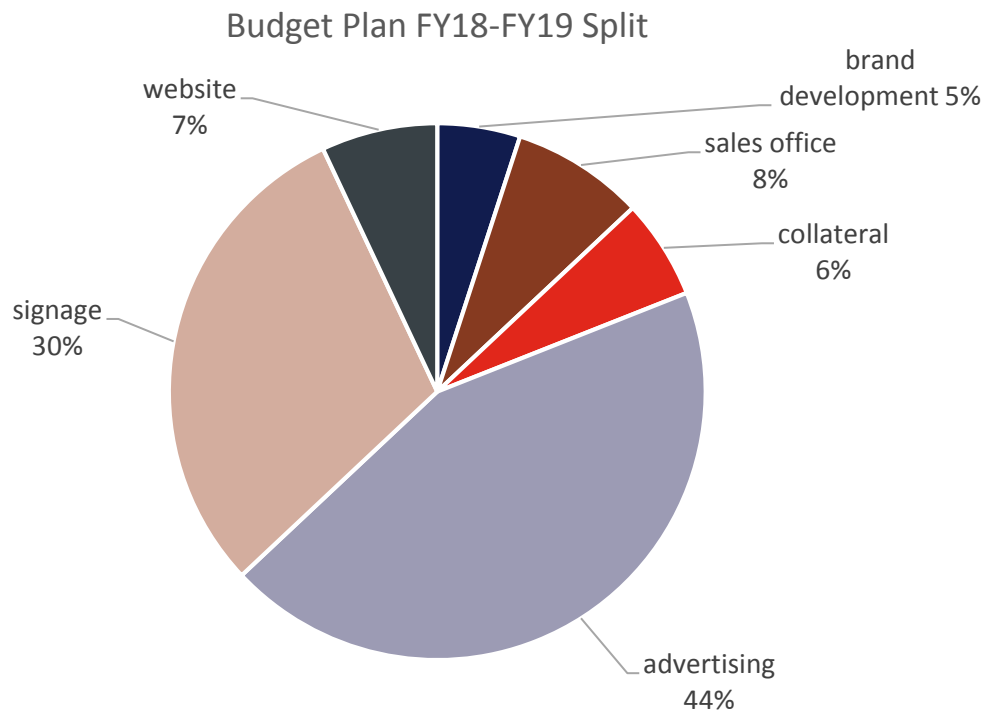
<p>December 2018</p>	<p><u>Banner Mesh</u> Branding bannermesh along Marmion Avenue to define the Beach precinct, as well as the construction site of the future school site at Catalina Central. Banner mesh will not only mark the project boundary areas and form a part of the sand/dust management strategy, but will also create an opportunity to communicate high level brand messages to passing traffic in high traffic areas and ensure attractive estate presentation.</p> <p>Grove Develop signage strategy in line with the brand essence of Catalina and Catalina Grove, which is also consistent with the existing signage strategy for Catalina Central and Catalina Beach.</p>
<p>Sales Office / Display Village</p> <p>Complete in FY 18/19</p>	<p><u>Beach - Sales Office Internal Signage</u> Develop and implement Sales Office strategy, interior design and fitout for the Sales Office at Catalina Beach, set to relocate in October 2018.</p> <p><u>New Display Village Signage</u> Simultaneously, develop and execute signage for the new Display Village 3 at Catalina Beach, which is proposed to be operational from October 2018 until December 2020.</p>
<p>Website</p> <p>On-going</p>	<p>The work will continue during FY18 and FY19 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> <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 an as needed basis to enable sales force provide potential customers with tangible mementos:</p>
<p>Project Collateral</p> <p>Update and re-stock as guided by the brand and project development</p>	<p>Vision brochure Purpose: Communicate project vision, structure, amenities and lifestyle offering.</p> <p>Precinct Collateral (Beach and Central Precincts) Purpose: Communicate specific aspects of the precinct, key amenities, precinct plan and key precinct's brand messages.</p> <p>Sales plan and Price list (Precinct specific) Purpose: Showcase product for sale, pricing and incentives.</p>

12. Budget Allocations

The emerging technologies and digital channels space has changed in the past two years offering new cost-effective opportunities to build and enhance brand equity and increase customer acquisition and retention. This is reflected in the budget distribution presented below, supported by the available internal data.

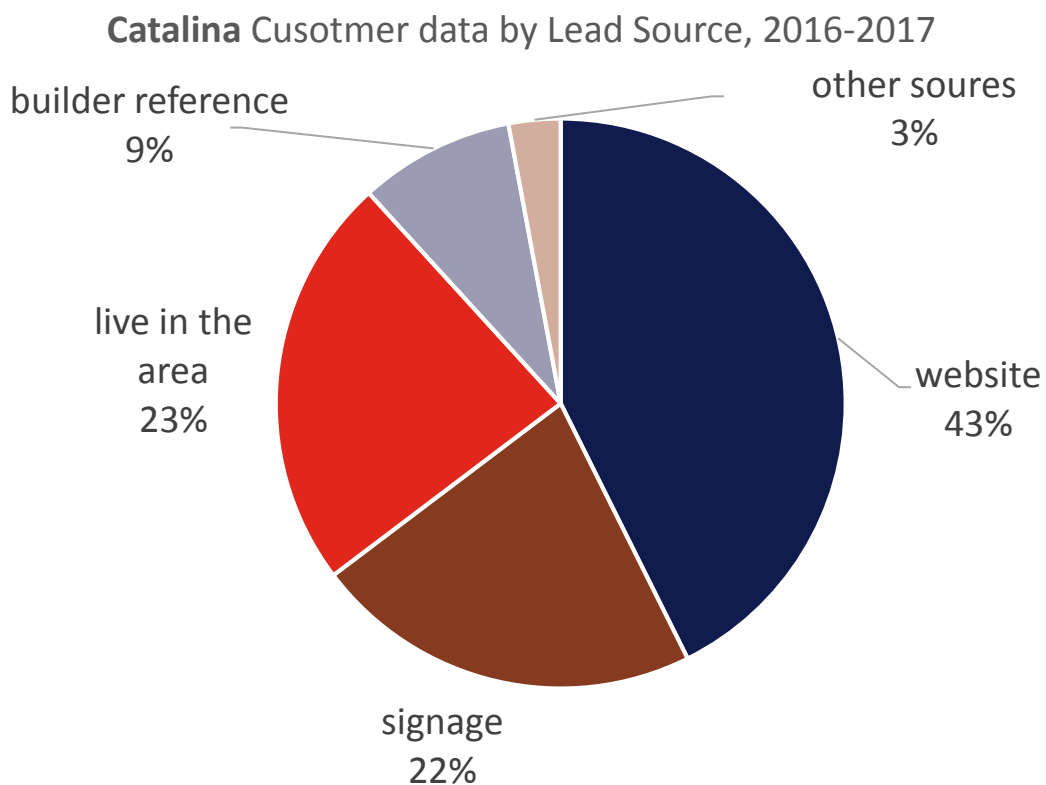
Budget Plan FY18 – FY19

Category	Description	Budget
Brand Development	To be invested in the market research to regularly review/maintain brand and additional brand / identity requirements, including provision for motion assets production (video, fly-over, animated banners). Investment into Grove Precinct brand assets development (artist impressions, photography, motion assets, etc.).	5%
Sales Office	Catalina Beach Sales Office concept development, interior design, fit out and branding in line with brand creative and photography.	8%
Collateral	Invest into tools to best equip sales force so the set objectives can be achieved: brochures, display village guide, aerial and sales maps.	6%
Advertising and Direct Marketing	Estate advertising (including brand advertising), advertising production, sponsorships and promotions and public relations. Brand campaigns and retail campaigns (i.e. stage release campaigns and similar) in Beach and/or Central precincts. Digital advertising, along with the use of emerging technologies/platforms will comprise significant part of this budget allocation to deliver the best return on investment to investors and other involved stakeholders.	44%
Signage	Invest into brand equity and greater discoverability of the estate, through new signage completion (Phase I and II) for Catalina Central and Catalina Beach; signage strategy for the Grove Precinct; and signage maintenance across the estate.	30%
Website	Invest into tools to best equip sales force so the set objectives can be achieved: interactive electronic sales brochures, maps, landing and release page/s, platform enhancement	7%
Total		100%



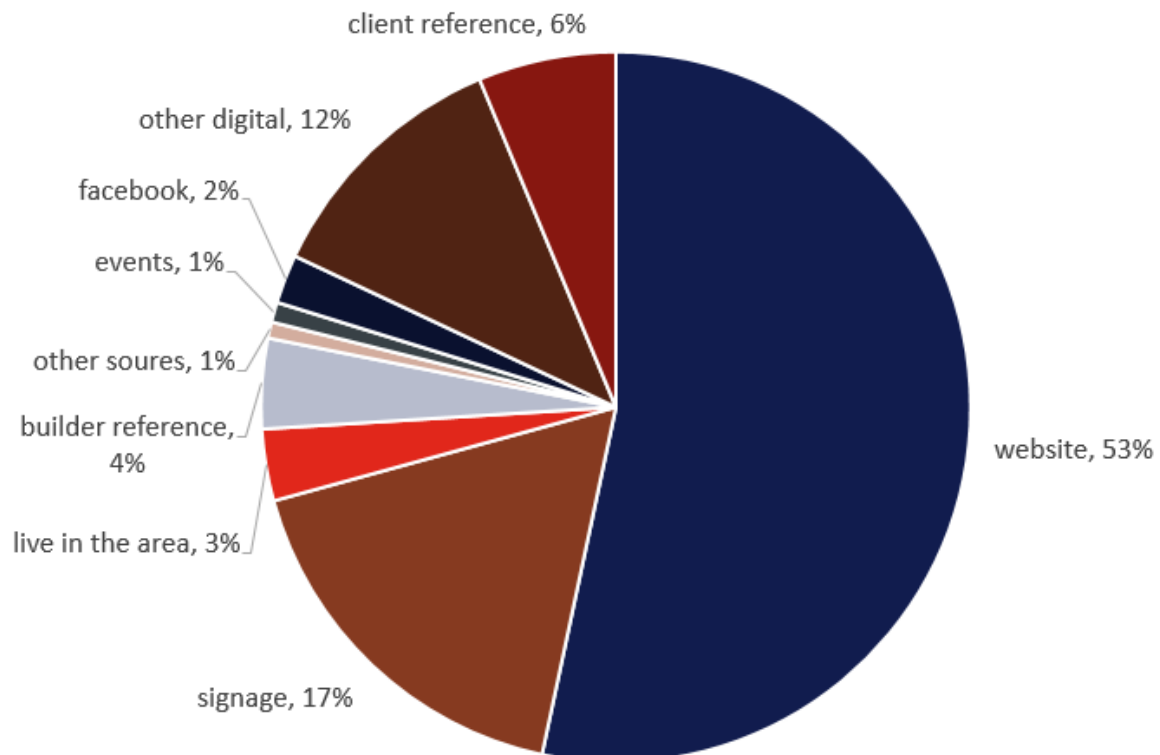
Analysis of Lead Source by Marketing Channel

An analysis of the Catalina bi-annual data sample of 1,346 customers from 1 January 2016 to 1 November 2017 shows that *website* (including digital marketing campaigns generating traffic and registrations) and *signage* (defined as “signage” and portion of “live in the area”) are the two main sources for lead generation.



Extended data analysis shows that this key trend for customer acquisition stands true across all estates marketed by Satterley (sample size more than 7,500 customers), with website (digital) responsible for more than half of all leads, followed by signage (17%) and other digital channels (12%) .

All **Satterley** estates data by lead source, 2016 - 2017



As demonstrated above, the budget allocation is distributed optimally across the disciplines so key marketing objectives can be realised.

- This includes focusing on the follow:
- signage strategy implementation for Catalina Beach and Catalina Central;
- signage strategy development for Catalina Grove;
- new Sales Office (Catalina Beach) interior design/fit out and promotion;
- new display village development and completion marketing communication strategy;
- the use of digital and emerging communication platforms to gain brand equity and customer acquisition;
- development and execution of the Catalina Beach POS;
- development of Catalina Grove launch strategy and Catalina Grove signage strategy.

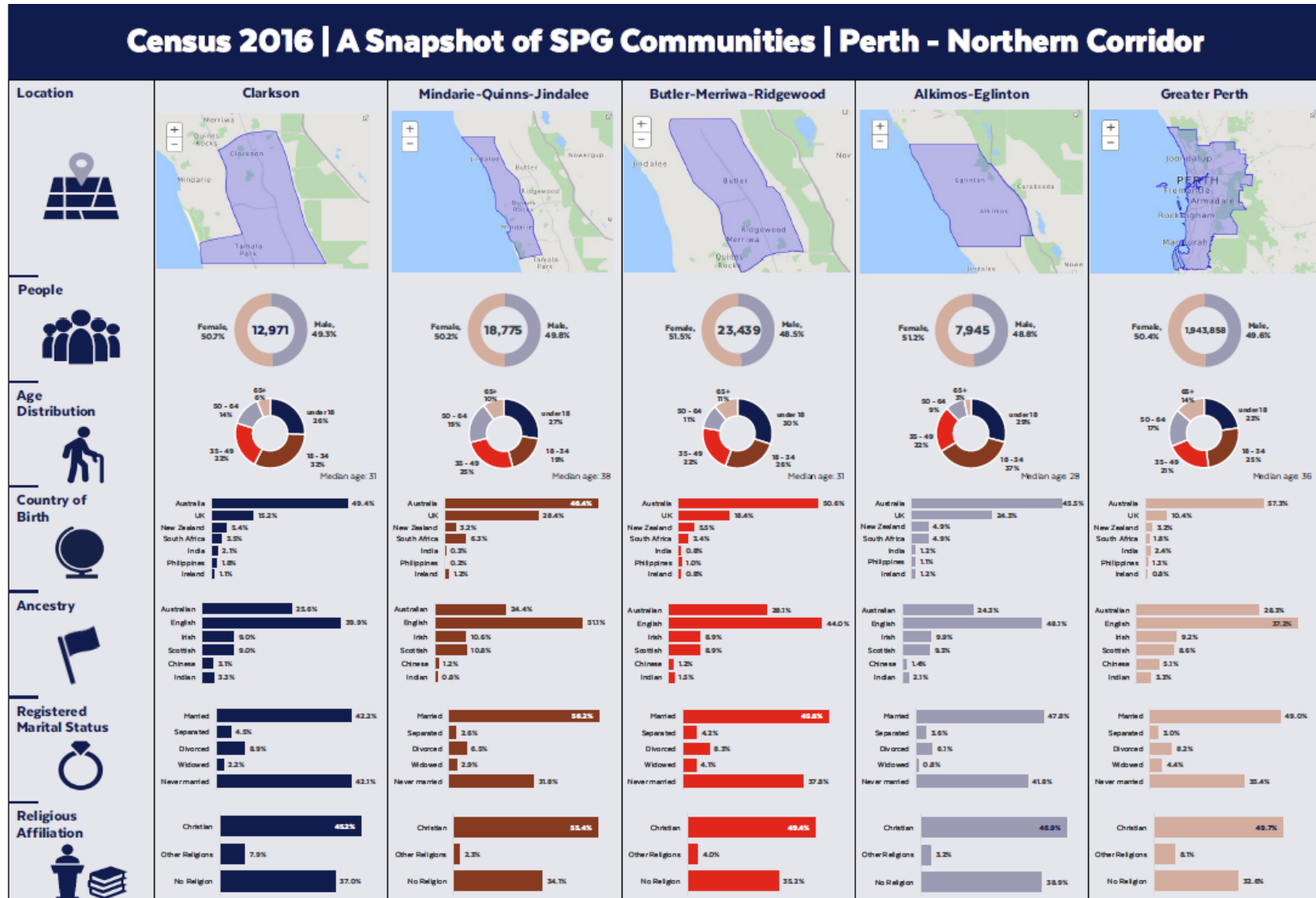
In summary, the focus is placed on the major project milestones, plus the allocations are determined in line with the marketing objectives set at the beginning of this strategy based on TPRC's objectives for the Catalina project.

Appendices

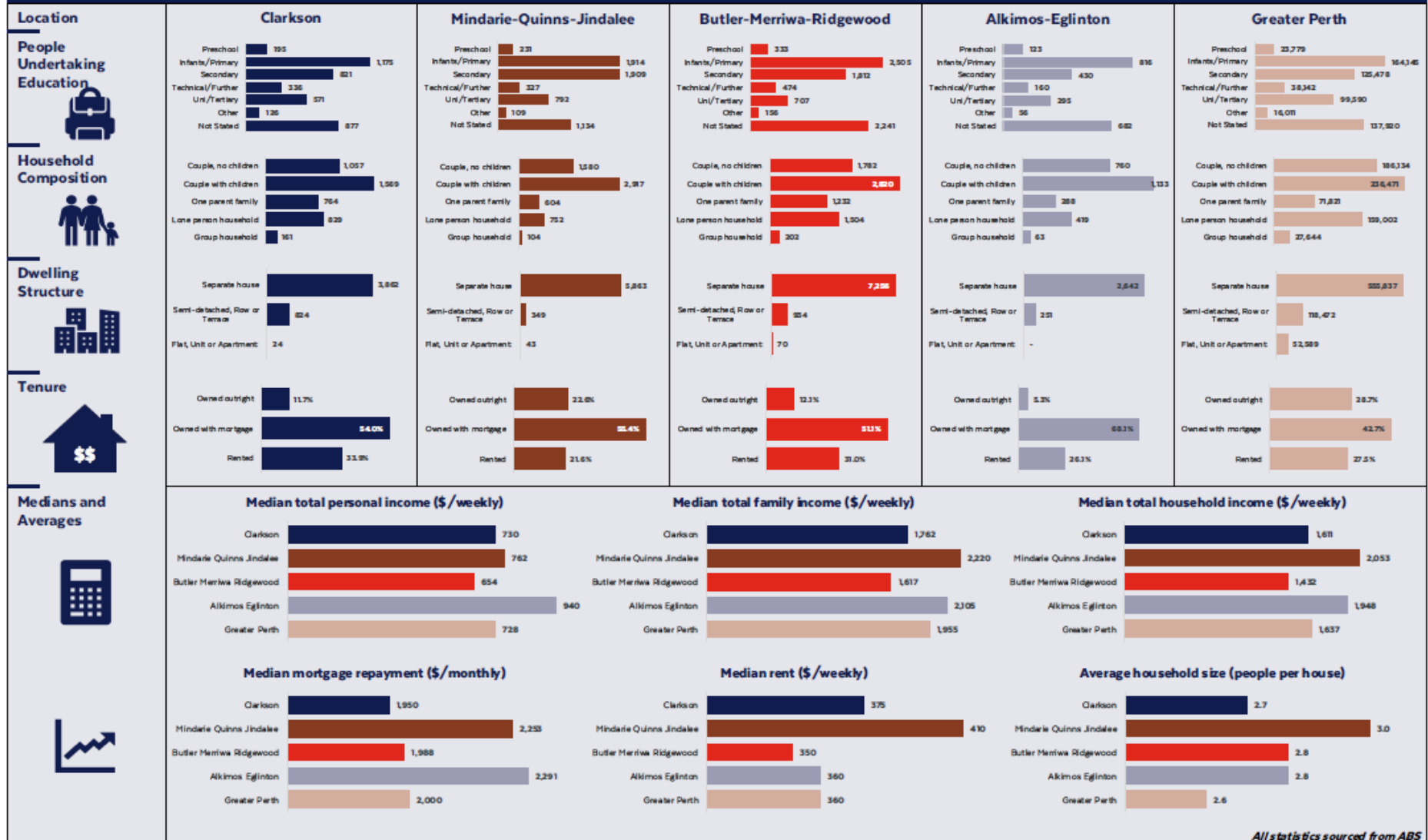
Appendix 1 – Perth Norther Corridor Projects FY17

Estate	Sales												YTD total	Market Share	Size Range (m2)	Price Range (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	Display Centre (Y/N)	Stock @ month end
	Sep Q Jul	Sep Q Aug	Sep Q Sep	Dec Q Oct	Dec Q Nov	Dec Q Dec	Mar Q Jan	Mar Q Feb	Mar Q Mar	Jun Q Apr	Jun Q May	Jun Q Jun									
NORTH-WEST METRO																					
Allara	15	14	13	11	4	8	7	14	11	4	2	9	112	7%	225-520	\$129,950-\$239,000	\$ 169,000	\$ 193,000	\$ 223,000	Y	47
Brighton	2	3	1	3	0	3	0	2	2	6	3	1	26	2%	225-327	\$149,000-\$162,000	NA	NA	NA	N	10
Jindalee Beachside													0	0%	570-836	\$425,000-\$695,000	NA	NA	NA	N	13
Eden Beach	10	10	6	17	9	4	7	9	10	8	11	12	113	8%	225-625	\$195,000-\$430,000	\$ 245,000	\$ 289,000	\$ 339,000	Y	48
Catalina	8	11	8	3	9	1	7	11	8	8	8	11	93	6%	225-448	\$210,000-\$315,000	\$ 255,000	\$ 298,000	\$ 339,000	Y	23
Beaumaris	1	1	2	1	2	0	1	0	0	1	2	1	12	1%	436-708	\$450,000-\$625,000	NA	\$ 460,000	\$ 495,000	Y	15
Alkimos Beach	9	9	9	5	6	5	7	10	9	12	14	11	106	7%	150-535	\$128,000-\$335,000	\$ 230,000	\$ 265,000	\$ 300,000	Y	105
Amberton	15	12	11	15	4	6	6	7	12	4	5	8	105	7%	188-534	\$138,000-\$297,000	\$ 204,000	\$ 233,000	\$ 270,000	Y	33
Burns Beach	2	3	3										8	1%	336 - 859	\$380,000 - \$975,000	\$ 395,000	\$ 480,000	NA	Y	29
Capricorn Estate	1	14	7	4	3	2	2	7	13	9	5	7	74	5%	300-1228	\$175,000-\$300,000	\$ 195,000	\$ 212,000	\$ 251,000	Y	44
Yanchep Golf Estate	4	5	9	5	5	5	4	0		6	4		47	3%	210-1591	\$130,000-\$450,000	\$ 165,000	\$ 185,000	\$ 202,000	N	42
Shorehaven	4	4	8	0	1	1		6	3	5	2	1	35	2%	217-385	\$179,000-\$315,000	\$ 265,000	\$ 287,000	NA	N	48
Trinity	8	4	5	10	7	8	3	8	7	5	8	13	86	6%	180 - 510	\$138,000-\$286,000	\$ 202,000	\$ 230,000	\$ 255,000	Y	50
Vertex Yanchep	2	1	1	0	2	1	4	3	2	0	0	2	18	1%	298-523	\$164,000-\$219,000	NA	\$ 172,000	\$ 197,000	N	25
Jindowie	7	4	4	2	5	4	5	6	4	3	5	4	53	4%	280-535	\$140,000-\$190,000	\$ 159,000	\$ 161,000	\$ 180,000	N	24
The Reef	1	0	2	2	2	2	3	4	6	0	2	4	28	2%	225-624	\$119,500-\$255,000	\$ 155,000	\$ 155,000	\$ 175,000	N	45
NORTH-WEST METRO EST	89	95	89	78	59	50	56	87	87	71	71	84	916	61%							
OTHER LAND SALES (VOID)	36	30	36	41	60	69	80	49	49	49	49	36	583	39%							
NORTH-WEST METRO TOT	125	125	125	119	119	119	136	136	136	120	120	120	1499								

Appendix 2 – Census 2016 Snapshot of Perth – Northern Corridor



Census 2016 | A Snapshot of SPG Communities | Perth - Northern Corridor



Appendix 9.10



Code of Conduct for Council Members and Staff

February 2018

PREAMBLE

The Code of Conduct provides Council Members and staff in Local Government with consistent guidelines for an acceptable standard of professional conduct.

The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability.

The Code is complementary to the principles adopted in the Local Government Act and Regulations which incorporates four fundamental aims to result in:

- (a) Better decision-making by local governments;
- (b) Greater community participation in the decisions and affairs of local governments;
- (c) Greater accountability of local governments; and
- (d) More efficient and effective local government.

LEGISLATIVE OBLIGATIONS

This Code is not a complete statement of the obligations that Council Members and Staff must observe. Legislative obligations, such as those included in the *Local Government Act 1995* and its subsidiary legislation, must be complied with.

RULES OF CONDUCT

~~Council Members acknowledge their activities, behaviour and statutory compliance obligations may be scrutinised in accordance with prescribed rules of conduct as described in the Local Government Act 1995 and Local Government (Rules of Conduct) Regulations 2007.~~

~~This Code must be read with the Rules of Conduct which are made under the *Local Government (Rules of Conduct) Regulations 2007* and apply to all elected members in Western Australia.~~

RULES OF CONDUCT PRINCIPLES

The following principles (set out in the *Local Government (Rules of Conduct) Regulations 2007*) should be used to guide Council Members and Staff in their conduct:

- (a) act with reasonable care and diligence;
- (b) act with honesty and integrity;
- (c) act lawfully;
- (d) avoid damage to the reputation of the local government;
- (e) be open and accountable to the public;
- (f) base decisions on relevant and factually correct information;
- (g) treat others with respect and fairness; and
- (h) not be impaired by mind affecting substances.

1. ROLES

1.1 Role of Council Members

The primary role of a Council Member is to represent the community, and the effective translation of the community's needs and aspirations into a direction and future for the Local Government will be the focus of the Council Member's public life.

The role of Council Members as set out in clause 6.7 of the Tamala Park Regional Council Establishment Agreement as follows:

'A member of the Tamala Park Regional Council:

- (a) Represents the interests of the ratepayers and residents of the Region [defined to mean the combined districts of the Participants];*
- (b) Facilitates communication between the community of the Region and the Tamala Park Regional Council ;*
- (c) Participates in the TPRC's decision making processes at meetings of the Tamala Park Regional Council and its committees; and*
- (d) Performs such other functions as are given to the Councillor by the Act or any other written law.'*

A Council Member is part of the team in which the community has placed its trust to make decisions on its behalf and the community is therefore entitled to expect high standards of conduct from its elected representatives. In fulfilling the various roles, Council Members' activities will focus on:

- achieving a balance in the diversity of community views to develop an overall strategy for the future of the community;
- achieving sound financial management and accountability in relation to the Local Government's finances;
- ensuring that appropriate mechanisms are in place to deal with the prompt handling of residents' concerns;
- working with other governments and organisations to achieve benefits for the community at both a local and regional level;
- having an awareness of the statutory obligations imposed on Councillors and on Local Governments.

1.2 Role of Staff

The role of staff is determined by the functions of the CEO as set out in S5.41 of the *Local Government Act 1995*:

"The CEO's functions are to:

- (a) advise the council in relation to the functions of a local government under this Act and other written laws;*
- (b) ensure that advice and information is available to the council so that informed decisions can be made;*
- (c) cause council decisions to be implemented;*
- (d) manage the day to day operations of the local government;*
- (e) liaise with the mayor or president on the local government's affairs and the performance of the local government's functions;*
- (f) speak on behalf of the local government if the mayor or president agrees;*
- (g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to S 5.37(2) in relation to senior employees);*
- (h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and*
- (i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO."*

1.3 Role of Council

The Role of the Council is in accordance with S 2.7 of the *Local Government Act 1995*:

- “(1) The council —
 (a) governs the local government’s affairs; and
 (b) is responsible for the performance of the local government’s functions.
(2) Without limiting subsection (1), the council is to —
 (a) oversee the allocation of the local government’s finances and resources; and
 (b) determine the local government’s policies.”

1.4 Relationships Between Council Members and Staff

An effective Councillor will work as part of the Council team with the Chief Executive Officer and other members of staff. That teamwork will only occur if Council Members and staff have a mutual respect and co-operate with each other to achieve the Council’s corporate goals and implement the Council’s strategies. To achieve that position, Council Members need to observe their statutory obligations which include, but are not limited to, the following :

- accept that their role is a leadership, not a management or administrative one;
- acknowledge that they have no capacity to individually direct members of staff to carry out particular functions;
- refrain from publicly criticising staff in a way that casts aspersions on their professional competence and credibility

CONFLICT AND DISCLOSURE OF INTEREST

Conflict of Interest

- (a) Council Members and staff will ensure that there is no actual (or perceived) conflict of interest between their personal interests and the impartial fulfilment of their professional duties.
- (b) Staff will not engage in private work with or for any person or body with an interest in a proposed or current contract with the Local Government, without first making disclosure to the Chief Executive Officer. In this respect, it does not matter whether advantage is in fact obtained, as any appearance that private dealings could conflict with performance of duties must be scrupulously avoided.
- (c) Council Members and staff will lodge written notice with the Chief Executive Officer describing an intention to undertake a dealing in land within the municipality or which may otherwise be in conflict with the Council’s functions (other than purchasing the principal place of residence).
- (d) Council Members and staff who exercise a recruitment or other discretionary function will make disclosure before dealing with relatives or close friends and will disqualify themselves from dealing with those persons.
- (e) Staff will refrain from partisan political activities which could cast doubt on their neutrality and impartiality in acting in their professional capacity. An individual’s rights to maintain their own political convictions are not impinged upon by this clause. It is recognised that such convictions cannot be a basis for discrimination and this is supported by anti-discriminatory legislation.

2. FINANCIAL INTEREST

Council Members and staff will adopt the principles of disclosure of financial interest as contained within the *Local Government Act 1995*.

Disclosure of Interest

Definition :

In this clause, and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996 - "interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

- (a) A person who is an employee and who has an interest in any matter to be discussed at a council or committee meeting attended by the person is required to disclose the nature of the interest -
 - (i) in a written notice given to the CEO before the meeting; or
 - (ii) at the meeting immediately before the matter is discussed.
- (b) A person who is an employee and who has given, or will give, advice in respect of any matter to be discussed at a council or committee meeting not attended by the person is required to disclose the nature of any interest the person has in the matter -
 - (i) in a written notice given to the CEO before the meeting; or
 - (ii) at the time the advice is given.
- (c) A requirement described under items (a) and (b) exclude an interest referred to in S 5.60 of the *Local Government Act 1995*.
- (d) A person is excused from a requirement made under items (a) or (b) to disclose the nature of an interest if -
 - (i) the person's failure to disclose occurs because the person did not know he or she had an interest in the matter; or
 - (ii) the person's failure to disclose occurs because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person discloses the nature of the interest as soon as possible after becoming aware of the discussion of a matter of that kind.
- (e) If a person who is an employee makes a disclosure in a written notice given to the CEO before a meeting to comply with requirements of items (a) or (b), then -
 - (i) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
 - (ii) immediately before a matter to which the disclosure relates is discussed at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present.
- (f) If -
 - (i) to comply with a requirement made under item (a), the nature of a person's interest in a matter is disclosed at a meeting; or
 - (ii) a disclosure is made as described in item (d)(ii) at a meeting; or

- (iii) to comply with a requirement made under item (e)(ii), a notice disclosing the nature of a person's interest in a matter is brought to the attention of the persons present at a meeting,

The nature of the interest is to be recorded in the minutes of the meeting.

3. PERSONAL BENEFIT

3.1 Use of Confidential Information

Council Members and staff will not use confidential information to gain improper advantage for themselves or for any other person or body, in ways which are inconsistent with their obligation to act impartially and in good faith, or to improperly cause harm or detriment to any person or organisation.

3.2 Intellectual Property

The title to Intellectual Property in all duties relating to contracts of employment will be assigned to the Local Government upon its creation unless otherwise agreed by separate contract.

3.3 Improper or Undue Influence

Council Members and staff will not take advantage of their position to improperly influence other members or staff in the performance of their duties or functions, in order to gain undue or improper (direct or indirect) advantage or gain for themselves or for any other person or body.

3.4 Gifts

Definition :

In this clause, and in accordance with Regulation 34B of the Local Government (Administration) Regulations 1996 -

“activity involving a local government discretion” means an activity -

(a) that cannot be undertaken without an authorisation from the local government; or

(b) by way of a commercial dealing with the local government;

“gift” has the meaning given to that term in S 5.82(4) except that it does not include -

(a) a gift from a relative as defined in S 5.74(1); or

(b) a gift that must be disclosed under Regulation 30B of the Local Government (Elections) Regulations 1997; or

(c) a gift from a statutory authority, government instrumentality or non-profit association for professional training;

“notifiable gift”, in relation to a person who is an employee, means -

(a) a gift worth between \$50 and \$300; or

(b) a gift that is one of 2 or more gifts given to the employee by the same person within a period of 6 months that are in total worth between \$50 and \$300;

“prohibited gift”, in relation to a person who is an employee, means -

(a) a gift worth \$300 or more; or

(b) a gift that is one of 2 or more gifts given to the employee by the same person within a period of 6 months that are in total worth \$300 or more.

- (a) A person who is an employee is to refrain from accepting a prohibited gift from a person who -
 - (i) is undertaking or seeking to undertake an activity involving a local government discretion; or

- (ii) it is reasonable to believe is intending to undertake an activity involving a local government discretion.
- (b) A person who is an employee and who accepts a notifiable gift from a person who -
 - (i) is undertaking or seeking to undertake an activity involving a local government discretion; or
 - (ii) it is reasonable to believe is intending to undertake an activity involving a local government discretion,
 - (iii) notify the CEO, in accordance with item (c) and within 10 days of accepting the gift, of the acceptance.
- (c) The notification of the acceptance of a notifiable gift must be in writing and include -
 - (i) the name of the person who gave the gift; and
 - (ii) the date on which the gift was accepted; and
 - (iii) a description, and the estimated value, of the gift; and
 - (iv) the nature of the relationship between the person who is an employee and the person who gave the gift; and
 - (v) if the gift is a notifiable gift under paragraph (b) of the definition of “notifiable gift” (whether or not it is also a notifiable gift under paragraph (a) of that definition) –
 - (1) a description; and
 - (2) the estimated value; and
 - (3) the date of acceptance,of each other gift accepted within the 6 month period.
- (d) The CEO is to maintain a Register of Notifiable Gifts and record in it details of notifications given to comply with a requirement made under item (c). The Register of Notifiable Gifts is to be public and maintained on the TPRC website.
- (e) This clause does not apply to gifts received from a relative (as defined in S 5.74(1) of the *Local Government Act 1995*) or an electoral gift (to which other disclosure provisions apply).
- (f) This clause does not prevent the acceptance of a gift on behalf of the local government in the course of performing professional or ceremonial duties in circumstances where the gift is presented in whole to the CEO, entered into the Register of Notifiable Gifts and used or retained exclusively for the benefit of the local government.

4. CONDUCT OF COUNCIL MEMBERS AND STAFF

4.1 Personal Behaviour

- (a) Council Members and staff will:
 - (i) act, and be seen to act, properly and in accordance with the requirements of the law and the terms of this Code;
 - (ii) perform their duties impartially and in the best interests of the Tamala Park Regional Council uninfluenced by fear or favour;
 - (iii) act in good faith (i.e. honestly, for the proper purpose, and without exceeding their powers) in the interests of the Tamala Park Regional Council;
 - (iv) make no allegations which are improper or derogatory (unless true and in public interest) and refrain from any form of conduct, in the performance of their official or professional duties, which may cause any reasonable person unwarranted offence or embarrassment; ~~and~~

- ~~(v)~~ always act in accordance with their obligation of fidelity to the Tamala Park Regional Council;
- ~~(vi)~~ act at all times when representing the Tamala Park Regional Council in a manner that will not adversely reflect on the Tamala Park Regional Council or bring the Tamala Park Regional Council into disrepute; and
- ~~(vi)~~(vii) not denigrate or cast aspersions on an employee's or Tamala Park Regional Council Member's commitment, contribution or competence.

- (b) Council Members will represent and promote the interests of the Tamala Park Regional Council, while recognising their special duty to their own constituents.

4.2 Honesty and Integrity

Council Members and staff will:

- (a) Observe the highest standards of honesty and integrity, and avoid conduct which might suggest any departure from these standards;
- (b) Bring to the notice of the Chairman any dishonesty or possible dishonesty on the part of any other member, and in the case of an employee to the Chief Executive Officer.
- (c) Be frank and honest in their official dealing with each other.

4.3 Performance of Duties

- (a) While on duty, staff will give their whole time and attention to the Local Government's business and ensure that their work is carried out efficiently, economically and effectively, and that their standard of work reflects favourably both on them and on the Local Government.
- (b) Council Members will at all times exercise reasonable care and diligence in the performance of their duties, being consistent in their decision making but treating all matters on individual merits. Council Members will be as informed as possible about the functions of the Council, and treat all members of the community honestly and fairly.

4.4 Compliance with Lawful Orders

- (a) Council Members and staff will comply with any lawful order given by any person having authority to make or give such an order, with any doubts as to the propriety of any such order being taken up with the superior of the person who gave the order and, if resolution cannot be achieved, with the Chief Executive Officer.
- (b) Council Members and staff will give effect to the lawful policies of the Local Government, whether or not they agree with or approve of them.

4.5 Administrative and Management Practices

Council Members and staff will ensure compliance with proper and reasonable administrative practices and conduct, and professional and responsible management practices.

4.6 Corporate Obligations

(a) Standard of Dress

Council Members and staff are expected to comply with neat and responsible dress standard at all times. Council Members will dress in a manner appropriate to their position, in particular, when attending meetings or representing the Tamala Park Regional Council in an official capacity. Management reserves the right to adopt policies relating to corporate dress and to raise the issue of dress with individual staff.

(b) Communication and Public Relations

- (i) All aspects of communication by staff (including verbal, written or personal), involving Local Government's activities should reflect the status and objectives of that Local Government. Communications should be accurate, polite and professional.
- (ii) As a representative of the community Council Members need to be not only responsive to community views, but to adequately communicate the attitudes and decisions of the Council. In doing so Council Members should acknowledge that:
 - as a member of the Council there is a respect for the decision making processes of the Council which are based on a decision of the majority of the Council;
 - information of a confidential nature ought not be communicated until it is no longer treated as confidential;
 - information relating to decisions of the Council on approvals, permits and so on ought only be communicated in an official capacity by a designated officer of the Council;
 - information concerning adopted policies, procedures and decisions of the Council is conveyed accurately.
- (iii) Committee Members accept and acknowledge it is their responsibility to observe any direction the Local Government may adopt in terms of advancing and promoting the objectives of the Committee to which they have been appointed.

4.7 Appointments to Committees

As part of their representative role Council Members are often asked to represent the Council on external organisations. It is important that Council Members:

- Clearly understand the basis of their appointment; and
- Provide regular reports on the activities of the organisation.

5. DEALING WITH COUNCIL PROPERTY

5.1 Use of Local Government Resources

Council Members and staff will:

- (a) Be scrupulously honest in their use of the Local Government's resources and shall not misuse them or permit their misuse (or the appearance of misuse) by any other person or body;
- (b) Use the Local Government resources entrusted to them effectively and economically in the course of their duties; and

- (c) Not use the Local Government's resources (including the services of Council staff) for private purposes (other than when supplied as part of a contract of employment), unless properly authorised to do so, and appropriate payments are made (as determined by the Chief Executive Officer).

5.2 Travelling and Sustenance Expenses

Council Members and staff will only claim or accept travelling and sustenance expenses arising out of travel related matters which have a direct bearing on the services, policies or business of the Local Government in accordance with Local Government policy and the provisions of the Local Government Act.

5.3 Access to Information

- (a) Staff will ensure that Council Members are given access to all information necessary for them to properly perform their functions and comply with their responsibilities.
- (b) Council Members will ensure that information provided will be used properly and to assist in the process of making reasonable and informed decisions on matters before the Council.

Model Code of Conduct

For Council Members, Committee Members and Employees

PREAMBLE

The Model Code of Conduct provides Council Members, Committee Members and employees in Local Government with consistent guidelines for an acceptable standard of professional conduct. The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability in individual Local Governments.

The Model Code is complementary to the principles adopted in the Local Government Act and Regulations which incorporates four fundamental aims to result in :-

- (a) better decision-making by local governments;*
- (b) greater community participation in the decisions and affairs of local governments;*
- (c) greater accountability of local governments to their communities; and*
- (d) more efficient and effective local government.*

The Code provides a guide and a basis of expectations for Council Members, Committee Members and employees. It encourages a commitment to ethical and professional behaviour and outlines principles in which individual and collective Local Government responsibilities may be based.

STATUTORY ENVIRONMENT

The Model Code of Conduct observes statutory requirements of the Local Government Act 1995 (S 5.103 – Codes of Conduct) and Local Government (Administration) Regulations 1996 (Regs 34B and 34C).

RULES OF CONDUCT

Council Members acknowledge their activities, behaviour and statutory compliance obligations may be scrutinised in accordance with prescribed rules of conduct as described in the Local Government Act 1995 and Local Government (Rules of Conduct) Regulations 2007.

1. ROLES

1.1 Role of Council Member

The primary role of a Council Member is to represent the community, and the effective translation of the community's needs and aspirations into a direction and future for the Local Government will be the focus of the Council Member's public life.

The Role of Council Members as set out in S 2.10 of the Local Government Act 1995 follows :

“A Councillor —

- (a) Represents the interests of electors, ratepayers and residents of the district;*
- (b) provides leadership and guidance to the community in the district;*
- (c) facilitates communication between the community and the council;*

- (d) participates in the local government's decision-making processes at council and committee meetings; and*
- (e) performs such other functions as are given to a Councillor by this Act or any other written law."*

A Council Member is part of the team in which the community has placed its trust to make decisions on its behalf and the community is therefore entitled to expect high standards of conduct from its elected representatives. In fulfilling the various roles, Council Members activities will focus on:

- achieving a balance in the diversity of community views to develop an overall strategy for the future of the community;
- achieving sound financial management and accountability in relation to the Local Government's finances;
- ensuring that appropriate mechanisms are in place to deal with the prompt handling of residents' concerns;
- working with other governments and organisations to achieve benefits for the community at both a local and regional level;
- having an awareness of the statutory obligations imposed on Council Members and on Local Governments.

In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity.

1.2 Role of Employees

The role of employees is determined by the functions of the CEO as set out in S 5.41 of the Local Government Act 1995 : -

"The CEO's functions are to —

- (a) advise the council in relation to the functions of a local government under this Act and other written laws;*
- (b) ensure that advice and information is available to the council so that informed decisions can be made;*
- (c) cause council decisions to be implemented;*
- (d) manage the day to day operations of the local government;*
- (e) liaise with the mayor or president on the local government's affairs and the performance of the local government's functions;*
- (f) speak on behalf of the local government if the mayor or president agrees;*
- (g) be responsible for the employment, management supervision, direction and dismissal of other employees (subject to S 5.37(2) in relation to senior employees);*
- (h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law; and*
- (i) perform any other function specified or delegated by the local government or imposed under this Act or any other written law as a function to be performed by the CEO."*

1.3 Role of Council

The Role of the Council is in accordance with S 2.7 of the Local Government Act 1995:

“(1) The council —

- (a) governs the local government’s affairs; and*
- (b) is responsible for the performance of the local government’s functions.*

(2) Without limiting subsection (1), the council is to —

- (a) oversee the allocation of the local government’s finances and resources; and*
- (b) determine the local government’s policies.”*

1.4 Principles affecting the employment of employees by the City

The following principles, set out in section 5.40 of the Act, apply to the employment of the City’s employees:

- (a) employees are to be selected and promoted in accordance with the principles of merit and equity; and*
- (b) no power with regard to matters affecting employees is to be exercised on the basis of nepotism or patronage; and*
- (c) employees are to be treated fairly and consistently; and*
- (d) there is to be no unlawful discrimination against employees or persons seeking employment by the City on a ground referred to in the Equal Opportunity Act 1984 or on any other ground; and*
- (e) employees are to be provided with safe and healthy working conditions in accordance with the Occupational Safety and Health Act 1984; and*
- (f) such other principles, not inconsistent with this Division, as may be prescribed.*

1.5 Relationships between Council Members and Employees

An effective Councillor will work as part of the Council team with the Chief Executive Officer and other members of staff. That teamwork will only occur if Council Members and employees have a mutual respect and co-operate with each other to achieve the Council’s corporate goals and implement the Council’s strategies. To achieve that position, Council Members need to observe their statutory obligations which include, but are not limited to, the following –

- accept that their role is a leadership, not a management or administrative one;
- acknowledge that they have no capacity to individually direct members of staff to carry out particular functions;
- refrain from publicly criticising employees in a way that casts aspersions on their professional competence and credibility.

2. CONFLICT AND DISCLOSURE OF INTEREST

2.1 Conflict of Interest

- (a) Council Members, Committee Members and employees will ensure that there is no actual (or perceived) conflict of interest between their personal interests and the impartial fulfilment of their professional duties.
- (b) Employees will not engage in private work with or for any person or body with an interest in a proposed or current contract with the Local Government, without first making disclosure to the Chief Executive Officer. In this respect, it does not matter whether advantage is in fact obtained, as any appearance that private dealings could conflict with performance of duties must be scrupulously avoided.
- (c) Council Members, Committee Members and employees will lodge written notice with the Chief Executive Officer describing an intention to undertake a dealing in land within the local government district or which may otherwise be in conflict with the Council's functions (other than purchasing the principal place of residence).
- (d) Council Members, Committee Members and employees who exercise a recruitment or other discretionary function will make disclosure before dealing with relatives or close friends and will disqualify themselves from dealing with those persons.
- (e) Employees will refrain from partisan political activities which could cast doubt on their neutrality and impartiality in acting in their professional capacity. An individual's rights to maintain their own political convictions are not impinged upon by this clause. It is recognised that such convictions cannot be a basis for discrimination and this is supported by anti-discriminatory legislation.

2.2 Financial Interest

Council Members, Committee Members and employees will adopt the principles of disclosure of financial interest as contained within the Local Government Act.

2.3 Disclosure of Interest

Definition :
In this clause, and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996 -
"interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

- (a) A person who is an employee and who has an interest in any matter to be discussed at a Council or Committee meeting attended by the person is required to disclose the nature of the interest -
 - (i) in a written notice given to the CEO before the meeting; or
 - (ii) at the meeting immediately before the matter is discussed.

(b) A person who is an employee and who has given, or will give, advice in respect of any matter to be discussed at a Council or Committee meeting not attended by the person is required to disclose the nature of any interest the person has in the matter -

- (i) in a written notice given to the CEO before the meeting; or
- (ii) at the time the advice is given.

(c) A requirement described under items (a) and (b) exclude an interest referred to in Section 5.60 of the Local Government Act 1995.

(d) A person is excused from a requirement made under items (a) or (b) to disclose the nature of an interest if -

- (i) the person's failure to disclose occurs because the person did not know he or she had an interest in the matter; or
- (ii) the person's failure to disclose occurs because the person did not know the matter in which he or she had an interest would be discussed at the meeting and the person discloses the nature of the interest as soon as possible after becoming aware of the discussion of a matter of that kind.

(e) If a person who is an employee makes a disclosure in a written notice given to the CEO before a meeting to comply with requirements of items (a) or (b), then -

- (i) before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
- (ii) immediately before a matter to which the disclosure relates is discussed at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present.

(f) If -

- (i) to comply with a requirement made under item (a), the nature of a person's interest in a matter is disclosed at a meeting; or
- (ii) a disclosure is made as described in item (d)(ii) at a meeting; or
- (iii) to comply with a requirement made under item (e)(ii), a notice disclosing the nature of a person's interest in a matter is brought to the attention of the persons present at a meeting, the nature of the interest is to be recorded in the minutes of the meeting.

3. PERSONAL BENEFIT

3.1 Use of Confidential Information

Council Members, Committee Members and employees shall not use confidential information to gain improper advantage for themselves or another person or body in ways which are inconsistent with their obligation to act impartially and in good faith, or to improperly cause harm, detriment or impairment to any person, body, or the Council.

Due discretion shall be exercised by all those who have access to confidential or sensitive information. Every matter dealt with by, or brought before, a meeting sitting behind closed doors, shall be treated as strictly confidential, and shall not without the authority of the Council be disclosed to any person other than the Council members and/or employees of the City (and in the case of employees only so far as may be necessary for the performance of their duties) prior to the discussion of the matter at a meeting of the Council held with open doors.

Nothing in this section prevents a Council member or officer from disclosing confidential information:

- to a legal practitioner for the purpose of obtaining legal advice; or
- if the disclosure is permitted by law.

3.2 Intellectual Property

The title to Intellectual Property in all duties relating to contracts of employment will be assigned to the Local Government upon its creation unless otherwise agreed by separate contract.

3.3 Improper or Undue Influence

Council Members and employees will not take advantage of their position to improperly influence other Council Members or employees in the performance of their duties or functions, in order to gain undue or improper (direct or indirect) advantage or gain for themselves or for any other person or body.

Council Members, Committee Members and employees shall not take advantage of their position to improperly influence any other person in order to gain undue or improper (direct or indirect) advantage or gain, pecuniary or otherwise, for themselves or for any other person or body. Similarly, Council members, committee members and employees shall not take advantage of their positions to improperly disadvantage or cause detriment to the local government or any other person.

3.4 Gifts - Employees

Definitions :

In this clause, and in accordance with Regulation 34B of the Local Government (Administration) Regulations 1996 -

“activity involving a local government discretion” means an activity -

(a) that cannot be undertaken without an authorisation from the local government; or

(b) by way of a commercial dealing with the local government;

“gift” has the meaning given to that term in S 5.82(4) except that it does not include -

(a) a gift from a relative as defined in S 5.74(1); or

(b) a gift that must be disclosed under Regulation 30B of the Local Government (Elections) Regulations 1997; or

(c) a gift from a statutory authority, government instrumentality or non-profit association for professional training;

“notifiable gift”, in relation to a person who is an employee, means -

(a) a gift worth between \$50 and \$300; or

(b) a gift that is one of 2 or more gifts given to the employee by the same person within

a period of 6 months that are in total worth between \$50 and \$300;

“prohibited gift”, in relation to a person who is an employee, means -

(a) a gift worth \$300 or more; or

(b) a gift that is one of 2 or more gifts given to the employee by the same person within

a period of 6 months that are in total worth \$300 or more.

(a) A person who is an employee is to refrain from accepting a prohibited gift from a person who -

(i) is undertaking or seeking to undertake an activity involving a local government discretion; or

(ii) it is reasonable to believe is intending to undertake an activity involving a local government discretion.

(b) A person who is an employee and who accepts a notifiable gift from a person who -

(i) is undertaking or seeking to undertake an activity involving a local government discretion; or

(ii) it is reasonable to believe is intending to undertake an activity involving a local government discretion,

is to notify the CEO, in accordance with item (c) and within 10 days of accepting the gift, of the acceptance.

(c) The notification of the acceptance of a notifiable gift must be in writing and include -

(i) the name of the person who gave the gift; and

(ii) the date on which the gift was accepted; and

(iii) a description, and the estimated value, of the gift; and

(iv) the nature of the relationship between the person who is an employee and the person who gave the gift; and

(v) if the gift is a notifiable gift under paragraph (b) of the definition of “notifiable gift” (whether or not it is also a notifiable gift under paragraph (a) of that definition) –

- (1) a description; and
- (2) the estimated value; and
- (3) the date of acceptance,

of each other gift accepted within the 6 month period.

(d) The CEO is to maintain a register of notifiable gifts and record in it details of notifications given to comply with a requirement made under item (c).

(e) This clause does not apply to gifts received from a relative (as defined in S 5.74(1) of the Local Government Act) or an electoral gift (to which other disclosure provisions apply).

(f) This clause does not prevent the acceptance of a gift on behalf of the local government in the course of performing professional or ceremonial duties in circumstances where the gift is presented in whole to the CEO, entered into the Register of Notifiable Gifts and used or retained exclusively for the benefit of the local government.

4. CONDUCT OF COUNCIL MEMBERS, COMMITTEE MEMBERS AND EMPLOYEES

4.1 Personal Behaviour

(a) Council Members, Committee Members and employees will:

- (i) act, and be seen to act, properly and in accordance with the requirements of the law and the terms of this Code;
- (ii) perform their duties impartially and in the best interests of the Local Government uninfluenced by fear or favour;
- (iii) act in good faith (i.e. honestly, for the proper purpose, and without exceeding their powers) in the interests of the Local Government and the community;
- (i) make no allegations which are improper or derogatory (unless true and in the public interest) and refrain from any form of conduct, in the performance of their official or professional duties, which may cause any reasonable person unwarranted offence or embarrassment; and
- (ii) always act in accordance with their obligation of fidelity to the Local Government.

(b) Council Members will represent and promote the interests of the Local Government, while recognising their special duty to their own constituents.

4.2 Honesty and Integrity

Council Members, Committee Members and employees will:

- (a) observe the highest standards of honesty and integrity, and avoid conduct which might suggest any departure from these standards;
- (b) bring to the notice of the Mayor/President any dishonesty or possible dishonesty on the part of any other member, and in the case of an employee to the Chief Executive Officer.
- (c) be frank and honest in their official dealing with each other.

4.3 Performance of Duties

- (a) While on duty, employees will give their whole time and attention to the Local Government's business and ensure that their work is carried out efficiently, economically and effectively, and that their standard of work reflects favourably both on them and on the Local Government.
- (b) Council Members and Committee Members will at all times exercise reasonable care and diligence in the performance of their duties, being consistent in their decision making but treating all matters on individual merits. Council members and committee members will be as informed as possible about the functions of the Council, and treat all members of the community honestly and fairly.

4.4 Compliance with Lawful Orders

- (a) Council Members, Committee Members and employees will comply with any lawful order given by any person having authority to make or give such an order, with any doubts as to the propriety of any such order being taken up with the superior of the person who gave the order and, if resolution can not be achieved, with the Chief Executive Officer.
- (b) Council Members, Committee Members and employees will give effect to the lawful decisions and policies of the Local Government, whether or not they agree with or approve of them.

4.5 Administrative and Management Practices

Council Members, Committee Members and employees will ensure compliance with proper and reasonable administrative practices and conduct, and professional and responsible management practices.

4.6 Corporate Obligations

(a) Standard of Dress

Council Members, Committee Members and employees are expected to comply with neat and responsible dress standards at all times. Accordingly –

- (i) Council Members and Committee Members will dress in a manner appropriate to their position, in particular when attending meetings or representing the Local Government in an official capacity.
- (ii) Management reserves the right to adopt policies relating to corporate dress and to raise the issue of dress with individual employees.

(b) Communication and Public Relations

- (i) All aspects of communication by employees (including verbal, written or personal), involving the Local Governments activities should reflect the status and objectives of that Local Government. Communications should be accurate, polite and professional.
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CONFIDENTIAL

Appendix 9.11

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Appendix 9.12

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Appendix 9.13

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Appendix 9.14