



Ordinary Meeting of Council

AGENDA

**Thursday 21 June 2018, 6:00pm
City of Wanneroo
23 Dundobar Road, Wanneroo**

Constituent Members: Cities of Perth, Joondalup, Stirling, Vincent and Wanneroo
Towns of Cambridge and Victoria Park

TABLE OF CONTENTS

MEMBERSHIP	3
PRELIMINARIES.....	4
1. OFFICIAL OPENING.....	4
DISCLOSURE OF INTERESTS	4
2. PUBLIC STATEMENT/QUESTION TIME	4
3. APOLOGIES AND LEAVE OF ABSENCE.....	4
4. PETITIONS	4
5. CONFIRMATION OF MINUTES.....	4
5A BUSINESS ARISING FROM MINUTES	4
6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION).....	4
7. MATTERS FOR WHICH MEETING MAY BE CLOSED.....	4
8. REPORTS OF COMMITTEES	4
9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.11).....	4
9.1 BUSINESS REPORT – PERIOD ENDING 14 JUNE 2018	5
9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MARCH & APRIL 2018.....	8
9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MARCH & APRIL 2018.....	11
9.4 PROJECT FINANCIAL REPORT – APRIL 2018	12
9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 14 JUNE 2018.....	14
9.6 ANNUAL MARKETING PLAN FYE 2019.....	18
9.7 REVIEW OF SUSTAINABILITY INITIATIVES	22
9.8 REVIEW OF CATALINA RISK MANAGEMENT PLAN (MAY 2018)	31
9.9 APPOINTMENT OF COMMITTEE MEMBER – MANAGEMENT COMMITTEE	35
9.10 REVIEW OF PROJECT FORECAST 2017 - CONFIDENTIAL	37
9.11 PROPOSED WORKSHOP TO REVIEW CATALINA ESTATE VISION / OBJECTIVES AND DEVELOPMENT MANAGER'S KEY PERFORMANCE INDICATORS - CONFIDENTIAL.....	42
10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN	47
11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN	47
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN.....	47
13. MATTERS BEHIND CLOSED DOORS	47
14. GENERAL BUSINESS	47
15. FORMAL CLOSURE OF MEETING	47

TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Wanneroo, 23 Dundobar Road, Wanneroo on Thursday 21 June 2018 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully

TONY ARIAS

Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Andres Timmermanis	Cr Jo McAllister
City of Joondalup	Cr John Chester Cr Nige Jones	Cr Sophie Dwyer Cr Christine Hamilton-Prime
City of Perth	Commissioner Andrew Hammond	Commissioner Gaye McMath
City of Stirling	Cr Karen Caddy Cr Joe Ferrante Cr Giovanni Italiano (CHAIRMAN) Cr Bianca Sandri	Cr Suzanne Migdale
Town of Victoria Park	Cr Claire Anderson	Cr Ronhhda Potter
City of Vincent	Mayor Emma Cole	Cr Jimmy Murphy
City of Wanneroo	Cr Samantha Fenn Cr Brett Treby (DEPUTY CHAIRMAN)	Cr Russell Driver Cr Domenic Zappa

Representatives from the Satterley Property Group will be in attendance at the meeting.

PRELIMINARIES

1. OFFICIAL OPENING

DISCLOSURE OF INTERESTS

2. PUBLIC STATEMENT/QUESTION TIME

3. APOLOGIES AND LEAVE OF ABSENCE

4. PETITIONS

5. CONFIRMATION OF MINUTES

Council Meeting – 19 April 2018

5A BUSINESS ARISING FROM MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

Management Committee Meeting – 24 May 2018

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.11)

9.1 BUSINESS REPORT – PERIOD ENDING 14 JUNE 2018

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council RECEIVES the Business Report to 14 June 2018.

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Landscape Schedule and Program FYE 2018
- Foreshore Access Plans

Background

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

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

Comment

1. Civil Construction - Status

The next civil construction stage is planned to be Stage 26 - Catalina Beach and is anticipated to commence in July 2018. The SPG is preparing a sales strategy for Catalina Beach which will address existing stock, sales triggers and the size and location of the next Sales Release within Stage 26.

2. Landscape works – Status

A status report on landscape works proposed for the balance of FYE 2018 is attached at Appendix 9.1. The report details budget, detailed design and approval status and program.

3. Housing Construction

The following table provides an overview of the current progress of housing construction to 14 June 2018.

Stage	Total Lots	Under Construction	Completed	Vacant
Stages 1 - 11	529	1	520	8
Stage 12	49	0	48	1
Stage 13	82	1	80	1
Stage 14	73	1	69	3
Stage 15	55	1	51	3
Stage 17A	25	6	14	5
Stage 17B (Release 1)	18	0	0	18
Stage 18A	29	2	26	1
Stage 18B	31	11	2	18
Stage 25 (Display Village)	15	9	0	6
Stage 25	21	3	0	18
Stage 25B	7	5	0	2
Stage 25 (Builders Release)	7	0	0	7
Total	941	40	810	91

4. Builders Display Village 3 (Catalina Beach)

The Catalina Beach Builders Display Village is due to open in October 2018, following the closure of Builders Display Village 2 (Central Precinct). Construction has commenced on 13 of the display homes, with the remaining two builders' display homes approved and anticipated to commence construction shortly.

5. Catalina Beach Sales Office

Construction on the Catalina Beach Sales Office has commenced, with brick work to the first floor completed. The Sales Office is programmed for completion 31 October 2018.

6. Local Centre Site - Update

Settlement of the Local Centre was anticipated to occur at the end of May 2018 but is now scheduled for 18 June 2018.

7. Foreshore Access Proposal

The TPRC lodged a Foreshore Management Plan (FMP) with the Department of Planning, Lands and Heritage and the City of Wanneroo in December 2017 to support a coastal access road and car park from the western edge of Catalina to provide local access to a safe beach for the local community.

The City of Wanneroo has provided detailed comments on the required specifications and management requirements which are being reviewed by the SPG and TPRC.

A report will be prepared for the Management Committee meeting in July 2018 addressing the following;

- Proposed specifications for the access road and associated facilities;

- Requirements of the City of Wanneroo, including specifications and management requirements;
- Budget implications;
- Program, including approvals and construction.

8. Catalina Beach Pump Station

The Catalina Beach Pump Station works commenced in October 2017. Practical Completion of the Pump Station was achieved on 27 March 2018. Additional works outside of the original scope requested by the Water Corporation were completed in May 2018. The TPRC is to be reimbursed by the Water Corporation for all works in June 2019.

9. Catalina EnviroDevelopment Accreditation

In April 2018, the UDIA awarded Catalina a six leaf EnviroDevelopment Certification in recognition and verification of the TPRC's commitment to sustainability. The six leaf certification is the highest level of certification that can be achieved and confirms the Project's exceptional sustainability outcomes.

The six leaf certification relates to the following elements; Ecosystems, Waste, Energy, Materials, Water and Community.

The UDIA award is a significant achievement for the Project and follows an extensive and detailed submission by the Catalina Project Team. There are 23 projects in Western Australia with UDIA EnviroDevelopment Certification, the majority having 2-3 leaf certification. To date there are only 5 projects in Western Australia which have been awarded the highest available six leaf certification.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MARCH & APRIL 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

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

- **31 March 2018; and**
- **30 April 2018.**

Voting Requirements

Simple Majority

Report Purpose

Submission of the Statement(s) of Financial Activity required under the *Local Government Act 1995*.

Relevant Documents

Appendix:

- Statement of Financial Activity for 31 March 2018
- Statement of Financial Activity for 30 April 2018

Local Government Act/Regulation

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

Background

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

Comment

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

Variations at 30 April 2018 exceeding 10% were experienced in relation to the following:

Interest Earnings	The positive variation is forecast to remain favourable for FYE 2018.
Employee Costs	The positive variation will remain below budget.
Materials and Contracts	The positive variation relates to consultancy fees which are expected to remain below budget.
Utilities	The positive variance will remain below budget.
Income Sale of Lots - Subdivisions	The negative variance due to fewer residential lot settlements, forecast to remain unfavourable for FYE 2018.
Income Other - Subdivisions	The negative variance due to the delay in settlement of the Local Centre Site, now forecast for June 2018.
Land Production Costs	The positive variance relates to deferred works and savings, forecast to remain favourable for FYE 2018.
Profit distribution / Contributions Returned	The negative variance is a result of timing and will adjust with a \$2M distribution in June 2018.

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

Financial Snapshot as at 30 April 2018

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 30 APRIL 2018**

	2017-18 Adopted Budget	2017-18 Amended Budget	2017-18 Budget YTD	2017-18 Actual YTD	Variance		Variance %
					Favourable	Unfavourable	
	\$	\$	\$	\$	\$	\$	
REVENUE							
Interest Earnings	793,512	900,000	697,242	866,849	169,607		24.33%
Other Revenue	2,035	2,318	0	2,030	2,030		100.00%
	\$795,547	\$902,318	\$697,242	\$868,879	\$171,637	\$0	
LESS EXPENDITURE							
Depreciation	(21,212)	(21,212)	0	0			
Employee Costs	(751,838)	(751,838)	(545,007)	(452,221)	92,786		17.02%
Insurance	(10,469)	(10,894)	(10,894)	(10,894)			
Materials and Contracts	(482,916)	(440,916)	(337,066)	(106,284)	230,782		68.47%
Other	(181,955)	(181,955)	(135,952)	(127,161)	8,791		6.47%
Utilities	(6,450)	(6,450)	(4,300)	0	4,300		100.00%
Members Equity							
-Income Sale of Lots - Subdivisions	40,372,252	25,844,383	29,491,638	20,472,996		(9,018,642)	-30.58%
-Income Other - Subdivisions	1,761,500	2,161,500	1,841,500	0		(1,841,500)	-100.00%
-Land Production Costs	(55,659,496)	(30,839,499)	(47,954,852)	(11,447,759)	36,507,093		76.13%
-Profit distribution/Contributions Returned	(4,268,725)	(4,268,725)	0	(2,078,502)		(2,078,502)	-100.00%
	(\$19,249,309)	(\$8,515,606)	(\$17,654,933)	\$6,250,175	\$36,843,752	(\$12,938,644)	
Total Change in Equity	(\$18,453,762)	(\$7,613,288)	(\$16,957,691)	\$7,119,054	\$37,015,389	(\$12,938,644)	

Balance Sheet Summary as at 30 April 2018

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2018**

	Actual 2016-17 \$	Actual 2017-18 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	39,213,368	46,378,764	7,165,396	18.27%
Trade and other receivables	308,308	261,431	(46,877)	-15.20%
Total current assets	39,521,676	46,640,196	7,118,520	18.0%
Non-current assets				
Inventories	1,800,000	1,800,000	0	0.00%
Property, plant and equipment	149,880	149,880	0	0.00%
Total non-current assets	1,949,880	1,949,880	0	0.00%
Total assets	41,471,556	48,590,076	7,118,520	17.16%
Current liabilities				
Trade and other payables	51,753	51,218	535	1.03%
Provisions	223,746	223,746	0	0.00%
Total current liabilities	275,499	274,964	535	0.2%
Non-current liabilities				
Provisions	2,597	2,597	0	0.00%
Total non-current liabilities	2,597	2,597	0	0.00%
Total liabilities	278,096	277,561	535	0.19%
Net assets	41,193,460	48,312,514	7,119,054	17.28%

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MARCH & APRIL 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for the months of March and April 2018:

- **Month ending 31 March 2018 (Total \$1,426,372.50)**
- **Month ending 30 April 2018 (Total \$1,044,808.33)**
- **Total Paid - \$ 2,471,180.83**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 31 March 2018 and 30 April 2018.

Relevant Documents

Appendix:

- Summary Payment List for March 2018
- Summary Payment List for April 2018

Local Government Act/Regulation

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

Background

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

Comment

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

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

9.4 PROJECT FINANCIAL REPORT – APRIL 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council RECEIVES the Project Financial Report (April 2018) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for April 2018 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Financial/Budget Implications

Review of Project Financial Report for April 2018.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 22 May 2018 with Financial Report

Background

At its meeting of 17 August 2017, the Council approved the Project Budget FYE 2018, submitted by the Satterley Property Group, as the basis of financial planning for the 2017/2018 TPRC Budget.

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

Comment

The Satterley Property Group has prepared a Financial Report for April 2018 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 30 April 2018 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$20.7M which is \$11.7M behind budget with 38 less residential settlements for the year to date.
2. Expenditure was \$23.7M under budget, in the following areas:
 - Lot Production \$8.5M;
 - Landscape \$6.1M;
 - Infrastructure \$5.4M;
 - P&L expenditure \$3.1M.

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

3. Lot Sales Value was \$18.5M unfavourable to budget due to 57 less lot sales year to date.

The settlement revenue and expenditure generally reflect the forecasts outlined in the SPG Mid-Year Review of the Project Budget FYE 2018, considered by Council at its December 2017 meeting.

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

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 14 JUNE 2018

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council RECEIVES the Sales and Settlement Report to 14 June 2018.

Voting Requirements

Simple Majority

Report Purpose

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

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount:	\$ 25,844,383
Received to Date:	\$ 22,011,093
Balance:	\$ 3,833,290

Relevant Documents

Appendix:

- Staging Plan
- Aged Stock Table

Background

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

The Staging Plan provided under Appendix 9.5 identifies the extent of the stage boundaries referenced within the report.

The following table provides a summary of the Sales and Settlement position for lots released up to 14 June 2018:

Stage	Release Date	Lots Released	Lot Sizes	Sold	Stock	Settled
Stages 1 – 11, 12A, 12B, 13A, 13B, 14A, 14B, 14C, 14D, 15A, 15B, 15C and Stage 25 DV	-	791	-	791	0	791
Stage 14B (Release 2)	Jul 2016	10	262-329	10	0	9
Stage 15D	Sep 2016	2	375-376	2	0	2
Stage 17A	Oct 2016	25	300-510	23	2	22
Stage 17B	Nov 2017	18	300 - 450	5	13	2
Stage 18A	Mar 2016	29	300-510	29	0	28
Stage 18B	Mar 2017	31	200-474	23	8	18
Stage 25A	May 2017	21	300-450	10	11	7
Stage 25 B	Oct 2017	7	234 - 299	7	0	7
Stage 25 Builder Release	April 2018	7	254 - 307	3	4	0
Total		941		903	38	886

The SPG has advised that sales are lower than anticipated due to a competitive market including the established housing market where established houses are below current house and land package prices at Catalina.

The Kinross Estate (part of the Burns Beach Development) is also presenting direct competition to Catalina. It comprises approximately 70 lots with Stage 3 recently released resulting in 50% of the Estate having been released for sale.

Catalina had 3 sales for the month of May with 6 contracts received to date for June.

The Project currently has a stock position of 38 lots, 15 in Catalina Beach and 23 in Catalina Central. Of the 38 lots available, 34 lots are considered "Aged Stock". The SPG is actively selling down the Aged Stock with Lot 773 in Stage 14B now under contract after being on the market for 22 months. A table detailing the Aged Stock is attached at Appendix 9.5.

Northern Corridor Estates Analysis

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

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

Agenda TPRC Meeting of Council – 21 June 2018

Estate	Sales												TOTAL
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Allara	0	9	1	8	8	6	7	5	7	13	7	8	79
Eden Beach	11	12	4	11	11	10	12	4	4	10	9	13	111
Catalina	8	11	8	16	16	9	9	7	2	4	2	3	95
Alkimos Beach	14	11	11	25	25	22	19	14	14	13	18	13	199
Amberton	5	8	3	9	9	8	4	0	5	6	10	5	72
Shorehaven	2	1	4	4	4	0	4	3	5	2	4	5	38
Trinity	8	13	7	5	5	15	12	8	5	9	10	5	102
Kinross Estate	0	0	0	0	0	0	0	0	6	5	2	1	14
Total	48	65	38	78	78	70	67	41	48	62	62	53	710
Catalina Northern Corridor (%)	16.7%	16.9%	21.1%	20.5%	20.5%	12.9%	13.4%	17.1%	4.2%	6.5%	3.2%	5.7%	13.4%
Catalina 3 Month Average (%)			17.9%	19.3%	20.6%	18.1%	15.8%	14.0%	11.5%	8.6%	4.7%	5.1%	

* Kinross Estate is not on the Competitors Report. Details obtained from information available on the Peet website

The corridor experienced a significant seasonal drop in sales over the festive months of December and January, however, sales have not returned to the same levels as previously experienced. The competitive northern corridor market and the introduction of the Kinross Estate (managed by Peet), has impacted on Catalina's market share.

A summary of available stock in the corridor is provided in the following table. The table indicates that generally Burns Beach is the most expensive estate. Catalina Beach is the most expensive for 300m² lots and Burns Beach has the most expensive lots 450m² and above.

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Stock
Allara	132,000	159,000	198,000	223,000	N/A	3,405	24
Alkimos Beach	182,000	199,000	255,000	285,000	320,000	2,413	48
Amberton	178,000	194,000	226,000	260,000	N/A	2,500	18
Burns Beach	N/A	N/A	535,000 - 550,000	475,000	510,000 – 755,000	1,580	21
Catalina Central	N/A	257,000	298,000	335,000	N/A	2,480	23
Catalina Beach	N/A	N/A	380,000	425,000	N/A		15
Eden Beach	185,000	245,000	289,000	339,000	N/A	1,100	39
Kinross	N/A	N/A	295,000 – 305,000	330,000	342,000 – 355,000	67	17
Shorehaven	169,000	245,000	249,000	280,000	N/A	2,800	41
Trinity	N/A	202,000	225,000	253,000	286,000	2,500	18

The SPG has advised that the cheaper price point provided by Kinross Estate and significant rebates and growing amenity in projects to the north are affecting the market share of Catalina.

Despite a perceived increase in consumer confidence, the SPG notes that prospective buyers continue to remain cautious and take the time to research their available options and incentives prior to committing to purchasing. The established homes market also continues to provide significant competition to lot sales.

Catalina Beach - Stage 25B Builders Allocation Tender

In April 2018, the Council approved a tender for builders 'hold allocation' lots to Residential Building WA and Terrace. Both builders have produced house and land packages and commenced advertising. To date three lots are under contract with four lots still available.

Stage 26 Release

As detailed in the Business Report of this agenda (Item 9.1), the next civil construction stage is planned to be Stage 26 in Catalina Beach which is anticipated to commence in July 2018. The construction of Stage 26 will provide a connection to the existing Mindarie suburb, in particular the local schools, shopping centre, beaches and Mindarie Marina. The SPG is confident that the connection will make the lots in Catalina Beach more desirable.

The SPG is preparing a sales strategy for Catalina Beach which will address existing stock, release triggers and a strategy to further promote the connection to the established community and amenity.

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

9.6 ANNUAL MARKETING PLAN FYE 2019

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council:

1. **APPROVES** the Annual Marketing Plan FYE 2019, prepared by the Satterley Property Group.
2. **ACCEPTS** that the Development Managers Key Performance Indicators (June 2014), Marketing 3.2 – Annual Marketing Plan, requiring the preparation of the Annual Marketing Plan by March each year has been **ACHIEVED**.
3. **ADVISES** the Satterley Property Group that marketing expenditure will be reviewed and monitored in line with market conditions and the requirements of the Project and the Project Budget FYE 2019 (March 2018) as approved.

Voting Requirements

Simple Majority

Report Purpose

To consider the Annual Marketing Plan FYE 2019 prepared by the Satterley Property Group, as required by the Development Managers Key Performance Indicators.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 15 June 2017 (Item 9.10: Catalina Annual Marketing Plan 2017-2018)
- Council Meeting – 19 June 2014 (Item 9.12: Development Managers – Key Performance Indicators - 2014).

Relevant Documents

Appendix: Annual Marketing Plan FYE 2019

Financial/Budget Implications

Expenditure under this matter will be incurred under item E145218 (Marketing):

Budget Amount:	\$ 637,000
Spent to Date:	\$ 275,962
Balance:	\$ 361,038

Background

At its meeting of 15 June 2017, the Council approved the Annual Marketing Plan FYE 2018 prepared by the Satterley Property Group (SPG). The Annual Marketing Plan provided the key marketing objectives and strategies to assist in achieving the sales targets for FYE 2018.

The approved Development Managers Key Performance Indicators (June 2014), Key Performance Indicator, Marketing 3.2, requires the preparation of an Annual Marketing Plan by March each year. The SPG has prepared and submitted the Annual Marketing Plan FYE 2019 for the Council's consideration to satisfy KPI 3.2 (Appendix 9.6).

Comment

The purpose of the Annual Marketing Plan (AMP) is to identify key marketing activities/strategies for the forthcoming year, to assist in meeting the FYE 2019 sales targets. The AMP provided by the SPG contains the following components:

- Market conditions overview;
- Key marketing objectives;
- Key marketing initiatives for FYE 2019;
- Recommended marketing budget for FYE 2019.

Market Overview

The SPG analysis indicates that the market remains affected by concerns over job security and population growth. Although there has been some positive economic news in recent months, the market still reflects the SPG analysis of a slow market.

Sales Catchment Area

The AMP identifies key sales catchment areas based on purchaser addresses. The analysis indicates that the majority of sales were derived from purchasers residing in the north-western corridor and living within a 15km radius of the Estate, which supports marketing actions/strategies targeted towards local communities.

Key Marketing Objectives FYE 2019

The key marketing objectives identified in the AMP FYE 2019 are as follows:

- Increase brand awareness;
- Increase lead generation to achieve sales targets;
- Continue the upgrade of signage throughout the Estate;
- Undertake further market research on potential purchasers and on the market demand for higher density development in Catalina Beach and Grove;
- Transition to the new Catalina Beach Sales Office;
- Support and leverage off the new Catalina Beach builders display village;
- Project website improvements and sales collateral refinement; and
- Commence a campaign to generate expressions of interest on Catalina Grove.

Key Marketing Strategies FYE 2019

Key marketing initiatives in the AMP recommended by the SPG are identified below:

1. Strategic Brand Direction

Continue to capitalise on the brand and value proposition.

Ensure brand awareness and engagement from the pre-purchasing experience through to the post-purchasing experience.

Capitalise on Catalina Beach's high desirability through key visual and content elements.

Begin to communicate to the market on Catalina Grove in anticipation of a release in the FYE 2020.

2. Market Research

Market research is proposed to be undertaken in the form of market perception of Catalina and geo-mapping (purchasers and registrations of interest). Research on the apartment product at Catalina Beach is also proposed.

3. Brand Advertising

Advertising is to be targeted at increasing brand awareness in primary and secondary sales catchment areas. The AMP proposes 40% of the Advertising and Direct Marketing allocation being used for brand advertising.

4. Lead Generation Advertising

Lead generation is proposed utilising 60% of the Advertising and Direct Marketing allocation. This is to include targeted marketing around sales releases and ongoing messaging campaigns aimed at driving inquiries and prospective purchasers to the Sales Office.

A significant portion of this advertising is proposed via Search Engine Marketing (SEM) which the SPG considers cost effective, measurable and supported by consumer behaviour.

5. Stage 16A and 16B (Narrow Lot Product)

Cross proportional advertising to be undertaken with builders on the sales and delivery of built form outcomes related to the narrow lot housing (4.5m – 6m frontage) to be created in Stages 16A and 16B.

6. Signage

A significant upgrade of existing project signage was undertaken in FYE 2018. Phase two of the signage upgrade relates to the upgrade of internal directional and marketing signage.

7. Website and Collateral

A new website platform was delivered as part of FYE 2018. The website will be further developed to provide additional functionality over FYE 2019. Collateral will also be produced including the vision brochure and sales release collateral.

8. Sales Office and Display Village

The new Sales Office in Catalina Beach will represent a significant marketing opportunity. A fit out with marketing collateral will be undertaken to position the brand.

Marketing Expenditure

Budget recommendations for key marketing components are summarised in the following table:

Description	Budget FYE 2019
Brand Development (Market Research)	\$150,000
Sales Office & Builder Relations	\$40,000
Sales Office fit-out	\$100,000
Collateral (Estate Brochures and Folders)	\$34,000
Advertising and Direct Marketing	\$145,000
Signage	\$110,000
Website	\$30,000
Promotions	\$50,000
Public Relations	\$5,000
Total	\$664,000

The proposed budget for FYE 2019 is considered appropriate given the key strategies to be undertaken in the financial year.

Conclusion

The AMP FYE 2019 outlines marketing activities/strategies for the forthcoming year that support current project objectives and initiatives, with a focus on the following elements:

- Support of sales releases;
- Brand development/promotion;
- Signage and Sales Office strategy implementation; and
- Promotion of the Catalina Beach Sales Office.

Whilst the budget proposals outlined in the AMP for FYE 2019 are supported in principle, marketing expenditure will be reviewed and monitored in line with market conditions and the requirements of the Project. It is also noted that at its meeting of 24 May 2018 the Management Committee referred the Project Budget FYE 2019 (March 2018) to the Satterley Property Group for review in line with current market conditions and resubmission to the Council.

The Annual Marketing Plan FYE 2019 prepared by the Satterley Property Group is considered to satisfy the requirements of Key Performance Indicator: Marketing 3.2 – requiring the preparation of an Annual Marketing Plan by March each year.

At its meeting of 24 May 2018, the Management Committee considered a report on the Annual Marketing Plan FYE 2019, prepared by the Satterley Property Group, and resolved to recommend that Council:

1. *APPROVE the Annual Marketing Plan FYE 2019, prepared by the Satterley Property Group.*
2. *ACCEPT that the Development Managers Key Performance Indicators (June 2014), Marketing 3.2 – Annual Marketing Plan, requiring the preparation of the Annual Marketing Plan by March each year has been ACHIEVED.*
3. *ADVISE the Satterley Property Group that marketing expenditure will be reviewed and monitored in line with market conditions and the requirements of the Project.*

9.7 REVIEW OF SUSTAINABILITY INITIATIVES

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council:

1. **RECEIVES** the review on the Catalina Sustainability Initiatives (May 2018) prepared by the Satterley Property Group.
2. **APPROVES** the following sustainability initiatives and budget for FYE 2019:

SUSTAINABILITY INITIATIVE	ALLOCATION
Waterwise Landscape Package including soil moisture sensors	\$5,000 per lot
Solar Panel Rebate	\$2,000 per lot
Fibre Optic Service	\$1,200 per lot
Community Development	\$1,200 per lot
Waste Recycling (Housing Construction)	\$300 per lot
High rated WELS Fixtures and Appliances in Catalina Beach	\$1,000 per lot

3. **APPROVES** the continuation of the existing landscape initiatives, including native and low water use plants, native seed collection and propagation, use of site mulch and waterwise irrigation systems in landscape packages for Catalina.
4. **APPROVES** the continuation of the fauna and flora relocations associated with bulk earthworks.
5. **APPROVES** the continuation of Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (May 2017), including narrow lot housing in Stages 16A and 16B.
6. **APPROVES** the provision of a 12-month Energy Audit for all new homes at a cost of \$300 per lot, subject to the Satterley Property Group providing a satisfactory method for the administration of the trial.
7. **REQUESTS** the Satterley Property Group to review communications and procedures for purchasers and builders on Catalina rebates in order to improve participation rates and assist in delivering TPRC sustainability objectives.
8. **ACCEPTS** that the Satterley Property Group has achieved Key Performance Indicator 2.8 requiring an annual review of sustainability initiatives by May each year.

Voting Requirements

Simple Majority

Report Purpose

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

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

Council Meeting – 15 June 2017 (Item 9.12: Review of Sustainability Initiatives)

Financial/Budget Implications

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

Item E145216 (Sales Expenditure – Direct Selling Costs):

Budget Amount:	\$ 3,964,707
Spent to Date:	\$ 1,657,289
Balance:	\$ 2,307,418

Relevant Documents

Appendix: SPG report dated May 2018 - Catalina Sustainability Initiative Review 2018

Background

In June 2017, the Council considered a review of the Sustainability Initiatives, prepared by the Satterley Property Group and approved sustainability initiatives for FYE 2018.

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

In FYE 2018 the Council agreed to provide the following sustainability initiatives:

- Solar Panel Rebate;
- Fibre Optic Services;
- Community Development;
- Waste Recycling Rebate;
- WELS rated fixtures, fittings and appliances Rebate;
- Sustainable Housing through Design Guidelines;
- Dwelling Density targets;
- Waterwise landscaping; and
- Sustainable Civil and Construction initiatives.

The Council also requested the SPG to undertake the following:

- To develop proposals and programs to increase residents' awareness on sustainability relating to areas of water conservation, waste recycling, housing efficiency and design, flora and fauna enhancement and energy efficiency in order to increase awareness and to achieve the Council's sustainability objectives;
- To review communications and procedures for purchasers and builders on Catalina rebates in order to improve participation rates and assist in delivering TPRC sustainability objectives.

Comment

The SPG has undertaken a review of the sustainability initiatives implemented in FYE 2018 detailed in the correspondence attached at Appendix 9.7. The SPG has recommended the continuation of the following initiatives:

Solar Panel Rebate

A \$2,000 cash rebate to purchasers when a solar system is installed in accordance with prescribed specifications and time frames. (\$2,000 per lot)

To date out of 810 homes completed, 390 homes have installed a solar power system, representing 50% of homes in Catalina. Of the 810 homes completed, 275 have redeemed the rebate, representing 36% of the Estate. Based on a 1.5kw system being installed, the SPG estimates a saving of approximately \$540 per annum for each household.

Waterwise Landscape Packages

Installation of a Waterwise Landscape Package for purchasers for front gardens. (\$5,000 per lot)

The Waterwise Landscape Package applies to the front garden of the lot and typically includes waterwise native vegetation, automated waterwise irrigation system (including a rain sensor), soil preparation (including additives to enhance moisture retention abilities) and subsurface irrigation of garden beds to reduce water loss.

Fibre Optic Service

Provision of NBN Co. fibre optic services to the Estate. (\$1,200 per lot)

The Project provides the necessary underground infrastructure and has an agreement with NBN for the installation of optic fibre throughout the Project.

Community Development

Delivery of community initiatives/programs. (\$1,200 per lot)

Since commencement the Project has been delivering community development initiatives and programs. Similar community development initiatives and programs are planned for the next 12 months.

Waste Recycling (Housing Construction)

The TPRC is implementing a Waste Management Program which focuses on housing construction waste to collect, sort, store and reuse builders' waste material generated from within the Catalina Estate. (\$300 per lot)

The program has been operational since 2013 and to date over 4,026 tonnes of waste has been diverted from landfill and recycled at a rate of 96% (by weight) of all materials.

Out of a possible 810 homes, 181 have been constructed using the rebate which represents a participation rate of 22%.

Water Saving Fixtures, Fittings and Appliances (WELS)

A \$1,000 cash rebate for purchasers in Catalina Beach who installed high rated WELS fixtures, fittings and appliances. (\$1,000 per lot)

Housing Design Guidelines

Implementation of Design Guidelines for the Central and Beach Precincts.

The Guidelines focus on the delivery of best practice housing and include recommendations for purchasers to reduce the consumption and cost of household energy and water. These recommendations include:

- High star rated electrical and water using appliances;
- Solar hot water system;
- Installation of Photovoltaic cells;
- Passive solar design;
- Windows and doors to allow for ventilation;
- Low-e glazing/double glazing;
- Roof and wall insulation; and
- Shading devices including awnings and trees.

Project Dwelling Densities

The Project provides for the delivery of a diverse range of lot sizes.

The Catalina Estate includes a high proportion of medium density lots compared to competing developments. The medium density housing has a number of sustainability outcomes including:

- Greater opportunities for affordable housing;
- Sustainable use of infrastructure;
- Sustainable use of developable land.

Fauna Relocation

Implementation of fauna relocation program prior to bulk earthworks.

Prior to the commencement of stages of bulk earthworks, the TPRC undertakes best practice fauna relocation. This involves the capture, recording and potential relocation of marsupials and reptiles.

Flora Relocation

Removal and reuse of grass trees.

Prior to the commencement of stages of bulk earthworks, grass trees are relocated and stored for reuse in public open space.

Landscape Initiatives

A number of sustainability initiatives are implemented as part of Landscape Works:

- Use of primary feeding plants for Carnaby's Black-Cockatoo in streetscaping and other public areas;
- Rehabilitation of the Biodiversity Conservation Area (BCA);
- Use of site mulch from trees cleared during earthworks;
- Installation of solar and wind powered lights in parks;
- Use of locally appropriate water wise plants;
- Installation of water efficient sub soil irrigation systems;
- Reuse of limestone boulders and logs from on site.

Education/Information

Catalina residents are currently informed on sustainability initiatives and programs through the community newsletter and at community events.

The SPG proposes that education material including interactive displays and signage be incorporated within the Catalina Beach Sales Office to demonstrate to prospective purchasers and residents the benefits of installing energy efficient appliances, fixtures, and fittings throughout their home.

North-West Corridor Project Analysis

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

The SPG believes the sustainability initiatives being implemented at Catalina exceed those provided at the majority of developments in the North-West corridor. There are only two projects that exceed the number of initiatives provided at Catalina.

The researched projects provide a landscaping package, community development, design guidelines and meet targeted dwelling densities as a minimum standard. When compared to North-West corridor projects, Catalina provides an above average number of sustainability initiatives, which includes the builders Waste Management Rebate.

Table 1 (North-West Corridor Project Assessment)

	Shared Bore*	Solar Panel Rebate	Fibre Optic Service	Front Landscaping	Gas Boosted HWS	Energy Display	A/C Rebate**	LED's	Community Development	Waste Management	Design Guidelines	Dwelling Densities	Fixtures and Appliances	Warm Asphalt	Battery Power	Waste Recycling	Education	Free WiFi
Allara		\$2.6	\$1.2	\$3.5		\$0.36	✓	\$0.5	✓		✓	✓	\$0.3			✓	✓	
Burns Beach			✓	✓				Rec.	✓		✓	✓	Rec					
Eden Beach			\$1.2	\$4							✓	✓						
Catalina	\$3.5	\$2	\$1.2	\$5					✓	\$0.3	✓	✓	\$1.0					
Alkimos Beach		\$2.5	✓	\$2.5	\$1.5	\$2	\$0.75	\$0.3	✓	✓	✓	✓	\$0.75	Trialled	✓	✓	✓	
Amberton				✓							✓	✓						
Shorehaven	✓	Rec		✓				Rec	✓		✓	✓	Rec					
Trinity			✓	✓					✓		✓	✓					✓	✓

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

\$ denotes value of rebate (,000)

Rec = Recommended / Encouraged

✓ = Currently being implemented (costs unknown)

SPG Recommended New Initiatives

Whilst the SPG considers that the initiatives being implemented exceed the majority of North-West corridor projects, it has recommended the following additional sustainability initiatives:

- Solar Battery Storage Rebate

A cash rebate of \$2,000 where purchasers install a solar battery storage system.

The SPG has noted that the cost of a solar battery ranges from \$5,000 - \$10,000 and combined with Solar panels has the potential to reduce electricity consumption by 80%.

The SPG considers that the short-term take-up of the battery storage would be low due to the financial outlay and the current take-up rate of the Solar Rebate. It is noted that this initiative has not been budgeted for in FYE 2019.

Whilst potentially delivering power savings, it is noted that the TPRC already provides a significant energy efficiency initiative through the \$2,000 Solar Panel Rebate. There are concerns with potential take-up rates given the significant cost of battery storage systems at this time.

- Energy Audit

Provision of an energy audit for all new homes.

The SPG notes that an average household can reduce energy consumption between 20% - 50% through minor adjustments to energy use. The SPG has recommended that the TPRC provide a level 1 energy audit to all new purchasers at an approximate cost of \$300 per home.

The initiative could have significant benefits on reducing consumption of energy in households. It is unclear how the initiative will be administered or purchasers' response, however, it is recommended that the initiative be supported on a 12-month trial.

Participation Rates on Rebates

The Council has previously expressed concern about low participation rates, particularly with the solar and waste management rebates and requested the SPG to provide advice on the participation rates.

The SPG attributes the low take-up rate to purchaser and builder awareness. The SPG has communicated to the residents' database on a number of occasions over the past 12 months highlighting sustainability awareness and the opportunities available to take up rebates offered to residents. This has resulted in some improvement in participation rates, however, there is still significant opportunity to improve participation rates.

The SPG is now sending automated communications to purchasers to promote rebates and sustainability initiatives. The SPG believes that the automated communication at regular intervals will increase awareness and ultimately increase participation.

Conclusion

The SPG believes the sustainability initiatives being implemented at Catalina exceed those provided at the majority of developments in the North-West corridor.

The revised Catalina Sustainability Initiative Plan (May 2018) provided by the SPG generally provides good guidance for the Council on sustainability initiatives and potential benefits of proposed new initiatives.

When considering new sustainability initiatives, a consideration for Council is the extent to which it wishes to fund sustainability initiatives and schemes. There are many varied sustainability initiatives which could be applied to Catalina which have sustainability benefits.

In the case of the proposed Energy Audit, there is considered to be significant benefit in providing the initiative. Support for the initiative on a 12-month trial basis is recommended subject to the SPG demonstrating a satisfactory method for administering the trial.

Based on the review of the sustainability initiatives offered in FYE 2018, the SPG advice and the comprehensive range of existing TPRC sustainability initiatives targeting a broad range of areas, the following actions are recommended to Council:

1. RECEIVE the review of the Catalina Sustainability Initiatives (May 2018) prepared by the Satterley Property Group.
2. APPROVE the following sustainability initiatives and budget for FYE 2019:

SUSTAINABILITY INITIATIVE	ALLOCATION
Waterwise Landscape Package including soil moisture sensors	\$5,000 per lot
Solar Panel Rebate	\$2,000 per lot
Fibre Optic Service	\$1,200 per lot
Community Development	\$1,200 per lot
Waste Recycling (Housing Construction)	\$300 per lot
High rated WELS Fixtures and Appliances in Catalina Beach	\$1,000 per lot

3. APPROVE the continuation of the existing landscape initiatives including native and low water use plants, native seed collection and propagation, use of site mulch and waterwise irrigation systems.
4. APPROVE the continuation of the existing bulk earthworks initiatives for fauna and flora relocation.
5. APPROVE the continuation of Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (May 2017) including narrow lot housing in Stages 16A and 16B.
6. APPROVE the provision of a 12-month Energy Audit for all new homes at a cost of \$300 per lot, subject to the Satterley Property Group providing a satisfactory method for the administration of the trial.
7. REQUEST the Satterley Property Group to review communications and procedures for purchasers and builders on Catalina rebates in order to improve participation rates and assist in delivering TPRC sustainability objectives.
8. ACCEPT that Satterley Property Group has achieved Key Performance Indicator 2.8 requiring an annual review of sustainability initiatives by May each year.

At its meeting of 24 May 2018, the Management Committee considered a report on the review of sustainability initiatives for the Project, prepared by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the review on the Catalina Sustainability Initiatives (May 2018) prepared by the Satterley Property Group.*
2. *APPROVE the following sustainability initiatives and budget for FYE 2019:*

SUSTAINABILITY INITIATIVE	ALLOCATION
<i>Waterwise Landscape Package including soil moisture sensors</i>	<i>\$5,000 per lot</i>
<i>Solar Panel Rebate</i>	<i>\$2,000 per lot</i>
<i>Fibre Optic Service</i>	<i>\$1,200 per lot</i>
<i>Community Development</i>	<i>\$1,200 per lot</i>
<i>Waste Recycling (Housing Construction)</i>	<i>\$300 per lot</i>
<i>High rated WELS Fixtures and Appliances in Catalina Beach</i>	<i>\$1,000 per lot</i>

3. *APPROVE the continuation of the existing landscape initiatives, including native and low water use plants, native seed collection and propagation, use of site mulch and waterwise irrigation systems in landscape packages for Catalina.*

4. *APPROVE the continuation of the fauna and flora relocations associated with bulk earthworks.*
5. *APPROVE the continuation of Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (May 2017), including narrow lot housing in Stages 16A and 16B.*
6. *APPROVE the provision of a 12-month Energy Audit for all new homes at a cost of \$300 per lot, subject to the Satterley Property Group providing a satisfactory method for the administration of the trial.*
7. *REQUEST the Satterley Property Group to review communications and procedures for purchasers and builders on Catalina rebates in order to improve participation rates and assist in delivering TPRC sustainability objectives.*
8. *ACCEPT that the Satterley Property Group has achieved Key Performance Indicator 2.8 requiring an annual review of sustainability initiatives by May each year.*

9.8 REVIEW OF CATALINA RISK MANAGEMENT PLAN (MAY 2018)

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council:

- 1. RECEIVES the Risk Management Plan (May 2018) prepared by the Satterley Property Group.**
- 2. REQUIRES the Satterley Property Group to continually review and update the Risk Management Plan (May 2018) and report to Council annually.**
- 3. ACCEPTS that the Satterley Property Group has achieved Key Performance Indicator 2.12 requiring an Annual review of the Project Risk Management Plan by May each year.**
- 4. REQUESTS the CEO to appoint a suitably qualified consultant to undertake an overall risk assessment of the TPRC framework.**

Voting Requirements

Simple Majority

Report Purpose

To consider a report on the Risk Management Plan (May 2018), prepared by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 15 June 2017 (Item 9.11 - Catalina Risk Management Plan 2017)
- Council Meeting – 16 June 2016 (Item 9.12 - Catalina Risk Management Plan 2016)

Financial/Budget Implications

N/A

Relevant Documents

Appendix:

- Catalina Risk Management Plan dated May 2018
- Catalina Risk Register 2018

Background

At its meeting in June 2017, the Council considered the Catalina Risk Management Plan (May 2017) and resolved as follows:

1. *APPROVE the Risk Management Plan (May 2017) prepared by the Satterley Property Group.*
2. *REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan (May 2017) and report to Council annually.*
3. *ACCEPT that the Satterley Property Group has achieved Key Performance Indicator 2.12 requiring an Annual review of the Project Risk Management Plan by May each year.*

The purpose of the Risk Management Plan is to identify, assess and respond to Project risk issues.

The approved Development Managers KPI 2.12 requires the Satterley Property Group (SPG) to undertake an annual review of the Project Risk Management Plan by May each year.

Comment

In accordance with Council's decision of June 2017 and the Development Managers KPI 2.12 the SPG has reviewed the Catalina Risk Management Plan 2017 and submitted the Catalina Risk Management Plan (May 2018) for Council's consideration (attached under Appendix 9.8).

The Risk Management Plan (RMP) identifies 21 risks which the SPG consider to be the most significant items of risk which may affect the Catalina Project.

Risks have been identified from the following areas:

- Sales & Marketing;
- Budget;
- Planning and Environmental Approvals;
- Engineering and Construction;
- External Stakeholders;
- Management.

A quantitative assessment of all identified risks was undertaken by the SPG to assess the degree of each risk and identify those which have the greatest potential to negatively impact the Project.

The SPG's assessment has been undertaken by applying scores of 1 – 5 against the likelihood of occurrence and magnitude of impact for each item of risk using the scaling tables provided under Tables 1 & 2 of the RMP. These occurrence and impact ratings were then used to calculate a risk rating for each item (risk rating = occurrence x impact). The risk ratings have been used to categorise risks as low, medium or high, based on the following:

Category	Risk Rating
Low	0 – 6
Medium	7 – 14
High	15+

The SPG's assessment of the 21 risk items are reported in the RMP (Appendix 9.8) and resulted in the risk items being categorised as follows:

Category	Number
Low	12
Medium	7
High	2

The SPG's assessment resulted in two risk items being categorised as high risk, representing the greatest potential risk to the Catalina Project:

Item 3.1: Lifting of urban deferred buffer does not meet cashflow expectations

Delays to the landfill buffer zone being removed from the Catalina site could affect the development of the southern portion of the Central Precinct.

The SPG has assessed this risk with a rating of 15 and recommended mitigation actions of maintaining close liaison with the Mindarie Regional Council and commencing actions for the lifting of the urban deferred zoning as soon as movement of the buffer occurs.

The approved Project Forecast is based on a development schedule that assumes the Tamala Park Landfill buffer will continually recede to allow urban deferred zonings to be lifted and development to continue to the site's southern boundary by 2029.

Item 5.1: Potential impacts from the landfill operations including contamination of the TPRC's landholding

The adjacent Tamala Park Waste Management Facility operated by the MRC has the potential to contaminate the TPRC landholdings to a level that represents a risk to residents of Catalina.

The SPG has assessed this risk with a rating of 15 and recommends the TPRC continues regular discussions with the MRC, who operate monitoring bores within the buffer zone and provide regular reports on levels of contamination as a result of the landfill operations.

In order to mitigate risk, the TPRC continues to have regular meetings and discussion with the MRC. The MRC continues to report to the TPRC on the monitoring bores located within the buffer zone. Additionally, remediation and communication strategies are being prepared in consultation with the MRC.

The SPG's assessment has resulted in 7 items being categorised as medium risk, which is one less than in the RMP 2017. The decrease in the number of items categorised as medium risk is a result of item 5.1 being upgraded to a high risk.

The RMP categorises one item being as medium risk, which has potential major – catastrophic consequences.

Item 4.1 – Non-Compliance with Work Health and Safety Requirements Leads to Death or Serious Injury

The Project involves significant earthworks, civil works and landscape works which involve high risk activities.

The SPG has recommended it be mitigated by the TPRC and SPG holding a pre-qualification process with contractors to confirm compliance with relevant WH&S

legislation. Also that civil and landscape works superintendents obtain copies of all compliance reports from contractors. Implementation of the SPG WHS Contractor Management Procedure, including 2nd Party (Principal Contractor) audits, Project specific risk identification workshops by the Principal Contractor and regular reporting of WHS matters are to be undertaken to address this risk.

The mitigation measures outlined by the SPG are currently being implemented and will continue to be on an ongoing basis.

The remaining medium and low risk items are consistent with the economic climate and a soft land sales market. These items will be continued to be monitored by the SPG on an ongoing basis.

Conclusion

The Catalina Risk Management Plan (May 2018) provides qualitative assessment of the risks in order to understand their cause and potential impact to the Project. The Catalina Risk Management Plan (May 2018) includes mitigation actions, recommended by the SPG, for implementation to avoid, reduce or manage the impact of all identified risks, which are shown on the Risk Register contained within the RMP. The RMP has been modified to include TPRC comments and recommendations.

It should be noted that actions recommended by the SPG to mitigate the two high risks items identified have been commenced and further actions have been implemented to manage all identified risks.

The SPG has recommended that the RMP and identified items of risk be continually monitored and reviewed and an updated RMP be presented to the Council for its approval on an annual basis.

It is recommended that the Council accept that the Satterley Property Group has achieved Development Managers KPI 2.12 requiring the preparation of an annual review of the Project Risk Management Plan by May each year.

At its meeting of 24 May 2018, the Management Committee considered a report on the Risk Management Plan (May 2018), prepared by the Satterley Property Group, and resolved to recommend that Council:

- 1. RECEIVE the Risk Management Plan (May 2018) prepared by the Satterley Property Group.*
- 2. REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan (May 2018) and report to Council annually.*
- 3. ACCEPT that the Satterley Property Group has achieved Key Performance Indicator 2.12 requiring an Annual review of the Project Risk Management Plan by May each year.*
- 4. REQUEST the CEO to appoint a suitably qualified consultant to undertake an overall risk assessment of the TPRC framework.*

9.9 APPOINTMENT OF COMMITTEE MEMBER – MANAGEMENT COMMITTEE

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That in accordance with the provisions of the *Local Government Act 1995*, that Cr XXXX be APPOINTED to the Management Committee.

Voting Requirements

Absolute Majority

Report Purpose

To elect an additional member to the Management Committee.

Relevant Documents

Appendix: Nil

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995

Previous Minutes

N/A

Financial/Budget Implications

N/A

Background

At its meeting of 19 August 2010, the Council approved the establishment of a Management Committee, comprising a minimum of six members.

The Management Committee was established to progress and monitor the Project. In order for the Project to run in a timely and efficient manner the Management Committee has been delegated authority to manage and to make decisions. This recognises the need for expedient decision making to achieve program/milestones and the commercial sensitivities that will arise from such a business venture.

The TPRC Management Committee terms of reference/delegations are as follows:

1. *Recommending to Council the Project Annual Plan, Project Budget and Project Milestones.*

2. *The establishment and variation of Key Performance Indicators which will be used to measure the performance of the Development Manager.*
3. *Monitoring the approved Project Budget (including any proposed variations to the approved Project Budget).*
4. *Stage-by-stage cost determination and review.*
5. *Monitoring the Project's strategy, plans or concepts.*
6. *Monitoring the marketing and sales program for the Project.*
7. *Approval of sales schedules (including pricing) prior to the release of a stage of the Project.*
8. *Contracts to be entered into by any party with a value less than \$3,000,000.*
9. *Monitoring the Approved Project Program (including any proposed variations to the approved Project Program).*
10. *The appointment of Project consultants and contractors with a value less than \$3,000,000.*
11. *The location of Stages of subdivision including the number of lots and Display Village(s) (size, mix and locality).*
12. *Approval to the lodgement of Subdivision Applications with the Western Australian Planning Commission.*
13. *Approval to marketing strategy and program.*
14. *Monitoring the implementation of TPRC objectives.*
 - 14.1 *Generally monitor the performance of the Development Manager.*
 - 14.2 *Generally progress the Project.*
15. *To provide regular confidential updates on progress to the Council.*
16. *Approval of the methods for the sale of Project stages, from the sales procedures approved by the Council.*

At its meeting of 9 November 2017, the Council appointed the following six Council members to the Management Committee:

1. Cr Karen Caddy
2. Cr Andres Timmermanis
3. Cr John Chester
4. Cr Brett Treby
5. Cr Bianca Sandri
6. Cr Nige Jones

Cr Treby was elected Chair by the Management Committee.

Comment

In recent times there have been difficulties with the availability of Council members for Management Committee meetings. It is recommended that Council consider the appointment of an additional Council member to the Management Committee.

CONFIDENTIAL

9.10 REVIEW OF PROJECT FORECAST 2017 - CONFIDENTIAL

CONFIDENTIAL

9.11 PROPOSED WORKSHOP TO REVIEW CATALINA ESTATE VISION / OBJECTIVES AND DEVELOPMENT MANAGER'S KEY PERFORMANCE INDICATORS - CONFIDENTIAL

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

APPENDICES