



Ordinary Meeting of Council

AGENDA

Thursday 6 December 2018, 6:00pm

City of Perth

27 St Georges Terrace, Perth

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

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TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Perth, 27 St Georges Terrace, Perth on Thursday 6 December 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	Cr Andrew Hammond	Cr 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 Sonet Coetzee Cr Domenic Zappa

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 – 18 October 2018

5A. BUSINESS ARISING FROM THE MINUTES

6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION)

7. MATTERS FOR WHICH MEETING MAY BE CLOSED

8. REPORTS OF COMMITTEES

Management Committee Meeting – 8 November 2018

CEO Performance Review Committee Meeting – 15 November 2018

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.19)

9.1 BUSINESS REPORT – PERIOD ENDING 28 NOVEMBER 2018

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council RECEIVES the Business Report to 28 November 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 2019
- Photos of Catalina Beach Sales Office (under construction)

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, which comprises 38 lots and a road connection north into the existing Mindarie area. Construction of the Stage was programmed to commence in October 2018, as per the approved Lot Sales and Release Strategy. However, construction has been deferred due to low sales activity on lots released in Stage 25. Based on sales activity, it is anticipated that Stage 26 will commence construction in late January 2019.

2. Landscape Works – Status

A status report on landscape works proposed for FYE 2019 is attached at Appendix 9.1. The report outlines budget, detailed design, approval status and program information.

3. Housing Construction

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

Stage	Total Lots	Under Construction	Completed	Vacant
Stages 1 - 11	529	1	523	5
Stage 12	49	1	48	0
Stage 13	82	1	80	1
Stage 14	73	2	70	1
Stage 15	55	0	53	2
Stage 17A	25	1	21	3
Stage 17B (Release 1)	18	5	0	13
Stage 18A	29	1	27	1
Stage 18B	31	3	13	15
Stage 25 (Display Village)	15	3	11	1
Stage 25	25	2	2	21
Stage 25B	7	7	0	0
Stage 25 (Builders Release)	7	0	0	7
Total	945	27	848	70

4. Builders Display Village 3 (Catalina Beach)

The Catalina Beach Builders Display Village commenced operations on 31 October 2018.

To date, eleven display homes have been completed and are open for display. A further 2 display homes are significantly progressed with one scheduled to open by the end of December 2018 and the other by February 2019.

The remaining two builders' display homes (B1 and 101 Residential) have been approved for construction. 101 Residential has the slab down and B1 to commence in early December 2018. Meetings have been held with these builders to ensure measures will be in place to limit disruption to existing display homes.

5. Catalina Beach Sales Office

Construction on the Catalina Beach Sales Office including adjoining carpark civil works, is due for completion on 30 November 2018. The sales function fit out will then be completed and it is anticipated that land sales operations will commence in December 2018. Photos showing the Catalina Beach Sales Office are attached at Appendix 9.1

6. Risk Management Framework Workshop

The TPRC Risk Management Framework Workshop was held 17 October 2018. The purpose of the Workshop was for Riskwest (Council appointed consultant) to present the Stage 1 Review findings, provide an overview of risk management and develop the TPRC Risk Assessment criteria. The Workshop represents part of Stage 2 which involves undertaking the Strategic, Operational and Project Risk Management Process.

There will be meetings with other stakeholders to identify, analyse and assess the key strategic and operational risks of the TPRC, including allocating ownership of the strategic and operational risks and agreeing on the monitoring, review and reporting mechanisms.

Stage 3 involves preparation of the Risk Management Framework documentation and Stage 4 finalisation of the Risk Management Framework and associated risk registers for reporting to and consideration of Council, expected February 2019.

7. Community Events

The second Sunset Food Truck event was held on Friday 9 November 2018 with approximately 500 people in attendance. Seven food trucks were setup in the Stage 25 Park (Catalina Beach) along with a DJ and lighting to support the event. The event was well received by the residents and general public. A total of 34 feedback forms were received.

A movie night was held on 24 November 2018 at the Stage 4 POS in Catalina Central. Food trucks were in attendance from 6pm with the movie (Jumanji: Welcome to the Jungle) starting at 7:30pm. The movie night was organised with input from a number of residents in the Catalina community, with 200 people attending. The residents have shown interest in continuing the event annually.

8. Catalina Grove Update

At its meeting of 17 August 2017, the Council approved the Catalina Grove Precinct Concept Plan. The Council also approved the progression and lodgement of an Amendment to the Tamala Park Local Structure Plan consistent with the Catalina Grove 'Concept Plan'.

In accordance with Council's resolution, the Catalina Grove Local Structure Plan Report and Local Structure Plan map has been prepared based on the approved Concept Plan. The Concept Plan and Local Structure Plan amendment have been premised on the design philosophy and principles required by the Council, including:

- Maximising tree canopy, retention of existing significant trees;
- Achieving a canopy target of 20% by 2028;
- The rationalisation of mixed use zoned land consistent with market/economic conditions;
- The location of density in the north-eastern corner of the precinct within a walking catchment of the Clarkson Train Station;
- The consideration of the location of Aged Care facilities within the Grove Precinct.

The proposed first stage earthworks and subdivision (anticipated to commence FYE 2020 and FYE 2021 respectively) are not affected by the proposed Local Structure Plan amendment and may proceed in accordance with the project budget / forecast. The first stage of earthworks and subdivision is located within the north-western corner of the site, the design for this area is consistent between the currently approved Local Structure Plan and the proposed amended Structure Plan.

Discussions with the City of Wanneroo and the Department of Planning Lands and Heritage have been ongoing with general support being provided. A formal assessment will be undertaken on the LSP amendment once it is lodged.

Lodgement of the Local Structure Plan Amendment is anticipated for late December 2018.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF SEPTEMBER & OCTOBER 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

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

- **30 September 2018; and**
- **31 October 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 30 September 2018
- Statement of Financial Activity for 31 October 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 31 October 2018 exceeding 10% were experienced in relation to the following:

Employee Costs	The positive variation reflects timing of payments.
Insurance	The negative variation reflects timing of payment.
Materials and Contracts	The positive variation relates to consultancy fees and timing of payments.
Income Sale of Lots - Subdivisions	The negative variance is due to fewer residential lot settlements.
Land Production Costs	The positive variance relates to deferral of construction works in line with lower sales.

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

Financial Snapshot as at 31 October 2018

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 31 OCTOBER 2018**

	2018-19 Adopted Budget	2018-19 Budget YTD	2018-19 Actual YTD	Variance		Variance %
				Favourable	Unfavourable	
REVENUE	\$	\$	\$	\$	\$	%
Interest Earnings	1,040,633	416,251	407,187		(9,064)	-2.18%
Other Revenue	2,000	2,000	673		(1,327)	-66.35%
	\$1,042,633	\$418,251	\$407,860	\$0	(\$10,391)	
LESS EXPENDITURE						
Depreciation	(25,381)	0	0			
Employee Costs	(725,924)	(240,588)	(192,007)	48,581		20.19%
Insurance	(13,880)	(13,879)	(13,207)	672		4.84%
Materials and Contracts	(404,895)	(134,919)	(42,191)	92,728		68.73%
Other	(186,390)	(47,473)	(49,440)		(1,967)	-4.14%
Utilities	(6,450)	0	0			
Members Equity						
-Income Sale of Lots - Subdivisions	14,405,835	4,296,663	2,034,384		(2,262,279)	-52.65%
-Income Other - Subdivisions	1,950,000	1,400,000	1,400,000		-	
-Land Production Costs	(21,277,191)	(6,202,090)	(1,510,720)	4,691,370		75.64%
-Profit distribution/Contributions Returned	(4,209,337)	0	(110,528)		(110,528)	-100.00%
-Members Equity - GST Withheld	0	0	(37,800)		(37,800)	-100.00%
	(\$10,493,613)	(\$942,286)	\$1,478,491	\$4,833,351	(\$2,412,574)	
Total Change in Equity	(\$9,450,980)	(\$524,035)	\$1,886,351	\$4,833,351	(\$2,422,965)	

Balance Sheet Summary as at 31 October 2018

**TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018**

	Actual 2017-18 \$	Actual 2018-19 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	43,846,407	45,667,882	1,821,475	4.15%
Trade and other receivables	251,449	330,842	79,393	31.57%
Total current assets	44,097,856	45,998,724	1,900,868	4.3%
Non-current assets				
Inventories	1,800,000	1,800,000	0	0.00%
Property, plant and equipment	129,727	146,068	16,341	12.60%
Total non-current assets	1,929,727	1,946,068	16,341	0.85%
Total assets	46,027,583	47,944,792	1,917,209	4.17%
Current liabilities				
Trade and other payables	49,430	86,140	-36,710	-74.27%
Provisions	240,675	240,675	0	0.00%
Total current liabilities	290,105	326,815	-36,710	-12.7%
Non-current liabilities				
Provisions	5,150	5,150	0	0.00%
Total non-current liabilities	5,150	5,150	0	0.00%
Total liabilities	295,255	331,965	-36,710	-12.43%
Net assets	45,732,328	47,612,827	1,880,499	4.11%

Investment Summary as at 31 October 2018

**TAMALA PARK REGIONAL COUNCIL
TERM DEPOSITS
AS AT 31 OCTOBER 2018**

ID	Bank	Invest. Date	Maturity	Term	Interest	Principal
519	Westpac	9/07/2018	12/11/2018	126	2.80%	3,000,000.00
520	Westpac	12/07/2018	12/11/2018	123	2.79%	3,064,742.70
521	Bankwest	16/07/2018	13/11/2018	120	2.88%	3,000,000.00
522	Bankwest	16/07/2018	13/11/2018	120	2.88%	3,000,000.00
523	Bankwest	30/07/2018	3/12/2018	126	2.72%	4,026,926.02
524	Westpac	20/08/2018	20/12/2018	122	2.71%	2,018,904.11
525	Suncorp Metway	30/08/2018	8/01/2019	131	2.67%	3,018,986.30
526	Suncorp Metway	30/08/2018	8/01/2019	131	2.67%	2,514,880.14
527	Bankwest	30/08/2018	8/01/2019	131	2.67%	3,000,000.00
528	NAB	10/09/2018	10/01/2019	122	2.70%	2,000,000.00
529	NAB	17/09/2018	15/01/2019	120	2.67%	2,000,000.00
530	NAB	25/09/2018	25/02/2019	153	2.70%	2,030,078.51
531	NAB	15/10/2018	15/01/2019	92	2.70%	3,000,000.00
532	NAB	15/10/2018	15/01/2019	92	2.70%	2,000,000.00
533	NAB	22/10/2018	19/02/2019	120	2.68%	3,000,000.00
534	Bankwest	29/10/2018	5/03/2019	127	2.67%	3,000,000.00
Total Invested Funds						43,674,517.78
Total Bankwest					36.70%	16,026,926.02
Total Suncorp					12.67%	5,533,866.44
Total Westpac					18.51%	8,083,646.81
Total NAB					32.12%	14,030,078.51
Total 2018_10_31						43,674,517.78

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF SEPTEMBER & OCTOBER 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 September and October 2018:

- **Month ending 30 September 2018 (Total \$719,707.94)**
- **Month ending 31 October 2018 (Total \$589,245.95)**
- **Total Paid - \$1,308,953.89**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Summary Payment List for September 2018
- Summary Payment List for October 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 – OCTOBER 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

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

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for October 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 October 2018.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 21 November 2018 with Financial Report

Background

At its meeting of 16 August 2018, the Council approved the Project Budget FYE 2019, submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2019.

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 October 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 31 October 2018 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$2.0M which is \$2.3M behind budget.
2. Expenditure was \$3.4M under budget, in the following areas:
 - Lot Production \$1.0M;
 - Landscape \$0.92M;
 - Infrastructure \$0.55M;
 - Special Sites Development \$0.34M;
 - P&L Expenditure \$0.59M.

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

3. Lot Sales Value was \$3.31M which is \$2.0M under budget due to 5 less lot sales year to date.

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

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 28 NOVEMBER 2018

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council RECEIVES the Sales and Settlement Report to 28 November 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:	\$ 14,405,835
Received to Date:	\$ 3,570,820
Balance:	\$ 10,835,015

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 28 November 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, 15D, Stage 25 DV, Stage 25B	-	800	-	800	0	800
Stage 14B (Release 2)	Jul 2016	10	262-329	9	1	9
Stage 17A	Oct 2016	25	300-510	23	2	22
Stage 17B	Nov 2017	18	300 - 450	10	8	4
Stage 18A	Mar 2016	29	300-510	29	0	28
Stage 18B	Mar 2017	31	200-474	26	5	22
Stage 25A	May 2017	21	300-450	11	10	9
Stage 25 Builder Release	April 2018	6	254 - 307	6	0	2
Stage 25C	September 2018	5	277-450	2	3	0
Total		945		916	29	896

Comment

The following table summarises sales for FYE 2019 against Budget:

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Budget	4	4	4	4	4	3	3	4	5	5	5	5
Actual	2	4	4	1	3*							
Variance	-2	0	0	-3	-1							

* Sales up to 28/11/2018 - Gross Sales 6, Cancellations 3 = 3 net sales

As at 28 November 2018 six sales have been accepted with three cancellations for the month, with 14 lot sales FYE 2019 YTD.

The Project has a stock position of 29 lots, 13 in Catalina Beach and 16 in Catalina Central.

The SPG has advised that sales are lower than anticipated due to soft market conditions and a competitive market, which includes established housing. 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.

The Council approved a “Spring Campaign” which commenced on 8 September 2018. The “Spring Campaign” includes a retail offer of \$20,000 (discount) on house and land packages. The \$20,000 offer consists of a \$10,000 reduced lot price (provided by the TPRC) and a \$10,000 builders construction discount (provided by 24 participating builders). The Spring Campaign also includes the use of a \$2,000 referral fee to the Builder’s Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina. The Spring Campaign concludes at the end of November 2018, and SPG have put forward a recommendation to extend the incentives offered in the current campaign to April 2019, to be considered at item 9.13 of this Agenda.

Northern Corridor Estates Analysis

The following table provides a summary of 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.

ESTATE	SALES												12 Month Total Sales
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	
NORTH-WEST METRO													
Alkimos Beach (Alkimos)	14	12	12	8	15	6	4	5	2	1	9	6	94
Alkimos Vista (Alkimos)	-	-	4	4	5	3	6	1	-	-	8	3	34
Allara (Eglinton)	6	2	6	12	4	6	8	8	2	2	3	6	65
Amberton (Eglinton)	1	-1	3	4	10	5	5	4	2	1	13	7	54
Beaumaris (Iluka)	4	2	1	1	3	-	1	2	1	-	-	1	16
Burns Beach (Burns Beach)	2	1	1	12	8	-	2	2	1	5	5	3	42
Catalina (Clarkson)	8	3	2	2	2	1	3	8	2	2	3	4	40
East of the Beach (Eglinton)	-	-	-	-	-	-	4	3	4	4	1	2	18
Eden Beach (Jindalee)	12	5	5	10	9	11	3	9	2	5	4	11	86
Kinross (Kinross)	-	-	-	-	-	-	1	5	5	4	1	2	18
Shorehaven (Alkimos)	4	2	4	-	2	5	8	2	4	5	-	6	42
Trinity (Alkimos)	10	8	3	9	8	1	1	5	3	-	5	7	60
TOTAL	61	34	41	62	66	38	46	54	28	29	52	58	569
CATALINA NORTHERN CORRIDOR (%)	13%	9%	5%	3%	3%	3%	7%	15%	7%	7%	6%	7%	
CATALINA 3 MONTH AVERAGE (%)	14%	11%	10%	5%	4%	3%	4%	9%	10%	11%	6%	6%	

Note: SPG Reporting is based on 'mid-month' sales period.

The Northern Corridor Comparison Table reports on nett sales to provide more accurate sales figures in the corridor. The SPG has advised that the TPRC generally has a lower cancellation rate when compared to other estates in the North-Western corridor.

Eden Beach achieved the most sales for the month of October 2018. The increase was due to the release of lots to builders for a new Display Village.

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	133,000	N/A	185,000	216,000	N/A	3,405	22
Alkimos Beach	N/A	170,000	250,000	305,000	320,000	2,413	18
Amberton	N/A	200,000	230,000	264,000	N/A	2,500	16
Burns Beach	N/A	N/A	520,000 - 550,000	475,000	510,000 – 755,000	1,580	17
Catalina Central	N/A	260,000	298,000	335,000	N/A	2,480	16
Catalina Beach	N/A	N/A	380,000	425,000	N/A		13

Eden Beach	180,000 - 185,000	245,000	285,000	305,000 – 340,000	320,000 – 325,000	1,100	39
Kinross	N/A	N/A	295,000	325,000 - 330,000	347,500	67	18
Shorehaven	169,000- 280,000	179,000 - 245,000	239,000 - 249,000	275,000 – 285,000	290,00	2,800	44
Trinity	N/A	169,000	198,000 - 220,000	253,000	N/A	2,500	17

Catalina Beach - Stage 25B Builders Allocation Tender

The seven Builder allocation lots released in April 2018 have now all been sold.

Stage 25C Release

Stage 25C was released on 15 September 2018. The release comprised a total of five lots ranging in area from 277m² – 450m² (including Lot 2087, formerly included within the exclusive builder allocation lots). Two lots from the release are now under contract.

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

9.6 REVIEW OF PURCHASER TERMS AND CONDITIONS

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council:

- 1. APPROVES the following Purchaser Terms/Conditions and Incentives for all public and builder release lots for the period December 2018 to December 2019:**
 - 1.1 Use of the REIWA Offer and Acceptance Contract with Special Conditions and Annexure.**
 - 1.2 A \$2,000 deposit to be used in the Sales Contracts for Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for Catalina Beach.**
 - 1.3 A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where finance is required.**
 - 1.4 A 21-day settlement period from finance approval or the issue of titles, whichever is the later.**
 - 1.5 A post occupancy Home Energy Assessment for all new homes.**
 - 1.6 A waterwise landscaping package to the front garden.**
 - 1.7 A \$2,000 rebate for all homes constructed with a minimum 1.5kW capacity photovoltaic solar power system.**
 - 1.8 Side and rear boundary fencing (behind the building line).**
 - 1.9 A \$1,000 rebate for all homes which include appropriate WELS rated fittings and fixtures.**
 - 1.10 Sales incentives (Items 1.6 – 1.9) subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.**
- 2. REQUESTS the Satterley Property Group to review the Purchaser Terms/Conditions and Incentives for public release and builder release lots and provide a report to Council for consideration in December 2019.**

Voting Requirements

Simple Majority

Report Purpose

To consider the purchaser Terms/Conditions and Incentives for the sale of lots for the period December 2018 to December 2019.

Policy Reference

N/A

Local Government Act/Regulation

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

Previous Minutes

Council Meeting – 7 December 2017 (Item 9.6 Review of Purchaser Terms and Conditions)

Financial/Budget Implications

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

Item E145216 (Direct Selling Expenses):

Budget Amount:	\$ 3,734,358
Spent to Date:	\$ 267,761
Balance:	\$ 3,466,597

Relevant Documents

Appendix: SPG letter dated 8 October 2018 Catalina Estate - Review of Purchaser Terms and Conditions

Background

At its meeting of 7 December 2017, the Council approved the Purchaser Terms/Conditions and Incentives for the sale of lots, recommended by the Satterley Property Group (SPG). The Purchaser Terms/Conditions will form part of the sales contracts.

Comment

The SPG has reviewed the Purchaser Terms/Conditions and Incentives for public releases and builder releases and provided recommendations for Council's consideration. A copy of the SPG's correspondence (dated 8 October 2018) is attached under Appendix 9.6.

Public Release Lots

The SPG considers that the current Purchaser Terms/Conditions and Incentives for public release lots in Catalina Central and Catalina Beach have operated well to date.

The SPG has recommended that the current Purchaser Terms/Conditions and Incentives (listed below 1-8) be maintained:

1. Use of the REIWA Offer and Acceptance Contract with Special Conditions and Annexure.
2. A \$2,000 deposit for Sales Contracts in Catalina Central and a \$5,000 deposit for Sales Contracts in Catalina Beach.
3. A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where required.
4. A 21-day settlement period from finance approval or the issue of titles, whichever is the later.
5. A waterwise landscaping package to the front garden.
6. A \$2,000 rebate for homes constructed with a minimum 1.5kW capacity photovoltaic solar power system.

7. Side and rear boundary fencing (behind the building line).
8. A \$1,000 rebate for homes which include the required rated 'Energy Efficiency Labelling Scheme' (WELS) fittings and fixtures.

Sales incentives (Items 5 – 8) are subject to homes being constructed, in accordance with the approved Catalina Design Guidelines, within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.

The SPG also recommends the inclusion of an Energy Audit to all new homes. The provision of an Energy Audit was approved by the Council in June 2018, as part of the Sustainability Initiatives Plan (SIP). As detailed in the SIP an average household can reduce energy consumption between 20% - 50% through minor adjustments to energy use.

Builders Release Lots

The SPG recommends that the Purchaser Terms/Conditions and Incentives for the builder release lots should be the same as the public release lots. This recommendation is consistent with the Lot Sales and Release Strategy (July 2018) approved by Council on August 2018 and is supported.

Conclusion

The current Purchaser Terms/Conditions and Incentives for public release lots have operated well over the last 12 months under difficult market conditions.

The SPG recommended Purchaser Terms/Conditions and Incentives generally reflect industry and competing estates' standards. They are considered appropriate in qualifying purchasers entering into the purchase of a lot. The proposed incentives are consistent with the Sustainability Initiatives Plan (SIP) approved by the Council at its meeting held June 2018.

The costs associated with the Purchaser Terms and Conditions are accommodated in the approved TPRC Budget FYE 2019.

The SPG recommended Purchaser Terms and Conditions for public release and builders release lots for December 2018 – December 2019 are supported.

It is also recommended that the SPG be requested to review the Purchaser Terms and Conditions for Council's consideration in December 2019.

At its meeting of 8 November 2018, the Management Committee considered a report on proposed Purchaser Terms/Conditions and Incentives for the sale of lots for the period December 2017 to December 2018 and resolved to recommend that Council:

1. **APPROVES** the following Purchaser Terms/Conditions and Incentives for all public and builder release lots for the period December 2017 to December 2018:
 - 1.1 Use of the REIWA Offer and Acceptance Contract with Special Conditions and Annexure.
 - 1.2 A \$2,000 deposit to be used in the Sales Contracts for Catalina Central and a \$5,000 deposit to be used in the Sales Contracts for Catalina Beach.
 - 1.3 A finance approval period of 60 days for Catalina Central and 45 days for Catalina Beach, where finance is required.

- 1.4 *A 21-day settlement period from finance approval or the issue of titles, whichever is the later.*
 - 1.5 *A post occupancy Home Energy Assessment for all new homes.*
 - 1.6 *A waterwise landscaping package to the front garden.*
 - 1.7 *A \$2,000 rebate for all homes constructed with a minimum 1.5kW capacity photovoltaic solar power system.*
 - 1.8 *Side and rear boundary fencing (behind the building line).*
 - 1.9 *A \$1,000 rebate for all homes which include appropriate WELS rated fittings and fixtures.*
 - 1.10 *Sales incentives (Items 1.6 – 1.9) subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.*
2. *REQUESTS the Satterley Property Group to review the Purchaser Terms/Conditions and Incentives for public release and builder release lots and provide a report to Council for consideration in December 2019.*

9.7 MANAGEMENT COMMITTEE – TERMS OF REFERENCE/DELEGATIONS

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council APPROVES the Terms of Reference and Delegations to the Management Committee (November 2018).

Voting Requirements

Absolute Majority

Report Purpose

To review the Delegations to the Management Committee.

Relevant Documents

Appendix: Management Committee – Terms of Reference/Delegations (November 2018)

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 5.16 and 5.17 – Delegation to Committee.

Previous Minutes

Council Meeting - 7 December 2017 (Item 9.7 - Management Committee - Terms of Reference/Delegations)

Financial/Budget Implications

N/A

Background

At its meeting of 19 August 2010, the Council approved the establishment of a Management Committee and the Terms of Reference and Delegations.

At its meeting of 7 December 2017, the Council considered the Management Committee's Terms of Reference and Delegations and approved the Terms of Reference and Delegations to the Management Committee (November 2017).

Comment

The approved Terms of Reference and Delegations for the Management Committee reflect that in order for the Tamala Park Project to run in a timely and efficient manner, and compete with surrounding residential estates the Management Committee should have authority to manage and have delegated authority to make decisions.

The approved Terms of Reference and Delegations have operated well since the formation of the Management Committee. The Terms of Reference and Delegations have removed the need for potential additional Council meetings and delays to program which could adversely affect the Tamala Park Project.

The approved Terms of Reference and Delegations to the Management Committee are considered appropriate and no changes are proposed, at this time. The Terms of Reference/Delegations (November 2018) are attached Appendix 9.7.

At its meeting of 8 November 2018, the Management Committee considered the Terms of Reference and Delegations to the Management Committee and resolved to recommend that Council approves the Terms of Reference and Delegations to the Management Committee (November 2018).

9.8 ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council ADOPTS the Annual Report of the Tamala Park Regional Council for the year ended 30 June 2018.

Voting Requirements

Absolute Majority

Report Purpose

To review the Annual Report for the TPRC for the year ended 30 June 2018.

Relevant Documents

Appendix: TPRC Annual Report 2017/2018

Policy Reference

N/A

Local Government Act/Regulation

- *Local Government Act 1995*: S5.3 Requires Local Government to prepare an annual report, with prescribed inclusions, for each financial year.
- *Local Government Act 1995*: S5.4 Requires Local Government to accept the Annual Report by 31 December.
- *Local Government Act 1995*: S5.5 requires availability of report to be advertised following report adoption by Local Government.
- *Local Government (Audit) Regs 1996*: Reg 14 Compliance Audit Item.

Previous Minutes

- Council Meeting - 7 December 2017 (Item 9.9 - Annual Report)
- Council Meeting - 8 December 2016 (Item 9.14 - Annual Report)
- Council Meeting - 10 December 2015 (Item 9.16 - Annual Report)

Background

The Council has a statutory obligation to provide an Annual Report of its operations including the following:

- Report by the Chairman of the Council;
- Report by the CEO;
- Detail of completion of statutory requirements;
- The Audit Report and completed Financial Report of the Council for the year under review.

The Annual Report is to be made available for public inspection.

Comment

The TPRC Annual Report for the year ending 30 June 2018 will be the twelfth annual report produced by the Council. The report contains information on the Council formation and operation, the Tamala Park Project and major activities of the TPRC. The Annual Report is attached at Appendix 9.8.

The report is required to be adopted by the Council by 31 December in each year and a copy of the adopted report must be provided for the Executive Director of the Department of Local Government, Sport and Cultural Industries.

The Annual Report is an opportunity to provide information on the work and objectives of the TPRC and the Tamala Park Project.

The Annual Report contains the Audit Report and the Annual Financial Report, for the year ended 30 June 2018, both of which have been completed. The Audit Report and the Annual Financial Report were approved for inclusion in the Annual Report by Council at its 18 October 2018 meeting.

9.9 DELEGATION AUTHORITY 2018

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That Council APPROVES the Delegation Register 2018 (December 2018).

Voting Requirements

Absolute Majority

Report Purpose

To request Council to approve the Delegation Register 2018 (December 2018).

Relevant Documents

Appendix: TPRC Delegation Register 2018 (December 2018)

Policy Reference

N/A

Local Government Act/Regulation

Local Government Act 1995: Sect 5.42 – Delegation to CEO; Sect 5.46(2) – Review of Delegation.

Previous Minutes

- Council Meeting – 7 December 2017 (Item 9.10 – Delegation Authority 2017)
- Council Meeting – 8 December 2016 (Item 9.15 – Delegation Authority 2016)

Background

The LGA provides that the Council may delegate powers to the CEO who, in turn, may delegate to other officers. The *Local Government Act*, Section 5.46(2) requires that the Council review the Delegations annually.

At its meeting of 7 December 2017, the Council considered and approved the Delegation Register 2017.

Comment

The Delegation Register (December 2017) has been reviewed as required by the *Local Government Act*.

No changes are proposed and it is recommended that Delegation Register 2018 (December 2018) is approved.

9.10 LONG TERM FINANCIAL PLAN 2019 - 2030

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council APPROVES the Long Term Financial Plan 2019 - 2030 and that it be forwarded to the Executive Director of the Department of Local Government, Sport and Cultural Industries for endorsement.

Voting Requirements

Absolute Majority

Report Purpose

To consider the Tamala Park Regional Council Long Term Financial Plan 2019 - 2030

Relevant Documents

Appendix: TPRC Long Term Financial Plan 2019 - 2030

Policy Reference

N/A

Local Government Act/Regulation

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

Financial/Budget Implications:

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

Previous Minutes

Council Meeting – 20 October 2016 (Item 9.11 – Long Tern Financial Plan 2017 – 2028)

Background

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

At its meeting of 20 October 2016, the Council approved the Long Term Financial Plan 2017 - 2028 and that it be forwarded to the Executive Director of the Department of Local Government for endorsement.

The Tamala Park Long Term Financial Plan 2019 - 2030 is intended to be a ten year rolling plan that informs Annual Budgets and the Corporate Business Plan. The LTFP indicates a local government’s long term financial sustainability and allows early identification of financial issues.

Comment

The Long Term Financial Plan 2019 - 2030 (LTFP) has been reviewed in accordance with the Department of Local Government, Sport and Cultural Industries' Long Term Financial Planning Framework and Guidelines and is attached at Appendix 9.10.

It is noted that the TPRC's LTFP is for the period 2019 to 2030 and as a result extends 12 years rather than the model's 10 years, reflecting the duration of the TPRC Project. The LTFP attached at Appendix 9.10 sets out the major program of works for the TPRC over the next 12 years. These are consistent with the approved Project Forecast 2018 and the Annual Plan FYE 2019.

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

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

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

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

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

The LTFP will also:

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

Conclusion

The Long Term Financial Plan 2019 - 2030 has been prepared in accordance with the Department of Local Government, Sport and Cultural Industries' Long Term Financial Planning Framework and Guidelines.

The LTFP indicates that the TPRC has the resources to provide the required services and meet financial commitments and demonstrates the TPRC's long term financial sustainability. It is recommended that Council approve the Long Term Financial Plan 2019 - 2030 and it be forwarded to the Executive Director of the Department of Local Government, Sport and Cultural Industries for endorsement.

9.11 COUNCIL MEETING DATE - FEBRUARY 2019

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council APPROVE that the February 2019 Ordinary Council meeting be held on 21 February 2019 at the Town of Cambridge at 6:00pm and that the meeting date be advertised as required by the *Local Government Act 1995*.

Voting Requirements

Simple Majority

Report Purpose

To set the February 2019 Ordinary Council meeting.

Policy Reference

N/A

Local Government Act/Regulation

- *Local Government Act 1995*, Section 5.25(g)
- *Local Government Administrative Regulation 12* - Publication of meetings open to public

Previous Minutes

Ordinary meeting of Council - 18 October 2018 (Item 9.10 - Meeting Schedule 2019)

Background

Councils are required to advertise dates of all Council meetings. Advertising is required to provide the opportunity for members of the public to attend meetings and be informed about governance of the local authority.

In the case of a Regional Council advertising occurs by publication in a newspaper circulating in the Regional Council area, by publication on the notice board on each of the participant local governments and publication of each of the libraries of the participant Councils.

At its meeting of 18 October 2018, the Council approved the schedule of Ordinary Council meetings and Management Committee meeting dates, locations and times for 2019. No meeting date/location was approved for the February 2019 Ordinary Council meeting.

Comment

Following further liaison with member local governments the February 2019 Ordinary Council meeting is recommended to be held on 21 February 2019 at the Town of Cambridge at 6:00pm.

9.12 UDIA 2019 NATIONAL CONGRESS

Report Information

Reporting Officer: Chief Executive Officer

Recommendation

That the Council AUTHORISES Cr _____ and the CEO to attend the 2019 Urban Development Institute of Australia National Congress in the Gold Coast to be held on 26-28 March 2019.

Voting Requirements

Simple Majority

Report Purpose

To advise Councillors of forthcoming 2019 Urban Development Institute of Australia (UDIA) National Congress in the Gold Coast.

Relevant Documents

Appendix: UDIA National Congress 2019 Program

Policy Reference

TPRC Delegation Register

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Financial/Budget Implications

Expenditure under this matter will be incurred under Members of Council Item E041020 (Conference Expenses):

Budget Amount:	\$10,500
Spent to Date:	\$ 0
Balance:	\$10,500

Expenditure under this matter will be incurred under Administration Item E145020 (Conference Expenses CEO):

Budget Amount:	\$10,000
Spent to Date:	\$ 0
Balance:	\$10,000

Background

The 2019 Urban Development Institute of Australia (UDIA) National Congress will be held in the Gold Coast from 26 - 28 March 2019. The Congress is the lead event of the UDIA and brings together leading industry professionals, developers, federal, state and local government personnel from around Australia.

The Congress will examine challenges and opportunities facing Australia's land development sector and the wider property development industry. It will address issues affecting the development industry such as economic instability, international unrest, confidence in the market, commercially sustainable industry and changing nature of population.

The Congress program includes presentations from expert practitioners from the industry, profiles from cutting edge and best practice projects and research that is being undertaken.

Comment

The Congress focuses on the future, discussing and informing on issues of importance to the development industry.

There are Congress presentations from international and Australian experts on a broad range of development industry issues, including:

- Property and housing trends;
- Economic impacts;
- Liveable communities;
- Innovations in property; and
- International trends influencing building design and development.

The topics covered at the Congress are integral to the TPRC objectives and relate to the areas currently being contemplated in the Catalina Project. It will also provide an opportunity to visit significant projects in the Gold Coast and surrounding areas which are considered to have achieved excellence in urban design and infrastructure provision. A copy of the Congress program is attached at Appendix 9.12.

It is proposed that the CEO attend the Congress. Given the relevance of the Congress to the TPRC activities there would be benefits in Councillor representative(s) also attending the Congress.

In the past the Council has approved attendance by the Chairman and/or Councillors to the Urban Development Institute of Australia (UDIA) National Congress.

Funds are available for attending the conference from Members of Council Item E041020 (Conference Expenses) and Administration Item E145020 (Conference Expenses CEO). Attendance registration, travel, accommodation and incidental costs require a budget of approximately \$5,200 per attendee.

9.13 SALES - MARKETING CAMPAIGN EXTENSION

Report Information

Reporting Officer: Project Coordinator

Recommendation

That the Council:

- 1. RECEIVES the Satterley Property Group correspondence (dated 15 November 2018) regarding the extension to the Sales and Marketing Campaign.**
- 2. APPROVES participation in the Sales and Marketing Campaign to provide a \$20,000 discount on selected house and land packages at Catalina Estate as detailed in the Satterley Property Group advice (dated 15 November 2018), commencing 7 December 2018 to 22 April 2019, subject to a minimum of 10 builders participating in the Campaign.**
- 3. Subject to recommendation 2 above APPROVES the following for the duration of the Sales and Marketing Campaign:**
 - 3.1 A discount of \$10,000 applying to all lots in Catalina;**
 - 3.2 The deletion of the Early Construction Rebate from all lots;**
 - 3.3 The use of a \$2,000 referral fee to the Builder's Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC.**
- 4. APPROVES an increase to the Early Construction Rebate allocation in the TPRC Budget FYE 2019 from \$268,000 to \$360,000 to support the extension of the Sales and Marketing Campaign.**

Voting Requirements

Simple Majority

Report Purpose

To consider the SPG recommendation on extension to the Sales and Marketing Campaign involving a \$10,000 discount on all lots.

Policy Reference

N/A

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount: \$14,405,835
Received to Date: \$ 3,570,820
Balance: \$ 10,835,015

Relevant Documents

Appendix: Letter from Satterley Property Group dated 15 November 2018

Background

At its meeting of 16 August 2018, the Council approved participation in a Sales and Marketing - Spring Campaign to provide a \$20,000 discount on selected house and land packages at Catalina Estate. Participation in the campaign was subject to the following:

- The campaign commencing 5 September 2018 and concluding 30 November 2018;
- A minimum of 10 builders participating in the Spring Campaign;
- A discount of \$10,000 applying to all lots in Catalina;
- The deletion of the Early Construction Rebate from all lots;
- The use of a \$2,000 referral fee to the Builder's Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC.

As part of the Campaign proposal, the SPG recommended a number of KPI's relevant to marketing and sales in order to measure the success of the Campaign. The Spring Campaign concluded on 30 November 2018. The SPG has provided the following information relating to the performance of the Campaign and outcomes on the KPIs.

Catalina Brand Marketing

- Increase website traffic by 20% – website traffic has increased by 33%;
- Registration of interest submissions for the campaign to be 1.7% of website traffic – registration of interest of 1.79% has been achieved;
- Lead enquiry to be 10% of the total enquiries - 135 leads have been generated equating to 13%.

Catalina Retail Marketing

- Catalina retail advertising (digital) to be exposed to 30% of total monthly search volume - 72% of searches were exposed to a Catalina retail message/advert.
- 700 visits to the Catalina landing page per month - an average of 850 visitors per month has been recorded on the Catalina landing page.
- A lead conversion rate of 9% per month from visits to the Catalina landing page – although a higher number of leads has been achieved the conversion rate was lower at 8%.
- 14 sales to be achieved for the duration of the campaign - 13 offers have been achieved (as of 5/11/2018).

The SPG considers that the Spring Campaign was successful and attributes it to a combination of the \$10,000 discount provided on all lots and the \$2,000 builders referral, which has been applied to 5 out of 13 of the contracted lots.

Comment

The SPG considers that with the performance of the Spring Campaign and the current state of the land sales market, there is merit in refreshing the Campaign and continuing it through Summer. It has recommended that the \$10,000 discount to all lots and \$2,000 builder's referral are extended through to 22 April 2019 (Easter) via a new Campaign.

The purpose of the Spring Campaign was to generate interest and sales in order to meet the sales budget for the months of September - November. To date 13 contracts have been achieved, however, two cancellations have also been received. The two cancellations are attributed to contracts sold several months ago and are not directly related to the Campaign. It is noted that year to date, the Project has achieved 11 nett sales, which is three sales behind the budget estimate.

The Spring Marketing Campaign has been successful in promoting leads/interest in the Project, however, market share has not increased as a number of competing estates are offering similar campaign incentives.

It is noted that the Mid-Year Budget Review FYE 2019, prepared by SPG, to be considered by the Council at item 9.16 of this Agenda, proposes significant price reductions on existing and proposed new lots in both the Central and Western Precincts. It is the SPG's recommendation that both the price reductions in the Mid-Year Budget Review and the Campaign are approved in order to meet the budget of 50 lots for FYE 2019.

It is noted that at this stage the SPG has not provided details on the Campaign, however, has indicated that the Campaign would be based on the same terms as the Spring Campaign and that a number of builders and SPG managed estates are likely to participate in the Campaign.

The TPRC Budget includes a provision of \$268,000 for the Early Construction Rebate which was approved for use for the Spring Marketing Campaign of which \$128,000 could be allocated to the new Campaign. However, this would only be sufficient for approximately 12 sales which would be insufficient to cover expected sales.

The SPG has recommended as part of the Mid-Year Budget Review that the Early Construction Rebate line item of the TPRC Budget be increased to a total of \$360,000 to cover the costs associated with the Campaign. The additional budget equates to 18 sales based on the \$10,000 discount and \$2,000 builder's referral fee applying to all sales and is supported.

It is recommended that the Council approves an extension to the Sales and Marketing - Spring Campaign to provide a \$20,000 discount on selected house and land packages at Catalina Estate, commencing 1 December 2018 to 22 April 2019. It is recommended that the Council approves the following for the duration of the Sales and Marketing Campaign:

1. A discount of \$10,000 applying to all lots in Catalina;
2. The deletion of the Early Construction Rebate;
3. The use of a \$2,000 referral fee to the Builder's Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC.

It is recommended that the Council approves an increase to the Early Construction Rebate allocation in the TPRC Budget FYE 2019 from \$268,000 to \$360,000 to support the extension of the Campaign.

The extension to the Campaign should be subject to similar marketing KPI's as the current Campaign. A sales KPI of 19 lots is considered appropriate and is consistent with the Project Budget for the period December 2018 to 22 April 2019.

9.14 ELECTED MEMBER ALLOWANCES - CONFIDENTIAL

9.15 REVIEW OF PROJECT MILESTONES FYE 2019 - CONFIDENTIAL

9.16 PROJECT BUDGET FYE 2019 – MID-YEAR REVIEW - CONFIDENTIAL

9.17 DEVELOPMENT MANAGEMENT AGREEMENT – KEY PEOPLE – CONFIDENTIAL

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9.18 CEO PERFORMANCE REVIEW 2017/2018 - CONFIDENTIAL

9.19 CEO FURTHER CONTRACT OF EMPLOYMENT – 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