



**TAMALA PARK**  
Regional Council

## **Meeting of Council**

# **AGENDA**

**Thursday 13 August 2015, 6:00pm**  
**City of Wanneroo**  
**23 Dundebur Road, Wanneroo**

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

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

**TABLE OF CONTENTS**

MEMBERSHIP .....	4
1. OFFICIAL OPENING.....	5
DISCLOSURE OF INTERESTS .....	5
2. PUBLIC STATEMENT/QUESTION TIME .....	5
3. APOLOGIES AND LEAVE OF ABSENCE .....	5
4. PETITIONS .....	5
5. CONFIRMATION OF MINUTES .....	5
5A. BUSINESS ARISING FROM THE MINUTES .....	5
6. ANNOUNCEMENTS BY CHAIRMAN (WITHOUT DISCUSSION).....	5
7. MATTERS FOR WHICH MEETING MAY BE CLOSED.....	5
8. REPORTS OF COMMITTEES .....	5
9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.19) .....	5
9.1 BUSINESS REPORT – PERIOD ENDING 6 AUGUST 2015 .....	6
9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MAY & JUNE 2015 .....	9
9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MAY & JUNE 2015 .....	12
9.4 PROJECT FINANCIAL REPORT – JUNE 2015 .....	13
9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 6 AUGUST 2015.....	15
9.6 REVIEW OF SUSTAINABILITY INITIATIVES PLAN .....	18
9.7 REVIEW OF CATALINA RISK MANAGEMENT PLAN .....	27
9.8 CATALINA LOCAL EMPLOYMENT HUB .....	31
9.9 CATALINA HOUSING AND BUILT FORM STRATEGY .....	35
9.10 PROJECT BUDGET 2015/2016.....	43
9.11 TPRC DRAFT BUDGET FOR THE FINANCIAL YEAR 2015/2016 .....	45
9.12 AUDIT COMMITTEE AUDIT CHARTER & ANNUAL AUDIT PLAN REVIEW 2015... 51	
9.13 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW 2015 .....	53
9.14 INVESTMENT POLICY REVIEW 2015 .....	55
9.15 CREDIT CARD POLICY REVIEW 2015 .....	57
9.16 PETTY CASH POLICY REVIEW 2015 .....	59
9.17 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES REVIEW 2015 .....	60
9.18 PROCUREMENT POLICY REVIEW 2015.....	62
9.19 LIVEABLE CITIES CONFERENCE REPORT.....	64
9.20 REVIEW OF PURCHASER TERMS AND CONDITIONS.....	65
10. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN.....	67

11. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN .....	67
12. URGENT BUSINESS APPROVED BY THE CHAIRMAN .....	67
13. MATTERS BEHIND CLOSED DOORS.....	67
14. GENERAL BUSINESS .....	67
15. FORMAL CLOSURE OF MEETING.....	67

**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 13 August 2015 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



**TONY ARIAS**  
Chief Executive Officer

**MEMBERSHIP**

<b>OWNER COUNCIL</b>	<b>MEMBER</b>	<b>ALTERNATE MEMBER</b>
Town of Cambridge	Cr Louis Carr	
City of Joondalup	Cr John Chester Cr Tom McLean	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Mayor Giovanni Italiano JP (Chairman) Cr David Michael Cr Terry Tyzack Cr Rod Willox AM JP	Cr Elizabeth Re
Town of Victoria Park	Mayor Trevor Vaughan (Deputy Chairman)	
City of Vincent	Mayor John Carey	
City of Wanneroo	Cr Dianne Guise Cr Brett Treby	Cr Frank Cvitan Cr Hugh Nguyen

**PRELIMINARIES**

**1. OFFICIAL OPENING**

**DISCLOSURE OF INTERESTS**

**2. PUBLIC STATEMENT/QUESTION TIME**

**3. APOLOGIES AND LEAVE OF ABSENCE**

**4. PETITIONS**

**5. CONFIRMATION OF MINUTES**

Council Meeting – 18 June 2015

**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 – 30 July 2015
- Audit Committee Meeting – 6 August 2015

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

## 9.1 BUSINESS REPORT – PERIOD ENDING 6 AUGUST 2015

### Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

### Recommendation

**That the Council RECEIVE the Business Report to 6 August 2015.**

### Voting Requirements

Simple Majority

### Report Purpose

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

### Relevant Documents

Appendix: Staging Plan

### Background

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

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

### Comment

#### 1. Civil Construction - Status

The following table provides an overview of the progress of current civil works:

Stage	Lots	Commenced Construction	Practical Completion Date	Works Status	Titles
13B	45	24 November 2014	24 April 2015	100% complete	May 2015
14	63	19 January 2015	5 June 2015	100% complete	June 2015
15	55	27 July 2015	11 December 2015	5% complete	December 2015

#### 2. Bulk Earthworks - Status

The clearing approval for the Catalina Beach Precinct (Western Precinct) was issued by the City of Wanneroo on 16 April 2015 and a clearing permit from the Department of Environment Regulation (DER) was received on 14 May 2015.

The clearing works and the UXO (unexploded ordinance) search commenced in late June 2015 and completed on 14 July 2015.

The Phase 1 earthworks commenced on 27 July 2015 with approximately 5% of the works completed to date and due to be completed by October 2015. An earthworks mitigation strategy has been prepared to reduce potential adverse impacts on the existing Mindarie residents.

### **3. Landscape works – Status**

The following table provides an overview of the progress of current landscape works to date:

<b>Stage</b>	<b>Commencement of Construction</b>	<b>Original Practical Completion Date</b>	<b>Works Status</b>
Stage 11 Streetscapes	22 June 2015	17 July 2015	Completed
Stage 10 Public Open Space	30 June 2015	28 August 2015	50% Complete
Marmion Avenue Entry Signage	22 June 2015	31 July 2015	90% Complete

Stage 10 Public Open Space and Marmion Avenue Entry Signage are on target for completion in accordance with the Practical Completion dates.

### **4. Housing Construction**

The following table provides an overview of the current progress of housing construction to date. A significant number of homes are under construction in Stages 9-13A.

<b>Stage</b>	<b>Under Construction</b>	<b>Completed</b>	<b>Total</b>
Stage 1	0	32	32
Stage 2	2	29	31
Stage 3	0	43	43
Stage 4	1	44	45
Stage 5	1	59	60
Stage 6A	0	6	6
Stage 6B	13	0	13
Stage 6C	4	0	4
Stage 7	3	59	62
Stage 8	2	48	50
Stage 9	36	10	46
Stage 10	20	6	26
Stage 11	51	1	52
Stage 12	10	0	10
Stage 13A	12	0	12
<b>Total</b>	<b>155</b>	<b>337</b>	<b>492</b>

**5. Waste Management Program**

Instant Waste Management is providing monthly reports identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 120 participating building sites with a waste recovery rate of 95% (by weight) being achieved. To the end of June 2015 a total of 2,498 tonnes of waste has been recycled through the Waste Management Program.

**6. Lot 1 – TPRC/ABN Development**

Marketing and selling of the apartments is complete with all 25 contracts of sale having been accepted. Construction and Landscaping works on the apartments is now complete. A site inspection was held on 30 July 2015 and was attended by representatives from the TPRC, ABN and Satterley.

**7. Builders Display Village**

All 23 lots within the second Catalina Display Village have now been sold to builders, with 22 lots now settled. House plans have been received from 20 builders to date, with 18 homes now under construction. The Village is expected to open in February 2016.

**8. Telethon Home**

Work on the Catalina Telethon Home has progressed well, with completion expected in September 2015. The Telethon Home Auction is to be held on 18 October 2015.

Promotion and marketing of the Catalina Telethon Home and the Catalina Estate commenced in June with television advertisements on Channel 7.



## **9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MAY & JUNE 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

### **Recommendation**

**That the Council RECEIVE and NOTE the Statements of Financial Activity for the months ending:**

- **31 May 2015; and**
- **30 June 2015.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix:

- Statement of Financial Activity for 31 May 2015
- Statement of Financial Activity for 30 June 2015

### **Local Government Act/Regulation**

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

### **Background**

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

### **Comment**

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

**Variances at 30 June 2015 exceeding 10% were experienced in relation to the following:**

<b>Interest Earnings</b>	Interest earnings exceed budget predictions as a result of higher investment principal.
<b>Other Revenue</b>	The positive variance relates to additional interest from late settlements.
<b>Employee Costs</b>	The positive variation relates to savings in relieving staff.
<b>Materials and Contracts</b>	The positive variance relates to savings in consultant payments.
<b>Utilities</b>	Utilities are under budget due to savings.
<b>Income Sale of Lots – Subdivisions</b>	The negative variance relates to fewer settlements.
<b>Land Production Cost</b>	The positive variance relates to savings and deferral of some works.

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

**Financial Snapshot as at 30 June 2015**

**TAMALA PARK REGIONAL COUNCIL  
FINANCIAL SNAPSHOT  
FOR THE PERIOD ENDING 30 JUNE 2015**

	2014-15 ADOPTED BUDGET	2014-15 ACTUAL	VARIANCE		VARIANCE %
			FAVOURABLE	UNFAVOURABLE	
<b>REVENUE</b>	\$	\$	\$	\$	%
Interest Earnings	951,446	1,459,506	508,060		53.40%
Profit/(loss) on Disposal Of Asset	6,869	956		(5,913)	-86.08%
Other Revenue	10,480	12,926	2,446		23.34%
	<b>\$968,795</b>	<b>\$1,473,388</b>	<b>\$510,506</b>	<b>(\$5,913)</b>	
<b>LESS EXPENDITURE</b>					
Depreciation	(17,983)	(16,250)	1,733		9.64%
Employee Costs	(713,586)	(598,053)	115,533		16.19%
Insurance	(16,900)	(12,967)	3,933		23.27%
Materials and Contracts	(439,950)	(140,286)	299,664		68.11%
Other	(175,438)	(199,701)		(24,263)	-13.83%
Utilities	(6,000)	(457)	5,543		92.38%
Members Equity					
-Income Sale of Lots - Subdivisions	61,890,849	60,058,193		(1,832,656)	-2.96%
-Income Other - Subdivisions	0	18,875	18,875		0.00%
-Land Production Costs	(48,455,839)	(23,492,495)	24,963,344		51.52%
-Contributions Returned	(31,422,562)	(31,422,562)			0.00%
	<b>(\$19,357,409)</b>	<b>\$4,194,297</b>	<b>\$25,408,625</b>	<b>(\$1,856,919)</b>	
Total Change in Equity	<b>(\$18,388,614)</b>	<b>\$5,667,685</b>	<b>\$25,919,131</b>	<b>(\$1,862,832)</b>	

Balance Sheet Summary as at 30 June 2015

TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2015

	Actual 2013/14 \$	Actual 2014/15 \$	Variance \$	Variance %
<b>Current assets</b>				
Cash and cash equivalents	40,413,398	46,060,590	5,647,192	13.97%
Trade and other receivables	735,068	389,124	(345,944)	-47.06%
<b>Total current assets</b>	<b>41,148,466</b>	<b>46,449,714</b>	<b>5,301,248</b>	<b>12.9%</b>
<b>Non-current assets</b>				
Inventories	1,818,182	1,818,182	0	0.00%
Property, plant and equipment	140,116	151,943	11,827	8.44%
<b>Total non-current assets</b>	<b>1,958,298</b>	<b>1,970,125</b>	<b>11,827</b>	<b>0.60%</b>
<b>Total assets</b>	<b>43,106,764</b>	<b>48,419,839</b>	<b>5,313,075</b>	<b>12.33%</b>
<b>Current liabilities</b>				
Trade and other payables	587,695	191,738	395,957	67.37%
Provisions	76,228	102,906	-26,678	-35.00%
<b>Total current liabilities</b>	<b>663,923</b>	<b>294,644</b>	<b>369,279</b>	<b>55.6%</b>
<b>Non-current liabilities</b>				
Provisions	16,261	30,931	-14,670	-90.22%
<b>Total non-current liabilities</b>	<b>16,261</b>	<b>30,931</b>	<b>-14,670</b>	<b>-90.22%</b>
<b>Total liabilities</b>	<b>680,184</b>	<b>325,575</b>	<b>354,609</b>	<b>52.13%</b>
<b>Net assets</b>	<b>42,426,580</b>	<b>48,094,264</b>	<b>5,667,684</b>	<b>13.36%</b>

### **9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MAY & JUNE 2015**

#### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

#### **Recommendation**

**That the Council RECEIVE and NOTE the list of accounts paid under Delegated Authority to the CEO for the months of March and April 2015:**

- **Month ending 31 May 2015 (Total \$513,135.20)**
- **Month ending 30 June 2015 (Total \$19,037,188.39)**
- **Total Paid - \$19,550,323.59**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of payments made under the CEO's Delegated Authority for the months ending 31 May 2015 and 30 June 2015.

#### **Relevant Documents**

Appendix:

- Cheque Detail for May & June 2015
- Summary Payment List for May & June 2015

#### **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 Stephenson following completion of each months accounts.

## 9.4 PROJECT FINANCIAL REPORT – JUNE 2015

### Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.401.0

### Recommendation

**That the Council RECEIVE the Project Financial Report (June 2015) submitted by the Satterley Property Group.**

### Voting Requirements

Simple Majority

### Report Purpose

To consider the Project Financial Report for June 2015 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 June 2015.

### Relevant Documents

Appendix: Letter from Satterley Property Group dated 22 July 2015 with Financial Report

### Background

At its meeting of 21 August 2014 the Council approved the Project Budget 2014/2015 (August 2014), submitted by the Satterley Property Group, as the basis of financial planning for the 2014/2015 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 June 2015 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 June 2015 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$60.8M which is \$2.1M under budget with the variance in settlement revenue attributed to 11 lot settlements less year to date.
2. Expenditure is \$26.0M under budget, due in the main to savings and deferred payments in the following areas:
  - Lot Production \$14.8M;
  - Landscape \$4.0M;
  - Infrastructure \$2.4M;
  - Contingency \$2.1M.

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

3. Lot Sales Value was \$16.2M below budget due to 64 lot sales less year to date.

Satterley Property Group representatives will be in attendance to present the report and outline potential implications for FYE 2016.

It is noted that the forecast Distribution of \$31M to member local governments for 2014/2015 was made in accordance with the approved TPRC Budget 2014/2015.

**9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 6 AUGUST 2015**

**Report Information**

Reporting Officer: Project Coordinator

File Reference: N/A

**Recommendation**

**That the Council RECEIVE the Sales and Settlement Report to 6 August 2015.**

**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:	\$41,138,469
Received to Date:	\$ 3,762,000
Balance:	\$37,376,469

*Note: Based on Draft TPRC Budget 2015/2016.*

**Background**

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

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

**Comment**

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

<b>STAGE</b>	<b>RELEASE DATE</b>	<b>LOTS RELEASED</b>	<b>LOT SIZES</b>	<b>SOLD</b>	<b>STOCK</b>	<b>SETTLED</b>
<b>Stages 1 – 5, 6A, 6C, 7-9, 11B &amp; 13A (Builders)</b>	NA	436	NA	436	0	436
<b>Stage 10</b>	Feb 2014	30	300-562	29	1	28
<b>Stage 11A</b>	Mar 2014	49	295-490	46	3	46
<b>Stage 12A</b>	May 2014	25	295-463	21	4	20
<b>Stage 12B</b>	July 2014	24	225-490	24	0	23
<b>Stage 13A (Public)</b>	Aug 2014	27	288-450	24	3	24
<b>Stage 13B (Public)</b>	Oct 2014	39	295-450	30	9	25
<b>Stage 6B (Display Vge)</b>	Sep 2014	24	225-505	24	0	23
<b>Stage 13B (Builder)</b>	Oct 2014	6	225-300	6	0	5
<b>Stage 14A (Public)</b>	Jan 2015	17	295-450	17	0	11
<b>Stage 14B (Public)</b>	Feb 2015	19	274-450	13	6	7
<b>Stage 14 Builder Release</b>	March 2015	12	224-323	12	0	0
<b>Stage 14C (Public)</b>	April 2015	7	375 – 375	5	2	0
<b>Stage 14D (Public)</b>	June 2015	8	225 - 322	2	6	0
<b>Stage 15A (Public)</b>	July 2015	16	300 - 450	1	15	0
<b>TOTAL</b>		<b>739</b>		<b>690</b>	<b>49</b>	<b>649</b>

The Stage 15A Public Release was held on 25 July 2015. The release consisted of 16 residential lots including five 450m<sup>2</sup> lots and six 375m<sup>2</sup> lots providing a greater diversity of product and meeting the market demand for these types of lots. The remainder lots range in area from 300m<sup>2</sup> to 361m<sup>2</sup>.

There were 6 net sales and 14 settlements for the month of July 2015. To date there have been 2 settlements for the month of August.

### **Competition Analysis**

The table below provides a summary of gross sales at competing developments in the northern corridor for the financial year up to 30 June 2015. Sales in the corridor have reduced significantly in financial year 2015 compared to financial year 2014. It is expected that this sales trend will continue into financial year 2016.

Catalina's market share has ranged from 6% to 24% on a month to month basis over the financial year, with April 2015 being the best performing month for the financial year. The SPG has expressed caution that competitor's sales results are indicative only based on information that the SPG is able to obtain in the marketplace.



Estate	Sales												YTD total	Size Range (m2)
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun		
Brighton	0	0	0	0	0	0	0	9	7	6	5	0	27	225-464
Eden Beach	8	25	18	27	35	3	5	2	15	7	9	19	173	296-558
Catalina	10	23	22	16	19	25	18	18	12	20	24	4	211	228-490
Alkimos Beach	35	13	25	26	16	9	15	22	26	17	21	12	237	280-581
Amberton	13	15	21	19	34	11	9		25	16	17	10	190	228 - 552
Shorehaven	19	10	11	10	33	59	14	10	8	8	13	12	207	217 - 772
Trinity	24	22	40	19	10	22	20	16	11	8	44	10	246	286-505
<b>TOTAL</b>	<b>109</b>	<b>108</b>	<b>137</b>	<b>117</b>	<b>147</b>	<b>129</b>	<b>81</b>	<b>77</b>	<b>104</b>	<b>82</b>	<b>133</b>	<b>67</b>	<b>1291</b>	
Catalina Market Share %	9%	21%	16%	14%	13%	19%	22%	23%	12%	24%	18%	6%	16%	

A summary of available stock in the corridor is provided in the table below. The table shows that Eden Beach has the most expensive pricing followed by Catalina. The release of stage 15A (July 2015) now provides both 12.5 metre and 15 metre stock to the market.

Estate	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	7.5m Stock	10m Stock	12.5m Stock	15m Stock	Other Stock	Total Stock
Brighton	180,000	200,000	220,000	0	0	0	5	20	25
Eden Beach	285,000	322,000	360,000	0	5	7	10	6	28
Catalina	261,000	300,000	342,000	3	6	8	6	20	43
Alkimos Beach	218,000	240,000	280,000	2	6	2	1	4	15
Amberton	195,000	243,000	269,000	0	2	1	4	3	10
Shorehaven	255,000	285,000	306,000	0	5	0	0	13	18
Trinity	206,000	237,000	270,000	0	2	0	4	23	29
<b>TOTAL</b>				<b>5</b>	<b>26</b>	<b>18</b>	<b>30</b>	<b>89</b>	<b>168</b>
<b>Total %</b>				<b>3%</b>	<b>15%</b>	<b>11%</b>	<b>18%</b>	<b>53%</b>	<b>100%</b>

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

## 9.6 REVIEW OF SUSTAINABILITY INITIATIVES PLAN

### Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

### Recommendation

That the Council:

1. **RECEIVE** the Catalina Sustainability Initiative Plan Annual Review and Reporting (22 July 2015) prepared by the Satterley Property Group.
2. **APPROVE** the continuation of the following sustainability initiatives and budget:

SUSTAINABILITY INITIATIVE	APPROVED BUDGET
Third Pipe (non potable water supply system) / Share Bore	\$2,500 per lot
Waterwise Landscape Package	\$5,500 per lot
Solar Panel Rebate	\$2,000 per lot
Fibre Optic Service	\$1,000 per lot
Community Development	\$1,200 per lot
Waste Recycling (Housing Construction)	\$1,000 per lot

3. **REQUEST** the Satterley Property Group to prepare a report on the Shared Bore Trial for October 2015 for Council's consideration.
4. **APPROVE** the provision of fibre optic services by NBN Co. in Stages 1-18, with the provision of fibre optic services beyond Stage 18 being the subject of a separate report by the Satterley Property Group on the fibre optic service provider for Catalina Beach and Catalina Grove.
5. **APPROVE** the review of the Design Guidelines, with a report being provided to Council by December 2015.
6. **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
7. **APPROVE** the continuation of the existing bulk earthworks and civil works initiatives for fauna and flora relocation and that the sewer infrastructure in the Catalina Beach Precinct and drainage storage systems initiatives be further investigated.
8. **APPROVE** the continuation of small lot and Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (September 2013).
9. **ACCEPT** that 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 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 – 21 February 2013 (Item 9.13: Sustainability Initiatives Plan (September 2011));
- Council Meeting – 12 April 2012 (Item 9.13: Development Managers - Key Performance Indicators)
- Council Meeting - 15 December 2011 (Item 9.6: Sustainability Initiatives Plan (September 2011))

## Financial/Budget Implications

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

- Item E145211 (Land Development – Lot Production):

Budget Amount:	\$17,550,304
Spent to Date:	\$ 40,626
Balance:	\$17,509,678

- Item E145216 (Sales Expenditure – Direct Selling Costs):

Budget Amount:	\$6,843,099
Spent to Date:	\$ 255,991
Balance:	\$6,587,108

- Item E145213 (Land Development – Community Development):

Budget Amount:	\$192,500
Spent to Date:	\$ 17,854
Balance:	\$174,646

*Note: Based on Draft TPRC Budget 2015/2016.*

**Relevant Documents**

Appendix: SPG Letter dated 2 April 2014 re: Catalina Sustainability Initiative Plan Annual Review and Reporting

Available for viewing at the meeting: Development Manager KPIs (March 2012).

**Background**

In February 2013 the Council considered a review of the Sustainability Initiatives Plan (SIP), prepared by the Satterley Property Group and resolved that the following sustainability initiatives be implemented in the Project:

<b>SUSTAINABILITY INITIATIVE</b>	<b>APPROVED BUDGET</b>
Third Pipe (non potable water supply system) / Share Bore	\$2,500 per lot
Waterwise landscape package	\$5,500 per lot
Solar panels rebate	\$2,000 per lot
Fibre Optic service	\$1,000 per lot
Community Development	\$1,200 per lot
Waste recycling (housing construction)	\$1,000 per lot

The approved Development Managers KPI 2.8 requires the Satterley Property Group to undertake an annual review of sustainability initiatives by May each year.

**Comment**

In accordance with the approved Development Managers KPI 2.8 the Satterley Property Group (SPG) has undertaken a review of the sustainability initiatives being implemented in Catalina. In addition to the sustainability initiatives referred to above the SPG has reviewed and reported on a number of broader sustainability initiatives being implemented in the Project. The SPG report on sustainability initiatives is attached as Appendix 9.6.

A discussion of each sustainability initiative is provided below:

Shared Bore Trial

The SPG had initially proposed that the Council pursue a Third Pipe (Non-potable Water Supply System) for Catalina. As a result of the significant costs and lack of certainty over management arrangements for the Third Pipe (Non-potable Water Supply System) for Catalina this was not progressed.

In February 2013 the Council approved the implementation of a Shared Bore Trial for Stages 4, 5 and 7 for front loaded lots. The Shared Bore proposal is expected to deliver savings in the use of potable water supply.

To date 45 out of the 72 homes in the trial have been landscaped. A report on the trial was to be presented to Council in December 2014.

The SPG has indicated that the initiative has been well received by purchasers and recommends that the decision to extend the trial be deferred until October 2015 when a report on the trial will be presented to Council.

### Waterwise Landscape Packages

The Council approved the provision of waterwise landscape packages to assist Catalina's water conservation and promote locally appropriate plant species. A budget of \$5,500 per lot was allocated to this initiative.

The waterwise landscape package applies to the front 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.

The SPG has recommended that the Waterwise Landscape Package be continued for future stages.

### Solar Panel Rebate

The Council has approved a \$2,000 per lot solar rebate where purchasers install a solar system, within a specified time frame.

To date 98 purchasers have installed the required solar panel system, which represents 30% of the homes completed and eligible. The SPG estimates a reduction of greenhouse gas emissions of approximately 1.4 tonnes per annum per home and a total reduction in greenhouse gas emissions of 137 tonnes per annum based on the participating homes to date.

The SPG has recommended that the solar rebate be continued.

### Fibre Optic Service

Arrangements have been put in place with NBN Co. for the reticulation of fibre optic services and to date Stages 1- 18 to be serviced.

The cost to install pit and pipes for NBN Co. is approximately \$950 per lot. However, as of 1 July 2015 NBN Co. will increase fees for any lots that are not subject to an existing agreement with NBN Co.

The SPG has recommended that Fibre Optic services be continued with NBN Co. for stages 1-18. Dependent on NBN's proposed commercial arrangements alternative proposals for a fibre optic service may need to be investigated.

### Community Development

The TPRC is implementing an approved Community Development Plan and an annual Community Development Program with a budget of \$192,000.

The focus to date has been on stakeholder consultation, local community events such as street parties, tree planting day and environmental walks. The Catalina Online Noticeboard has also been established which provides local community events, local services and trades, project information and community interaction on local matters.

The SPG recommends that the next 12 months involves a greater focus on welcome events for new residents, the installation of a Community Garden, the creation of a resident's association and a larger event for all residents at Catalina.

The SPG has recommended that Community Development be continued.

### Waste Recycling (Housing Construction)

In December 2014 the Council approved a tender proposal from Instant Waste Management to establish and operate a Waste Management Program to collect, sort, store and reuse builders' waste material generated from within the Catalina Estate.

To date over 2,400 tonnes of waste has been diverted from landfill and recycled at a rate of 95% of all materials.

The program is voluntary in public release stages, however it has been mandated for builder releases from Stage 9 onwards and the 2<sup>nd</sup> Catalina Display Village. It is receiving good feedback from builders who have participated to date and is achieving excellent recycling results. In order to offset the additional costs the TPRC provides a rebate of \$750 for Stage 14 onwards to participating builders.

A total of 105 homes are participating in the Program to date out of a total of 390 homes that have the opportunity to participate, indicating a participation rate of 27%.

The SPG has recommended that the Waste Recycling (Housing Construction) program be continued.

### EnviroDevelopment Certification

EnviroDevelopment (ED) is the Urban Development Institute of Australia's best industry model for measuring a projects sustainability credentials. Sustainability credentials are measured against six elements, *Energy, Water, Waste, Community, Ecosystem and Materials*.

EnviroDevelopment is an environmental branding system designed to make it easier for purchasers and the development industry to recognise the environmental credential of certified developments.

The Council has agreed to proceed with UDIA EnviroDevelopment certification for the Catalina Project and engage a consultant to prepare and lodge the necessary reports to seek accreditation for all 6 elements, which is the maximum certification available. A consultant is to be appointed in August 2015 with certification expected to be completed late in 2015.

### Housing Design Guidelines

The Catalina Design Guidelines were approved by Council in February 2013. The Guidelines include a number of recommendations for purchasers to reduce the consumption and cost of household energy and water. These recommendations include:

- Installing high star rated electrical and water using appliances;
- Installing a solar hot water system;
- Installing an array of photovoltaic cells;
- Incorporating shade devices that allow northern winter sun to living areas and prevent summer sun access;
- Passive solar design by locating the dwelling's daytime living areas and their associated openings to a north facing aspect where practical;
- Locating windows and doors in habitable rooms opposite each other to allow for ventilation through the dwelling from cooling summer breezes from the south-west.

The SPG considers the design guidelines incorporated into Catalina homes with mixed success. Low cost design elements are being incorporated into the majority of designs.

Solar hot water systems and shade devices are generally not being included in building designs due to the higher cost involved with their installation.

To assist in the demonstration of the above initiatives, it is mandatory for builders in the 2<sup>nd</sup> Catalina Display Village to proceed with at least three of these design recommendations. Some builders are proceeding with all of the design recommendations.

The SPG has recommended that the guidelines be reviewed to incorporate new design trends and sustainability initiatives.

#### Project Dwelling Densities

The Catalina development has included a diversity of lot sizes, including a high proportion of medium density lots compared to competing developments. The medium density housing has a number of sustainability benefits including:

- Shorter journeys to facilities and services;
- Greater opportunities for social interaction and support;
- Greater opportunities for provision of social infrastructure;
- Affordable homes creating a greater diversity of residents.

The SPG has recommended that the Council continue to provide small lot and Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (September 2013) and continue to investigate new product types and builder partnerships.

#### Bulk Earthworks and Civil Works

Prior to and as part of the bulk earthworks and civil works a number of sustainability initiatives are being implemented.

##### Fauna Relocation

Prior to the commencement of stages of bulk earthworks the TPRC undertakes best practice fauna relocation. This involves the capture of small marsupials, reptiles and subterranean fauna at regular intervals. All native fauna is relocated to an appropriate Crown Reserve or National Park. There is recording of each specimen and photos taken at time of capture and release. The program also includes the trapping / capture of introduced and non-endemic species.

Trees are checked for Carnaby's Black-Cockatoo nesting activity.

##### Flora Relocation

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

The SPG has also reported two civil works initiatives being investigated in FYE 2016 associated with the sewer infrastructure in Catalina Beach Precinct and drainage storage systems.

The SPG has recommended that the existing bulk earthworks and civil works initiatives are continued and the two civil works initiatives associated with the sewer infrastructure in Catalina Beach Precinct and drainage storage systems be further investigated.

## Landscape Works

Prior to and as part of the Landscape Works a number of sustainability initiatives are implemented.

### Flora Revegetation Programs

The majority of public areas/streetscapes landscapes comprise native and low water use plants. In addition over 50% of plantings of trees and shrubs in street-scaping and other public areas are primary feeding plants for Carnaby's Black-Cockatoo.

The rehabilitation program for the Biodiversity Conservation Area (BCA), which is an important conservation area adjacent Marmion Avenue has also commenced. The rehabilitation has included conservation fencing, weed management, planting of native species and control of unauthorised tracks.

### Native Seed Collection

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

Landscape contracts also include the following sustainability initiatives:

- Propagation of native seeds taken from site for planting in conservation and open space areas;
- Use of site mulch from trees cleared during earthworks;
- Installation of solar lights in parks;
- Investigations for the blending of topsoil with fill for use in deep fill, rather than removing from site;
- Rehabilitation of Biodiversity Conservation Areas through weed management, fencing and planting of native species while minimising disturbance;
- Planting of native trees along streets and in parks that are a feeding habitat for Carnaby's Cockatoo.
- Recycling of material through Instant Waste Management;
- Reuse of limestone boulders and logs from on site.

The SPG has recommended that the existing landscape design and construction initiatives be continued.

### Sustainability Best Practice and Competitor Review

As part of the SIP review the SPG has considered competing projects and industry best practice. The SPG considers initiatives being implemented exceed those at the majority of competing developments in Beaumaris, Burns Beach and Jindalee. Generally sustainability initiatives at these developments consist of community development, retention of vegetation, environmentally friendly front landscaping and a fibre optic service. Four of Catalina's competitors in the northern corridor have EnviroDevelopment ratings. The projects have EnviroDevelopment certification ratings ranging from 1 element to 6 elements as shown in the following table.

Project	Developer	Leaves	Ecosystems	Waste	Energy	Materials	Water	Water	Community
Alkimos Beach	LendLease / Landcorp	6	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Trinity	LWP	2	Yes	No	No	No	No	Yes	Yes
Carpricorn Village	Carricorn Village JV	2	Yes	No	No	No	No	Yes	Yes
Shorehaven	Peet	1	No	No	No	No	Yes	No	No
Average / Total		2.8	3	1	1	1	2	3	



Alkimos Beach, a joint venture between LandCorp and Lend Lease, has received a 6 elements EnviroDevelopment rating, being a market leader in both Perth and the north-west corridor.

The Alkimos Beach development features an Energy Smart Home Package which includes the following:

- A cash rebate of \$2,500 upon installation of a 1kW or greater solar panel system;
- A cash rebate of \$1,500 towards a solar hot water system (gas boosted);
- In home energy display valued at approximately \$200;
- Efficient air conditioning rebate valued at approximately \$300;
- Front landscaping package to the value of \$2,500.

Allara, a joint venture between LandCorp and Satterley in Eglinton, commenced in November 2014 and also includes a sustainability package summarised as follows:

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

### **Conclusion**

The sustainability initiatives approved in February 2013 by Council are being implemented within the Project and are being well received by purchasers and builders.

The SPG review concludes that the initiatives being implemented at Catalina exceed those at the majority of competing or similar developments and reflect industry best practice.

The SPG recommendations for the sustainability initiatives are supported and include the following:

1. That the Shared Bore Trial be continued until October 2014 when a report on the trial will be presented to Council;
2. That the Waterwise Landscape Package be continued;
3. That the Solar rebate be continued;
4. That Fibre Optic services be continued by NBN Co. in Stages 1-18, with further consideration to be given to the fibre optic service provider for Catalina Beach and Catalina Grove;
5. That Community development is continued;
6. That the Waste Recycling (Housing Construction) program be continued;
7. That the Design Guideline sustainability recommendations are reviewed as part of EnviroDevelopment accreditation;
8. That medium density housing options are continued into future stages including medium density housing on front loaded small lots and partnering with builders to deliver medium density dwellings on group housing sites;
9. The SPG has recommended that the existing landscape design and construction initiatives are continued;
10. The SPG has recommended that the existing Bulk Earthworks and Civil Works initiatives are continued and the two civil works initiatives associated with the Sewer Infrastructure in Catalina Beach Precinct and Drainage Storage systems be further investigated.

It is recommended the Council accept that the Satterley Property Group has achieved Key Performance Indicator Item 2.8, requiring the annual review of the Sustainability Initiatives Plan and reporting of its implementation.

At its meeting of 30 July 2015 the Management Committee considered the report on the Catalina Sustainability Initiatives, submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the Catalina Sustainability Initiative Plan Annual Review and Reporting (22 July 2015) prepared by the Satterley Property Group.*
2. *APPROVE the implementation of the following sustainability initiatives and budget:*

<i>SUSTAINABILITY INITIATIVE</i>	<i>APPROVED BUDGET</i>
<i>Third Pipe (non potable water supply system) / Share Bore</i>	<i>\$2,500 per lot</i>
<i>Waterwise Landscape Package</i>	<i>\$5,500 per lot</i>
<i>Solar Panel Rebate</i>	<i>\$2,000 per lot</i>
<i>Fibre Optic Service</i>	<i>\$1,000 per lot</i>
<i>Community Development</i>	<i>\$1,200 per lot</i>
<i>Waste Recycling (Housing Construction)</i>	<i>\$1,000 per lot</i>

3. *REQUEST the Satterley Property Group to prepare a report on the Shared Bore Trial for October 2015 for Council's consideration.*
4. *APPROVE the provision of fibre optic services by NBN Co. in Stages 1-18, with the provision of fibre optic services beyond Stage 18 being the subject of a separate report by the Satterley Property Group on the fibre optic service provider for Catalina Beach and Catalina Grove.*
5. *APPROVE the review of the Design Guidelines, with a report being provided to Council by December 2015.*
6. *APPROVE the implementation 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*
7. *APPROVE the implementation of the existing bulk earthworks and civil works initiatives for fauna and flora relocation and that the sewer infrastructure in the Catalina Beach Precinct and drainage storage systems initiatives be further investigated.*
8. *APPROVE the implementation of small lot and Medium Density Housing opportunities in accordance with the Catalina Built Form and Housing Strategy (September 2013).*
9. *ACCEPT that Satterley Property Group has achieved Key Performance Indicator 2.8 requiring an annual review of sustainability initiatives by May each year.*

## **9.7 REVIEW OF CATALINA RISK MANAGEMENT PLAN**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

### **Recommendation**

#### **That the Council:**

- 1. APPROVE the Risk Management Plan (July 2015) prepared by the Satterley Property Group.**
- 2. REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan (July 2015) 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.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider a report on the Risk Management Plan (May 2014), prepared by the Satterley Property Group.

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

N/A

### **Previous Minutes**

- Council Meeting – 26 June 2014 (Item 9.7 - Catalina Risk Management Plan 2014)
- Council Meeting – 20 June 2013 (Item 9.9 - Catalina Risk Management Plan)

### **Financial/Budget Implications**

N/A

### **Relevant Documents**

Appendix:

- Catalina Risk Management Plan dated July 2015
- Catalina Risk Register 2015

## Background

At its meeting held in 20 June 2014, the Council resolved as follows:

1. *APPROVE the Risk Management Plan (May 2014) and recommended mitigation actions submitted by the Satterley Property Group.*
2. *REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan 2014 and report to Council annually.*

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 decision of June 2014 and the Development Managers KPI 2.12 the SPG has reviewed the Catalina Risk Management Plan 2014 and submitted the Catalina Risk Management Plan (May 2015) for Council's consideration (attached under Appendix 9.7).

The Risk Management Plan (RMP) identifies 22 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:

<b>Category</b>	<b>Risk Rating</b>
Low	0 – 6
Medium	7 – 14
High	15+

The SPG's assessment of the 22 risk items are reported in the RMP (Appendix 9.7) and resulted in the risk items being categorised as follows:

Category	Number
Low	12
Medium	9
High	1

The SPG's assessment resulted in one risk item 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 budget 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 2025.

The SPG's assessment has resulted in three items being categorised as medium risk, however, these have potential major – catastrophic consequences.

*Item 3.5: Delays in commencing and undertaking the LSP Amendment process for Catalina Grove Precinct may impact sales releases.*

Significant delays in undertaking and obtaining approval for Local Structure Plan amendment for the Catalina Grove Precinct could affect the development program for the Eastern Precinct.

The SPG has assessed this risk with a rating of 8 and recommended it be mitigated by carrying out the Urban Design study for the Eastern Precinct which will provide the basis of the for Local Structure Plan amendment.

Further mitigation measures include maintaining close liaison with approval authorities including the City of Wanneroo and WAPC on key outcomes and requirements.

*Item 4.3: Non-compliance with Work Health and Safety Requirements leads to serious injury and / or death.*

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

The SPG has assessed this risk with a rating of 12 and recommended it be mitigated by evidence that SPG's WHS Management System satisfies the *Occupational Safety and Health Act (WA) 1984* and *Occupational Safety and Health Regulations (WA)* and the implementation of the SPG WHS Contractor Management Procedure, including 2<sup>nd</sup> Party (Principal Contractor) audits, Project specific risk identification workshops by the Principal Contractor and regular reporting of WHS matters.

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

The Tamala Park Waste Facility is a putrescible landfill operation. There is a risk that the landfill operations could contaminate the TPRC's landholding from contaminated groundwater or gas. At the present time there are no management issues with the landfill that affect the Catalina development.

The Tamala Park Waste Facility is being well managed with on-going monitoring and testing programs. The Facility is also subject to annual DER licensing.

The TPRC is in close liaison with Mindarie Regional Council administration in terms of potential impacts on the Catalina Project.

## Conclusion

The RMP provides detailed qualitative assessment of the above risks in order to understand their cause and potential impact to the Project. The SPG has recommended mitigation actions 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 the significant risks identified in the RMP were also reported in the RMP 2014 and appropriately managed. The mitigation actions recommended by the SPG have been commenced and further actions have been implemented to manage 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 further 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 30 July 2015 the Management Committee considered the report on the Catalina Risk Management Plan 2015, submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *APPROVE the Risk Management Plan (July 2015) prepared by the Satterley Property Group.*
2. *REQUIRE the Satterley Property Group to continually review and update the Risk Management Plan (July 2015) 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.*

## **9.8 CATALINA LOCAL EMPLOYMENT HUB**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

### **Recommendation**

#### **That the Council:**

- 1. RECEIVE the report on a Local Employment Hub at Catalina prepared by the Satterley Property Group (dated 22 July 2015).**
- 2. REQUEST the Satterley Property Group to review the possibility of facilitating a Local Employment Hub within the Catalina Eastern Precinct when development proceeds within the Precinct.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the report prepared by the Satterley Property Group on the potential of a Local Employment Hub at Catalina.

### **Policy Reference**

N/A

### **Local Government Act/Regulation**

N/A

### **Previous Minutes**

Council Meeting – 12 February 2015 (Item 9.11 – Local Job Creation Strategy)

### **Financial/Budget Implications**

No Budget allocation

### **Relevant Documents**

Appendix: SPG Letter – Local Employment Hub at Catalina (22 July 2015)

### **Background**

At its meeting of 12 February 2015 the Council approved the Local Job Creation Strategy for Catalina and requested the Satterley Property Group provide a report on the possibility of establishing a local employment hub within the Catalina Project.

## Comment

In accordance with the Council's request of February 2015 the Satterley Property Group (SPG) has undertaken research on the potential for a local employment hub (business incubation centre) being established within the Catalina Project. The SPG report is attached as Appendix 9.8.

In order to consider issues associated with establishment of a local employment hub, also referred to as business incubation centre, within the Catalina Project the SPG has undertaken a review of local employment hubs (business incubation centres) within the Perth northern region. Three local employment hubs in Joondalup, Wangara and Stirling and a shared workplace facility in Joondalup were investigated.

In the case of all operations the purpose of the local employment hub is to provide small/start-up businesses commercial space on a short term lease that is affordable (below market rent). A support network is also provided to grow the business to be self sufficient and able to move on, allowing a new business to access the local employment hub.

The following is a summary of the information obtained on the facilities investigated:

### Business Station – Joondalup

Located near the Joondalup Train Station privately operated by a not-for-profit organisation comprises 47 individual offices, training rooms and kitchen facilities, run by two full time staff. Office rental start from \$156 per week with office sizes ranging from 10m<sup>2</sup> to 33m<sup>2</sup>. The centre is running at a breakeven point (note the building is leased to the operators at no cost).

### Sixty27 Joondalup

The City of Joondalup and the West Coast Institute have created a partnership to create Sixty27 in Joondalup which is a shared workplace for small business owners to assist in collaboration with other small businesses. Affordable office space and business support is provided. Funding for this management is provided by the City of Joondalup. The Centre has only recently opened with the initial take-up slower than expected.

### The Small Business Centre – Stirling

The Centre is a non-profit community based incubator providing affordable office space and support to assist the establishment of new businesses. The centre is currently 75% occupied and has been operated successfully.

### Business Incubator – Wangara

The Wangara business incubator commenced operations in early 2015 and is funded by business owners who had excess office space available. It comprises 10 small offices which are in the process of being leased. No commercial arrangements were provided, however, it is expected that the office rental will be subsidised.

It is understood that the City of Wanneroo has been exploring an industrial incubator with LandCorp in Neerabup for a number of years, however have not yet been successful in obtaining funding.

Based on the SPG investigation, in order for the local employment hub to be successful it requires funding or subsidies from either private or public groups, support staff to assist in running the centre and business development support. It is noted that these local employment hubs all have the appearance and function as a normal business office.



The SPG estimates that the costs of establishing a local employment hub at Catalina as \$500,000 for land (based on a 500m<sup>2</sup> site), a build cost of approximately \$500,000 and fitout of \$100,000, plus ongoing servicing. The actual costs would be heavily dependent on the size of centre, fitout and type of facilities provided. It is possible that alternative structures, such as sea containers, could be utilised as lower cost options, however, fitout and ongoing servicing would still apply.

The SPG considers that there may be demand for a local employment hub (business incubation centre) being established within the Catalina Project serving the Clarkson/Kinross areas. It also considers that a more attractive location would be within the Ocean Keys Centre or within Catalina, adjacent the Clarkson Railway Station.

The SPG has also suggested the possibility of utilising the upstairs meeting room of the Land Sales Office available for business meetings. Whilst it would be possible to utilise the area for community meetings and business meetings for small businesses it could not fulfil the function of the local employment hub due to its limited size and infrastructure. Substantial alterations and fitout would be required, only to achieve limited facilities.

The SPG has also recognised that the running of a Local Employment Hub would need to be conducted by an external party as the TPRC does not have the expertise or resources to run such a facility.

In order to determine accurate establishment and operating costs a specialist consultant would need to be engaged to outline the following:

- Whether a centre would be viable at Catalina;
- The use that would be most appropriate at the centre;
- The size of the centre required;
- The cost to establish the centre and run the centre on an ongoing basis; and
- Funding options for the centre.

The SPG has indicated that is not usually the role of a developer to provide significant funding for the establishment of a local employment hub (business incubator) and it does not believe the creation of the centre would provide significant benefits for the TPRC. It does not recommend the inclusion of a local employment hub (business incubator) at Catalina.

The SPG has recommended that should the TPRC wish to pursue the establishment of a local employment hub (business incubator) at Catalina it should be undertaken by a party, such as Business Station or the West Coast Institute, who has expertise in the management of such facilities.

## **Conclusion**

The local employment hubs (business incubation centres) investigated by the SPG all provide an important service for start-up businesses. From SPG investigations all require funding or subsidies from either private or public groups and require support staff to assist in running the centre and provide business development support. If such a facility is to be established by the TPRC in Catalina it will be dependent on initial capital funding and ongoing financial support and resourcing from the TPRC.

The SPG believes that the Ocean Keys Centre or the Catalina Eastern Precinct, adjacent the Clarkson Railway Station provide suitable locations for a local employment hub. At the present time the Ocean Keys Centre is considered a more appropriate location given the extensive services/infrastructure and opportunities for complimentary synergies with other businesses within the Ocean Keys Centre. The land within the Catalina Eastern Precinct,

adjacent the Clarkson Railway Station, could be suitable for the establishment of a local employment hub, however, serviced land will not be available for several years.

The TPRC needs to consider whether it should be involved in establishing a local employment hub within Catalina given the significant set up costs and ongoing financial support and resourcing which is required and the risks in terms of ongoing success. The SPG has raised serious concerns about the viability of a local employment hub without substantial support from the TPRC.

The views and recommendations of the Satterley Property Group that the funding and establishment of a local employment hub (business incubator) and ongoing management are not a role for the TPRC are supported. The establishment and operation of a local employment hub is a unique business requiring specialist skills. The TPRC administration does not have the experience or resources to manage such an operation.

Should the Council wish to pursue the establishment of a local employment hub (business incubator) at Catalina it is recommended that it should be undertaken with a training provider, such as the West Coast Institute, or an existing proven operator who has expertise in the establishment and ongoing management of such a facility.

At its meeting of 30 July 2015 the Management Committee considered the report on a local employment hub at Catalina, submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *RECEIVE the report on a Local Employment Hub at Catalina prepared by the Satterley Property Group (dated 22 July 2015).*
2. *REQUEST the Satterley Property Group to review the possibility of facilitating a Local Employment Hub within the Catalina Eastern Precinct when development proceeds within the Precinct.*

## 9.9 CATALINA HOUSING AND BUILT FORM STRATEGY

### Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

### Recommendation

#### That the Council:

1. **APPROVE** the Catalina Housing and Built Form Strategy (May 2015) submitted by the Satterley Property Group, for strategic guidance in delivering housing and built form outcomes within the Catalina Project.
2. **DETERMINE** that the Key Performance Indicator Item 2.9, completion of an Annual Review of Housing and Built Form Strategy by June 2015, has been met.
3. **ADVISE** the Satterley Property Group that following consideration of the Integrated Urban Design Study for the Eastern Precinct by the Council the Catalina Housing and Built Form Strategy (May 2015) will need to be reviewed.
4. **ADVISE** the Satterley Property Group that there have been limited outcomes in relation to built form associated with Innovation, Aged Housing, Adaptable Housing and Mixed-Use and that these activities require consideration and direct strategies for implementation during 2015/2016.

### Voting Requirements

Simple Majority

### Report Purpose

To consider a report on the review on the Housing and Built Form Strategy (September 2013) and to consider the revised Catalina Housing and Built Form Strategy (May 2015) prepared by the Satterley Property Group.

### Policy Reference

N/A

### Local Government Act/Regulation

N/A

### Previous Minutes

- Council Meeting – 13 December 2012 (Item 9.19: Built Form and Demonstration Housing Strategy).
- Council Meeting – 17 October 2013 (Item 9.9: Catalina Housing and Built Form Strategy).

### Financial/Budget Implications

N/A

## Relevant Documents

Appendix: Catalina Housing and Built Form Strategy (May 2015)

## Background

At its meeting of 17 October 2013, the Council received the Housing and Built Form Strategy (September 2013), submitted by the Satterley Property Group. The Council further resolved that the strategy be reviewed in 24 months to assess the outcomes and strategic direction to be taken for the following 24 months.

The approved Development Managers KPI 2.9 requires the Satterley Property Group (SPG) to undertake an Annual review of the Housing and Built Form Strategy by May each year.

## Comment

In accordance with Council decision of October 2013 and the Development Managers KPI 2.9 the SPG has reviewed the Housing and Built Form Strategy (September 2013) and submitted the Catalina Housing and Built Form Strategy (May 2015) (CHBFS) for the Council's consideration (attached under Appendix 9.9).

The SPG has reviewed the built form outcomes of the areas identified under the Housing and Built Form Strategy (September 2013) and has outlined the following outcomes as having been achieved:

- **Strategy Area 1 (Medium Density Group Housing Site)** – A development agreement for the Lot 1 Grouped Housing site (4,380m<sup>2</sup>) with the ABN Group was achieved, with the construction of 25 one and two bedroom apartments scheduled for completion in August 2015. The Project has been a good joint-venture outcome that will deliver a quality product that meets the density and built form objectives for the Project.
- **Strategy Area 2 (Sale Design Guidelines)** - Lot 248 is a Grouped Housing site located adjacent to the Stage 4 POS. The lot has been sold to a builder subject to design guidelines to ensure a high quality two storey outcome overlooking the park. Construction is due to commence shortly.
- **Strategy Area 3 (Builder Partnerships)** – Builder partnerships have been achieved over the past 24 months with 267 lots sold through the builders put options. This has achieved delivery of a number of affordable smaller lot products to the market.
- **Strategy Area 4 (Medium/High Density – Builder Partnership)** – Preliminary concepts have been developed for Strategy Area 4, however, further consideration of design elements is required. Development of Strategy Area 4 is expected to occur around 2019/2020.
- **Strategy Area 5 (Display Villages)** – The first Display Village is currently open to the public and is projected to close in February 2016. The second Display Village is currently under construction and will supersede the first Display Village in February 2016.

In addition to the above, the Strategy notes the following achievements:

- 966 lots have subdivision approval, providing a wide range of lot sizes suitable for a variety of housing types, including a substantial offering of market based affordable housing and medium density product.

### Scope and Content

The Strategy is intended to provide strategic guidance to the TPRC in respect of housing related issues and provide a recommended framework to address these within housing within Catalina. The scope of the document includes the following:

- To encourage and provide measures for the implementation of a range of housing types to meet the needs of the Project, having due regard to demand; housing diversity; special needs housing and housing affordability.
- To clearly define the TPRC's housing related strategies and objectives and provide a framework for decision making and planning to assist in achieving these objectives.
- To identify potential sites for innovation, demonstration project and partnering.
- To identify circumstances and criterion for consideration of TPRC contributions towards affordable housing.
- To consider the potential options and impact of not-for-profit, community or social housing projects.
- To consider the potential for aged persons developments.

### Objectives

The Strategy reviews the Tamala Park Local Structure Plan (LSP79) and provides an analysis of local and regional population growth and housing demand that considers trends in housing demand and supply in Perth, to establish a context for its strategic guidance. Drawing on this analysis, the Strategy identifies the following key objectives:

- DIVERSITY AND CHOICE - To provide for a mixture of lot types for single traditional homes, cottage homes, semi-detached housing, terraced housing, flats, maisonettes and apartments, combining to create a community that is vibrant, self sustaining and varied.
- AFFORDABILITY - To encourage the provision of various forms of affordable housing in the Catalina housing market, including consideration of low cost market housing and subsidised housing.
- MIXED USE - To provide opportunities for mixed use development combining residential, commercial and community uses, in strategic locations particularly activity centres.
- SUSTAINABILITY - To facilitate urban design and housing development consistent with the sustainability initiatives and commitments set out in LSP79 and the Catalina Sustainability Initiatives Plan (September 2011).
- BUILT FORM - To encourage a high quality and distinct urban vernacular which promotes a distinctive sense of place and terrain responsive housing where appropriate to integrate with the natural landscape.

The objectives seek to address key housing needs revealed in the Strategy's analysis of population growth and housing demand, which indicates continued high demand for single housing driven by the needs of families, and an undersupply of medium density housing options within the area, particularly in proximity to community services and amenities.

### Residential Densities

The Strategy confirms the framework provided by LSP79 to be well suited to the delivery of a wide range of housing products. The Strategy endorses the flexibility of density codings under LSP79, which includes a density range of R30-R60 throughout the Estate and designated R80-R100 density areas within the western and eastern precincts.

Recommendations align with the density codings under LSP79, with higher density housing options recommended in locations that provide greater access to amenities, services and public transport facilities.

As the SPG has noted the Council has commissioned an Integrated Urban Design and Landscape Design Consultancy for the Catalina Eastern Precinct. This study will inform the detailed design process utilizing best practice and current economic and market analysis of apartment and mixed use development for the site. It will assess the level of density and mixed use that can be supported along with the commercial viability of such density and mixed use. The market analysis component of the design review will determine not only the depth of the market for density and mixed use but also determine the amount of density and mixed use the site can accommodate and sustain in the long term future.

#### Housing Diversity - Delivery Strategies

The Strategy provides an overview of lot types proposed for Catalina and the housing products these accommodate, which cover a range of housing types from large traditional detached houses to medium density cottage and terraced housing and high density grouped and apartment style housing.

Catalina's proposed product mix of 67% detached houses and 21% semi-detached and townhouses is confirmed to reflect the needs identified by research considered in its analysis of population growth and housing demand. The SPG has indicated that the market for flats and apartments is evolving and there is a growing acceptance of apartments in the market and it is expected that this trend will continue during the life of the Project. There is future opportunity for the development of apartments in the Catalina Eastern Precinct in close proximity to the Clarkson Train Station.

It recommends the production of greater diversity in housing options within proximity to services, facilities and public transport. The Strategy identifies high and medium density housing options within proximity to local activity centres and transport linkages within the Western and Eastern Precincts.

The creation of housing that provides for 'ageing in place' is recommended, with adaptable and intergenerational housing identified as options that are able to be implemented under the prevailing density codings. These housing options are recommended to be provided in locations that allow easy access to community services and transport linkages. Actions for the creation of purpose built aged care housing, including seeking expressions of interest for an aged care facility within the Eastern Precinct and the provision of information to purchasers and homeowners are also recommended.

#### Affordability

The Strategy identifies the following options to be available to the TPRC to provide affordable housing:

- MARKET BASED - Provision of a supply of owner occupied housing at affordable prices through normal market mechanisms.
- ASSISTED HOUSING - Provision of affordable housing via a shared equity program, involving the sale of land at discounted prices to developers or joint venture schemes to provide affordable housing.
- SOCIAL HOUSING - Sale of land at discounted prices to the DOH or not-for-profit organisations for the provision of subsidised rental housing.

A discussion of housing affordability within Western Australia is provided, identifying current government schemes and programs to address affordability issues.

The Strategy recognises current WA Department of Housing (DOH) benchmarks for affordable housing being house and land packages under \$360,000 and land under

\$190,000 and identifies product types currently produced within Catalina that achieve these benchmarks. The Strategy recommends adopting a target of 10% of all housing within Catalina in the form of product types that are able to be provided within DOH affordability benchmarks. The SPG has advised this target is able to be achieved without compromising projected returns under the Whole of Project Cashflow.

It recommends affordable housing be created in a manner that is dispersed and indistinguishable from other housing. The location of affordable housing is recommended to allow easy access to community facilities and public transport and in a form that facilitates efficient low cost living. The Strategy recommends that due to proximity to the future neighbourhood centre and Clarkson Train Station, the Eastern Precinct presents the best opportunities for the provision of affordable housing.

The Strategy recognises that it is not the role or responsibility of the TPRC to subsidise the delivery of affordable housing, particularly where this would adversely impact on commercial returns from the Project. The Strategy recommends an emphasis on market based affordable housing together with opportunities for assisted affordable housing using the DOH Shared Equity Program.

It provides criteria to identify and determine opportunities for assisted affordable housing based on locational and built form criteria and a requirement for the DOH to agree to housing being used solely for its shared equity program. The SPG has advised opportunities for assisted affordable housing via the DOH shared equity program will be able to be delivered without compromising projected returns under the Whole of Project Cashflow.

To date, the TPRC has provided affordable housing on a market based approach through efficient subdivision, yields, servicing and housing construction. This approach is consistent with the TPRCs objectives under its Establishment Agreement, which include the balancing of economic, social and environmental issues. The Strategy's recommendation for affordable housing within Catalina to continue to be focussed on a market based delivery model is supported.

#### Sustainability and Built Form in Housing

The Strategy recognises that sustainability and built form are key elements of Catalina's vision and recommends measures to incorporate and control features of housing within Catalina to adopt sustainability principles and enhance built form outcomes. This is recommended to be pursued in the following ways:

- PLANNING AND DESIGN - Achieved in the integration of land use and transport planning, retention of natural vegetation and habitat, providing diversity and choice, and the planning and design of community amenities and infrastructure.
- SUBDIVISION, BUILDING AND CONSTRUCTION - Achieved through best practice construction including protection of native flora and fauna, use of sustainable materials and sustainable waste and water management.
- DEMONSTRATION PROJECTS, INCENTIVES AND INFORMATION - The approved Sustainability Initiatives Plan contains a number of incentives to encourage sustainable development, including waterwise landscaping and shared bores to reduce demand on potable water and installation of solar panels.

The Strategy notes that the cost of sustainability features and incentives presents limitations to the delivery of further initiatives without adversely impacting the financial viability of the Project. The Strategy recommends implementation of sustainability within Catalina continue to be based on the approved initiatives contained within the Sustainability Initiatives Plan and the provision of consumer information.

Two methods for delivering a high quality and distinctive built form are proposed as follows:

1. The development of Design Guidelines and covenants for each of the three precincts of the Project, to ensure a minimum standard of built form is achieved throughout the Project; and
2. The identification of important 'landmark' sites for demonstration or partnered building approaches.

In the development and implementation of design guidelines, the Strategy recommends guidelines be developed for each of the three precincts reflecting the following distinct characteristics:

- WESTERN PRECINCT - A premium high quality built form reflecting a coastal character.
- CENTRAL PRECINCT - A contemporary suburban character with a focus on conservation reserves and open spaces.
- EASTERN PRECINCT - A more diverse urban character with a focus on services, amenities and public transport linkages.

The Strategy provides criteria to identify important or 'landmark' sites that justify a more individual approach to built form outcomes, due to high exposure, proximity to key amenities or features, different land uses or other site specific characteristics. The criteria is to be applied in the initial planning phases of precincts to identify sites, with options of site specific design guidelines or partnered building arrangements adopted to achieve specific built form objectives.

The SPG has recommended display home villages be constructed within each of the three precincts to demonstrate built form that reflect the desired character of each precinct. It is noted the current Whole of Project Cashflow makes provision for the construction of a sales office in the Central and Western Precincts only and the SPG has confirmed its strategy is to direct purchasers to the future sales office to be located in the Western Precinct. This strategy will be further considered closer to the development of the Eastern Precinct.

#### Mixed Use Development

The Strategy defines mixed use development as development comprising a mixture of two or more land uses within a single building, or multiple buildings of different uses within a development site. The strategy considers the success of existing mixed use development within Clarkson to have been limited, with residential uses dominating, however notes the ability to attract more commercial and entertainment uses may increase as the area matures.

It notes that mixed use development can benefit urban areas by increasing housing, employment, business choice and enhancing the amenity of areas by increasing diversity and vibrancy and recommends adoption within Catalina in strategic locations.

Criterion for locating successful mixed use development is provided based on the following:

- Market considerations;
- Proximity to high amenity areas and key attractors;
- On street parking;
- Good access and visual exposure;
- A sense of place and identity.



Under LSP79, mixed use development is proposed in the following locations:

- Central Western Precinct, along Neerabup Road;
- Central Eastern Precinct, adjacent to Neerabup Rd and Connolly Drive;
- Eastern Precinct, along central Greenlink and Neerabup Road.

Of the above locations, the strategy identifies the Eastern Precinct to best satisfy the locational criteria for successful mixed use development.

The Strategy provides a comprehensive list of design criterion including characteristics and features of successful mixed use development, for application in planning, design and development phases. Strategies guide the identification of sites and design of mixed use precincts via the application of the design criteria to provide a clear framework for implementation.

As already indicated the Integrated Urban Design and Landscape Design Study for the Catalina Grove Precinct will include an economic and market analysis of mixed use development. It will assess the level of mixed use that can be supported along with the commercial viability.

### **Conclusion**

The Catalina Housing and Built Form Strategy has provided useful guidance to the TPRC in addressing housing related issues throughout the Catalina Estate since 2013.

The SPG review of the Housing and Built Form Strategy (September 2013) demonstrates successful built form outcomes in a number of the Strategy Areas. However, there have been limited outcomes in relation to built form associated with Innovation, Aged Housing, Adaptable Housing and Mixed-Use. It is noted that there are strategies in place aimed at delivery outcomes and that preferred locations for these activities may be the Western or Eastern Precincts which are yet to be developed. However, the SPG should be advised that during 2015/2016 these activities require consideration and direct strategies for implementation.

The Strategy proposed by the Satterley Property Group develops objectives for key housing issues to address trends in housing demand identified in its analysis of housing policy and recent housing related research. The housing structure presented in the Strategy provides for a diverse mix of housing options in response to the demonstrated needs of the community and is supported by delivery models to implement these.

A number of the Strategy's key initiatives will be implemented within the Eastern Precinct of the Project, which is understandable given the more diverse urban character of this Precinct. Due to the current stage of development, initial planning for the Eastern Precinct has not yet progressed and implementation of these strategies is unable to be initiated until this work commences.

The Strategy recommends the delivery of affordable housing with a focus on the market based approach that has been implemented to date to achieve targets for the provision of housing within DOH affordability benchmarks. The Strategy also provides criteria to identify and determine opportunities for assisted affordable housing via the DOH's shared equity scheme.

The SPG has advised the Catalina Housing and Built Form Strategy 2015 has been developed within the parameters of the current Whole of Project Cashflow and Project

Program and the strategies and recommendations contained within it are able to be implemented in accordance with current project planning.

The Catalina Housing and Built Form Strategy 2015 provided by SPG addresses the key housing issues identified by the Council. It is recommended that the Council endorse the Catalina Housing and Built Form Strategy (May 2015) for strategic guidance in planning, designing and delivering housing and built form outcomes within the Catalina Project.

As indicated the Integrated Urban Design and Landscape Design Consultancy for the Catalina Grove Precinct will provide greater clarity in terms of best practice and market analysis for apartment and mixed use development for the Eastern Precinct. It will assess the level of density and mixed use that can be supported along with the commercial viability of such density and mixed use. The market analysis component of the design review will determine not only the depth of the market for density and mixed use but also determine the amount of density and mixed use the site can accommodate and sustain in the long term future. Following the Council's consideration of the Integrated Urban Design Study for the Eastern Precinct it is recommended the Catalina Housing and Built Form Strategy (May 2015) be reviewed by the Satterley Property Group.

It is further recommended that the Council accept that the Satterley Property Group has achieved Development Managers KPI 2.12 requiring the preparation of a Built Form and Demonstration Housing Strategy by May each year.

At its meeting of 30 July 2015 the Management Committee considered the report on the Catalina Housing and Built Form Strategy (May 2015), submitted by the Satterley Property Group, and resolved to recommend that Council:

1. *APPROVE the Catalina Housing and Built Form Strategy (May 2015) submitted by the Satterley Property Group, for strategic guidance in delivering housing and built form outcomes within the Catalina Project.*
2. *DETERMINE that the Key Performance Indicator Item 2.9, completion of an Annual Review of Housing and Built Form Strategy by June 2015, has been met.*
3. *ADVISE the Satterley Property Group that following consideration of the Integrated Urban Design Study for the Eastern Precinct by the Council the Catalina Housing and Built Form Strategy (May 2015) will need to be reviewed.*
4. *ADVISE the Satterley Property Group that there have been limited outcomes in relation to built form associated with Innovation, Aged Housing, Adaptable Housing and Mixed-Use and that these activities require consideration and direct strategies for implementation during 2015/2016.*

## 9.10 PROJECT BUDGET 2015/2016

### Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.48.0

### Recommendation

**That the Council APPROVE the Project Budget 2015/2016 (July 2015), submitted by the Satterley Property Group, and it be used as the basis of financial planning and reporting for the TPRC Budget 2015/2016.**

### Voting Requirements

Simple Majority

### Report Purpose

To consider a report on the revised Project Budget 2015/2016 (July 2015) prepared by the Satterley Property Group.

### Policy Reference

N/A

### Local Government Act/Regulation

Nil

### Previous Minutes

- Council Meeting – 26 June 2014 (Item 9.6 - Draft Project Budget 2014/2015)
- Council Meeting – 20 June 2013 (Item 9.6 - Draft Project Budget 2013/2014)

### Financial/Budget Implications

Input to TPRC 2015/16 budget.

### Relevant Documents

Appendix: SPG Project Budget (July 2015)

### Background

At its meeting of 18 June 2015 the Council approved the Project Budget 2015/2016 (March 2015), submitted by the Satterley Property Group, as the basis of financial planning for the 2015/2016 TPRC Budget.

The Project Budget 2015/2016 (March 2015) has been used to inform the TPRC Budget for 2015/2016.

### Comment

The changes in the Project Budget 2015/2016 (July 2015) are shown in the table below:

<b>Catalina Cashflow</b>	<b>Revised FYE 2016 July 2015 Model</b>	<b>Previous FYE 2016 June 2015 Model</b>	<b>FYE 2016 Variance</b>
Gross Income	35,559,838	36,645,252	(1,085,414)
Development Costs	40,717,456	37,505,837	(3,211,619)
<b>Cashflow</b>	<b>(5,157,618)</b>	<b>(860,585)</b>	<b>(4,297,033)</b>
Distributions	18,000,000	18,000,000	0

The main variance is to the Project Budget 2015/2016 is that Development Costs have increased largely due to the deferral of landscape works and Stages 13A – 14A lot production costs from FYE 2015 to FYE 2016. The impact of this is that the Cashflow position in Project Budget for FYE 2016 is \$4.29M less favourable.

The proposed Distribution of \$18M to member local governments remains unchanged.

The changes have been incorporated into the Draft TPRC Budget 2015/2016.

It is recommended that the Council approve the Project Budget 2015/2016 (July 2015), submitted by the Satterley Property Group, and that it be used as the basis of financial planning for the TPRC Budget 2015/2016.

## 9.11 TPRC DRAFT BUDGET FOR THE FINANCIAL YEAR 2015/2016

### Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.26.141

### Recommendation

#### That the Council:

1. **ADOPT the Budget for the Tamala Park Regional Council for the year ending 30 June 2015/2016, incorporating the following statements:**
  - a. **Statement of Comprehensive Income, indicating an operating deficit of \$427,823.**
  - b. **Statement of Financial Activity, showing surplus at end of year position of \$22,141,778.**
  - c. **Rate Setting Statement, indicating no rates levied.**
  - d. **Notes 1 to 27 forming part of the Budget.**
2. **ADOPT the Significant Accounting Policies as detailed in pages 14–23.**
3. **ADOPT a percentage of 10% or \$5,000 whichever is the greater for the purposes of the reporting of material variances by Nature and Type monthly for the 2015/2016 financial year, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996.**

### Voting Requirements

Absolute Majority

### Report Purpose

Consideration of the budget estimates for the financial year 1 July 2015 - 30 June 2016 including project approval and resource allocation.

### Relevant Documents

Appendix: Draft Annual Budget Estimates for 2015/2016 including -

- Comprehensive Income Statement;
- Statement of Financial Activity;
- Rate Setting Statement.

### Previous Minutes

- Audit Committee Meeting – 4 August 2014 (Item 8.2 - TPRC Draft Budget for the Financial Year 2014/2015)
- Council Meeting – 21 August 2014 (Item 9.7 - TPRC Draft Budget for the Financial Year 2014/2015)

### Policy Reference

N/A

## Local Government Act/Regulation

- Local Govt Act 1995: Sect 6.2 Council Required, between 1 June and 31 August to adopt budget for financial year
- Local Govt (Financial Management) Regs 1996: Part 3 - Annual Budget form and content
- Guideline 8 - Opening Closing Funds - Annual Budget
- Local Government (Financial Mgt) Regs 1996: Reg 34 (5) Material Variance Reports [10%]
- Local Government (Audit) Regs 1996: Reg 13 Compliance Audit Item

## Background

The Local Authority budget sets out the programs, projects and allocation of resources required to perform the Municipal obligations and functions required by the Local Government Act and associated legislation.

The Budget is used as the base document for monthly financial reporting, for the formal budget review and for the annual financial report, including financial performance ratios.

At its meeting of 18 June 2015 the Council approved the Project Budget 2015/2016 (March 2015), submitted by the Satterley Property Group, as the basis of financial planning for the 2015/2016 TPRC Budget. As outlined in Item 9.10, the Satterley Property Group has updated the Project Budget 2015/2016 to reflect actual expenditure and revenue in FYE 2015 and has requested the Council approval to the revised Project Budget 2015/2016 (July 2015) (Appendix 9.10) and the incorporation of changes into the TPRC Budget for 2015/2016.

The main variance to the Project Budget 2015/2016 is that Development Costs have increased largely due to the deferral of landscape works and Stages 13A – 14A lot production costs from FYE 2015 to FYE 2016. The impact of this is that the Cashflow position in the Project Budget for FYE 2016 is \$4.29M less favourable.

The proposed Distribution of \$18M to member local governments remains unchanged.

The Project Budget 2015/16 (July 2015) is based on the following key activities and key assumptions:

### Sales/Settlements

- 180 sales;
- Titles Stages 14B, 15, 16A & 18 - 144 lots;
- 151 settlements.

### Bulk Earthworks /Civil Construction - \$21.5M

- Civil construction Stages 14B,16A,17,18 & 25 - 205 lots;
- Bulk Earthworks completion of Western Precinct Stages 25 – 27 and commencement of Central Precinct Stages 20 – 24 and Eastern Precinct Stages 36 - 40.

### Infrastructure - \$5.1M

- Neerabup Rd/Maroochydore Way intersection;
- Connolly Drive/Aviator Boulevard Intersection;
- Neerabup Road/Aviator Boulevard Underpass.

Landscape Construction - \$6.5M

- Stages 12, 13, 14A, 14B, 15 & 18 Public Open Space areas;
- Marmion Avenue Eastern Verge Upgrade;
- Biodiversity Conservation Area (South).

Marketing - \$0.81M

- Continued Catalina branding;
- Completion/promotion of second Builders Display village;
- Leverage of Telethon Charity Home;
- Launch of Catalina Beach Precinct, along with the second Display Village launch;
- Upgrading of estate signage;
- Advertising for estate campaigns;
- Research.

Planning

- Subdivision application for Stages 25 - 27 (206 lots) in the Western Precinct;
- Detailed planning for the Eastern Precinct and lodgement of first subdivision application.

The Project Budget 2015/2016 (July 2015) has been used to inform the TPRC Budget for 2015/2016.

**Comment**

1. In 2014/2015 the TPRC did not expend all projected operating allocations, particularly in the areas of Infrastructure, Lot Production, Administration and Marketing. As a result the operating budget for the financial year was in surplus.
2. As indicated above, the 2015/2016 TPRC Budget is based on the Project Budget 2015/2016 (March 2015), submitted by the Satterley Property Group. The Project Budget 2015/2016 (March 2015) recognises that there has been some adverse news regarding the Western Australian economy, creating uncertainty in the residential land market and therefore reflects a conservative position in terms of potential sales and revenue.
3. The comparison of projected income and expenditure for 2015/2016 with the previous year is shown in the table below.

<b>Net Result</b>	<b>Actual 2014/15 \$</b>	<b>Budget 2015/16 \$</b>
<b>Income</b>		
Investments	1,459,506	958,606
Proceeds Sale of Lots	60,058,193	42,402,937
Profit Disposal of Assets	956	0
Other income	31,802	1,937
<b>Total Income</b>	61,550,457	43,363,480

<b>Expenditure</b>		
Depreciation	16,250	17,797
Employee Costs	598,053	727,610
Insurance	12,967	17,323
Administration Expenses	178,911	449,666
Governance	<u>161,533</u>	<u>175,970</u>
<b>Total Expenditure</b>	<u>967,714</u>	<u>1,388,366</u>
<b>Net Result</b>	<u>60,582,743</u>	<u>41,975,114</u>
<b>Less Development of Land for Resale</b>		
*Development Costs	23,492,495	47,630,553
Equity Distribution	<u>31,422,562</u>	<u>18,350,650</u>
<b>Net Change in Members Equity</b>	<u>5,667,686</u>	<u>(24,006,089)</u>
Plus Accumulated Surplus as at 30th June	42,426,580	48,094,266
Plus Changes on Revaluation of Non- Current Assets	<u>0</u>	<u>0</u>
<b>Total Members Equity</b>	<u>48,094,266</u>	<u>24,088,177</u>

\* (incl. Marketing & Selling Expenses)

4. The Budget has been assembled in local government format and is shown in Appendix 9.11, which indicates items of revenue and expenditure and cash flow through the 12 months of the financial year. The emphasis of the budget is focused on initiatives in the following areas:

- Administration;
- Sales and Marketing;
- Land Development Costs;
- Revenue (Sales revenue and Investment income).

4.1. Administration

This category provides for the operation of the TPRC administration.

4.2. Sales and Marketing

Provision is made for the Sales and Marketing of the Project consistent with the Project Budget 2015/16 (March 2015) approved by Council. The expenditure covered in this category is under item E145216 (Direct Selling Expenses). This category allows for expenditure associated with the continued branding of Catalina, media advertising, promotion to support the sales campaigns and promotion opportunities to leverage off the 2015 Catalina Telethon Home.

4.3. Land Development Costs

This category reflects that the TPRC Project proposes a significant construction program for 2015/2016.



The expenditure projected is shown in the table below:

Land & Special Sites Development	\$324,357
Consultants	\$1,361,186
Landscape	\$6,477,500
Infrastructure	\$5,107,060
Bulk Earthworks	\$4,077,580
Lot Production	\$17,550,304
Admin Land Development	\$1,083,928
Community Development	\$192,500
Contingency	\$2,054,440
Finance	\$1,402,111
Debtors /Creditors Movement	<u>\$274,628</u>
Total (excl. Marketing & Selling Expenses)	<u>\$39,905,594</u>

These are shown as Capital Costs in the Budget.

#### 4.4. Revenue

Last financial year investment income amounted to \$1,459,506. Indications are that interests will remain stable through 2015/2016. The estimated investment revenue is \$958,606. This assumes an investment rate of 2.5% per annum for 2015/2016.

To date there has been no call upon local authority funds to meet any operating or capital expenditure. This position is expected to continue in 2015/2016.

#### 5. Financial Activity Statement

The Financial Activity Statement 2015/2016 (Appendix 9.2) shows the TPRC cashflow position for 2015/2016. It predicts that the TPRC can meet all cashflow obligations. This assumes income from the sale of lots of \$42,798,276. The Draft Annual Budget for 2015/2016 predicts that the TPRC can meet all cashflow obligations without the need for a finance or overdraft facility.

#### 6. Material Variance

Regulation 34(5) of the *Local Government (Functions and General) Regulations 1996* specifically requires Local Government in each financial year, to adopt a percentage or value to be used in the Statements of Financial Activity. In previous years the TPRC used 10% for reporting material variances. This is considered an appropriate measure of variance that has resulted in reporting of minor variations in total cost terms.

It is recommended that the Council adopt a percentage of 10% or \$5,000 whichever is the greater for the purpose of reporting material variances by Nature and Type monthly for the 2015/2016 financial year.

#### 7. Distributions

The Draft Annual Budget for 2015/2016 predicts Distributions to the seven participant members totalling \$18 million. It is anticipated that the Distributions are to be made as follows:

- December 2015 - \$ 8M
- June 2016 - \$ 10M

At its meeting of 6 August 2015 the Audit Committee considered the report on the TPRC Draft Budget for the Financial Year 2015/2016 and resolved that Council:

1. *ADOPT the Budget for the Tamala Park Regional Council for the year ending 30 June 2015/2016, incorporating the following statements:*
  - a. *Statement of Comprehensive Income, indicating an operating deficit of \$427,823.*
  - b. *Statement of Financial Activity, showing surplus at end of year position of \$22,141,778.*
  - c. *Rate Setting Statement, indicating no rates levied.*
2. *ADOPT a percentage of 10% or \$5,000 whichever is the greater for the purposes of the reporting of material variances by Nature and Type monthly for the 2015/2016 financial year, in accordance with Regulation 34(5) of the Local Government (Financial Management) Regulations 1996.*

### **Conclusion**

The Draft Annual Budget for 2015/2016 is based on the Project Budget 2015/2016 (July 2015) and is considered to provide a sound basis for the TPRC Budget for 2015/2016.

It reflects a conservative sales and revenue position which is considered appropriate given the softening position of the land sales market and the adverse conditions being reported on the Western Australian economy. It is also consistent with the Lot Release Strategy Plan (March 2015) and the Annual Plan (March 2015) approved by Council on 18 June 2015, as the basis of sales, land releases and civil construction.

It predicts that the TPRC can meet all cashflow obligations without the need for any call upon member local government funds to meet any operating or capital expenditure.

The Draft Annual Budget for 2015/2016 is recommended for adoption by Council.

## **9.12 AUDIT COMMITTEE AUDIT CHARTER & ANNUAL AUDIT PLAN REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 12.19.382.2

### **That the Council:**

- 1. APPROVE the TPRC Audit Charter (July 2015).**
- 2. ADOPT the Audit Plan 2015/2016.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the TPRC Audit Charter and Annual Audit Plan 2015.

### **Relevant Documents**

Appendix:

- Audit Charter (July 2015);
- Audit Plan (2015/2016)

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.3 – Audit Committee Audit Charter & Annual Audit Plan Review)
- Council Meeting – 21 August 2014 (Item 9.10 – Audit Committee Audit Charter & Annual Audit Plan Review)

### **Policy Reference**

Audit Charter (2014)

### **Local Government Act/Regulation**

- Local Government Act: Sect 7.1
- Regs - Local Government (Audit) 1996

### **Background**

The Audit Committee has specific obligations prescribed by the Act and audit regulations. The Audit Committee also has obligations and responsibilities set out in the adopted Audit Charter.

The principal activities of the Audit Committee are as follows:

- Review of the draft budget and review of the formal budget review to be undertaken between 1 January – 31 March;
- Review of the format of financial statements;
- Review of the Annual Compliance Return;

- Review of the Annual Report and recommendation for adoption of the Annual Report to the Council.

**Comment**

The Audit Charter has been updated and is attached at Appendix 9.12.

The Annual Audit Plan has been altered to consolidate Audit Committee meetings during the next twelve months and is also attached at Appendix 9.12.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of the Audit Charter and Audit Plan and resolved that Council:

1. *APPROVE the TPRC Audit Charter (July 2015).*
2. *ADOPT the Audit Plan 2015/2016 as submitted.*

## **9.13 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

### **Recommendation**

**That the Council APPROVE the Payment of Accounts & Security of Payment Instruments Policy (July 2015).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Payment of Accounts & Security of Payment Instruments Policy consistent with Local Government Regulations.

### **Relevant Documents**

Appendix: Payment of Accounts & Security of Payment Instruments Policy

### **Policy Reference**

Existing Payment of Accounts & Security of Payment Instruments Policy Adopted October 2012.

### **Local Government Act/Regulation**

Local Government (Functions and General) Regulations 1996, Part 4, Division 1 (Purchasing Policies)

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.4 – Payment of Accounts & Security of Payment Instruments Policy Review)
- Council Meeting – 21 August 2014 (Item 9.11 – Payment of Accounts & Security of Payment Instruments Policy Review)

### **Background**

In August 2014 the Council approved the Payment of Accounts & Security of Payment Instruments Policy consistent with the Local Government Regulations.

### **Comment**

The Payment of Accounts & Security of Payment Instruments Policy continues to operate satisfactorily. It is noted that the Council's appointed Auditors have raised no issues in relation to the Accounts & Security of Payment Instruments Policy.

The Policy includes minor modifications and the updated Payment of Accounts & Security of Payment Instruments Policy (July 2015) (Appendix 9.13) is recommended for adoption.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of Payment of Accounts & Security of Payment Instruments Policy (July 2015) and resolved that Council approve the Payment of Accounts & Security of Payment Instruments Policy (July 2015).

## **9.14 INVESTMENT POLICY REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

### **Recommendation**

**That the Council APPROVE the Investment Policy (July 2015).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Investment Policy.

### **Relevant Documents**

Appendix: Investment Policy (July 2015)

### **Policy Reference**

Existing Investment Policy approved in 2014.

### **Local Government Act/Regulation**

- Local Government Act - Section 6.14
- Trustees Act 18-21

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.5 – Investment Policy Review)
- Council Meeting – 21 August 2014 (Item 9.12 – Investment Policy Review)

### **Financial/Budget Implications**

N/A

### **Background**

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

In August 2014 the Council approved the TPRC Investment Policy consistent with the Local Government Regulations.

### **Comment**

The Council's external auditor has undertaken a review of the TPRC's investment practices and procedures and the Investment Policy, as part of its annual audit, and has found them to be satisfactory. The Policy continues to operate satisfactorily, even with prudent practices and investment returns have exceeded budget expectations. No changes to the Policy are proposed.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of the Investment Policy (July 2014) and resolved that Council approve the Investment Policy (July 2015).



## **9.15 CREDIT CARD POLICY REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

### **Recommendation**

**That the Council APPROVE the Credit Card Policy (July 2015).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Credit Card Policy consistent with Local Government Regulations.

### **Relevant Documents**

Appendix: Credit Card Policy (July 2015)

### **Policy Reference**

Existing Credit Card Policy (October 2014).

### **Local Government Act/Regulation**

Local Government (Financial Management) Regulations 1996, Part 2 (General Financial Management)

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.6 – Credit Card Policy Review)
- Council Meeting – 21 August 2014 (Item 9.13 – Credit Card Policy Review)

### **Financial/Budget Implications**

N/A

### **Background**

In August 2014 the Council approved the Credit Card Policy consistent with the Local Government Regulations.

### **Comment**

The Credit Card Policy continues to operate satisfactorily and provides internal control and operational guidelines for protection of the TPRC. It is noted that the Council's appointed Auditors have raised no issues in relation to the Credit Card Policy.

No modifications are proposed and the Credit Card Policy (Appendix 9.15) is recommended for adoption.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of the Credit Card Policy (July 2014) and resolved that Council approve the Credit Card Policy (July 2015).

## **9.16 PETTY CASH POLICY REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

### **Recommendation**

**That the Council APPROVE the Petty Cash Policy (July 2015).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Petty Cash Policy consistent with Local Government Regulations.

### **Relevant Documents**

Appendix: Petty Cash Policy (July 2015)

### **Policy Reference**

Existing Petty Cash Policy (October 2012).

### **Local Government Act/Regulation**

- Local Government Act 1995 – Section 6.10
- Local Government (Financial Management) Regulation 11

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.7 – Petty Cash Policy Review)
- Council Meeting – 21 August 2014 (Item 9.14 – Petty Cash Policy Review)

### **Financial/Budget Implications**

N/A

### **Background**

In October 2012 the Council approved the Petty Cash Policy consistent with the Local Government Regulations.

### **Comment**

The Petty Cash Policy continues to operate satisfactorily and no changes are proposed.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of the Petty Cash Policy (July 2014) and resolved that Council approve the Petty Cash Policy (July 2015).

## **9.17 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

### **Recommendation**

**That the Council APPROVE the Financial Management – Significant Accounting Policies (July 2015).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Financial Management – Significant Accounting Policies.

### **Relevant Documents**

Appendix: Financial Management – Significant Accounting Policies (July 2015)

### **Policy Reference**

Proposed Financial Management – Significant Accounting Policy

### **Local Government Act/Regulation**

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

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.8 – Financial Management – Significant Accounting Policies Review)
- Council Meeting – 21 August 2014 (Item 9.15 – Financial Management – Significant Accounting Policies Review)

### **Financial/Budget Implications**

N/A

### **Background**

In August 2014 the Council approved the Policy Financial Management – Significant Accounting Policies consistent with the Local Government Regulations. The Policy provides guidelines for the preparation of the financial report.

**Comment**

The Financial Management – Significant Accounting Policies reflect the most recent accounting standards and local government practice, as recommended by Moore Stephens Accountants. No changes are proposed to the Policy. The Financial Management – Significant Accounting Policies (Appendix 9.17) is recommended for adoption.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of the Financial Management – Significant Accounting Policies (July 2014) and resolved that Council approve the Financial Management – Significant Accounting Policies (July 2015).

## **9.18 PROCUREMENT POLICY REVIEW 2015**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 4.123.760

### **Recommendation**

**That the Council APPROVE the Procurement Policy (July 2015).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Procurement Policy.

### **Relevant Documents**

Appendix: Procurement Policy (July 2015)

### **Policy Reference**

Existing Procurement Policy (August 2014)

### **Local Government Act/Regulation**

Local Government (Financial Management) Regulations 1996, Part 2 (General Financial Management)

### **Previous Minutes**

- Audit Committee Meeting – 4 August 2014 (Item 8.9 – Procurement Policy Review)
- Council Meeting – 21 August 2014 (Item 9.16 – Procurement Policy Review)

### **Financial/Budget Implications**

N/A

### **Background**

In August 2014 the Council approved the Procurement Policy consistent with the Local Government Regulations.

The Policy provides guidelines for the procurement of goods or services through quotes or public tender.

Part 3 of the Local Government Act together with the Financial Management Regulations and Functions and General Regulations provides an outline of specific requirements and probity guidelines in respect of the purchase of goods and tendering on behalf of local governments.

**Comment**

The Council's probity auditor considers the TPRC Procurement Policy provides sound guidelines for the procurement of goods or services.

It is noted that the Council's appointed Auditors have raised no issues in relation to the Procurement Policy.

The TPRC Procurement Policy continues to operate satisfactorily and provides best practice guidelines for the procurement of goods or services through quotes or public tender. No changes are proposed to the Policy.

At its meeting of 6 August 2015 the Audit Committee considered the report on the review of the Procurement Policy (July 2014) and resolved that Council approve the Procurement Policy (July 2015).

## **9.19 LIVEABLE CITIES CONFERENCE REPORT**

### **Report Information**

Reporting Officer: Chief Executive Officer

File Reference: 22.54.266.0

### **Recommendation**

**That the Council RECEIVE the report by the CEO on the 2015 Liveable Cities Conference.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To receive the report by the TPRC CEO on the 2015 Liveable Cities Conference.

### **Relevant Documents**

Appendix: CEO Report on Liveable Cities Conference 2015

### **Policy Reference**

TPRC Delegation Register

### **Local Government Act/Regulation**

N/A

### **Previous Minutes**

Council Meeting – 18 June 2015 (Item 9.8 – Liveable Cities Conference)

### **Background**

At its meeting of 18 June 2015 the Council resolved that the CEO be authorised to attend the 2015 Liveable Cities Conference in Melbourne to be held on 6-7 July 2015 and to provide a report on the conference for the next Council meeting.

### **Comment**

The Conference was attended by the CEO 6-7 July 2015.

In accordance with Council's resolution a report on the Conference has been prepared by the CEO and is attached (Appendix 9.19).



## 9.20 REVIEW OF PURCHASER TERMS AND CONDITIONS

### Report Information

Reporting Officer: Project Coordinator

File Reference: 1.88.246

### Recommendation

#### That the Council:

1. **APPROVE** the variation of the Sales Terms/Conditions and Incentives for all public release lots and for all builders allocation lots after Stage 8, approved by Council on 11 December 2014, by reducing the required deposit to be used in the Sales Contracts from \$5,000 to \$2,000.
2. **REQUEST** the Satterley Property Group to review the required deposit to be used in the Sales Contracts in December 2015 and provide a report to Council.

### Voting Requirements

Simple Majority

### Report Purpose

To consider a reduction of the deposit to be used in the Sales Contracts under the approved Sales Terms/Conditions for the sale of lots.

### Policy Reference

N/A

### Local Government Act/Regulation

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

### Previous Minutes

- Council Meeting – 11 December 2014 (Item 9.6 Review of Purchaser Terms and Conditions)
- Council Meeting – 15 December 2011 (Item 9.8 Stage 1 Land Release to Private Purchasers)

### Financial/Budget Implications

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

Item E145216 (Sales Expenditure – Direct Selling Costs):

Budget Amount:	\$6,843,099
Spent to Date:	\$ 255,991
Balance:	\$6,587,108

*Note: Based on Draft TPRC Budget 2015/2016.*

## Relevant Documents

Appendix: SPG letter dated 6 November 2014: Review of Purchaser Terms and Conditions

## Background

At its meeting of 11 December 2014, the Council approved the Sales Terms/Conditions and Incentives for all public release lots and for all builders allocation lots after Stage 8, recommended by SPG. The approved Sales Terms/Conditions require a \$5,000 deposit to be used in the Sales Contracts.

## Comment

The Satterley Property Group (SPG) has recommended reducing the required deposit used in the Sales Contracts from \$5,000 to \$2,000. A copy of the SPG's recommendation letter dated 5 August 2015 is attached under Appendix 9.20.

The SPG believes the current deposit requirement of \$5,000 makes the Catalina Project less attractive for potential purchasers when compared to competing estates. It has also indicated that builder feedback is that the \$5,000 deposit is a factor in the decision whether to progress building plans for a lot within Catalina.

The SPG's review of current deposit requirements for competing estates in the corridor indicates deposit amounts ranging from \$1,000 to \$2,000. It considers that declining market conditions and the higher lot deposit than competing estates is affecting purchasers' interest in Catalina.

## Conclusion

The current Sales Terms/Conditions requiring a \$5,000 deposit for Sales Contracts for public release lots and the builder allocation lots has operated well for the last two years and resulted in strong sales and settlements. The lot deposit amount was set at \$5,000 to generate more authentic purchasers and discourage speculators securing multiple lots with low deposits.

It is recognised that market conditions have softened and that competing estates have more favourable deposit terms.

The SPG recommendation to reduce the required deposit to be used in the Sales Contracts from \$5,000 to \$2,000 is supported given current conditions and given the practice of competing developments.

The SPG should be requested to provide Council with a status report on this matter for the December 2015 Council meeting.

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**