



## **Ordinary Meeting of Council**

# **AGENDA**

**Thursday 17 October 2019, 6:00pm  
City of Vincent  
244 Vincent Street, Leederville**

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

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### TAMALA PARK REGIONAL COUNCIL

Councillors of the Tamala Park Regional Council are advised that the ordinary meeting of Council will be held in the Council Chambers at the City of Vincent, 244 Vincent Street, Leederville on Thursday 17 October 2019 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully

**BEN KILLIGREW**

Acting Chief Executive Officer

### MEMBERSHIP

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

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

**PRELIMINARIES**

**1. OFFICIAL OPENING**

**DISCLOSURE OF INTERESTS**

**2. PUBLIC STATEMENT/QUESTION TIME**

**3. APOLOGIES AND LEAVE OF ABSENCE**

**4. PETITIONS**

**5. CONFIRMATION OF MINUTES**

Council Meeting – 15 August 2019

**5A BUSINESS ARISING FROM MINUTES**

**6. ANNOUNCEMENTS BY CHAIR (WITHOUT DISCUSSION)**

**7. MATTERS FOR WHICH MEETING MAY BE CLOSED**

**8. REPORTS OF COMMITTEES**

- Audit Committee Meeting – 19 September 2019
- Management Committee Meeting – 19 September 2019

**9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.18)**

## **9.1 BUSINESS REPORT – PERIOD ENDING 3 OCTOBER 2019**

### **Report Information**

Reporting Officer: Manager Project Coordination

### **Recommendation**

**That the Council RECEIVES the Business Report to 3 October 2019.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

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

### **Relevant Documents**

Appendix: Landscape Schedule and Program FYE 2020.

### **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 Stage 26 civil works, which includes 38 residential lots and the first direct road connection from Catalina Beach to the adjoining established development is complete. Titles were issued on 25 September 2019.

#### **2. Landscape Works – Status**

A status report on landscape works proposed for FYE 2020 is attached at Appendix 9.1. The report outlines budget, detailed design, approval status and program information.

#### **3. Housing Construction**

The following table provides an overview of the current progress of housing construction to 31 August 2019:

Stage	Total Lots	Under Construction	Completed	Vacant
Stages 1 - 11	529	1	519	9
Stage 12	49	0	49	0
Stage 13	82	0	82	0
Stage 14	73	0	72	1
Stage 15	55	0	53	2
Stage 17A	25	0	22	3
Stage 17B (Release 1)	18	3	4	11
Stage 18A	29	0	28	1
Stage 18B	31	1	22	8
Stage 25 (Display Village)	15	2	13	0
Stage 25	25	3	4	18
Stage 25B	7	1	6	0
Stage 25 (Builders Release)	7	3	0	4
<b>Total</b>	<b>945</b>	<b>14</b>	<b>874</b>	<b>57</b>

**4. Catalina Beach Builders Display Village 3 and Sales Office**

The Catalina Beach Builders’ Display Village continues to experience good pedestrian traffic, showcasing modern and contemporary, energy efficient seven-star rated homes. Fifteen display homes make up the Display Village and all are open to the public except for the 101 Residential and B1 display homes, which are currently in the final stages of construction and due to open in late October.

**5. Community Events**

The TPRC hosted the Wanneroo Business Association Coffee Catch Up on 3 October 2019, at the Catalina Beach Sales Office.

Following a trial of food truck events in Catalina last summer, similar events are proposed to be held in Portofino Park on Saturday evenings between October 2019 and April 2020.

**6. Tender for Builder Partner - Stage 18B Grouped Housing Sites**

In accordance with the approved Annual Plan FYE 2020, a tender seeking to establish a builder partner to explore potential development opportunities, design concepts and commercial terms to achieve the Council’s objectives for the sites was recently released.

These objectives include the trialling of innovative design and development approaches to create housing with a focus on liveability, sustainability and affordability in order to add to the diversity of available housing in Catalina and further promote the social and environmental aspirations of the Project.

The period for lodgement of tender submissions closed on 4 September 2019. A total of five submissions were received with a report on this matter provided in Item 9.8.

## **7. Local Structure Plan Amendment - Catalina Grove**

The City of Wanneroo recently recommended to the Western Australian Planning Commission (WAPC) that the Tamala Park Local Structure Plan No.79 – Amendment No. 5 (Catalina Grove) be approved.

Amendment No.5 proposes to:

- Reflect a revised location and extent of public open space, consistent with the Federal Government environmental approval, and to maximise tree canopy, including the retention of existing significant trees, in pursuit of a canopy target of 20% by 2028;
- Rationalise the location and extent of commercial and mixed-use zoned land; and
- Provide greater housing density in the north-eastern corner of the precinct within the walkable catchment of Clarkson Train Station.

It is anticipated that the WAPC's approval will be issued by December 2019.

## **8. Catalina Beach Access Road / Carpark**

The Foreshore Management Plan (FMP) for the Catalina Beach Access Road/Carpark was endorsed by the City of Wanneroo on 9 April 2019 and was submitted to the WAPC for consideration.

On 19 August 2019 the Department of Planning, Lands and Heritage indicated that the FMP provides a comprehensive assessment and framework for the proposed access infrastructure and is consistent with the Tamala Conservation Park Establishment Plan (March 2012).

The Department has advised the TPRC to progress the preparation and submission of an application for Development Approval in order to proceed with the construction. Detailed engineering and landscaping designs are now being progressed to form part of the Development Application and the required Clearing Permit.

It is anticipated that the required approvals will be achieved by early 2020 with construction commencing in April 2020.

## **9. Catalina Local Centre Site**

In August 2018 the TPRC sold Lot 646 (Local Centre site – Central Precinct) to OTB Developments.

The owner has lodged a development application with the City of Wanneroo for a child care centre, café, retail tenancies, office space and residential uses on the site.

The City's Design Review Panel has considered the application and provided its comments. The proponent is currently revising its plans to address the Panel's comments and expects to resubmit these shortly.

Council will be updated as the development application is progressed.



## **10. Coastal Dual Use Path**

The Council, at its meeting on 20 June 2019, resolved to make a contribution of up to \$730,000 to the Cities of Joondalup and Wanneroo towards the construction of the planned Burns Beach-Mindarie dual use path (DUP).

The Project engineers have completed the detailed design for the section of DUP adjacent to the Project area and submitted plans to the Cities.

Earthworks for the section of DUP to be built from Burns Beach to the south of Catalina have been completed. Construction of this section is expected to be finished by the end of November 2019. A program for construction of the section of DUP along the western border of Catalina will be established once the Cities obtain all required approvals and a contractor procurement process is complete.

## 9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JULY & AUGUST 2019

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

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

- **31 July 2019; and**
- **31 August 2019.**

### Voting Requirements

Simple Majority

### Report Purpose

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

### Relevant Documents

Appendix:

- Statement of Financial Activity for 31 July 2019
- Statement of Financial Activity for 31 August 2019

### 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 31 August 2019 exceeding 10% were experienced in relation to the following:**

<b>Depreciation</b>	The positive variation relates to timing of accounting processes.
<b>Employee Costs</b>	The positive variation relates to timing of payments.
<b>Insurance</b>	The positive variation relates to timing of payments.
<b>Materials and Contracts</b>	The positive variation relates to consultancy fees and timing of payments.
<b>Utilities</b>	The positive variation relates to timing of payments.
<b>Income Sale of Lots - Subdivision</b>	The negative variance relates to delays in settlements.
<b>Land Production Costs</b>	The positive variance relates to timing of payments.

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

**Financial Snapshot as at 31 August 2019**

**TAMALA PARK REGIONAL COUNCIL  
FINANCIAL SNAPSHOT  
FOR THE PERIOD ENDING 31 AUGUST 2019**

	2019-20	2019-20	2019-20	Variance		Variance
	Adopted Budget	Budget YTD	Actual YTD	Favourable	Unfavourable	%
<b>REVENUE</b>	\$	\$	\$	\$	\$	%
Interest Earnings	966,153	193,230	199,124	5,894		3.05%
Other Revenue	0	0	0			
	<b>\$966,153</b>	<b>\$193,230</b>	<b>\$199,124</b>	<b>\$5,894</b>	<b>\$0</b>	
<b>LESS EXPENDITURE</b>						
Depreciation	(25,578)	(4,264)	0	4,264		100.00%
Employee Costs	(742,371)	(126,475)	(98,961)	27,514		21.75%
Insurance	(21,090)	(13,169)	(11,096)	2,073		15.74%
Materials and Contracts	(312,762)	(52,130)	(28,243)	23,887		45.82%
Other	(191,256)	(44,210)	(38,892)	5,318		12.03%
Utilities	(6,611)	(1,101)	0	1,101		100.00%
Profit/(loss) on Disposal Of Asset						
Members Equity						
-Income Sale of Lots - Subdivisions	9,073,874	756,156	582,599		(173,557)	-22.95%
-Income Other - Subdivisions	0	0	0			
-Land Production Costs	(16,343,068)	(1,361,922)	(674,052)	687,870		50.51%
-Profit distribution/Contributions Returned	(3,154,491)	(404,491)	(159,852)	244,639		60.48%
-Members Equity - GST Withheld	0	0	(41,300)		(41,300)	-100.00%
	<b>(\$11,723,353)</b>	<b>(\$1,251,606)</b>	<b>(\$469,797)</b>	<b>\$996,666</b>	<b>(\$214,857)</b>	
Total Change in Equity	<b>(\$10,757,200)</b>	<b>(\$1,058,376)</b>	<b>(\$270,673)</b>	<b>\$1,002,560</b>	<b>(\$214,857)</b>	

**Balance Sheet Summary as at 31 August 2019**

**TAMALA PARK REGIONAL COUNCIL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2019**

	Actual 2018-19 \$	Actual 2019-20 \$	Variance \$	Variance %
<b>Current assets</b>				
Cash and cash equivalents	43,975,870	43,805,344	(170,526)	-0.39%
Trade and other receivables	340,001	201,450	(138,551)	-40.75%
<b>Total current assets</b>	<b>44,315,871</b>	<b>44,006,795</b>	<b>(309,076)</b>	<b>-0.7%</b>
<b>Non-current assets</b>				
Inventories	1,600,000	1,600,000	0	0.00%
Property, plant and equipment	123,283	123,283	0	0.00%
<b>Total non-current assets</b>	<b>1,723,283</b>	<b>1,723,283</b>	<b>0</b>	<b>0.00%</b>
<b>Total assets</b>	<b>46,039,154</b>	<b>45,730,078</b>	<b>(309,076)</b>	<b>-0.67%</b>
<b>Current liabilities</b>				
Trade and other payables	64,771	26,368	38,404	59.29%
Provisions	256,570	256,570	0	0.00%
<b>Total current liabilities</b>	<b>321,341</b>	<b>282,937</b>	<b>38,404</b>	<b>12.0%</b>
<b>Non-current liabilities</b>				
Provisions	5,719	5,719	0	0.00%
<b>Total non-current liabilities</b>	<b>5,719</b>	<b>5,719</b>	<b>0</b>	<b>0.00%</b>
<b>Total liabilities</b>	<b>327,060</b>	<b>288,657</b>	<b>38,404</b>	<b>11.74%</b>
<b>Net assets</b>	<b>45,712,094</b>	<b>45,441,421</b>	<b>(270,673)</b>	<b>-0.59%</b>

**TAMALA PARK REGIONAL COUNCIL  
TERM DEPOSITS  
AS AT 31 AUGUST 2019**

ID	Bank	Rating	Invest. Date	Maturity	Term	Interest	Principal
565	AMP	A2-	13/05/2019	11/11/2019	182	2.60%	3,000,000.00
566	AMP	A2-	20/06/2019	23/09/2019	95	2.30%	2,000,000.00
567	Westpac	A1-	3/07/2019	3/10/2019	92	2.03%	4,000,000.00
568	Westpac	A1-	8/07/2019	8/10/2019	92	2.03%	3,027,020.55
569	Westpac	A1-	9/07/2019	9/10/2019	92	2.03%	2,026,801.39
570	Westpac	A1-	9/07/2019	9/10/2019	92	2.03%	3,040,202.09
571	NAB	A1+	22/07/2019	25/11/2019	126	1.93%	3,000,000.00
572	Westpac	A1-	6/08/2019	6/11/2019	92	1.96%	3,046,111.25
573	NAB	A1+	8/08/2019	10/12/2019	124	1.80%	2,038,969.91
574	NAB	A1+	8/08/2019	10/12/2019	124	1.80%	3,058,454.85
575	Westpac	A1-	12/08/2019	12/11/2019	92	1.92%	2,031,303.61
576	Westpac	A1-	13/08/2019	13/11/2019	92	1.92%	3,039,450.81
577	Westpac	A1-	15/08/2019	18/11/2019	95	1.80%	2,031,022.22
578	Westpac	A1-	15/08/2019	18/11/2019	95	1.80%	3,046,533.33
579	Westpac	A1-	15/08/2019	18/11/2019	95	1.80%	2,031,022.22
<b>Total Invested Funds</b>							<b>40,416,892.23</b>
Total AMP						12.37%	5,000,000.00
Total Westpac						67.59%	27,319,467.47
Total NAB						20.03%	8,097,424.76
<b>Total 2019_08_31</b>							<b>40,416,892.23</b>

### **9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF JULY & AUGUST 2019**

#### **Report Information**

Reporting Officer: Chief Executive Officer

#### **Recommendation**

**That the Council RECEIVES and NOTES the list of accounts paid under Delegated Authority to the CEO for the months of July and August 2019:**

- **Month ending 31 July 2019 (Total \$182,582.27)**
- **Month ending 31 August 2019 (Total \$909,145.30)**
- **Total Paid - \$1,091,727.57**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

Submission of payments made under the CEO's Delegated Authority for the months ending 31 July 2019 and 31 August 2019.

#### **Relevant Documents**

Appendix:

- Summary Payment List for July 2019
- Summary Payment List for August 2019

#### **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 the Regulations that the list state the month (not the period) for which the account payments or authorisation relates.

#### **Comment**

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

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

## **9.4 PROJECT FINANCIAL REPORT – AUGUST 2019**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council RECEIVES the Project Financial Report (August 2019) submitted by the Satterley Property Group.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Project Financial Report for August 2019 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 August 2019.

### **Relevant Documents**

Appendix: Letter from Satterley Property Group dated 23 September 2019 with Financial Report

### **Background**

At its meeting of 20 June 2019, the Council approved the Project Budget FYE 2020, submitted by the Satterley Property Group, as the basis of financial planning for the TPRC Budget FYE 2020.

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

## Comment

The Satterley Property Group has prepared a Financial Report for August 2019 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period up to 31 August 2019 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue was \$0.59M which is \$1.42M behind budget with four less residential settlements for the year to date.
2. Expenditure was \$1.5M under budget, in the following areas:
  - Lot Production \$0.30M;
  - Landscape \$0.81M;
  - Infrastructure \$0.07M;
  - P&L expenditure \$0.22M;

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

3. Lot Sales Value was \$1.37M which is \$0.006M favourable to budget due to one more lot sale year to date, mostly offset by a lower average selling price per lot due to lot mix.

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

**9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 3 OCTOBER 2019**

**Report Information**

Reporting Officer: Manager Project Coordination

**Recommendation**

**That the Council RECEIVES the Sales and Settlement Report to 3 October 2019.**

**Voting Requirements**

Simple Majority

**Report Purpose**

To consider a report on 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:	\$ 9,073,874
Received to Date:	\$ 582,598
Balance:	\$ 8,491,276

**Relevant Documents**

Appendix: Staging Plan

**Background**

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

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

The following table provides a summary of the Sales and Settlement position for lots released up to 3 October 2019:



**Table 1: Summary of Sales and Settlement of Lots – Catalina Estate**

Stage	Release Date	Lots Released	Lot Sizes (m <sup>2</sup> )	Sold	Stock	Settled
Stages 1 – 11, 12A, 12B, 13A, 13B, 14A, 14B, 14C, 14D, 15A, 15B, 15C, 15D, Stage 25 DV, Stage 25B, Stage 18A, Stage 25 Builders Release	-	835	-	835	0	835
Stage 14B (Release 2)	Jul-16	10	262-329	10	0	9
Stage 17A	Oct-16	25	300-510	24	1	23
Stage 17B	Nov-17	26	300-450	17	9	10
Stage 18B	Mar-17	31	200-474	28	3	24
Stage 25A	May-17	21	300-450	18	3	14
Stage 25C	Sep-18	5	277-450	4	1	2
Stage 26	Apr-19	8	341-450	5	3	0
<b>Total</b>		<b>961</b>		<b>941</b>	<b>20</b>	<b>917</b>

Table 2 provides a summary of sales for FYE 2020 against Budget.

**Table 2: Summary of Net Sales – Catalina Estate**

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	YTD
<b>Budget</b>	2	2	2	2	2	2	2	3	2	3	5	4	31
<b>Actual</b>	4	1	3	1*									
<b>Variance</b>	2	-1	1										

\* Note: three additional contracts are being held pending advertising and acceptance by TPRC.

31 sales are forecast for FYE 2020, with nine sales achieved to date. The Project has a stock position of 20 lots, 7 in Catalina Beach and 13 in Catalina Central.

### Sales Marketing Incentives

The sales and marketing campaign, approved by Council on 20 June 2019, concluded on 30 September 2019 and consisted of the following:

- \$9,000 discount at settlement for all currently released lots (excluding Stage 26 lots).
- The use of a \$2,000 referral fee to the Builder’s Sales Representative providing a qualified sales lead that results in the settlement of a lot at Catalina.

Satterley has proposed that the next quarterly campaign run from October 2019 and offer a solar panel and battery storage package incentive. A report on this matter is included in Item 9.7.

### Northern Corridor Estates Analysis

Table 3 provides a summary of sales at projects in the northern corridor.

**Table 3: Summary of Sales in Northern Corridor (September 2018 to August 2019)**

ESTATE	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	12 Month Total Sales
<b>NORTH-WEST METRO</b>													
Alkimos Beach (Alkimos)	9	6	4	0	-4	-10	2	5	8	4	1	7	32
Alkimos Vista (Alkimos)	8	3	1	3	3	3	1	0	3	1	3	1	30
Allara (Eglinton)	3	6	1	4	3	2	-6	8	9	4	7	5	46
Amberton (Eglinton)	13	7	12	3	3	2	15	-4	4	4	1	7	67
Beaumaris (Iluka)	0	1	1	1	0	1	3	1	0	-1	1	0	8
Burns Beach (Burns Beach)	5	3	5	1	0	2	3	1	8	0	1	1	30
<b>Catalina (Clarkson-Mindarie)</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>-1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>27</b>
East of the Beach (Eglinton)	1	2	4	4	-1	2	3	2	2	4	1	6	30
Eden Beach (Jindalee)	4	11	12	7	6	9	3	9	5	12	1	9	88
Kinross (Kinross)	1	2	2	1	4	2	2	0	2	1	1	1	19
Shorehaven (Alkimos)	0	6	5	2	3	3	4	8	3	5	3	2	44
Trinity (Alkimos)	5	7	3	3	7	3	-1	7	9	4	6	6	59
<b>TOTAL</b>	<b>53</b>	<b>55</b>	<b>51</b>	<b>28</b>	<b>25</b>	<b>20</b>	<b>30</b>	<b>41</b>	<b>60</b>	<b>40</b>	<b>30</b>	<b>47</b>	<b>480</b>
<b>CATALINA SHARE (%)</b>	<b>7.55 %</b>	<b>1.82 %</b>	<b>1.96 %</b>	<b>3.57 %</b>	<b>4.00 %</b>	<b>5.00 %</b>	<b>3.33 %</b>	<b>9.76 %</b>	<b>11.6 7%</b>	<b>5.00 %</b>	<b>13.3 %</b>	<b>4.26 %</b>	<b>5.63%</b>

Note 1: Satterley reporting is based on 'mid-month' sales period.

Note 2: Satterley has expressed caution that these sales results are indicative only based on information obtained in the marketplace and supplied on a voluntary basis.

Table 4 provides a summary of available stock in the northern corridor. Catalina Central is higher in price to competing estates for 450m<sup>2</sup> lots and also for 375m<sup>2</sup> lots apart from Kinross, where it has cheaper 375m<sup>2</sup> lots.

**Table 4: Summary of Price of Available Lots in Northern Corridor Estates**

Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Stock
Allara	133,000	158,000	179,000-190,000	216,000	219,000	3,405	16
Alkimos Beach	160,000	230,000	225,000-262,000	285,000-305,000	330,000-420,000	2,413	47
Amberton	N/A	201,000	211,000-228,000	264,000-283,000	289,000-325,000	2,500	37
Burns Beach	N/A	N/A	N/A	N/A	460,000 – 755,000	1,580	13
Catalina Central	N/A	N/A	279,000	335,000	N/A	2,480	13
Catalina Beach	N/A	310,000	358,000-378,000	402,000	N/A		7
Eden Beach	180,000-182,000	240,000	265,000	N/A	305,000-350,000	1,100	45
Kinross	N/A	N/A	295,000	332,500	347,500-355,000	67	20
Shorehaven	169,000-280,000	218,000	249,000	285,000	N/A	2,800	43
Trinity	N/A	185,000	182,000 - 215,000	248,000	269,000	2,500	38

### Proposed Lot Releases

As reported in August 2019, given reduced stock levels and consistent with the approved Lot Sales and Release Strategy FYE 2020, the release of eight lots in Stage 17B (Catalina Central), in September 2019 occurred on 14 September 2019. The lots range in area from 300m<sup>2</sup> to 450m<sup>2</sup>.

Satterley also proposes a further release in October 2019 of eight lots in Stage 26 (Catalina Beach), ranging in area from 367m<sup>2</sup> to 481m<sup>2</sup>, also consistent with the approved Lot Sales and Release Strategy FYE 2020. The actual release date for the Stage 26 release will be determined over the next few weeks having regard to stock levels and market conditions.

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

### Sales Contracts – CEO Delegation

In accordance with Council’s delegation of 18 April 2019, the CEO has exercised the following delegations:

Date	Lot No.	Original Price	Reduced Price	Difference
24 September 2019	879	\$245,000	\$230,000	6.1%
24 September 2019	970	\$279,000	\$269,000	3.6%
24 September 2019	991	\$279,000	\$269,000*	3.6%

\* Reduction in lieu of \$10,000 rebate due at settlement

## **9.6 REVIEW OF CATALINA SALES OFFICE OPENING HOURS**

### **Report Information**

Reporting Officer: Manager Project Coordination

### **Recommendation**

**That the Council:**

- 1. RECEIVES the Satterley Property Group correspondence (4 September 2019) relating to the Catalina Sales Office opening hours and resourcing.**
- 2. APPROVES the Satterley Property Group proposal to modify the opening hours and staff resourcing of the Catalina Sales Office on a six-month trial basis, as detailed in Satterley Property Group correspondence (4 September 2019).**
- 3. REQUESTS the Satterley Property Group provide a report on the approved trial of amended opening hours and staff resourcing of the Sales Office, including advice on northern corridor estates' sales office opening hours, sales against budget and feedback from the public and display builders by June 2020.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider a proposal from the Satterley Property Group (Satterley) to amend opening hours and resourcing of the Sales Office at Catalina.

### **Policy Reference**

N/A

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

N/A

### **Previous Minutes**

Council Meeting – 19 April 2018 (Item 9.7 – Review of Catalina Sales Office Opening Hours)

### **Financial/Budget Implications**

N/A

### **Relevant Documents**

Appendix: Satterley Property Group correspondence dated 4 September 2019

## Background

At its meeting on 19 August 2010, the Council approved the Development Management Agreement (17 August 2010) between TPRC and Satterley. The Agreement affirmed Satterley's tender proposal that the Sales Office would be opened 10am – 5pm each day, except Friday.

At its meeting on 11 December 2014, the Council approved a request from Satterley to vary the Sales Office opening hours to 12pm – 5pm, each day, except Thursday, for a 12-month trial period. The approval was subject to Satterley providing two sales representatives to work at the Sales Office. Satterley was requested to report on the trial based on sales against budget and feedback from the public and display builders.

The Council approved the continuation of the “trial opening hours” at its meeting in February 2016, October 2016, April 2017 and April 2018. As part of Council's most recent approval, Satterley was requested to provide a comprehensive report on the operation of the revised Sales Office opening hours, including advice on northern corridor estates, sales against budget and feedback from the public and display builders to be presented for Council's consideration by April 2019.

## Comment

Satterley has provided correspondence containing a report on the operation of current Sales Office opening hours and a proposal for the hours and staff resourcing to be amended on a six-month trial basis. A copy of the SPG correspondence is attached at Appendix 9.6.

Satterley has indicated the following:

- Market conditions continue to present challenges to sales and the number of new visitors to the Sales Office is now down to approximately three parties per week, predominantly visiting on the weekend.
- Market research commissioned by Satterley (not available to the TPRC) in relation to the significance of a builders' display home village and Sales Office in a customer's experience found that:
  - Saturday is the preferred day to visit, followed by Sunday and with weekdays being least preferred;
  - Preferred opening hours are afternoon, between noon and 5:00pm;
  - There is modest support for twilight opening hours on weekdays.
- It is seeking to optimise and align Sales Office opening hours with the requirements of builders and prospective purchasers and proposes that the following amended arrangements be trialled for six months:
  - Mid-week staff resourcing is to be reduced from two sales professionals to one on Mondays and Tuesdays, as the builders' display home village is closed on Tuesdays and Fridays and no new enquiries through the Sales Office on a Tuesday have been recorded for the past several months.
  - To capitalise on the benefit of the higher weekend traffic, opening hours would extend from 9:00am to 5:00pm on Saturdays and Sundays (rather than the current opening time of 12:00pm). The sales staff would have a staggered start and finish time, working in two shifts, with a period of three hours during peak traffic times, where two sales professionals would be present.

- Contact hours of staff would reduce from 50 combined hours to 42, however the opening hours would increase from 30 hours to 36 each week. Rather than undertaking desk bound activities within the Sales Office, the time of the two land sales professionals would be optimized improving relationships with builder representatives and builder liaisons which generally occur off site (meetings at display villages and builders' offices etc.).

A comparison of the original Development Management Agreement opening hours and staff resourcing, with current and proposed arrangements is provided in the following table:

<b>Day</b>	<b>DMA - Opening Hours</b>	<b>Current Opening Hours</b>	<b>Proposed Opening Hours</b>
Monday	10am – 5pm (1 x Sales Rep.)	12pm – 5pm (2 x Sales Reps.)	12pm – 5pm (1 x Sales Rep.)
Tuesday	10am – 5pm (1 x Sales Rep.)	12pm – 5pm (2 x Sales Reps.)	12pm – 5pm (1 x Sales Rep.)
Wednesday	10am – 5pm (1 x Sales Rep.)	12pm – 5pm (1 x Sales Rep.)	12pm – 5pm (1 x Sales Rep.)
Thursday	10am – 5pm (1 x Sales Rep.)	Closed	Closed
Friday	Closed	12pm – 5pm (1 x Sales Rep.)	12pm – 5pm (1 x Sales Rep.)
Saturday	10am – 5pm (1 x Sales Rep.)	12pm – 5pm (2 x Sales Reps.)	9am – 5pm (Sales Rep Shift 1 – 9am to 3pm) (Sales Rep Shift 2 – 12pm to 5pm)
Sunday	10am – 5pm (1 x Sales Rep.)	12pm – 5pm (2 x Sales Reps.)	9am – 5pm (Sales Rep Shift 1 – 9am to 3pm.) (Sales Rep Shift 2 – 12pm to 5pm)
<b>Total Hours Open</b>	<b>42 hours</b>	<b>30 hours</b>	<b>36 hours</b>
<b>Total Staff Hours</b>	<b>42 hours</b>	<b>50 hours</b>	<b>42 hours</b>

The current opening hours for the Sales Office were originally approved by Council on a trial basis only, albeit these have been the operating hours for the past four and a half years.

Current opening hours represent 12 fewer hours than stipulated in the Development Management Agreement. This difference will reduce to six hours under the proposed amended arrangements and the total of combined contact hours would be brought back into accordance with the Agreement.

It is acknowledged that the current sale rates are low and that market conditions are difficult, however, the extended opening hours on weekends is considered to represent an improved level of service to current arrangements.

It is recommended that the proposed amended arrangements for opening and resourcing the Sales Office for six months be approved. It is also recommended that Satterley be requested to provide a comprehensive report on the operation of the six-month trial, including advice on northern corridor estates sales office opening hours, sales against budget and feedback from the public and display builders by June 2020.

*At its meeting of 19 September 2019, the Management Committee considered a report on the proposal from the Satterley Property Group to amend opening hours and resourcing of the*

*Sales Office at Catalina and resolved to recommend that Council*

1. *RECEIVES the Satterley Property Group correspondence (4 September 2019) relating to the Catalina Sales Office opening hours and resourcing.*
2. *APPROVES the Satterley Property Group proposal to modify the opening hours and staff resourcing of the Catalina Sales Office on a six-month trial basis, as detailed in Satterley Property Group correspondence (4 September 2019).*
3. *REQUESTS the Satterley Property Group to provide a report on the approved trial of amended opening hours and staff resourcing of the Sales Office, including advice on northern corridor estates' sales office opening hours, sales against budget and feedback from the public and display builders by June 2020.*

## **9.7 SALES - MARKETING CAMPAIGN, OCTOBER 2019 – JANUARY 2020**

### **Report Information**

Reporting Officer: Manager Planning Coordination

### **Recommendation**

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

- 1. RECEIVES the Satterley Property Group correspondence (dated 12 August 2019) regarding a Sales and Marketing Campaign involving the offer of a \$10,000 rebate to purchasers who install a solar panels and battery storage system.**
- 2. APPROVES participation in the Sales and Marketing Campaign, subject to the following conditions:**
  - i) The campaign commencing on 18 October 2019 and concluding on 31 January 2020;**
  - ii) The \$10,000 rebate applying to purchasers who install an approved solar panel and battery storage system;**
  - iii) The \$10,000 rebate applying only to currently released lots;**
  - iv) The \$10,000 rebate will replace the current Catalina solar rebate of \$2,000 for the campaign period, except where a purchaser elects to receive an \$8,000 cash incentive upon settlement in lieu of the solar panel and battery system rebate;**
  - v) The Satterley Property Group detailing a satisfactory method for administration of the \$10,000 solar panel and battery system rebate, including the identification of systems that will be eligible and documentary evidence required to receive payment of the rebate; and management of the circumstances where an \$8,000 cash incentive is offered in lieu of the rebate;**
  - vi) The rebate being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.**
- 3. APPROVES the use of a \$2,000 referral fee to the Builder's Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC for the period 18 October 2019 to 31 January 2020.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To consider the Satterley Property Group's (Satterley) recommendation for a Sales and Marketing Campaign involving a rebate of \$10,000 to purchasers of all currently released lots who install a solar panel and battery storage system.



### **Policy Reference**

N/A

### **Previous Minutes**

N/A

### **Financial/Budget Implications**

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

Budget Amount:	\$ 9,073,874
Received to Date:	\$ 582,598
Balance:	\$ 8,491,276

### **Relevant Documents**

Appendix: Memorandum from Satterley dated 12 August 2019

### **Background**

At its meeting of 20 June 2019, the Council approved the continued participation in a Sales and Marketing Campaign on all currently released lots in Catalina, except Stage 26, on the following terms:

- The campaign commencing 12 July 2019 to 30 September 2019;
- A discount of \$9,000 to apply at settlement;
- The use of a \$2,000 referral fee to the Builder's Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC.

### **Comment**

Satterley has recommended refreshing its sales campaign by offering a \$10,000 rebate to purchasers who install a solar panel and battery storage system.

The campaign is proposed to run from 15 October 2019 to 21 December 2019 and apply to all lots, replacing the current \$2,000 solar panel rebate incentive for the campaign period.

Satterley has indicated that quotes from three solar panel and battery system providers indicate that a \$10,000 rebate would be sufficient to cover the cost of supplying and installation of a 5kW hybrid inverter, 20 x 330W panels and 4.8kWh lithium-ion battery.

Satterley has also proposed that purchasers may obtain up to an \$8,000 cash incentive in lieu of the solar rebate. The value of the cash incentive takes into consideration the existing \$2,000 solar rebate available to all purchasers within Catalina. The cash incentive would not immediately be offered to prospective purchasers, but used with discretion where a financial barrier would otherwise prevent the successful sale and settlement of a lot within the Estate.

Satterley considers that given the highly competitive market it is considered essential to institute a new sales campaign with an offer that is unique among competitors, provides value to purchasers, is a fresh and creative marketing angle and is consistent with the Project's vision and objectives for leading environmental sustainability and innovation.

Satterley has indicated that the campaign will require marketing support in the form of digital advertising, updates to signage and the website, electronic mail and printed material for the Sales Office and other distribution. A budget in the order of \$22,000 for marketing has been identified, for which the TPRC Budget FYE 2020 makes provision.

The Spring/Summer Marketing, EOFY and 'Best Lots for Less' Campaigns have been successful in promoting leads/interest in the Project, however, market share has not increased and there has not been any significant increase in lot sales.

It is noted that a number of competing estates offer campaign incentives and as a result it is considered necessary that Catalina maintain a competitive incentive offer. Satterley's rationale for the incentive is supported and it is recommended that the Management Committee recommend that Council approves the recommended campaign, but with the following modifications:

- The campaign should commence on 18 October 2019 (that is, following the Council's October meeting) and run until 31 January 2020 (rather than concluding on 21 December 2019) to derive additional longevity from the promotional materials proposed to support marketing the campaign.
- Only currently released lots being eligible for the \$10,000 rebate, in order to incentivise the sale of aged stock.

The new campaign should be subject to similar marketing KPIs as the current 'Best Lots for Less' Campaign.

*At its meeting of 19 September 2019, the Management Committee considered a report on the proposal from the Satterley Property Group for a Sales and Marketing Campaign involving a rebate of \$10,000 to purchasers of all currently released lots who install a solar panel and battery storage system and resolved to recommend that Council:*

1. *RECEIVES the Satterley Property Group correspondence (dated 12 August 2019) regarding a Sales and Marketing Campaign involving the offer of a \$10,000 rebate to purchasers who install a solar panels and battery storage system.*
2. *APPROVES participation in the Sales and Marketing Campaign, subject to the following conditions:*
  - i) *The campaign commencing on 18 October 2019 and concluding on 31 January 2020;*
  - ii) *The \$10,000 rebate applying to purchasers who install an approved solar panel and battery storage system;*
  - iii) *The \$10,000 rebate applying only to currently released lots;*
  - iv) *The \$10,000 rebate will replace the current Catalina solar rebate of \$2,000 for the campaign period, excepting circumstances where a purchaser elects to receive an \$8,000 cash incentive in lieu of the solar panel and battery system rebate;*
  - v) *The Satterley Property Group detailing a satisfactory method for administration of the \$10,000 rebate, including the identification of systems that will be eligible and documentary evidence required to receive payment of the rebate; and management of the circumstances where an \$8,000 cash incentive is offered in lieu of the solar panel and battery system rebate;*

- vi) *The rebate being subject to homes being constructed in accordance with the approved Catalina Design Guidelines within 18 months of settlement for single storey homes and 24 months of settlement for two storey homes.*
3. *APPROVES the use of a \$2,000 referral fee to the Builder's Sales Representative for providing a qualified sales lead that results in the settlement of a lot at Catalina and that this fee be paid directly by the TPRC for the period 18 October 2019 to 31 January 2020.*

## 9.8 BUILT FORM TENDER (TENDER 05/2019)

### Report Information

Reporting Officer: Manager Project Coordination

### Recommendation

#### That the Council:

1. **APPROVES** Now Living/Terrace (J Corp Pty Ltd) as the preferred tenderer for Tender 05/2019 (Built Form).
2. **AUTHORISES** the CEO to progress a Project Agreement with Now Living/Terrace (J Corp Pty Ltd) in accordance with Tender 05/2019 (Built Form) and the Now Living/Terrace (J Corp Pty Ltd) Tender submission (dated September 2019).

### Voting Requirements

Simple Majority

### Report Purpose

To consider a report on tender submissions to explore potential development opportunities, design concepts and commercial terms for sites in Stage 18B of Catalina Central.

### Policy Reference

TPRC Procurement Policy

### Local Government Act/Regulation

*Local Government Act 1995*: Sect 3.57 – Provision of goods and services.

This item satisfies the requirements of Section 5.23 of the *Local Government Act 1995*, enabling it to be considered at a meeting, or part of a meeting, that is closed to members of the public, on the grounds that it deals with:

- c) *A contract entered into, or which may be entered into, by the TPRC and which relates to a matter to be discussed at a meeting (section 5.23(2)(c)); and*
- e) *A matter that if disclosed, would reveal –*
  - i) *Information that has a commercial value to a person; or*
  - ii) *Information about the business, professional, commercial or financial affairs of a person where the information is held by, or is about, a person other than the TPRC (section 5.23(2)(e)).*

Note: Applies to Appendices only.

### Financial/Budget Implications

Expenditure for the contract works will be incurred under the following items:

Item E145211 (Lot Production):

Budget Amount:       \$ 1,930,449  
Spent to Date:       \$ 567,138  
Balance:               \$ 1,363,311

Item E145210 (Infrastructure):

Budget Amount:       \$ 1,409,141  
Spent to Date:       \$ 3,456  
Balance:               \$ 1,405,685

Note: The tender relates to expenditure to be incurred in FYE 2020 – 2022.

### Relevant Documents

Appendices:

- Panel Report – Built Form Tender 05/2019 (Confidential)
- Satterley Recommendation – Built Form Tender 05/2019 (Confidential)
- Extract from Now Living/Terrace Tender Submission (Confidential)
- Probity Certificate (Confidential)

### Background

The approved Annual Plan FYE 2020, Lot Sales and Release Strategy FYE 2020 and Catalina Housing Strategy (July 2019) identify the opportunity for two sites in Stage 18B (Catalina Central) to be developed to showcase innovative housing design that has a focus on liveability, sustainability and affordability in order to add to the diversity of available housing in Catalina and pursue a range of social and environmental objectives that complement financial ones.

A tender seeking to engage a builder partner to explore potential development opportunities, design concepts and commercial terms for the project sites was advertised in the West Australian newspaper on 7 August 2019.

The Tender Document set out the objectives, consistent with the Annual Plan FYE 2020 and Catalina Housing Strategy (July 2019), to:

- Create a precinct with a focus on liveability and sustainability;
- Produce a new medium density product that could provide an affordable housing alternative;
- Partner with builders to provide a product that supports the site's economic viability;
- Demonstrate leading housing design and trial innovation that will further promote Catalina's social and environmental aspirations.

The aspirations cover a broad set of principles, as follows:

- Health and Happiness
- Equity and Local Economy
- Culture and Community Land and Nature
- Sustainable Water
- Local and Sustainable Food
- Travel and Transport
- Materials and Products
- Zero Waste
- Zero Carbon Energy

The Tender Document also set out specific development objectives for the Stage 18B sites, consistent with the previous direction established by the Council, including:

- Incorporation of a mix of dwelling types.
- Built form that addresses Neerabup Road and Connolly Drive, in addition to the Estate's internal streets.
- Vehicular access to be provided off Labuan Way and Rathmines Street, with limited crossovers and parking that is well-screened from the street.
- Passive solar design, use of solar panels and provision for cross-ventilation.
- High-star energy and water efficiency rated electrical appliances.
- Provision of internal open space areas that can be developed for communal recreation and incorporating useable facilities and trees that provide shade and amenity.
- Alternative construction methodologies, including use of sustainable building materials, and an obligation to participate in an Estate building waste management program.
- Other sustainability features, such as water-wise gardens and water-sensitive drainage design and construction.

Another feature of the Tender Document is the availability of a \$750,000 innovation fund. The fund is intended to promote the trial of industry-leading built form and development practices, which may later be replicated in remaining Catalina stages.

At the conclusion of the tender period on 4 September 2019, five submissions were received from the following companies:

- Ben Trager Homes;
- Now Living and Terrace (J Corp);
- Schlager Group, David Barr Architects and Josh Byrne and Associates;
- JWH Group;
- A + A Macliver and Fini Sustainability.

### **Comment**

An Evaluation Panel was established consisting of Satterley and TPRC representatives to assess the tender submissions received. The Evaluation Panel comprised the following:

- Simon O'Sullivan, Manager Project Coordination, TPRC;
- Carl Buckley, Project Director, Satterley;
- Lauren Vidler, Development Manager, Satterley.
- Probity oversight by Stantons International representative

An Evaluation Plan was prepared to guide the Evaluation Panel's assessment of the tender submissions and provided information in relation to:

- The evaluation process and timetable of events;
- Scoring responses and procedural fairness; and
- Scoring sheets and a declaration of confidentiality and interest form to be completed by each panel member.

The key objectives of the evaluation process were to:

- Make a recommendation to the TPRC, as to the tender that represents best value for money;
- Ensure the assessment of responses was undertaken fairly according to the predetermined selection criteria;

- Ensure adherence to the TPRC Procurement Policy; and
- Ensure that the requirements specified in the tenders were evaluated in a way that can be measured and documented.

The Panel met on 11 September 2019 to evaluate the tenders, which was facilitated by the Probity Advisor. A copy of the tender evaluation report, prepared by the TRPC’s Manager Planning Coordination on behalf of the Evaluation Panel, is attached at Appendix 9.8.

The evaluation of tenders by the Evaluation Panel resulted in the following scores being attributed to each tender submission:

<b>Tenderer</b>	<b>Evaluation Score</b>	<b>Rank</b>
Ben Trager Homes	67%	3
Now Living and Terrace (J Corp)	<b>80%</b>	<b>1</b>
Schlager Group, David Barr Architects and Josh Byrne and Associates	76%	2
JWH Group	60%	4
A + A Macliver and Fini Sustainability	24%	5

Now Living/Terrace Homes achieved the highest score from the Evaluation Panel based on the tender evaluation criteria. It ranked first in three of the criteria (Development Objectives, Experience and Financial Capability) and second in the fourth criteria (Innovation Fund), as noted in the Evaluation Panel’s report.

Key features of the Now Living/Terrace tender submission include:

- A strong and compelling demonstration of its understanding of the Council’s vision for the Project sites, through the provision of a master plan detailing a potential development layout, in addition to site-specific house plans for variety of dwelling typologies and configurations, including maisonettes, villas and demonstration homes based on demographic and market research and incorporating universal access and adaptable design principles, smart technologies and other sustainability features (refer to extract from the tender submission attached at Appendix 8.6).
- A range of proposed ownership and finance accessibility models.
- Multiple applicable examples of similar projects delivered elsewhere that had a focus on sustainability, innovation and affordability.
- Strong financial capability to undertake development, with a large internal marketing team and detailed marketing program.
- Three proposals to utilise the innovation fund including sustainability upgrades (solar, water efficiency and other technology), transport initiatives (shared e-bikes) and a demonstration housing product.

Satterley has provided a letter of recommendation, which is contained in Appendix 9.8. It provides further commentary on evaluation of the tender submissions and recommends that the Council work with Now Living/Terrace Homes (J Corp Pty Ltd) for an exclusive 60-day period to identify development opportunities, progress design concepts and determine commercial terms.

The TPRC has reviewed Satterley’s recommendation and is satisfied that a fair and accurate assessment of tender submissions against the evaluation criteria contained has been undertaken.

*At its meeting of 19 September 2019, the Management Committee considered a report on the Built Form Tender (Tender 05/2019) and resolved to recommend that Council:*

- 1. APPROVES Now Living/Terrace (J Corp Pty Ltd) as the preferred tenderer for Tender 05/2019 (Built Form).*
- 2. AUTHORISES the CEO to progress a Project Agreement with Now Living/Terrace (J Corp Pty Ltd) in accordance with Tender 05/2019 (Built Form) and Now Living/Terrace (J Corp Pty Ltd) Tender submission (dated September 2019).*



## 9.9 TPRC ANNUAL FINANCIAL REPORT FOR THE YEAR 1 JULY 2018 TO 30 JUNE 2019

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

That the Council RECEIVES the Annual Financial Report for the year ended 30 June 2019 and that it be INCLUDED in the Annual Report.

### Voting Requirements

Simple Majority

### Report Purpose

To consider the Annual Financial Report of the TPRC for the year ended 30 June 2019.

### Relevant Documents

Appendix: Audited Annual Financial Report for the year ended 30 June 2019

### Previous Minutes

- Council Meeting – 18 October 2018 (Item 9.6: TPRC Annual Financial Report for the Year 1 July 2017 to 30 June 2018)
- Council Meeting – 12 October 2017 (Item 9.7: TPRC Annual Financial Report for the Year 1 July 2016 to 30 June 2017)

### Policy Reference

TPRC Audit Charter: Scope, includes review of Annual Financial Report and recommendation of adoption by the Council

### Local Government Act/Regulation

- *Local Government Act 1995: S6.4* - Requires Local Government to prepare annual Financial Report in prescribed form; balanced accounts and financial report for preceding year to be submitted to Auditor by 30 September.
- *Local Government Act 1995: S7.2* - Requires accounts and financial report to be audited by an auditor appointed [according to prescribed procedures] by the Local Government.
- *Local Government Act 1995: S7.9* - Requires Auditor to provide report on accounts and financial report to Chair, CEO and Minister by 31 December.
- Regs - *Local Government (Audit) 1996 R 9* Sets out Criteria for Conduct of Audit.
- Guideline 18 - Financial Ratios - Describes Financial Ratios required in financial reports.
- Regs - *Local Government (Financial Management) 1996: R36-49* prescribes report inclusions.
- Regs - *Local Government (Financial Management) 1996: R50* - CEO to forward copy of Financial Report to Executive Director within 30 Days of Audit.
- *Local Government (Audit) Regs 1996: Reg 14* Compliance Audit Item.

## **Background**

An Annual Financial Report is required to provide a comprehensive outline of financial activities of the TPRC for the public record and public inspection.

A series of legislative requirements must be observed in preparing the Annual Financial Report.

The Annual Financial Report must be submitted for audit and included in the Council Annual Report for adoption no later than 31 December.

## **Comment**

The TPRC accounts for the financial year have been balanced, the financial report has been prepared by Moore Stephens – Accountants and reviewed by Dom Carbone & Associates. The accounts and report have been submitted to the Council appointed Auditor (Butler Settineri) for review.

The Auditor has completed audit of the documents and has provided the required management report which is required to be presented to the Chair of the Council, the CEO and the Minister for Local Government, Sport and Cultural Industries. The Auditor's Report is considered in Item 9.10.

The accounts are in balance and there are no adverse comments or notifications from Council's accountants.

*At its meeting of 19 September 2019, the Audit Committee considered the Annual Financial Report of the TPRC for the year ended 30 June 2019 and resolved to recommend that Council RECEIVES the Annual Financial Report for the year ended 30 June 2019 and that it be INCLUDED in the Annual Report.*

## **9.10 REVIEW OF THE AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

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

- 1. RECEIVES the Auditor's Report for the financial year ended 30 June 2019.**
- 2. NOTES that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2019.**
- 3. NOTES that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 5 September 2019 to discharge the statutory obligation to meet with the Local Government at least once per annum.**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To facilitate review of the Auditor's Report as required by Regulation.

### **Relevant Documents**

Appendix: Audit Report for Financial Year ended 30 June 2019

### **Previous Minutes**

- Council Meeting – 18 October 2018 (Item 9.7: Review of the Auditor's Report for the Financial Year Ended 30 June 2018)
- Council Meeting – 12 October 2017 (Item 9.8: Review of the Auditor's Report for the Financial Year Ended 30 June 2017)

### **Policy Reference**

TPRC Audit Charter 6(f) and (h)

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

- *Local Government Act Section 7.9(3)* – Auditor is to provide a copy of the audit report within 30 days of completion to the Chair, the CEO and the Minister.
- *Local Government Act Section 7.12(3)* – Local Government required to take action on matters raised in Audit Report.
- *Local Government (Audit) Regulations 10.4* – Auditor may prepare a Management Report in addition to the Audit Report and copy to Chair, the CEO and the Minister.

## Background

The *Local Government (Audit) Regulations* require the Council's appointed Auditor to prepare an Auditor's Report.

The report is to give the Auditor's opinion of:

- (a) The financial position of the local government;
- (b) The results of the operations of the local government.

## Comment

The Council's appointed Auditor (Butler Settineri) has completed its assessment for the financial year ending 30 June 2019. There are no adverse comments raised by the external Auditor in its report.

However, the Auditor has raised three Items to be noted by Council.

### ***Presentation of Financial Activity Statement to Council***

Non-compliance with *Local Government (Financial Management) Regulations 1996* Regulation 34(4) requires the monthly Statement of Financial Activity and the accompanying documents to be presented at an ordinary meeting of Council within two months after the end of the month to which the statement relates.

*Significance of finding: Moderate*

#### Management comment:

The non-compliance with the requirements of Regulation 34(4) of *Local Government (Financial Management) Regulations 1996* is a direct result of the Tamala Park Regional Council meeting on a bi-monthly basis, which does not allow sufficient time for the monthly statement of financial activity to be prepared and presented to Council within the 2-month period specified. This results in 6 of the 12 monthly Statements of Financial Activity not meeting the required timeframe.

It is noted that the monthly Statements of Financial Activity are prepared by the TPRC and by Moore Stephens (TPRC accountants) and available for Council's consideration within the prescribed timeframe.

It is recommended that Council approve the Audit Committee meeting on a bi-monthly basis, on alternative months to Council meetings, to consider Statements of Financial Activity. Whilst this will not mean strict compliance with the requirements under Regulation 34 (4), from an oversight and a risk management perspective it will minimize risks arising from the delay in Council's consideration of the monthly Statements of Financial Activity.

### ***Excessive Annual Leave Balance***

The Chief Executive Officer and the Executive Assistant have accrued significant annual leave.

*Significance of finding: Low*

#### Management comment:

Measures are in planning to reduce Annual Leave balance for the Chief Executive Officer and the Executive Assistant.

***Financial Ratios***

Under note 25 of the financial report, we note that the asset renewal ratio does not meet the benchmark as set out by the Department of Local Government.

*Significance of finding: Low*

Management comment:

It is acknowledged that the Asset Renewal Ratio (ASR) is below the DLGSC's standard.

The TPRC has a relatively small asset base comparative to other Local Governments and therefore is subject to more pronounced variations in annual asset renewal expenditure. In the case of the TPRC this has resulted in fluctuations to the ASR between years as assets of the TPRC are renewed.

The financial ratios need to be considered within the overall context of the financial report. The management of the TPRC operational assets is regularly considered by Moore Stephens and considered to be appropriate.

It is noted that the expenditure and management of TPRC assets is consistent with the Council approved Asset Management Plan 2017. The TPRC Asset Management Plan is currently under review, including asset ratios. The review is to be reported to Council in late 2019.

There is a statutory obligation for the Council's appointed Auditor to meet with the Local Government at least once per annum. The Auditor (Mr Marius Van Der Merwe) attended the Audit Committee meeting of 19 September 2019 to discharge this obligation.

*At its meeting of 19 September 2019, the Audit Committee considered the Auditor's Report as required by Regulation and resolved to recommend that Council:*

- 1. RECEIVES the Auditor's Report for the financial year ended 30 June 2019.*
- 2. NOTES that the Audit Report does not note or make recommendations on any matter requiring attention from the Annual Audit for the year ended 30 June 2019.*
- 3. NOTES that the Council's Auditor (Butler Settineri) met with the Audit Committee at its meeting of 19 September 2019 to discharge the statutory obligation to meet with the Local Government at least once per annum.*

## 9.11 COUNCIL MEETING SCHEDULE 2020

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

1. That the schedule of Ordinary Council meetings dates be APPROVED for 2020 as follows:
  - 20 February 2020 (Town of Cambridge)
  - 16 April 2020 (City of Joondalup)
  - 18 June 2020 (Town of Victoria Park)
  - 20 August 2020 (City of Stirling)
  - 15 October 2020 (City of Wanneroo)
  - 10 December 2020 (City of Vincent)
2. That the commencement time for Council meetings be 6:00pm.
3. That Council meetings be held on a rotational basis at participant Council premises.
4. That the schedule of Management Committee meetings dates be APPROVED for 2020 as follows:
  - 19 March 2020
  - 21 May 2020
  - 16 July 2020
  - 17 September 2020
  - 12 November 2020
5. That the Management Committee meetings be held at the City of Stirling and the commencement time be 5:00pm.
6. That the schedule of meeting dates be advertised as required by the *Local Government Act 1995*.

### Voting Requirements

Simple Majority

### Report Purpose

To set ordinary Council meetings and Management Committee meetings dates for 2020 to facilitate advertising by the LGA.

### Policy Reference

N/A

### Local Government Act/Regulation

- *Local Government Act Section 5.25(g)*
- *Local Government (Administration) Regulations 1996 Part 12 - Publication of meetings open to public*

## Previous Minutes

- Ordinary meeting of Council - 18 October 2018 (Item 9.10 - Meeting Schedule 2019)
- Ordinary meeting of Council - 7 December 2017 (Item 9.11 - Meeting Schedule 2018)

## Background

Councils are required to advertise dates of all Council and some other classes of meetings where delegated authority of the Council may be exercised. Advertising is required to provide the opportunity for members of the public to attend meetings and be informed about governance of the local authority. Where an advertised meeting date is changed re-advertising is required.

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

## Comment

Council meetings are mainly held on a Thursday, on a bi-monthly basis. The following schedule of Ordinary Council meetings and Management Committee meetings is proposed:

### Ordinary Council Meetings

- 20 February 2020 (Town of Cambridge)
- 16 April 2020 (City of Joondalup)
- 18 June 2020 (Town of Victoria Park)
- 20 August 2020 (City of Stirling)
- 15 October 2020 (City of Wanneroo)
- 10 December 2020 (City of Vincent)

### Management Committee Meetings

- 19 March 2020
- 21 May 2020
- 16 July 2020
- 17 September 2020
- 12 November 2020

The Council has previously set the time for commencement of Ordinary Council meetings at 6:00pm as this seems to suit the convenience of most Council members. Meetings have previously been held at participant Council premises on a rotational basis. This provides an equal opportunity for each of the Councils to host the Regional Council.

Management Committee meetings are mainly held on a Thursday, in between Council meetings. The Committee has previously set the time for commencement of meetings at 5:00pm as this seems to suit the convenience of most Council members. The Management Committee has determined that the meetings will be held at the City of Stirling.

## **9.12 PAYMENT OF ACCOUNTS & SECURITY OF PAYMENT INSTRUMENTS POLICY REVIEW**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council APPROVES the Payment of Accounts & Security of Payment Instruments Policy (July 2019).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Payment of Accounts & Security of Payment Instruments Policy.

### **Relevant Documents**

Appendix: Payment of Accounts & Security of Payment Instruments Policy (July 2019)

### **Policy Reference**

Payment of Accounts & Security of Payment Instruments Policy (July 2018) adopted August 2018.

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

*Local Government (Functions & General) Regs1996*, Part 4, Division 1 (Purchasing Policies)

### **Previous Minutes**

Council Meeting – 16 August 2018 (Item 9.10 – Payment of Accounts & Security of Payment Instruments Policy Review)

### **Background**

At its meeting of 16 August 2018, the Council approved the Payment of Accounts & Security of Payment Instruments Policy (July 2018) consistent with the *Local Government Regulations*.

### **Comment**

The Payment of Accounts & Security of Payment Instruments Policy has operated satisfactorily and the Council's Auditors have raised no issues in relation to the Policy.

No changes are proposed and the Payment of Accounts & Security of Payment Instruments Policy (July 2019) is recommended for adoption.

*At its meeting of 9 August 2019, the Audit Committee considered a report on the review of the Payment of Accounts & Security of Payment Instruments Policy and resolved to recommend that Council APPROVES the Payment of Accounts & Security of Payment Instruments Policy (July 2019).*



### **9.13 CREDIT CARD POLICY REVIEW**

#### **Report Information**

Reporting Officer: Chief Executive Officer

#### **Recommendation**

**That the Council APPROVES the Credit Card Policy (July 2019).**

#### **Voting Requirements**

Simple Majority

#### **Report Purpose**

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

#### **Relevant Documents**

Appendix: Credit Card Policy (July 2019)

#### **Policy Reference**

Existing Credit Card Policy (July 2018).

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

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

#### **Previous Minutes**

Council Meeting – 16 August 2018 (Item 9.12 – Investment Policy Review)

#### **Financial/Budget Implications**

N/A

#### **Background**

At its meeting of 16 August 2018, the Council approved the Credit Card Policy (July 2018) consistent with *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 Auditors have raised no issues in relation to the Credit Card Policy. The Credit Card Policy continues to operate satisfactorily and no changes are proposed. The Credit Card Policy (July 2019) is recommended for adoption.

*At its meeting of 9 August 2019, the Audit Committee considered a report on the review of the Credit Card Policy and resolved to recommend that Council APPROVES the Credit Card Policy (July 2019).*

## 9.14 PETTY CASH POLICY REVIEW

### Report Information

Reporting Officer: Chief Executive Officer

### Recommendation

**That the Council APPROVES the Petty Cash Policy (July 2019).**

### Voting Requirements

Simple Majority

### Report Purpose

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

### Relevant Documents

Appendix: Petty Cash Policy (July 2019)

### Policy Reference

Existing Credit Card Policy (July 2018)

### Local Government Act/Regulation

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

### Previous Minutes

- Audit Committee Meeting – 9 August 2019 (Item 8.4 – Petty Cash Policy Review)
- Council Meeting – 16 August 2018 (Item 9.13 – Petty Cash Policy Review)

### Financial/Budget Implications

N/A

### Background

At its meeting of 16 August 2018, the Council approved the Petty Cash Policy (July 2018) consistent with *Local Government Regulations*.

### Comment

The Petty Cash Policy continues to operate satisfactorily and no changes are proposed. The Petty Cash Policy (July 2019) is recommended for adoption.

*At its meeting of 9 August 2019, the Audit Committee considered a report on the review of the Petty Cash Policy and resolved to recommend that Council APPROVES the Petty Cash Policy (July 2019).*

## **9.15 PROCUREMENT POLICY REVIEW**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council APPROVES the Procurement Policy (July 2019).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Procurement Policy.

### **Relevant Documents**

Appendix: Procurement Policy (July 2019)

### **Policy Reference**

Existing Procurement Policy (July 2018)

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

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

### **Previous Minutes**

- Audit Committee Meeting – 9 August 2019 (Item 8.5 – Procurement Policy Review)
- Council Meeting – 16 August 2018 (Item 9.14 – Procurement Policy Review)

### **Financial/Budget Implications**

N/A

### **Background**

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 and has 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. The Procurement Policy (July 2019) is recommended for adoption.

*At its meeting of 9 August 2019, the Audit Committee considered a report on the review of the Procurement Policy and resolved to recommend that Council APPROVES the Procurement Policy (July 2019).*

## **9.16 FINANCIAL MANAGEMENT – SIGNIFICANT ACCOUNTING POLICIES REVIEW 2019**

### **Report Information**

Reporting Officer: Chief Executive Officer

### **Recommendation**

**That the Council APPROVES the Financial Management – Significant Accounting Policies (August 2019).**

### **Voting Requirements**

Simple Majority

### **Report Purpose**

To review the Financial Management – Significant Accounting Policies.

### **Relevant Documents**

Appendix: Financial Management – Significant Accounting Policies (August 2019)

### **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**

- Council Meeting – 18 October 2018 (Item 9.8 – Financial Management – Significant Accounting Policies Review)
- Council Meeting – 12 October 2017 (Item 9.9 – Financial Management – Significant Accounting Policies Review)

### **Financial/Budget Implications**

N/A

### **Background**

In October 2018, the Council approved the Financial Management – Significant Accounting Policies consistent with *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 and Butler Settineri - Auditors.

The proposed changes to the Financial Management – Significant Accounting Policies (August 2019) are consistent with the Annual Financial Report for the year ended 30 June 2019 (Notes) prepared by Moore Stephens – Accountants and reviewed by the Council appointed Auditor (Butler Settineri).

The proposed changes are highlighted in the Financial Management – Significant Accounting Policies (August 2019) attached at Appendix 9.16 and are recommended for adoption.

*At its meeting of 5 September 2019, the Audit Committee considered a report on the review of the Financial Management – Significant Accounting Policies and resolved to recommend that Council APPROVES the Financial Management – Significant Accounting Policies (August 2019).*

9.17 DEVELOPMENT MANAGER'S – KEY PERFORMANCE INDICATORS – FYE 2019 -  
**CONFIDENTIAL**

CONFIDENTIAL

9.18 DEVELOPMENT MANAGEMENT AGREEMENT – KEY PEOPLE – **CONFIDENTIAL**

CONFIDENTIAL



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

# APPENDICES