



TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 10 April 2014
City of Wanneroo, 6:00pm

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

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TAMALA PARK REGIONAL COUNCIL

Councilors 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 10 April 2014 at 6:00pm.

The business papers pertaining to the meeting follow.

Your attendance is requested.

Yours faithfully



TONY ARIAS
Chief Executive Officer

MEMBERSHIP

OWNER COUNCIL	MEMBER	ALTERNATE MEMBER
Town of Cambridge	Cr Louis Carr	
City of Joondalup	Cr Geoff Amphlett Cr Tom McLean	
City of Perth	Cr Janet Davidson OAM JP	Cr Jim Adamos
City of Stirling	Mayor Giovanni Italiano JP Cr David Michael Cr Terry Tyzack Cr Rod Willox AM JP	Cr Elizabeth Re JP
Town of Victoria Park	Mayor Trevor Vaughan	
City of Vincent	Cr Joshua Topelberg	
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 – 20 February 2014

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 – 6 March 2014
- CEO Performance Review Committee Meeting (Confidential) – 17 February 2014
- CEO Performance Review Committee Meeting (Confidential) – 31 March 2014

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.10)

9.1 BUSINESS REPORT – PERIOD ENDING 3 APRIL 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 3 April 2014.

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 to date;

Stage	Lots	Commencement of Construction	Practical Completion Date	Works Status	Titles
9	51	18 November 2013	13 May 2014	65% Complete – Works on Schedule	May 2014
10	30	16 December 2013	6 May 2014	65% Complete – Works delayed 1 week	May 2014
11	62	1 April 2014	Anticipate Sep 2014	Contract Awarded	Oct 2014

2. Bulk Earthworks - Status

The following table provides an overview of the progress of current bulk earthworks to date;

Stage	Commencement of Construction	Practical Completion Date	Works Status
12 - 13	24 March 2014	27 June 2014	10% Complete

3. Landscape works – Status

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

Stage	Commencement of Construction	Original Practical Completion Date	Works Status
Stage 4 POS	11 November 2013	28 March 2014 for POS, shelters 29 April 2014	PC Achieved on 28 March 2014. Shelters on schedule to be completed by 29 April 2014.
Stage 8	4 March 2014	27 June 2014	10% Complete – Works on Schedule
Northern BCA	4 March 2014	27 June 2014	10% Complete – Works on Schedule

Landscape works, including Marmion Ave entrance, Aviator Blvd (Greenlink) and Sales Office are currently being priced by LD Total and due to commence early June 2014.

4. Housing Construction

The following table provides an overview of the current progress of housing construction works to date;

Stage	Under Construction	Completed	Total
Stage 1	7	25	32
Stage 2	10	19	29
Stage 3	18	20	38
Stage 4	26	12	38
Stage 5	46	1	47
Stage 6A	1	4	5
Stage 7	22	0	22
Stage 8	1	0	1
Total	131	81	212

5. Temporary Sales Office

The Temporary Sales Office is fully operational and is continuing to receive good traffic.

6. Waste Management Program

Instant Waste Management (IWM) is providing monthly reports, identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 55 participating building sites with waste recovery rates in excess of 95% (by weight) being achieved.

7. Lot 1 Development

Development Approval has been received from the City of Wanneroo and working drawings are being finalised in preparation for an application to the City for a building license.

Sales prices for the proposed apartments and units have been approved and marketing has commenced with good sales interest received. To date 8 contracts have been accepted with a further 11 contracts signed by purchasers awaiting acceptance by TPRC. The Sales Trigger of 15 sales contracts has now been achieved and commencement of the development is expected in late August.

8. Builders Display Village and Catalina Sales Office

20 builder display homes have been completed and are open for display. The Builder's Display Village is receiving very good traffic.

The Catalina Sales Office has roof cover with internal ceilings completed. Construction is expected to be completed in May 2014. The Sales Office car park has been completed.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF JANUARY 2014 & FEBRUARY 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

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

- **31 January 2014; and**
- **28 February 2014.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix: Monthly Statement of Financial Activity for the months ending 31 January 2014 and 28 February 2014

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 28 February 2014 exceeding 10% were experienced in relation to the following:

Interest Earnings	Interest earnings exceed budget predictions as a result of timing of maturity of investments but expected to adjust to budget predictions in the next quarter.
Depreciation	The positive variance relates to timing.
Employee Costs	The positive variance is as a result of timing of the appointment of TPRC staff.
Insurance	The negative variance relates to timing of payments, this will be adjusted over the coming months.
Materials and Contracts	The positive variance relates to timing of payments which will adjust through the balance of the financial year.
Utilities	The positive variance relates to timing of payments but is expected to be below budget.
Capital Items	The negative variance relates to timing of payments, this will be adjusted over the coming months.
Income – Sale of Lots	The positive variation is as a result of higher settlement of lots to date.
Professional/Consultant Fees	The positive variance relates to timing of consultant payments which will adjust through the balance of the financial year.
Land Production Cost	The positive variance results from deferral of some works and delay in contractor payments expected to be adjusted in coming months but will remain below budget.

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

Financial Snapshot as at 28 February 2014

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 28 FEBRUARY 2014**

	2013-14 ADOPTED BUDGET	2013-14 YTD BUDGET	2013-14 YTD ACTUAL	VARIANCE		VARIANCE %
				FAVOURABLE	UNFAVOURABLE	
REVENUE	\$	\$	\$	\$	\$	%
Interest Earnings	711,090	455,100	627,670	172,570		37.92%
Other Revenue	1,890	-	4,635	4,635		0.00%
	\$712,980	\$455,100	\$632,305	\$177,205	\$0	
LESS EXPENDITURE						
Depreciation	(20,489)	(13,317)	-	13,317		100.00%
Employee Costs	(679,975)	(446,605)	(349,968)	96,637		21.64%
Insurance	(11,900)	(11,900)	(23,848)		11,948	-100.40%
Materials and Contracts	(348,450)	(226,493)	(122,589)	103,904		45.88%
Other	(161,050)	(82,070)	(82,683)		613	-0.75%
Utilities	(10,000)	(6,500)	-	6,500		100.00%
Capital Items	(6,000)	-	(6,968)		6,968	0.00%
Members Equity						
-Income Sale of Lots - Subdivisions	45,640,484	24,689,792	30,797,689	6,107,897		24.74%
-Income Other - Subdivisions	634,349	40,000	10,888		29,112	-72.78%
-Professional /Consultant Fees	(100,000)	(65,906)	(24,025)	41,881		63.55%
-Land Production Costs	(45,700,319)	(31,387,565)	(18,604,116)	12,783,449		40.73%
-Contributions Returned	(10,400,000)	(4,000,000)	(4,220,400)		220,400	-5.51%
	(\$11,163,350)	(\$11,510,564)	\$7,373,980	\$19,153,585	\$269,041	
Total	(\$10,450,370)	(\$11,055,464)	\$8,006,285	\$19,330,790	(\$269,041)	
	(10,450,370)		\$19,061,749		\$19,061,749	

Balance Sheet Summary as at 28 February 2014

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2014

	Actual 2012/13 \$	Actual 2013/14 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	25,985,602	33,706,155	7,720,553	29.71%
Trade and other receivables	507,774	728,596	220,822	43.49%
Total current assets	26,493,376	34,434,751	7,941,375	30.0%
Non-current assets				
Inventories	1,818,182	1,818,182	0	0.00%
Property, plant and equipment	145,610	152,578	6,968	4.79%
Total non-current assets	1,963,792	1,970,760	6,968	0.35%
Total assets	28,457,168	36,405,511	7,948,343	27.93%
Current liabilities				
Trade and other payables	315,542	250,631	64,911	20.57%
Provisions	109,418	109,418	0	0.00%
Total current liabilities	424,960	360,049	64,911	15.3%
Non-current liabilities				
Provisions	18,659	18,659	0	0.00%
Total non-current liabilities	18,659	18,659	0	0.0%
Total liabilities	443,619	378,708	64,911	14.6%
Net assets	28,013,549	36,026,803	8,013,254	28.6%

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTH OF FEBRUARY 2014

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 month of February 2014:

- **Month ending 28 February 2014 (Total \$3,788,417.79)**
- **Total Paid - \$3,788,417.79**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the month ending 28 February 2014.

Relevant Documents

Appendix:

- Cheque Detail for February 2014;
- Summary Payment List for February 2014.

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 Haines Norton following completion of each months accounts.

9.4 PROJECT FINANCIAL REPORT – FEBRUARY 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

That the Council RECEIVE the Project Financial Report (February 2014) submitted by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for February 2014 submitted by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

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

Financial/Budget Implications

Review of Project Financial Report for February 2014.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 26 March 2014.

Background

At its meeting of 20 June 2013 the Council approved the Project Budget 2013/2014 (March 2013), submitted by the Satterley Property Group, as the basis of financial planning for the 2013/2014 TPRC budget.

Item 5.4.6 of the Key Performance Indicators; Financial, requires the preparation of monthly financial reports.

Comment

The Satterley Property Group has prepared a Financial Report for February 2014 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 28 February 2014 and is attached at Appendix 9.4.

The Financial Report identifies that settlement revenue is ahead of budget and expenditure is below budget. The main areas of variance are summarised below:

1. Settlement revenue for the financial year to 28 February 2014 is \$6.6M ahead of budget with \$31.2M sales revenue received to date.

The SPG has advised the favourable variance in sales revenue is attributed to 28 more lot settlements year to date.

2. Expenditure is \$8.5M under budget, with under expenditure in the areas of Landscape, Infrastructure and Contingency.
3. Sales for FYE 14 are \$1.3M ahead of budget due to an additional 4 lot sales.

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 3 April 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: N/A

Recommendation

That the Council RECEIVE the Sales and Settlements Report to 3 April 2014.

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

Nil

Financial/Budget Implications

Income under this matter will be posted under item I145011 Income on Lot Sales of the TPRC 2013/2014 Budget.

Budget Amount:	\$45,640,484
Received to Date:	\$32,645,500
Balance:	\$12,994,984

Relevant Documents

Appendix: Staging Plan

Background

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

The plan provided under Appendix 9.5 identifies the extent of the Stage boundaries referenced within the report.

Comment

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

STAGE	LOTS RELEASED	SOLD	STOCK	SETTLED
STAGES 1 – 5, 6A & 7	296	296	0	296
STAGE 6C	10	6	4	0
STAGE 8A	24	24	0	22
STAGE 8B	29	29	0	27
STAGE 9A	18	15	3	0
STAGE 9B	33	33	0	0
STAGE 10	30	26	4	0
STAGE 11	46	5	41	0
TOTAL	486	434	52	345

Stage 6C Public Release

The Stage 6C public release took place on 22 February 2014 with 2 online sale registrations received for the 10 lots released. To date 6 contracts have been signed by purchasers with a further 4 lots available for sale. Stage 6C comprises premium lots with ocean glimpses available. The sales result following the release has been positive and indicates that purchasers are taking a longer period of time to consider these premium lots before purchasing.

Stage 11 Public Release

The stage 11 sales release was held on 22 March 2014, consisting of 46 lots priced from \$251,000 to \$350,000. A total of 13 registrations were received from the initial release, with 5 purchasers signed up to date. An additional 10 lots have also been placed on hold bringing the total to 5 sales and 18 lots on hold.

The Satterley Property Group considers that the number of registrations received for this release reflects a softening in the market, particularly when compared to a total of 37 registrations for the Stage 10 release which was held in February 2014.

Notwithstanding the Satterley Property Group considers the sales result is sound and would appear to indicate a return to normal market conditions, following a shortage of supply in the northern corridor in the preceding 12 month period.

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

9.6 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 (March 2014) submitted by the Satterley Property Group.
2. **Determine as follows in relation to the Catalina Sustainability Initiatives;**
 1. That the Shared Bore Trial be continued until December 2014 when a report on the trial will be presented to Council.
 2. That the Waterwise Landscape Package be continued for future stages with the additional budget of \$135 per lot to allow for the relocation of grass trees from site into front landscape packages in the high profile locations.
 3. That the Solar rebate be continued for future stages.
 4. That Fibre Optic services be continued for future stages.
 5. That Community development is continued for future stages.
 6. That the Waste Recycling (Housing Construction) program be continued and that the Satterley Property Group investigate options of extending the program to include the TPRC's civil and landscape contractors works.
 7. That the Catalina Design Guidelines be maintained.
 8. That the Council continue to provide Medium Density Housing and continue to investigate new product types for affordable housing in light of recent price increases for land.
3. **ADVISE** the Satterley Property Group that prior to proceeding with EnviroDevelopment certification, the SPG should provide a report to Council on total costs of achieving EnviroDevelopment certification, likely accreditation level and benefits to the Project.
4. **ACCEPT** that Satterley Property Group has achieved Key Performance Indicator item 3.5.1 – Strategy and Planning; Sustainability requiring the annual review of the Sustainability Initiatives Plan and reporting of its implementation.

Voting Requirements

Simple Majority

Report Purpose

To review the Sustainability Initiatives Plan, September 2011 and report progress of implementation of sustainability initiatives for the Project.

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: \$22,272,452
Spent to Date: \$11,427,053
Balance: \$10,845,399
- Item E145216 (Sales Expenditure – Direct Selling Costs):

Budget Amount: \$7,976,213
Spent to Date: \$2,265,474
Balance: \$5,710,739
- Item E145213 (Land Development – Community Development):

Budget Amount: \$140,000
Spent to Date: \$ 4,380
Balance: \$135,620

All the recommended initiatives can be accommodated within approved budget items.

Relevant Documents

Appendix:

- SPG Letter dated 2 April 2014 re Catalina Sustainability Initiative Plan Annual Review and Reporting
- Sustainability Initiatives Plan

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

Background

At its meeting of 15 December 2011, the Council considered the Sustainability Initiatives Plan (SIP), and approved the implementation of the initiatives shown in the table below, with corresponding budget allocations:-

SUSTAINABILITY INITIATIVE	APPROVED BUDGET
Third Pipe (non potable water supply system) / Share Bore	\$3,500 per lot
Waterwise landscape package	\$4,500 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)	\$2,000 per lot

The Council approved Development Managers KPI's require the Satterley Property Group (SPG) to undertake an annual review of the SIP and report on its implementation.

On 21 February 2013 the Council considered a review of the Sustainability Initiatives Plan (SIP) and resolved as follows;

1. RECEIVE the Catalina Sustainability Initiative Plan Annual Review and Reporting (December 2012) submitted by the Satterley Property Group.
2. APPROVE the implementation of shared bores to all front loaded lots within Stage 5.
3. REQUIRE a review to be presented of the outcomes of the Stage 4 Shared bore trial following implementation prior to approving its adoption within all future stages.
4. ACCEPT that Satterley Property Group has achieved Key Performance Indicator item 3.5.1 – Strategy and Planning; Sustainability requiring the annual review of the Sustainability Initiatives Plan and reporting of its implementation.

As a result of the SIP review and Council resolutions the following sustainability initiatives are being implemented in the Project:-

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 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

Comment

The SPG's review provides an update of the progress in implementing each of the sustainability initiatives approved by the Council. A discussion of each 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 a Third Pipe (Non-potable Water Supply System) for Catalina, the Council opted for an alternative system of shared bores to be trialled for all traditional lots within Stages 1 and 4. The SPG has indicated that the position with the Water Corporation has not changed.

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 the sustainability benefits of a non-potable water supply. The SPG has indicated that the current stage of the Project prevents a meaningful review being undertaken of the success of the shared bore trial. However, implementation of the shared bores has progressed well and the initiative has been well received by purchasers.

The decision to implement shared bores within further stages of the development is proposed to be deferred until such time that implementation has been completed within a full stage of development and the relevant assessment undertaken. A report is to be provided to Council in approximately December 2014.

The SPG has recommended that the Shared Bore Trial be continued until December 2014 when a report on the trial will be presented to Council.

Waterwise Landscape Packages

The provision of waterwise gardens via landscaping packages was intended to assist Catalina's water conservation and locally appropriate plant species, enhance the Estate presentation and provide a sales incentive to purchasers.

An initial budget of \$4,500 per lot was approved, however Council resolved to allocate \$1,000 per lot from the third pipe initiative budget resulting in a waterwise landscape budget of \$5,500 per lot. The re-increase was on the basis of the inclusion of the following water saving measures:-

- a) Waterwise irrigation controllers;
- b) Soil preparation, fertiliser application and additives to enhance moisture retention abilities; and
- c) Subsurface irrigation of garden beds to reduce water loss by evaporation.

The waterwise landscaping packages are being progressively installed in Stages 1, 3 & 4.

The SPG has recommended that grass trees removed as part of earthworks be installed to front gardens in strategic locations. The costs to relocate these grass trees is in the order of \$450 per tree. On the basis they are installed within 30% of homesites a budget allowance of \$135 per lot across the development is proposed.

The SPG has recommended that the Waterwise Landscape Package be continued for future stages with the above additional initiative implemented.

Solar Panels Rebate

The \$2,000 per lot solar rebate approved by the Council has been included within all sales contract documentation. To date 12 purchasers have installed the required Solar Panel system, which represents 33% of the homes completed and eligible.

The SPG has recommended that the Solar rebate be continued for future stages.

Fibre Optic Service

The required infrastructure to enable distribution of fibre optic services to Catalina is being provided as part of the civil works. Arrangements have been put in place with NBN Co for the reticulation of fibre optic services and to date Stages 1, 2, 3, 4, 5 and 6A have been serviced.

Services are now available to residents and there are a number of residents who are connected to the NBN system.

The SPG has recommended that Fibre Optic services be continued for future stages.

Community Development

Community development services have commenced with stakeholder consultation and community activities. As the number of residents at Catalina is expected to increase significantly in 2014 community development work is expected to increase over the next 12 months.

A Community development consultant is to be appointed shortly.

The SPG has recommended that Community development be continued for future stages.

Waste Recycling (Housing Construction)

In February 2013 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. The program consists of Instant Waste Management providing recycling bins to participating builders. The builders then place all of their waste in the bins before they are returned to Instant Waste Management's recycling plant where the waste is sorted into 5 different categories for recycling being timber, metal, concrete, sand and plasterboard.

The current recycling rate being achieved is 96% by weight and 79% by volume. In order to offset the additional costs to builders the TPRC provides a rebate of \$900 (exc GST) per home to participating builders. Feedback from participating builders is that the rebate is covering costs.

The Program is voluntary in public stages, however is being mandated for builder releases from Stage 9 onwards and the second display home village to increase the participation rate. It is receiving good feedback from builders who have participated to date and is achieving high recycling results.

A total of 55 homes are participating in the program to date out of a total of 131 homes currently under construction indicating a participation rate of 42%. While 62 homes have been completed it is noted that most of these homes were generally commenced prior to the implementation of the recycling program. It is expected this rate could increase from late 2014 once the program is mandatory for builders participating in Builder releases.

The SPG has recommended that the Waste Recycling (Housing Construction) program be continued and investigate options of extending the program to include the TPRC's civil and landscape contractors.

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 UDIA is currently reviewing their EnviroDevelopment rating criteria. The SPG has recommended that the TPRC await the new EnviroDevelopment policy before proceeding with certification.

There are significant costs involved in certification, including consultant and licensing fees. SPG recommends that TPRC proceeds with certification once the UDIA's policy is finalised, which is expected by June 2014. Achieving EnviroDevelopment certification would provide marketing opportunities and greater credibility in terms of the Projects sustainability credentials, however, before committing to this initiative the SPG should provide a report on total costs, likely accreditation and benefits to the Project.

Housing Design Guidelines

The Catalina Design 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 has recommended that the Catalina Design Guidelines be maintained.

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.

One bedroom and two bedroom apartments have also been planned in Catalina Stage 1 as part of a development agreement between the TPRC and the ABN Group. These

apartments have been accepted by the market and will provide a new product type which can be developed in future stages.

The SPG has recommended that the Council continue to provide medium density housing and continue to investigate new product types for affordable housing in light of recent price increases for land.

Civil and Landscape Construction

Prior to the commencement of earthworks at Catalina flora and fauna are relocated from areas of the land that are to be cleared. The grass trees removed as part of the flora relocation are then reused in landscape contracts. As detailed above there is also an opportunity to reuse the grass trees in future waterwise front landscape packages.

Landscape contracts also include the following sustainability initiatives:

- Reuse of limestone boulders and logs from on site;
- 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 Carnabys Cockatoo.

The SPG has recommended that the recycling of materials is further investigated with TPRC's civil and landscape contractors.

Sustainability Best Practice and Competitor Review

As part of the SIP review the SPG has considered competing projects and industry best practice. The initiatives being implemented at Catalina exceed those at the majority of competing or similar developments of Beaumaris, Burns Beach, Jindalee and Alkimos. Generally sustainability initiatives at these developments consist of community development, retention of vegetation, environmentally friendly front landscaping and a fibre optic service.

Alkimos Beach, a joint venture between Landcorp and Lendlease, includes 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 \$1,800 towards energy efficient appliances and light globes;
- A cash rebate of \$1,500 towards a solar hot water system (gas boosted);
- In home energy display valued at approximately \$200.

Trinity Estate, being developed by LWP, offers a sustainable front landscape package and a high level of community development.

The SPG considers that Catalina is implementing a high standard of environmental initiatives compared to similar projects.

The SPG has investigated the option of providing a rebate for a gas boosted solar hot water system. However, it considers a cash rebate will only cover a small portion of the estimated cost (\$3,500) of a gas boosted solar hot water system. The SPG recommends further consideration is given to the inclusion of a rebate for a solar hot water system during the EnviroDevelopment accreditation process.

Conclusion

All sustainability initiatives approved in December 2011 and February 2013 are being implemented within the Project. It is noted that the actual take up rate is low given the number of completed homes to date, however, as the number of completed homes increases the take up rate is expected to increase.

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

1. That the Shared Bore Trial be continued until December 2014 when a report on the trial will be presented to Council.
2. That the Waterwise Landscape Package be continued for future stages with the additional budget of \$135 per lot to allow for the relocation of grass trees from site into front landscape packages in the high profile locations;
3. That the Solar rebate be continued for future stages.
4. That Fibre Optic services be continued for future stages.
5. That Community development is continued for future stages.
6. That the Waste Recycling (Housing Construction) program be continued and investigate options of extending the program to include the TPRC's civil and landscape contractors.
7. That the Catalina Design Guidelines be maintained.
8. That the Council continue to provide Medium Density Housing and continue to investigate new product types for affordable housing in light of recent price increases for land.

The Sustainability Initiatives generally reflects a contemporary approach to urban development, however the Waste Management and Shared Bore Programs present opportunities to achieve results that exceed current industry practice.

It is recommended the Council accept that the Satterley Property Group has achieved Key Performance Indicator item 3.5.1, requiring the annual review of the Sustainability Initiatives Plan and reporting of its implementation.

9.7 ANNUAL MARKETING PLAN

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:

1. **APPROVE** the Annual Marketing Plan (March 2014), prepared by the Satterley Property Group.
2. **ACCEPT** that the Development Managers Key Performance Indicators (March 2012), Marketing 4.1.2 – Overall Strategic, requiring the preparation of the Annual Marketing Plan by March each year has been **ACHIEVED**.
3. **ADVISE** the Satterley Property Group that marketing expenditure will be reviewed as part of TPRC budget preparation for 2014/2015 and will be monitored in line with market conditions and the requirements of the project.

Voting Requirements

Simple Majority

Report Purpose

To consider the Annual Marketing Plan (March 2014) prepared by the Satterley Property Group, as required by the Development Managers Key Performance Indicators.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

- Council Meeting – 20 February 2014 (Item 9.9: Catalina Strategic Marketing Plan – December 2013 Review)
- Council Meeting – 20 April 2012 (Item 9.13: Development Managers – Key Performance Indicators).
- Management Committee Meeting – 6 March 2014 (Item 9.6: Development Managers – Key Performance Indicators - 2013).

Relevant Documents

Appendix: Annual Marketing Plan (March 2014)

Financial/Budget Implications

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

Budget Amount:	\$536,379
Spent to Date:	\$ 65,109
Balance:	\$471,270

Background

At its meeting of 20 February 2014, the Council approved the Catalina Strategic Marketing Plan (December 2013 Review) prepared by the Satterley Property Group. The Catalina Strategic Marketing Plan (December 2013 Review) establishes the vision and key themes of marketing for the Catalina Estate and strategies for achieving brand development and market positioning.

The Strategic Marketing Plan (December 2013 Review) included the following:

- The vision for Catalina project, including images and themes;
- Brand strategy and positioning;
- SWOT and competitor analysis; and
- Marketing Activity Plan.

The approved Development Managers Key Performance Indicators (March 2012), Key Performance Indicator, Marketing 4.1.2, requires the preparation of an Annual Marketing Plan by March each year. In accordance with the Development Managers Key Performance Indicators 2012, the Satterley Property Group has prepared and submitted the Annual Marketing Plan (March 2014) for the Council's consideration to satisfy the KPI 4.1.2 (Appendix 9.7).

Comment

The purpose of the Annual Marketing Plan (AMP) is to provide a 12 month outlook of market conditions and identify key marketing activities for the forthcoming year, to assist in meeting the FYE15 sales targets. The AMP provided by the SPG contains the following components:-

- Review of 2013/2014 marketing activities;
- Key Marketing Objectives;
- Key Marketing Initiatives for 2014/2015;
- Recommended Marketing budget for 2014/2015.

Marketing Activities and Results

The SPG has provided an analysis of sales and marketing activities occurring over the April 2013 to March 2014 period. This analysis indicates good sales activity throughout the year with significant spikes in enquiries and registrations during periods of marketing activity and stage land releases.

The SPG's analysis indicates that sales and marketing actions resulted in increased interest in the project and it should be noted that strong lot sale results were achieved throughout the year.

Sales Catchment Areas

The AMP identifies key sales catchment areas by plotting purchaser addresses, which indicates the following;

- 44% of purchasers residing within 10km of Catalina
- 29% of purchasers residing within 20km of Catalina
- 27% of purchasers residing more than 20km of Catalina

The analysis indicates that over 70% of sales were derived from purchasers residing within 20km of the Estate, which supports marketing actions/strategies targeted towards local communities within the Cities of Joondalup and Wanneroo.

Key Marketing Objectives

The key marketing objectives identified in the Annual Marketing Plan (March 2014) are as follows:

- Lead generation and achieving sales targets;
- Completion and promotion of permanent Sales Office;
- Promotion of the Builders Display Village;
- Leveraging on site assets of proximity to the coast, infrastructure and amenities and the wide choice of lots being created.

Key Marketing Initiatives

Key marketing initiatives recommended by the SPG are identified below:-

1. Estate Campaigns
Estate campaigns will promote stage land releases and the Builders Display Village and Sales Village precinct. Preferred media for estate campaigns is in the form of local press advertising, regional press advertising and online advertising.
2. Advertising Message Refresh
The AMP recommends retention of Catalina's brand concepts and style guide, however a refresh of advertising messaging is recommended to maintain alignment with the development of the Estate and site assets.
3. Marketing Collateral
Collateral in the form of brochures, flyers, an estate map and a display village guide are recommended for use in promoting the Builders Display Village and supporting Sales Office activities.
4. Builders Display Village
Promotion of the Builders Display Village with signage, collateral such as brochures and a display village guide.
5. Permanent Sales Office
Promotion of the permanent Sales Office by local press advertising and regional press advertising and online advertising and to provide sales aids to sales representatives.
6. Market Research
The AMP recommends market research actions be undertaken in the form of purchaser profiling, geo-mapping (purchasers and registrations of interest) and analysis. Research is recommended to inform targeting of market catchment areas and identifying key demographics of purchasers for consideration in the design of marketing.

Marketing Expenditure

The AMP provides budget recommendations for key marketing initiatives, which are summarised in the table below:-

DESCRIPTION	BUDGET
Brand Development (Market Research)	\$115,000
Market Research	\$32,000
Sales office & Builder Relations	\$32,000
Estate Brochures and Folders	\$100,000
Advertising and Direct Marketing	\$140,500
Signage	\$50,000
Website	\$2,100
Promotions	\$50,000
Public Relations	\$10,000
Sales & Marketing Contingency (5% all items)	\$27,580
Total	\$579,180

The SPG's recommendations for marketing expenditure are considered appropriate for 2014/2015, however it should be noted all marketing expenditure will be monitored and adjusted based on market conditions and the requirements of the project.

Current Market and Trading Conditions

The SPG has provided a discussion of current trading conditions within the AMP, which includes commentary on the state of the national economy, local property market, growth and interest rates, land and rental stock levels and housing demand.

The SPG's view is that the Western Australian property market is improving and trading conditions are conducive to meeting budgeted sales and revenue forecasts.

Conclusion

The Annual Marketing Plan (March 2014) is consistent with the Catalina Strategic Marketing Plan (December 2013) approved by Council in February 2014 in terms of strategies, vision and marketing activities. The AMP provides details of sales and marketing initiatives to be undertaken in the next 12 months to achieve marketing objectives that are consistent with the strategies in the approved Overall Strategic Marketing Plan.

The AMP outlines marketing activities for the forthcoming year that support current project actions and initiatives, with a focus on the following elements:-

- Support of stage land releases;
- Promotion of the Builders Display Village; and
- Promotion of Catalina Sales Office and sales precinct.

The Annual Marketing Plan (March 2014) prepared by the Satterley Property Group is considered to satisfy the requirements of Key Performance Indicator: Marketing 4.1.2 – Overall Strategic, requiring the preparation of an Annual Marketing Plan by March each year.

The recommended marketing expenditure is considered appropriate for 2014/2015, however it will be reviewed as part of TPRC budget preparation for 2014/2015 and will be monitored in line with market conditions and the requirements of the project.

9.8 SALES AND LOT RELEASE STRATEGY (MARCH 2014)

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:

- 1. APPROVE the Sales and Lot Release Strategy (March 2014), submitted by the Satterley Property Group, as the basis of sales and marketing planning.**
- 2. DELEGATE to the CEO authority to approve changes to the Sales and Lot Release Strategy (March 2014) to stage sizes and lot configuration and timing of stage releases, subject to the changes being minor and consistent with TPRC objectives and, as appropriate, approved TPRC policies and strategies.**

Voting Requirements

Absolute Majority

Report Purpose

To consider the Sales and Lot Release Strategy (March 2014) prepared by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

N/A

Financial/Budget Implications

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

Budget Amount:	\$536,379
Spent to Date:	\$ 65,109
Balance:	\$471,270

Relevant Documents

Appendix: Sales and Lot Release Strategy (March 2014)

Available for viewing at the meeting: Development Managers Agreement

Background

At its meeting of 18 September 2011 the Council approved the Sales and Lot Release Strategy (June 2011) submitted by the Satterley Property Group.

The Sales and Lot Release Strategy (June 2011) provided the framework for Releases of Stages 1-5, including Lot Sale and Release Methods and Sale Terms, Conditions & Incentives.

In February 2013 the Council approved the Sales and Lot Release Strategy (February 2013) submitted by the Satterley Property Group. This replaced the Sales and Lot Release Strategy (June 2011) and outlined the sales and lot release strategy for Stages 7 to 19 in Catalina. The Sales and Lot Release Strategy (February 2013) addressed the following components:

- Sales and Lot Releases of residential lots Stages 7 to 19;
- Lot Sale and Release Methods;
- Timing, size and configuration of Release Stages;
- Sale Method builder releases;
- Sale Method public releases.

The Sales and Lot Release Strategy (February 2013) provided a successful framework for the sale of lots with over 400 lots sold to date.

Comment

The Satterley Property Group has submitted the Sales and Lot Release Strategy (March 2014) for Council's consideration. This is intended to replace the Sales and Lot Release Strategy (June 2011) which is now superseded. It outlines the sales and lot release strategy proposed by the Satterley Property Group for Stages 12A to 15B, including Stage 1 of the Western precinct. This represents releases up to June 2015.

The Sales and Lot Release Strategy (March 2014) addresses the following components:

- Lot Sale and Release Methods;
- Timing, size and configuration of Release Stages;
- Sale Method builder releases;
- Sale Method public releases.

Sales and Lot Releases

The Strategy proposes 11 staged sales releases, varying in size from 23 to 36 residential lots and is intended to satisfy sales demand for 2015. The Strategy is based on a Rate of Sale of 250 lots per annum. The majority of the staged sales releases are located within Central cell.

The location and size of the staged sales releases reflects the Project Cashflow 2014/15 (March 2013) considered by Council in December 2013, submitted by the Satterley Property Group, as the basis of project and financial planning. It also seeks to maximise the efficient use of existing services and infrastructure and consolidate the development front within the central precinct. The proposed staging will also continue construction of Aviator Boulevard (Greenlink) which is important for pedestrian and traffic movement within the Project.

In terms of the proposed staged sales release within the western precinct (west of Marmion Avenue) this is proposed to commence in June 2015. The SPG believes the necessary approvals could be obtained within this time frame. It will assist with sales and marketing of

the project, provide a sales product to another market segment and positive from a cash flow perspective as a result of high sales prices

The inclusion of the proposed staged sales releases within the western precinct (west of Marmion Avenue) in the Sales and Lot Release Strategy (March 2014) is supported for the reasons outlined above for the basis of sales and marketing planning.

Sale Method - Public releases.

The lot sale method proposed for public releases reflects the Sales Procedure – Private Purchaser Lots Strategy (September 2011), approved by Council at its meeting of 13 October 2011. The Strategy proposed that the disposal of the residential lots would be by Private Treaty in accordance with Section 3.58(3) and (4) of the Local Government Act 1995.

The Sales Procedure – Private Purchaser Lots Strategy (September 2011) required potential purchasers registering online to nominate preselected lots, in order of receipt and compliance with preset terms and criteria.

The method of sale and release of private residential lots has worked well to date and is recommended by SPG that it be continued. The on-line process is supported, it is transparent and accessible and accepted by the Council's probity auditors.

Sale Method - Builder releases.

The lot sale method for builder releases reflects the builder allocation lots process and the use of Put Option Deeds as approved by Council in April 2012. It involves disposal as builder allocation lots by public tender. Evaluation of tenders is based on selection criteria. The selection criterion is proposed to be as follows:-

- Experience in Medium Density Design and Construction;
- Capacity to meet Market Demand;
- Building Design Sustainability Credentials;
- Innovation;
- Financial Capacity.

The Strategy recommends the continued use of Put Option Deeds on the basis that it is beneficial to both the Council and builders. Put Option Deeds provide flexibility to both builders to market and pre-sell house and land packages without the need to commit funds with the up-front purchase of lots and the TPRC by providing security of sales by compelling builders to purchase any lots which are not sold, by a designated date.

This method has worked well to date and is supported.

Conclusion

The Sales and Lot Release Strategy (March 2014), submitted by the Satterley Property Group, provides an acceptable basis for sales and marketing planning for the period 2014/15, it is consistent with the Project Cashflow 2014/15 (March 2013) considered by Council in December 2013 for financial planning and information purposes. It is recommended to Council for approval.

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