



TAMALA PARK
Regional Council

Meeting of Council

AGENDA

Thursday 26 June 2014

Town of Cambridge, 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 Town of Cambridge, 1 Bold Park Drive, Floreat on Thursday 26 June 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 – 10 April 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

- Audit Committee Meeting – 19 June 2014
- Management Committee Meeting – 14 May 2014
- CEO Performance Review Committee Meeting (Confidential) – 8 May 2014

9. ADMINISTRATION REPORTS AS PRESENTED (ITEMS 9.1 – 9.13)

9.1 BUSINESS REPORT – PERIOD ENDING 19 JUNE 2014

Report Information

Reporting Officer: Project Coordinator File Reference: N/A

Recommendation

That the Council RECEIVE the Business Report to 19 June 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	Commenced Construction	Practical Completion Date	Works Status	Titles
9	51	18 November 2013	13 May 2014	PC Achieved 20 May 2014 - Works 1 week behind original schedule due to delay relocating existing power with Western Power.	Issued 14 May 2014
10	30	16 December 2013	6 May 2014	PC Achieved 6 May 2014	Issued 14 May 2014
11	65	1 April 2014	5 September 2014	70% complete	Oct 2014

2. Bulk Earthworks - Status

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

Stage	Commenced Construction	Practical Completion Date	Works Status
12 - 13	24 March 2014	27 June 2014	100% Complete – ahead of programme

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	PC Achieved on 28 March 2014. Shelters installed early June.
Stage 8	4 March 2014	27 June 2014	25% Complete – Retaining walls installed – anticipate completion mid July 2014.
Northern BCA	4 March 2014	27 June 2014	100% Complete – ahead of programme.
Marmion Ave Entrance and Aviator Blvd (Greenlink)	9 June 2014	October 2014	5% - City of Wanneroo approval received 21 May 2014. Works commenced 9 June

4. Housing Construction

The following table provides an overview of the current progress of housing construction 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	12	0	12
Total	142	81	223

5. New Sales Office

The New Sales Office has been fully operational from Friday 30 May 2014 and has seen an increase in sales traffic in comparison to recent weeks. The temporary Sales Office has been decommissioned and was removed from site on 12 June.

6. Waste Management Program

Instant Waste Management is providing monthly reports, identifying recycling achieved from waste collected from the Catalina Estate. The latest report identifies 60 participating building sites with a waste recovery rate of 96% (by weight) being achieved. To date a total of 1204 tonnes of waste has been recycled through the Waste Management Program.

7. Lot 1 – TPRC/ABN Development

Development Approval has been received from the City of Wanneroo for 25 apartments. An application to the City of Wanneroo for a building permit has been lodged and is expected to be approved by the end of June

Marketing and selling of the apartments is progressing well with 23 contracts of sale having been accepted and 2 apartments remaining for sale.

Construction of the Lot 1 retaining wall has been completed. Commencement of site preparation has started with full works to begin on receipt of the relevant building permit. The Participation Payment from the ABN Group has been received by the TPRC, this allows the ABN Group access to the site to start construction.

8. Builders Display Village

21 builder display homes are open for display and receiving good traffic.

9.2 STATEMENTS OF FINANCIAL ACTIVITY FOR THE MONTHS OF MARCH & APRIL 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 March 2014; and**
- **30 April 2014.**

Voting Requirements

Simple Majority

Report Purpose

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

Relevant Documents

Appendix:

- Statement of Financial Activity for 31 March 2014
- Statement of Financial Activity for 30 April 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

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

Variances at 30 April 2014 exceeding 10% were experienced in relation to the following:

Interest Earnings	Interest earnings exceed budget predictions as a result of higher than predicted investment principal.
Depreciation	The positive variance relates to timing.
Employee Costs	The positive variance relates to timing of the appointment of TPRC staff and will remain below budget.
Insurance	The positive variance reflects savings in expenditure and will remain below budget.
Materials and Contracts	The positive variance reflects savings in expenditure and will remain below budget.
Other	The positive variance reflects savings in expenditure and will remain below budget.
Utilities	The positive variance reflects savings in expenditure and will remain below budget.
Capital Items	The negative variance relates to timing of payments, this will be adjusted in June.
Professional/Consultant Fees	The positive variance reflects savings in expenditure and will remain below budget.
Land Production Cost	The positive variance results from cost savings and deferral of some works and will remain below budget.

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

Financial Snapshot as at 30 April 2014

**TAMALA PARK REGIONAL COUNCIL
FINANCIAL SNAPSHOT
FOR THE PERIOD ENDING 30 APRIL 2014**

	2013-14 ADOPTED BUDGET	2013-14 YTD BUDGET	2013-14 YTD ACTUAL	VARIANCE		VARIANCE %
				FAVOURABLE	UNFAVOURABLE	
REVENUE	\$	\$	\$	\$	\$	
Interest Earnings	711,090	575,988	809,332	233,346		40.51%
Other Revenue	1,890	-	4,635	4,635		0.00%
	\$712,980	\$575,986	\$813,967	\$237,981	\$0	
LESS EXPENDITURE						
Depreciation	(20,489)	(17,210)	-	17,210		100.00%
Employee Costs	(679,975)	(589,823)	(449,236)	120,587		21.16%
Insurance	(11,900)	(11,900)	(9,717)	2,183		18.34%
Materials and Contracts	(348,450)	(290,820)	(148,890)	141,930		48.80%
Other	(161,050)	(135,353)	(89,793)	45,560		33.86%
Utilities	(10,000)	-	(1,959)		1,959	0.00%
Capital Items	(8,000)	-	(8,968)		8,968	0.00%
Members Equity						
-Income Sale of Lots - Subdivisions	45,640,484	33,736,829	32,559,252		1,177,577	-3.49%
-Income Other - Subdivisions	634,349	40,000	13,477		26,523	-86.31%
-Professional /Consultant Fees	(100,000)	(83,620)	(11,305)	72,315		86.48%
-Land Production Costs	(45,700,319)	(38,554,951)	(22,696,197)	15,858,754		41.13%
-Contributions Returned	(10,400,000)	(8,000,000)	(8,220,396)		220,396	-2.75%
	(\$11,163,350)	(\$13,886,848)	\$938,268	\$16,258,539	\$1,433,423	
Total	(\$10,450,370)	(\$13,310,862)	\$1,752,235	\$16,496,520	(\$1,433,423)	
	(10,450,370)		\$15,063,097		\$15,063,097	

Balance Sheet Summary as at 30 April 2014

TAMALA PARK REGIONAL COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2014

	Actual 2012/13 \$	Actual 2013/14 \$	Variance \$	Variance %
Current assets				
Cash and cash equivalents	25,985,602	27,510,201	1,524,599	5.87%
Trade and other receivables	507,774	675,231	167,457	32.98%
Total current assets	26,493,376	28,185,432	1,692,056	6.4%
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	30,156,192	1,699,024	5.97%
Current liabilities				
Trade and other payables	315,542	255,362	60,180	19.07%
Provisions	109,418	109,418	0	0.00%
Total current liabilities	424,960	364,780	60,180	14.2%
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	383,439	60,180	13.6%
Net assets	28,013,549	29,772,753	1,759,204	6.3%

9.3 LIST OF MONTHLY ACCOUNTS SUBMITTED FOR THE MONTHS OF MARCH, APRIL & MAY 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 months of March 2014, April 2014 and May 2014:

- **Month ending 31 March 2014 (Total \$1,995,650.40)**
- **Month ending 30 April 2014 (Total \$6,491,556.31)**
- **Month ending 31 May 2014 (Total \$1,848,504.16)**
- **Total Paid - \$10,335,710.87**

Voting Requirements

Simple Majority

Report Purpose

Submission of payments made under the CEO's Delegated Authority for the months ending 31 March 2014, 30 April 2014 and 31 May 2014.

Relevant Documents

Appendix:

- Cheque Detail for March 2014;
- Summary Payment List for March 2014;
- Cheque Detail for April 2014;
- Summary Payment List for April 2014
- Cheque Detail for May 2014;
- Summary Payment List for May 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 – APRIL 2014

Report Information

Reporting Officer: Chief Executive Officer File Reference: 12.66.401.0

Recommendation

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

Voting Requirements

Simple Majority

Report Purpose

To consider the Project Financial Report for April 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 April 2014.

Relevant Documents

Appendix: Letter from Satterley Property Group dated 26 May 2014 with Financial Report.

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 April 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 30 April 2014 and is attached at Appendix 9.4.

The Financial Report identifies the following main areas of variance:

1. Settlement revenue for the financial year to 30 April 2014 is \$0.7M below budget with \$33M sales revenue received to date.

The SPG has advised the variance in sales revenue is attributed to 6 less lot settlements year to date.

2. Expenditure is \$9.9M under budget, due in part to savings in the areas of Lot Production, Landscape, Marketing, Maintenance and Contingency. The balance is as a result of deferral of some Landscape and Lot Production expenditure.
3. Sales for FYE 14 are \$8.8M ahead of budget due to an additional 20 lot sales.

Since the preparation of the Satterley report an additional 64 lot settlements have taken place.

9.5 SALES AND SETTLEMENT REPORT – PERIOD ENDING 19 JUNE 2014

Report Information

Reporting Officer: Project Coordinator

File Reference: N/A

Recommendation

That the Council RECEIVE the Sales and Settlements Report to 19 June 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:	\$32,559,252
Balance:	\$13,081,232

Note – information as of 30 April 2014.

Background

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

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

Comment

The 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 & 8	350	350	0	350
Stage 6C	10	7	3	4
Stage 9A	19	18	1	14
Stage 9B	32	32	0	26
Stage 10	30	27	3	19
Stage 11A	49	40	9	0
Stage 11B	15	15	0	0
Stage 12A	25	7	18	0
TOTAL	530	496	34	413

The Stage 12A public release consisting of 26 lots was released on 24 May 2014. A total of 6 registrations were received from the initial release, with 7 purchasers signed up to date, and an additional 3 lots placed on hold.

While the number of registrations has continued to reduce over recent releases, there has been sound ongoing inquiry and sales achieved in the weeks following a release. As the supply of land at Catalina and in the northern corridor has increased, there is no longer pent-up demand which caused the majority of sales to occur on the day of release.

In May 2014 sales operations moved to the new sales office on Aviator Boulevard. The new sales office has resulted in increased levels of inquiry due to its location adjacent to the Catalina Display Home Village which is receiving good traffic and inquiry.

With Stage 9 and 10 civil works completed and titles issued in May 2014, there were significant settlements in May and June, with 64 settlements taking place to date including the Lot 248 group housing site.

Competition Analysis

The table below provides a summary of land available and sales at competing developments in the northern corridor for the month of May 2014.

COMPETING ESTATE	NET SALES (May 14)	SIZE RANGE	PRICE RANGE	STOCK
Trinity	24	300-450	\$192,000-\$257,000	9
Alkimos Beach Joint Venture	12	319-768	\$192,000-\$325,000	9
Amberton	17	300-565	\$208,000-\$330,000	15
Capricorn Estate	13	313-1228	\$215,000-\$395,000	22
Yanchep Golf Estate	15	450-1261	\$215,000-\$415,000	9
Eden Beach	17	300-638	\$245,000-\$360,000	24
Catalina	32	295-562	\$251,000-\$400,000	34
Burns Beach	12	336-859	\$395,000-\$1,140,000	42
Beaumaris Beach	1	360-394	\$470,000 - \$475,000	3
Jindalee	1	700-833	\$495,000-\$625,000	5

With the exception of Alkimos Beach and Beaumaris, most developments in the northern corridor had sufficient stock available during the month of May. Generally the more expensive developments (Burns Beach and Jindalee) had lower sales for the month of May, while some of the more affordable developments (Trinity and Amberton) achieved higher sales volumes. This is consistent with our recent experience at Catalina, where better inquiry has been received for affordable cottage and terrace lots than for larger premium lots.

The broad range of product available at Catalina and relationships with builders (including the stage 11B terrace lot builder release) assisted in achieving strong net sales for the month of May 2014.

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

9.6 PROJECT BUDGET 2014/2015

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.48.0

Recommendation

That the Council:

- 1. APPROVE the Project Budget 2014/2015 (March 2014), submitted by the Satterley Property Group, as the basis of financial planning for the 2014/2015 TPRC budget.**
- 2. RECEIVE the Project Forecast FYE 2016 (March 2014) and Project Forecast (2012-2027), submitted by the Satterley Property Group.**
- 3. Note that the Satterley Property Group is to carry out a Review of the Project Forecast (2012-2027), due 2014, in accordance with the Development Managers Key Performance Indicators (March 2012), Key Performance Indicator, Financial Management 4.2.**
- 4. ACCEPT that the Satterley Property Group has achieved Key Performance Indicator KPI 5.3.2 requiring the preparation of Project Budgets by March each year.**

Voting Requirements

Simple Majority

Report Purpose

To review the Project Budget 2014/2015 (March 2014) prepared by the Satterley Property Group.

Policy Reference

N/A

Local Government Act/Regulation

Nil

Previous Minutes

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

Financial/Budget Implications

Input to TPRC 2014/15 budget.

Relevant Documents

Appendix: SPG Project Budget (March 2014)

Background

At its meeting of 20 June 2013 the Council approved the Project Budget 2013/14 (March 2013) and received forecasts for FYE 15, FYE 16, and Project Forecast Cashflow (2012 – 2027), submitted by the Satterley Property Group.

The approved Development Managers KPI 5.3.2 requires the Satterley Property Group to prepare Project Budgets by March each year. The Project Budget for 2014/2015 (March 2014), submitted by the Satterley Property Group is intended to provide the financial parameters for the 2014/2015 TPRC budget.

The Satterley Property Group has prepared the Project Budget 2014/2015 (March 2014) for the Council's consideration. The preparation of the project budget includes consideration of the following:

- Key Activities/Operations for FYE 2015;
- Key Risks for Project Budget 2014/15;
- Sales Triggers for Civil Construction;
- Cashflow Forecast FYE 2016;
- Project Forecast (2012-2027);
- Key Assumptions;
- Cash Requirement, Capital Return and Profit Distributions.

The Satterley Property Group has also reported variances between the Project Budget 2014/15 (March 2014), Cashflow Forecasts for FYE 16 and Project Forecast Cashflow (2012 – 2027) with the forecasts considered by Council in June 2013 as part of its approval of the Project Budget 2013/14 (March 13).

Comment

Key Activities/Operations Project Budget 2014/2015 (March 2014)

The Project Budget 2014/15 (March 2014) includes major Bulk Earthworks, Civil Works, Infrastructure and Landscape works and is based on the following key activities and key assumptions;

Bulk Earthworks /Civil Construction - \$31.1M.

- Civil construction Stages 6B, 13, 14, 15 & 25 - 299 lots,
- Bulk Earthworks for Central Cell Stages 14 – 18 & Western Cell stages 25 – 27.

Infrastructure - \$2.3M

- Neerabup Rd/Maroochydore Way intersection.

Landscape Construction - \$5.8M

- Stages 11 -13 Public Open Space,
- Aviator Blvd Entry Statement,
- Biodiversity Conservation Area (South).

Marketing - \$0.58M

- Completion of Builders Display village and Land Sales office,
- Continued Catalina branding.

Sales/Settlements

- 250 sales,
- Titles Stages 6B, 11, 12, 13 & 14 - 280 lots,
- 230 settlements.

Planning

- Subdivision application for Stages 12-18 (451 lots) Central Precinct,
- Subdivision application for Stages 25 - 27 (159 lots) in the Western Cell,
- Detailed planning for the Eastern Precinct.

The Sales and Lot Release Strategy Plan (March 2014) approved by Council in April 2014, depicts the extent of the above sales and works stages.

The Table following shows the variance between the forecasts considered by Council in June 2013, as part of its approval of the Project Budget 2013/14 (March 13) and the Project Budget 2014/15 (March 2014) for key outcomes predicted in terms of Income, Development Costs, Cashflow and Distributions.

ANNUAL CASHFLOW	FYE 2015 Forecast (June 2013)	Project Budget 2014/15 (March 2014)	Variance
Gross Income	49.33M	57.80M	8.46M
Development Costs	39.11M	44.26M	5.15M
Cashflow	10.22M	13.54M	3.32M
DISTRIBUTIONS	14.00M	31.00M	17.00M

The major variances between the FYE 2015 Forecast (June 2013) and the Project Budget 2014/15 (March 2014) are detailed in the SPG report (Appendix 9.6) and are summarised as follows:

- Lot sales budgeted at 250 lots, an increase of 28 lots;
- Lot Income increased by \$6.02M as a result of 27 additional settlements;
- Direct selling costs decreased by \$4.29M mainly due to GST Item 4 application;
- Infrastructure costs reduced by \$1.21M;
- Lot production costs increased by \$3.39M as a result of change in scope of works;
- Landscaping increased by \$1.70M partly as a result of deferral of some works from FYE 2014;
- Consultants costs increased by \$0.52M to recognising increased input for Western and Eastern Cells planning, urban design and environmental consulting;
- Contingency increased by \$0.40M due to increased contingency for the Western Cell earthworks;
- Administration costs increased by \$0.16M mainly due to increased rates and taxes;
- Reduction in debtor/creditor cash movement of \$0.47M as GST and creditor balances are forecast to decrease in FYE2015.

Key Risks for Project Budget 2014/2015 (March 2014)

The Satterley Property Group has identified the following items as key risks to achieving the Project Budget 2014/2015 outcomes:

- Obtaining engineering and other statutory approvals for Stages 12 & 13 to ensure lots are constructed and settlements achieved in FYE 2015;

- Successful sale and settlement of lots within the Catalina Display Village No. 2 (Stage 6B);
- Achieving Sales Rates in accordance with the FYE 2015 budget;
- Settlements forecast for FYE 2015 being achieved in FYE 2014, resulting in lower revenue being achieved in FYE 2015;
- Achieving price escalation at a rate of 6% per annum;
- Higher than expected fallover rates for sales resulting in delayed settlements;
- Intersection costs for Neerabup Road may increase, dependent on final intersection type and existing services;
- Western Cell Earthworks costs exceeding budget.

These matters are actively being pursued to minimise potential exposure to the TPRC and to achieve budget predictions.

Sales Triggers for Civil Construction

The Satterley Property Group has recommended the use of Sales Triggers for the Project Budget 2014/15 based on Sales Stock levels as shown in the Table below. The recommended Sales Triggers require a closing stock position of 35 lots or less prior to commitment to the next stage of civil construction.

Sales Stage	Lots	Presell Period	Sales Release Date	Titles	Construction Start (Actual not payment)	Stock Level Trigger for Civil construction	Closing Stock Month Prior to Construction Start	Committed Construction Closing Stock including new construction stage
Central Cell								
Stage 9	40	5	Dec-13	May-14	Feb-14	35	16	86
Stage 10	30	3	Feb-14	May-14	Feb-14	35	16	86
Stage 11	64	7	Mar-14	Oct-14	Jun-14	35	26	90
Stage 6B	24	6	Aug-14	Jan-15	Aug-14	35	19	43
Stage 12	49	7	May-14	Dec-14	Jul-14	35	9	58
Stage 13A	37	6	Sep-14	Mar-15	Nov-14	35	26	63
Stage 13B	45	7	Oct-14	May-15	Jan-15	35	28	73
Stage 14	60	6	Dec-14	Jun-15	Jan-15	35	13	73
Stage 15	69	6	Mar-15	Sep-15	Apr-15	35	0	69
Western Cell								
Stage 25	62	5	Jun-15	Nov-15	Apr-15	35	7	69

The principle of maintaining Sales Triggers is supported to manage the Council's exposure. The proposed Sales Trigger requirement for a closing stock position of 35 lots or less is considered acceptable under current market conditions in managing Council's risk and whilst providing a reasonable stock position for market demand. It is noted that the same Sales Triggers were applied for 2013/2014 and did not cause any major delays to the construction program.

Project Forecast FYE 2016

The Satterley Property Group has prepared a Project Forecast FYE 2016 for financial planning purposes and information. It is not intended to be endorsed by the Council at this time.

The Table following shows the variance between the forecasts considered by Council in June 2013 for FYE 2016 and the current Project Forecast FYE 2016 for key outcomes predicted in terms of Income, Development Costs, Cashflow and Distributions.

ANNUAL CASHFLOW	FYE 2016 Forecast (June 2013)	FYE 2016 Forecast (March 2014)	Variance
Gross Income	41.97M	54.66M	12.70M
Development Costs	25.35M	33.18M	7.82M
Cashflow	16.62M	21.49M	4.87M
DISTRIBUTIONS	18.00M	22.00M	4.00M

These estimates should only be considered as a general guide for the Project Forecast FYE 2016, detailed planning and review is underway to more precisely determine the assumptions underlying the cashflow. It does however, indicate a more favourable position for the Project.

Project Forecast (2012-2027)

The Satterley Property Group has undertaken a review of the Project Forecast (2012-2027) considered by Council in June 2013 and compared the results to the current Project Forecast (2012-2027) (March 2014).

The SPG has advised that strong price growth has underpinned the residential property market in FYE 2014. The project continues to build on the sales momentum of FYE 2013 by maintaining steady sales volumes and strong price growth in FYE 2014.

The SPG has proposed that income escalation rates remain unchanged at 6% until January 2018 after which a more conservative escalation position of 5.5% has been adopted until the end of the project. Cost escalation rates are proposed to remain unchanged at 3%.

The current Project Forecast (2012-2027) shows net profit of \$402.69M for the project, which is \$77.52M more than the June 2013 forecast. The main areas of variance are summarised below:

- Lot yield increased by 55 lots;
- Gross income increased by \$81.84M largely due to a decreased GST liability of \$56.8M due to the ATO Private Ruling and increased Sales Income of 23.98M;
- Consultancy costs increased by \$1.35M due to additional service agency requirements;
- Special Site costs increased by \$0.82M largely due to the inclusion of construction costs for the Eastern Cell retail site;
- Community Development costs have been reduced by \$0.41M;
- Administration costs have increased by \$1.61M due to leaseback costs of the Western Cell Display Village carpark lots and increases in rates and taxes;
- Infrastructure costs increased by \$0.18M;
- Lot production costs have decreased by \$0.10M;
- Landscaping increased by \$1.13M;
- Sales and marketing costs have decreased by \$0.76M; and
- Provision made for cash bonds of \$1.4M for the clearance of conditions of subdivision.

The current Project Forecast (2012-2027) (March 2014) provides a general guide to the long term cashflow direction of the project only. Due to the inherent uncertainties associated with forecasting over the lengthy timeframe of the project's lifecycle, the position represented is indicative only and does not require any formal Council decision.

It should also be noted that the approved Development Managers Key Performance Indicators (March 2012), Key Performance Indicator, Financial Management 4.2 requires the completion of a Review of Project Cashflow every three years (due 2014). The Satterley

Property Group is presently reviewing the Project Cashflow 2011 to satisfy KPI 4.2 and it is expected that this will be further considered by Council at its August 2014 meeting.

Management Committee

At its meeting of 14 May 2014 the Management Committee considered the report on the Project Budget 2014/2015 (March 2014) prepared by the Satterley Property Group and resolved that Council:

1. APPROVE the Project Budget 2014/2015 (March 2014), submitted by the Satterley Property Group, as the basis of financial planning for the 2014/2015 TPRC budget.
2. RECEIVE the Project Forecast FYE 2016 (March 2014) and Project Forecast (2012-2027), submitted by the Satterley Property Group.
3. Note that the Satterley Property Group is to carry out a Review of the Project Forecast (2012-2027), due 2014, in accordance with the Development Managers Key Performance Indicators (March 2012), Key Performance Indicator, Financial Management 4.2.
4. ACCEPT that the Satterley Property Group has achieved Key Performance Indicator KPI 5.3.2 requiring the preparation of Project Budgets by March each year.

It should be noted that the Project Budget 2014/2015 (March 2014) the Management Committee considered has been varied as follows:

- Change in the timing of bulk earthworks of the Western Cell; and
- Splitting of Stage 13 into separate stages to manage risk more effectively.

These changes have no material impact on the Project Budget 2014/2015 (March 2014).

Conclusion

The Project Budget 2014/15 (March 2014) is based on the Sales and Lot Release Strategy (March 2014), approved by Council in April 2014, as the basis of sales, land releases and civil construction. It is also consistent with the financial parameters considered by Council at its meeting in June 2013 when it approved the Project Budget 2013/14 (March 13) and received forecasts for FYE's 15 and 16, and Project Forecast (2012-2027).

It provides a sound basis for the Catalina project for 2014/2015 and it is recommended that it be used as the basis of financial planning for the 2014/2015 TPRC budget.

It is recommended that the Council accept that the Satterley Property Group has achieved Key Performance Indicator 5.3.2 requiring the preparation of Project Budgets by March each year.

9.7 CATALINA RISK MANAGEMENT PLAN 2014

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:-

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

Voting Requirements

Simple Majority

Report Purpose

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

Policy Reference

N/A

Local Government Act/Regulation

N/A

Previous Minutes

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

Financial/Budget Implications

N/A

Relevant Documents

Appendix: Catalina Risk Management Plan dated May 2014.

Background

At its meeting held on 20 June 2013, the Council approved the Risk Management Plan (May 2013) and recommended mitigation actions submitted by the Satterley Property Group. It also required the Satterley Property Group to continually review and update the Risk Management Plan and report to Council annually.

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

Comment

In accordance with Council decision of 20 June 2013 the SPG has submitted the Risk Management Plan (May 2014) as the review of the Catalina Risk Management Plan (May 2013) for Council's consideration (attached under Appendix 9.7).

The RMP identifies 20 risks which the SPG consider to be the most significant items of risk which may affect the Catalina project. Risks have been identified from the following areas:

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

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

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

Category	Risk Rating
Low	0 – 5
Medium	6 – 14
High	15+

The SPG's assessment resulted in the following item being categorised as high risk, representing the greatest potential to negatively impact the Catalina project:

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

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

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

The approved project budget is based on a development schedule that assumes the Tamala Park Landfill buffer will continually recede to allow urban deferred zonings to be lifted and development to continue to the site's southern boundary by 2025.

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

Item 1.3: Cashflow impacted by slower sales or delayed settlements

Significant delays in sales revenue could impact the projects ability to fund project works.

The SPG has assessed this risk with a rating of 8 and recommended it be mitigated by maintaining a minimum cashflow balance in the project budget and ensuring commitments to significant items of cost be scheduled to follow settlements.

In order to reduce the impact of delays in settlements a minimum cash balance has been established for the FYE15 budget.

A stock level trigger is also required to be met prior to the award of civil contracts to ensure works are not committed to when sales are not being achieved.

Further mitigation measures could include deferring construction of future stages and reviewing the budget to defer non-essential expenditure.

Item 4.3: Lack of Site Safety Leads to Death or Serious Injury

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

The SPG has assessed this risk with a rating of 8 and recommended it be mitigated by the expert consultants administering the relevant contracts and OHS Plans. The SPG requires all contractors to have OHS Management Policies and Plans in place.

Prior to appointing new contractors the SPG will ensure that they have the appropriate OH&S management systems in place.

Item 5.1: Adjacent Mindarie Resident Objections Impact Preferred Urban Planning Outcomes or Delay Works

Due to proximity to the adjacent Mindarie residential area works within Western Cell could potentially adversely impact residents by dust, noise and vibration.

The SPG has assessed this risk with a rating of 8 and recommended it be mitigated in the following manner:

- engagement with the local community prior to the commencement of earthworks;
- completing earthworks predominantly during winter months to reduce the number of dust complaints;
- implementing best practice dust mitigation and environmental management to reduce the number of construction complaints.

Item 5.2: Landfill operations have negative effect on project reputation and image, sales and residents

The adjacent Tamala Park Waste Management Facility is a landfill operation with the potential to create nuisance.

It is noted that the site is well managed and complies with its environmental obligations.

The SPG has assessed this risk with a rating of 10 and recommended it be mitigated by providing purchasers with adequate information on landfill timing and impacts. Also maintaining close liaison with Mindarie Regional Council to ensure Risk Management Plans and Environmental Management Plans are in place and complied with.

Conclusion

The RMP provides detailed qualitative assessment of the above risks in order to understand their cause and potential impact to the project. The SPG has recommended mitigation actions for implementation to avoid, reduce or manage the impact of all identified risks, which are shown on the risk register contained within the RMP.

It should be noted that the significant risks identified in the RMP were also reported in the RMP 2013 and appropriately managed. The mitigation actions recommended by the SPG have been commenced and further actions have been implemented to manage identified risks.

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

9.8 APPOINTMENT OF EXTERNAL AUDITOR

Report Information

Reporting Officer: Project Coordinator

File Reference: 12.19.382.0

Recommendation

The Audit Committee recommends that the Council:

- 1. APPROVE the audit specification and contractual requirements as submitted for application to the Audit contract for services to the TPRC for the period July 2014 – June 2017.**
- 2. APPOINT Marius van der Merwe (of Butler Settineri) to be Auditor to the TPRC for the 3 financial years ending 30 June 2015; 2016 and 2017 respectively.**
- 3. APPROVE the audit fees as submitted:**

REQUIREMENT EXTERNAL AUDITING SERVICES	YEAR 1	YEAR 2	YEAR 3
Fixed Lump Sum Fee Per Annum (Including GST)	\$7,700	\$8,250	\$8,800
Estimated Number of Hours	54	54	54
HOURLY RATE FOR ADDITIONAL PROFESSIONAL WORK	YEAR 1	YEAR 2	YEAR 3
Partner	\$410	\$440	\$446
Manager	\$165	\$176	\$187
Auditor	\$105	\$110	\$116

Voting Requirements

Simple Majority

Report Purpose

To progress the appointment of an Auditor to the TPRC.

Relevant Documents

Appendix:

- Tender 4/2014 (External Auditing Services Tender) April 2014
- External Auditing Services Evaluation

Available for viewing at the meeting: Tender submissions from Butler Settineri, Haines Norton, Macri & Partners and William Buck

Previous Minutes

Council Meeting – 9 December 2009 (Item 14.7 – Appointment of External Auditor)

Policy Reference

TPRC Audit Charter requires the Audit Committee to recommend the appointment of an auditor to the Council.

Local Government Act/Regulation

Local Government Act Section 7.3 (1) requires the recommendation for appointment of an auditor to be made to the Council by the Audit Committee.

Background

The TPRC has adopted an Audit Charter which recognises the TPRC obligations under the Local Government Act and Local Government (Audit) Regulations 1996.

The Council is obliged to appoint an external auditor. The Audit Committee is charged with the responsibility for defining the process of appointment and making a recommendation for appointment to the Council.

Comment

At the conclusion of the tender period on 10 April 2014, four tender submissions had been received from:-

- Butler Settineri
- Haines Norton
- Macri & Partners
- William Buck

All tenders were assessed to ensure the form of tenders were compliant and all required documentation had been provided, including a completed tender form. All four submissions were found to be compliant tenders.

The four tenders were then assessed against the selection criteria contained within the tender document, in accordance with the TPRC's Procurement Policy.

The following comments are provided in respect of the assessment.

Selection Criteria A – Fees 50%

The tender document required Tenderers to provide lump sum amounts for the completion of the audit for each of the three years.

Fees were assessed using the formulae below:-

Score = (lowest total tendered price / total individual tendered price) x weighting

<u>Tenders</u>	<u>Total sum</u>	<u>Score</u>
Butler Settineri	\$24,750	50%
Haines Norton	\$36,300	34%
Macri & Partners	\$46,200	27%
William Buck	\$41,613	30%

Butler Settineri provided the lowest pricing with an estimated number of 54 hours per year required, these hours were consistent with the Haines Norton proposal which had a significantly greater year to year fee. This meant that Butler Settineri scored well in the pricing component of the evaluation. The other two tenders (Macri & Partners and William Buck) had higher fees, however accounted for greater hours - over 90 per year. The hourly rates per tender were generally comparable between the four tenders for respective staff levels with the exception of Haines Norton which was slightly higher.

Given the difference in working hours proposed between the four tenders, Butler Settineri being the lowest priced tender was required to confirm that the fee proposal would meet the scope of the TPRC's tender document and would meet all requirements of the Local Government Act 1995 and relevant Regulations under the Act to provide a compliant External Audit for the allocated sum – this was confirmed.

Selection Criteria B – Demonstrated experience in completing similar assignments 10%

All four submissions had Local Government experience, Haines Norton and Macri & Partners demonstrated this experience best. Haines Norton is a WALGA preferred provider and also the largest provider of audit services to Local Governments in the State.

Selection Criteria C – Methodology for audit and communication 10%

Each of the Audit Firms addressed the scope of the tender document; this ensured a sound methodology for auditing and communication. That meant each tender received a 7/10 with Macri Partners receiving an 8/10 for exceeding the scope and requirements of the TPRC.

Selection Criteria D – Conformity with tender documents and specifications 10%

All tenders provided the required information and completed the required tender documentation. A score of 7/10 for all tenders under conformity with tender documents and specifications was given as none of the tenders exceeded the TPRC expectations.

Selection Criteria E – Skills and experience of key personnel 10%

It was clear that all tenders had the relevant skills and key personnel in the office, with Macri & Partners and Haines Norton having multiple key personnel having in excess of 25 years experience in auditing. Butler Settineri and William Buck did identify the key staff and the amount of time these staff members would be working on the TRPC audit to ensure these key skills and experience were involved in the audit.

Selection Criteria F – Technical expertise 10%

The technical expertise section was addressed by three out of the four tenders with Macri & Partners identifying their expertise and their availability for relevant requirements of the TPRC, setting them apart from the other tenders.

An evaluation of responses has been conducted using the evaluation criteria set out in the tender document.

The evaluation matrix resulting from the review of submissions is as follows:

Evaluation Criteria	Butler Settineri	Haines Norton	Macri & Partners	William Buck	Weighting
A) Price	50	34	27	30	50%
B) Experience	6	8	8	7	10%
C) Methodology	7	7	8	7	10%
D) Tender	7	7	7	7	10%
E) Skills	8	8	8	7	10%
F) Technical expertise	6	7	8	6	10%
Total	84	71	66	64	100%

The submission that received the highest score in the assessment of tenders was Butler Settineri's tender, with an assessed score of 84%. The submission demonstrated an acceptable level of Local Government auditing experience, a sound methodology, key skills and technical experience along with a competitive price. It is therefore recommended that Butler Settineri be approved as the preferred tender.

The tender evaluation process has been reviewed by the Council's probity advisor (Stantons International), which has advised it represents a sound and robust process which is fair and equitable to all parties.

The Audit Committee is to consider the report on the appointment of an Auditor for the TPRC at its meeting of 19 June 2014. An update will be provided at the Council meeting on the Audit Committee's considerations.

9.9 REVIEW OF CATALINA SALES OFFICE OPENING HOURS

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 1.88.246

Recommendation

That the Council:

- 1. RECEIVE the Satterley Property Group request dated 3 June 2014 seeking approval to vary the Catalina Sales Office Opening Hours under the Development Management Agreement (17 August 2010).**
- 2. APPROVE the revised opening hours for the Catalina Sales Office of Monday – Sunday 12pm – 5pm, with the office closed on Thursday, on a trial basis for a 5 month period from June 28 2014 to November 23 2014. Subject to the Satterley Property Group providing 2 sales representatives to work at the Catalina Sales Office on Saturday - Monday and public holidays.**
- 3. ADVISE the Satterley Property Group that a report on the trial of the revised opening hours for the Catalina Sales Office will be required to be presented for Council's consideration at its December 2014 meeting.**

Voting Requirements

Simple Majority

Report Purpose

To consider a request from the Development Manager to vary the Catalina Sales Office Opening Hours under the Development Management Agreement.

Policy Reference

N/A

Local Government Act/Regulation

Previous Minutes

Council Meeting – 16 February 2012 (Item 9.5 – Development Managers Key Performance Indicators).

Financial/Budget Implications

N/A

Relevant Documents

Appendix: Satterley Property Group correspondence dated 3 June 2014.

Background

At its meeting of 24 June 2010 the Council approved the Satterley Property Group as the preferred proponent to provide a comprehensive project management service and sales and marketing management to the Tamala Park project.

At its meeting of 19 August 2010 the Council approved the Development Management Agreement (17 August 2010) between TPRC and the Satterley Property Group Pty Ltd.

The Development Managers Agreement (DMA) confirms Satterley Property Group’s tender proposal that the sales office would be opened 10am – 5pm Monday to Thursday, Saturday and Sunday.

The temporary sales office was open four days a week being, Monday and Wednesday (2pm – 5pm) and Saturday – Sunday (1pm – 5pm) reflecting the temporary nature of the office.

Comment

The Satterley Property Group has requested the Council’s approval to vary the Catalina Sales Office Opening Hours under the Development Management Agreement. It has proposed the Sales Office should be open six days a week with the following opening hours Monday – Sunday 12pm – 5pm, with the office closed on Thursday, on a trial basis for a 6 month period from July 2014 to December 2014.

The Satterley Property Group has advised that the revised opening hours for the Sales Office would allow Satterley to provide 2 sales representatives to work actively on Catalina during busy periods, being Saturdays, Sundays, public holidays and Mondays. It would also provide additional resources for servicing display builders (also open from 12pm – 5pm) and to work with builders to provide attractive house and land packages. The Satterley Property Group believes that while the opening times are slightly less than in the DMA, the staffing hours and customer experience is superior to the original requirements in the DMA.

The Satterley Property Group is recommending that the revised opening hours be trialled for a 6 month period from July 2014 to December 2014 after which the opening hours and staffing arrangements will be reassessed based on sales against budget and feedback from the public and display builders.

The Satterley Property Group has undertaken a review of competing estates in the northern corridor and its experience at other Satterley Property Group developments. The following summarises opening hours of the major estates in the northern corridor:

Development	Weekday Opening Hours	Weekend Opening Hours	Total Hours
Beaumaris Beach	Monday & Wednesday 2pm – 5pm	Saturday – Sunday 1pm – 5pm	14
Burns Beach	Monday – Wednesday 1pm – 5pm	Saturday – Sunday 1pm – 5pm	20
Eden Beach	Monday – Friday 10am – 5pm	Saturday – Sunday 10am – 5pm	49
Trinity	Monday Tuesday – Friday 2pm – 5pm 9am – 5pm	Saturday – Sunday 1pm – 5pm	43
Alkimos Beach	Monday – Friday 10am – 5pm	Saturday – Sunday 10am – 5pm	49
Amberton	Monday Tuesday – Friday 1pm - 5pm 11am – 5pm	Saturday – Sunday 10am - 5pm	42
Shorehaven	Monday – Wednesday 1pm – 5pm	Saturday – Sunday 1pm – 5pm	20

It is noted that out of the seven estates examined four are opening 7 days a week and these four also have more extended trading hours, in excess 42 hours, than proposed by the Satterley Property Group, including Brighton / Eden Beach / Jindalee sales offices operated by the Satterley Property Group.

The following table compares the opening hours under the DMA and the Satterley Property Group's proposed revised opening hours. The Satterley Property Group proposal maintains the same number of opening days, but seeks to reduce the opening hours from 42 hours to 30 hours and change the day the Sales Office is closed from Friday to Thursday.

Day	DMA - Opening Hours	Proposed - Opening Hours
Monday	10am – 5pm	12pm – 5pm
Tuesday	10am – 5pm	12pm – 5pm
Wednesday	10am – 5pm	12pm – 5pm
Thursday	10am – 5pm	closed
Friday	closed	12pm – 5pm
Saturday	10am – 5pm	12pm – 5pm
Sunday	10am – 5pm	12pm – 5pm
Total Hours	42 hours	30 hours

It is noted that the larger projects in the northern corridor have opening hours ranging from 42 – 49 hours per week. The proposed Sales Office Opening Hours represent a significant departure from the Development Management Agreement and the Satterley Property Group's tender proposal and should not be changed without significant grounds.

It is recognised that the Satterley proposal does not simply propose a reduction in operation hours for the Sales Office it also involves increased resourcing during peak periods (Saturday- Monday and public holidays) which would be positive for the Project. The Council has engaged the Satterley Property Group as Selling Agents largely due to its experience, expertise and track record and therefore its proposal for trial period warrants serious consideration.

Satterley firmly believes that the revised opening times in conjunction with increased resourcing during peak periods will result in customer experience superior to the requirements in the DMA. Given this it is recommended Council approve the revised opening hours for the Catalina Sales Office, subject to the Satterley Property Group providing 2 sales representatives to work at the Catalina Sales Office (Saturday – Monday and public holidays) on a trial basis. However the 5 month trial should be sufficient to determine the effectiveness of the proposed opening hours and staffing arrangements. It should commence immediately, from June 28 2014 to November 23 2014 which would enable the Satterley Property Group to provide a report on the trial for Councils consideration at its December 2014 meeting.

9.10 ANNUAL PLAN 2014

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 12.66.48

Recommendation

That Council:

1. **APPROVE** the Annual Plan 2014 (March 2014), submitted by the Satterley Property Group.
2. **ACCEPT** that Key Performance Indicators, Strategy and Planning - Strategic Plan requiring the preparation of a Project Annual Plan by March (each year) has been **ACHIEVED** by the Satterley Property Group.

Voting Requirements

Simple Majority

Report Purpose

To review the Project Annual Plan 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

N/A

Financial/Budget Implications

N/A

Relevant Documents

Appendix: Annual Plan 2014

Background

The approved Development Managers KPI 5.3.2 Strategy and Planning - Strategic Plan requires the preparation of a Project Annual Plan by March (each year).

Comment

The Satterley Property Group has submitted the Annual Plan 2014 (March 2014), for consideration (attached at Appendix 9.10).

The Annual Plan 2014 outlines the works, activities and strategies for the Project for FYE 2015.

The Annual Plan also outlines works, activities and strategies are to be undertaken in FYE 2015, associated with the following key areas:

- Bulk Earthworks /Civil Construction
- Infrastructure
- Landscape Construction
- Marketing
- Sales/Settlements
- Planning
- Public Art
- Sustainability Initiatives Plan.
- Community Development Initiatives

The Annual Plan 2014, when approved by Council, will inform the 2014/15 budget process.

The works, activities and strategies identified in the 2014 Annual Plan are supported. They recognise that the Catalina project will be entering a consolidation phase with continued focus on construction, marketing and sales and income generation. The next twelve months will see Catalina establishing its credentials as a major new urban project in the northern beaches area of Perth. It will also see the progression of important initiatives relating to demonstration housing, built form and landscape.

The Annual Plan 2014 is based on the draft Project Budget 2014/15 (March 2014), listed for consideration under Report 9.6 of this Agenda. It is also consistent with the Sales and Lot Release Strategy (March 2014), approved by Council in April 2014, as the basis of sales, land releases and civil construction.

It provides a sound basis for the Catalina project for 2014/2015 and it is recommended that it be used as the basis of financial planning for the 2014/2015 TPRC budget.

The Annual Plan 2014 is considered to have met the required KPI and is recommended to Council.

9.11 DRAFT ASSET MANAGEMENT PLAN 2014

Report Information

Reporting Officer: Chief Executive Officer

File Reference: 4.121.1007.0

Recommendation

That the Council APPROVE the draft Asset Management Plan 2014 for circulation to member Local Governments for review and comment for a period of 30 days.

Voting Requirements

Simple Majority

Report Purpose

To consider the draft Asset Management Plan 2014.

Relevant Documents

Appendix: Draft Asset Management Plan 2014.

Available for viewing at the meeting: Nil

Policy Reference

N/A

Local Government Act/Regulation

- Local Government Act 1995: S5.5 requires availability of report to be advertised following report adoption by Local Government.
- Local Government (Audit) Regs 1996: Reg 14 Compliance Audit Item.

Previous Minutes

Nil

Financial/Budget Implications

Nil

Background

The Department of Local Government's Integrated Planning and Reporting Framework, requires all local governments to prepare an Asset Management Plan in consultation with its community and stakeholders.

Comment

The TPRC has prepared the draft Asset Management Plan 2014 consistent with the Department of Local Government's Asset Management Framework and Guidelines. It is also in accordance with the International Infrastructure Management Manual (IPWEA, 2006). It

has been prepared to meet minimum legislative and organisational requirements for sustainable service delivery and long term financial planning and reporting.

The goal of this Asset Management Plan is to:

- Document the services/service levels to be provided and the costs of providing the service;
- Communicate the consequences for service levels and risk, where desired funding is not available; and
- Provide information to assist decision makers in trading off service levels, costs and risks to provide services in a financially sustainable manner.

Key elements of the plan are:

- Levels of service – specifies the services and levels of service to be provided by Council;
- Future demand – how this will impact on future service delivery and how this is to be met;
- Life cycle management – how the organisation will manage its existing and future assets to provide the required services;
- Financial summary – what funds are required to provide the required services;
- Asset management practices;
- Monitoring – how the plan will be monitored to ensure it is meeting the organisation's objectives;
- Asset management improvement plan.

The draft Asset Management Plan 2014 identifies the projected operations, maintenance and capital renewal expenditures required to provide an agreed level of service over a 10 year period. This provides input into 10 year financial and funding plans aimed at providing the required services in a sustainable manner. These projected expenditures may be compared to budgeted expenditures in the 10 year period to identify any funding shortfall. The estimated (budget) operations, maintenance and capital renewal funding indicates that the TPRC has the projected expenditures needed to provide the services documented in the Asset Management Plan both in the Short Term (5 years) and Medium Term (10 years).

It is proposed that the draft Asset Management Plan 2014 be referred to the member Local Governments, for review and comment for a period of 30 days.

The Audit Committee is to consider the report on the TPRC draft Asset Management Plan 2014 at its meeting of 19 June 2014. An update will be provided at the Council meeting on the Audit Committee's considerations.

**9.12 REVIEW OF DEVELOPMENT MANAGERS KEY PERFORMANCE INDICATORS -
CONFIDENTIAL**

CONFIDENTIAL

9.13 ENDORSEMENT OF DRAFT CEO CONTRACT OF EMPLOYMENT –
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 CHAIRMAN
13. MATTERS BEHIND CLOSED DOORS
14. GENERAL BUSINESS
15. FORMAL CLOSURE OF MEETING

APPENDICES