

# Meeting of Management Committee

Thursday 17 November 2022

## AGENDA

### Notice of Meeting

Councillors of the Tamala Park Regional Council Management Committee are advised that a meeting will be held electronically on Thursday 17 November 2022 at 6:00pm.



**CHRIS ADAMS**  
Chief Executive Officer

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**MEMBERSHIP**

<b>OWNER COUNCIL</b>	<b>MEMBER</b>
City of Joondalup	Cr John Chester Cr Nige Jones
City of Stirling	Cr Suzanne Migdale (CHAIR) Cr Tony Krsticevic Cr Karlo Perkov Cr Bianca Sandri

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

## **PRELIMINARIES**

### **1. OFFICIAL OPENING**

## **DISCLOSURE OF INTERESTS**

### **2. PUBLIC STATEMENT/QUESTION TIME**

### **3. APOLOGIES AND LEAVE OF ABSENCE**

### **4. PETITIONS**

### **5. CONFIRMATION OF MINUTES**

That the Management Committee CONFIRMS and the Chair signs the minutes from the Management Committee meeting held 15 September 2022 as a true and accurate record of proceedings.

### **5A BUSINESS ARISING FROM MINUTES**

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

### **7. ADMINISTRATION REPORTS AS PRESENTED**

## 7.1 BUSINESS REPORT – MONTH ENDING 31 OCTOBER 2022

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<b>Responsible Officer:</b>	Manager Project Coordination
<b>Attachments:</b>	1. Landscaping Works Table 2. Halloween Community Development Event - Report
<b>Voting Requirements:</b>	Simple Majority

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### RECOMMENDATION

**That the Management Committee RECEIVES the Business Report for the month ending 31 October 2022.**

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### PURPOSE

The report provides information to the Management Committee on key activities, programs and milestones.

### POLICY REFERENCE

N/A

### LOCAL GOVERNMENT ACT/REGULATION

N/A

### PREVIOUS MINUTES

N/A

### FINANCIAL/BUDGET IMPLICATIONS

N/A

### RISK MANAGEMENT IMPLICATIONS

<b>Risk Ref: 2</b>	<b>Risk Rating:</b>
Strategic - Stable and effective governance environment.	Moderate
<b>Action:</b>	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information to ensure the Management Committee is well informed on the progress of key components of the Catalina Project.

### 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 civil construction industry is currently experiencing significant shortages with the supply of retaining wall blocks. This is mainly being driven by the take-up of available block supplies in major Government infrastructure projects, such as Metronet and the Mitchell Freeway extension, and has resulted in substantial construction delays across many land development estates.

Catalina has until recently avoided block shortages impacting on construction programs for current stages, however Stages 18C, 29 and 36 are now experiencing delays directly attributable to block supply issues.

The project team is currently working with the civil contractor to de-risk upcoming stages of development where possible through early ordering of blocks and re-configuration of construction programs by bringing forward works components that do not involve retaining. Potential use of alternative retaining products and design reconfiguration is being investigated as a possible means to mitigate impacts of the block shortages.

For Stages 18C and 36, where practical completion is close to being achieved, bonds have been paid to the City of Wanneroo as a performance guarantee for outstanding work in order to obtain titles and settle sales contracts in a timely manner.

The following tables detail the current status of all civil works stages that are in progress:

<b>Stage 18C</b>				<b>28 lots</b>
Contractor Possession of Site				7 February 2022
Original Practical Completion Date				4 July 2022
Revised Practical Completion Date				18 November 2022
<b>Construction Status</b>				
<b>Item</b>	<b>% Complete</b>	<b>Change since last report</b>	<b>Comments</b>	
Earthworks	100	0	Complete	
Sewer	100	0	Complete	
Drainage	100	0	Complete	
Water/Gas	40	40	Commenced 10 October 2022	
Power/Comms	20	0	Commenced 25 October 2022	
Walls	99	4	Completion expected 3 November 2022	
Roads	20	20	Commenced 17 October 2022	

<b>Stage 29</b>				<b>43 lots</b>
Contractor Possession of Site				12 April 2022
Original Practical Completion Date				16 September 2022
Revised Practical Completion Date				28 February 2023
<b>Construction Status</b>				
<b>Item</b>	<b>% Complete</b>	<b>Change since last report</b>	<b>Comments</b>	
Earthworks	100	10	Complete	
Sewer	100	5	Complete	
Drainage	95	15	Completion expected 10 November 2022	
Water/Gas	20	0	Commencing 24 October 2022	
Power/Comms	0	0	Commencing 17 November 2022	
Walls	0	0	Commencing early December 2022	
Roads	0	0	Commencing early January 2023	

<b>Stage 31</b>		<b>64 lots</b>	
Contractor Possession of Site		To be advised – pending City of Wanneroo civil drawings approval expected November 2022 and contract award expected late November 2022.	
Original Practical Completion Date		To be advised	
Revised Practical Completion Date		To be advised	
<b>Construction Status</b>			
Item	% Complete	Change since last report	Comments
Earthworks	0	0	
Sewer	0	0	
Drainage	0	0	
Water/Gas	0	0	
Power/Comms	0	0	
Walls	0	0	
Roads	0	0	

<b>Stage 36</b>		<b>78 lots</b>	
Contractor Possession of Site		27 January 2022	
Original Practical Completion Date		4 July 2022	
Revised Practical Completion Date		7 December 2022	
<b>Construction Status</b>			
Item	% Complete	Change since last report	Comments
Earthworks	100	0	Complete
Sewer	100	5	Complete
Drainage	99	9	Subject to testing.
Water/Gas	95	0	Small section adjacent Connolly Drive left to complete.
Power/Comms	99	4	Resolving final tree root conflicts.
Walls	95	15	Completion expected mid-November 2022.
Roads	85	0	Kerbing, final asphalt pending retaining walls.

<b>Stage 37</b>		<b>48 lots</b>	
Contractor Possession of Site		30 September 2022	
Original Practical Completion Date		3 March 2023	
Revised Practical Completion Date		8 May 2023	
<b>Construction Status</b>			
Item	% Complete	Change since last report	Comments
Earthworks	0	0	
Sewer	5	5	Commenced late October 2022.
Drainage	0	0	
Water/Gas	0	0	
Power/Comms	0	0	
Walls	0	0	
Roads	0	0	

<b>Longbeach Promenade Extension</b>	
Contractor Possession of Site	20 September 2021
Original Practical Completion Date	To be advised – works on hold pending contractor resourcing. Commencement expected early December.
Revised Practical Completion Date	To be advised – retaining wall block delays may free up contractor resources to recommence construction in December and complete in February 2023, given no retaining walls need to be installed for the road.
<b>Construction Status</b>	

Item	% Complete	Change since last report	Comments
Earthworks	80	0	
Sewer	0	0	
Drainage	0	0	
Water/Gas	0	0	
Power/Comms	0	0	
Walls	0	0	
Roads	0	0	



*Stage 36 Civil Works – works in progress*

## 1. Landscaping Works - Status

The status of various landscape construction works in progress in Catalina is summarised in the table contained in Appendix 7.1.

Current highlights are detailed below.

### CATALINA BEACH

#### Foreshore Access Road and Carpark

A second stage of revegetation work alongside the Foreshore Access Road and carpark has been completed and acceptance of practical completion has been confirmed by the City of Wanneroo.

#### Portofino Promenade Extension

Landscaping works for the Portofino Promenade extension have commenced and are forecast to be completed by the end of December 2022.



*Portofino Promenade Landscaping – work in progress*

### Catalina Beach Park – Phase 2

Earthworks for the park extension have been completed as part of the Stage 29 civil works. Landscaping works will be able to commence shortly after the drainage installations are completed and are to be undertaken in parallel with the civil works on the rest of Stage 29. Landscape works completion is anticipated by March 2023.

### Foreshore Park

Landscape design drawings for a new park at the end of the Portofino Promenade extension and adjacent to the coastal conservation reserve are complete. Submission of the drawings with the City of Wanneroo for assessment has been delayed due to urban water management plan considerations. The update on the Mindarie Regional Council groundwater monitoring in Item 12.2 of this agenda. Landscaping works are anticipated to commence in May 2023.

### CATALINA CENTRAL

#### Aviator Boulevard Greenlink

Landscape works for the Aviator Boulevard Greenlink extension from Roulettes Parade to Connolly Drive in Catalina Central have been completed.

#### Connolly Drive/Aviator Boulevard Roundabout and Entry Statement

Landscape works for Connolly Drive, including the Connolly/Aviator Roundabout and entry statement are in progress and expected to be completed by December 2022.

### CATALINA GREEN

#### Phase 1 Park, Streetscapes and Entry Statements

Landscape design for the streetscape works and entry statements on Connolly Drive and Neerabup Road and first stage of parkland adjacent to Neerabup Road in Catalina Green is complete. Design drawings have been submitted to the City of Wanneroo and initial comments have been received. Landscape works are programmed to commence in January 2023 and anticipated to be completed by May 2023.

## 2. Housing Construction

The following table provides an overview of the current progress of housing construction to 31 October 2022. A substantial amount of building activity is presently in progress across Catalina Beach and Central.

Stage	Total Lots	Homes Completed	Homes Under Construction	Lots Vacant
Stages 1 – 15, 17A, 18A, 18B, Stage 25 A & DV.	908	905	1	2
Stage 16A	17	15	2	0
Stage 17B	36	33	3	0
Stage 18C	28	0	0	28
Stage 25C	4	1	2	1
Stage 25 (Builders Release)	17	17	0	0
Stage 26	38	34	3	1
Stage 27A	20	8	10	2
Stage 27B	23	0	9	14
Stage 28	34	2	28	4
Stage 30	35	0	13	22
<b>Total</b>	<b>1,160</b>	<b>1,015</b>	<b>71</b>	<b>74</b>
<b>Change since 30/9/22</b>	<b>+28</b>	<b>+0</b>	<b>+7</b>	<b>+21</b>

## 3. Community Development

Satterley Property Group (Satterley) is contracted to provide community development services for Catalina. These services sit outside the scope of services provided by Satterley as part of its Development Management Agreement and are separately tendered on the basis of a two-year contract term, with the option for an additional one-year extension.

The current contract with Satterley to provide community development services expires on 27 November 2022.

A tender to provide community development services for a new two-year term, with the option of a one-year extension, was advertised in September 2022. At the conclusion of the tender period on 5 October 2022, one tender submission had been received from Satterley.

The submission was evaluated against selection criteria that include proposed commercial arrangements, demonstrated experience and capabilities, key personnel and project understanding and was deemed to be a satisfactory proposal. A new contract was awarded to Satterley by the Chief Executive Officer under delegated authority of the Council on 12 October 2022, commencing on 28 November 2022 and concluding 27 November 2024, with the option for a one-year extension at the TPRC's discretion. A contract has subsequently been executed by both parties.

A Halloween-themed community event was held at Catalina on 30 October 2022. An event report is contained in Appendix 7.1.

A new resident welcome event is being planned for 27 November 2022 at the Catalina Sales Office gardens. The informal gathering is designed for new residents to connect with the community, meet future neighbours and help settle in.

#### **4. Commercial Centres**

##### Connolly Drive, Catalina Green

The Stage 36 civil works in Catalina Green include the 2ha neighbourhood centre site located at the intersection of Connolly Drive and Expedition Drive.

A contract of sale for the neighbourhood centre site has been executed following the award of the tender for the sale of the site to Lightpoint Nominees by the Council at its meeting on 17 February 2022.

The purchaser has submitted a Local Development Plan (LDP) to the City of Wanneroo for the site. The approval of the LDP by the City of Wanneroo is a requirement of the subdivision approval to create a title for this site.

The TPRC office is liaising with the City of Wanneroo to obtain its clearance to enable titling of the site and therefore settlement of the sale at the earliest opportunity.

#### **5. Lot 341 Rathmines Street, Catalina Central**

A tender for the sale of proposed Lot 341 Rathmines Street, located on the corner of Aviator Boulevard and Connolly Drive in Catalina Central was awarded by the Council on 29 September 2022 to Accord Property. A contract of sale has been issued to Accord Property and provides for a six-month due diligence period. Titling of the site is expected to occur in March 2023 and settlement of the sale is anticipated in June 2023.

## 7.2 PROJECT FINANCIAL REPORT – SEPTEMBER 2022

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**Responsible Officer:** Chief Executive Officer

**Attachments:** Letter from Satterley Property Group dated 2 November 2022 with Financial Report

**Voting Requirements:** Simple Majority

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### RECOMMENDATION

**That the Management Committee RECEIVES the Project Financial Report (September 2022) submitted by the Satterley Property Group.**

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### PURPOSE

To consider the Project Financial Report for September 2022 submitted by the Satterley Property Group.

### POLICY REFERENCE

N/A

### LOCAL GOVERNMENT ACT/REGULATION

N/A

### PREVIOUS MINUTES

N/A

### FINANCIAL/BUDGET IMPLICATIONS

Review of Project Financial Report for September 2022.

### RISK MANAGEMENT IMPLICATIONS

<b>Risk Ref: 2</b>	<b>Risk Rating:</b>
Strategic - Stable and effective governance environment.	Moderate
<b>Action:</b>	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information to the Management Committee on Catalina Project financial outcomes in particular, revenue, expenditure and variances to ensure transparency and governance of financial activity.

### BACKGROUND

At its meeting of 16 June 2022, the Council approved the Project Budget FYE 2023, submitted by the Satterley Property Group (Satterley).

The Development Manager's Key Performance Indicators 2020 - Governance, requires the preparation of monthly progress reports.

## COMMENT

Satterley has prepared a Catalina Financial Report for September 2022 for the Project. The report has been prepared on a cash basis and compares actual expenditure to approved budget expenditure for the period 1 September 2022 to 30 September 2022 and is attached at Appendix 7.2.

The Financial Report identifies that the project budget is tracking significantly better YTD (\$7.027M) than projected due to two major factors:

- Revenue is higher than projected due primarily to settlements occurring in FYE 2023 that were previously planned to occur in FYE 2022.
- Expenditure is down significantly due to an inability to access labour and/or materials to deliver the approved budget forecasts.

A more detailed summary of the variances is below:

1. Residential settlement revenue for Q1 of FYE 2023 totalled \$6.76M which is **\$2.88M favourable** to the approved June 2022 budget due to timing of settlements.
2. Overall year to date construction expenditure is **\$5.88M favourable** to budget, mainly in the following areas:
  - Lot Production \$2.7M under budget;
  - Landscaping \$2.7M under budget;
  - Indirect consultants \$70K under budget.
  - Infrastructure \$373K under budget;
  - P&L expenditure \$1.14K under budget primarily due to unused contingencies;
3. Clearances Bonds are **\$1.95M unfavourable** to budget. This relates to Bond payments made to the City of Wanneroo to facilitate clearances prior to works being completed. These bonds are expected to be fully repaid in the current FY once required works have been undertaken

The FYE 2023 budget was prepared and adopted at a time when the property and land sales market in Perth was 'booming' as a result of low interest rates and COVID 19 related stimulus packages being available to stimulate development. As such, the budget set aggressive targets for both Revenue and Expenditure for the FY. Given the significant shift in market conditions, it is clear that these targets will not be met. The Mid-Year Budget Review that has been undertaken (and is reported to Management Committee under Item 7.4 of this Agenda) resets the budget at a level that is considered to be achievable and realistic in the current market conditions

Satterley representatives will be in attendance to present the report.

### 7.3 SALES AND SETTLEMENT REPORT – MONTH ENDING 31 OCTOBER 2022

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**Responsible Officer:** Manager Project Coordination

**Attachments:** Staging Plan

**Voting Requirements:** Simple Majority

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#### RECOMMENDATION

**That the Management Committee RECEIVES the Sales and Settlement Report for the month ending 31 October 2022.**

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#### PURPOSE

To advise the Management Committee of the status of sales, settlements and sales releases.

#### POLICY REFERENCE

N/A

#### LOCAL GOVERNMENT ACT/REGULATION

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

#### PREVIOUS MINUTES

N/A

#### FINANCIAL/BUDGET IMPLICATIONS

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

Budget Amount:	\$ 51,204,185
Received to Date:	\$ 7,130,633
Balance:	\$ 44,073,552

#### RISK MANAGEMENT IMPLICATIONS

<b>Risk Ref: 2</b>	<b>Risk Rating:</b>
Strategic - Stable and effective governance environment.	Moderate
<b>Action:</b>	
SPG and TPRC provide reports/information to Council Meetings.	

The report provides information on Catalina Project sales/settlements and variances to ensure the Management Committee is well informed on sales and market trends.

## BACKGROUND

The Sales and Settlement Report provides the Management Committee with a status update of sales and settlements for the Project. The Staging Plan provided under Appendix 7.3 identifies the extent of the stage boundaries referenced within the report.

## COMMENT

Table 1 provides a summary of the Catalina Estate Sales and Settlement position for lots released up to 31 October 2022.

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

Stage	Release Date	Lots Released	Lot Sizes (m <sup>2</sup> )	Sold	Stock	Settled
Completed Stages	-	1113	174 - 658	1113	0	1113
Stage 18C (1)	Sep-21	21	183 - 558	20	1	0
Stage 18C (2)	Nov-21	4	150 – 155	4	0	0
Stage 18C (3)	Mar-22	3	150-157	3	0	0
Stage 27A	Aug-20	12	225 - 450	11	1	11
Stage 29 (1)	May-22	14	315- 450	9	5	0
Stage 29 (2)	Sep-22	10	315- 470	4	6	0
Stage 30 (2)	Dec-21	8	375 - 450	7	1	7
Stage 36 (1)	Oct-21	21	313 - 591	19	2	0
Stage 36 (2)	Dec-21	14	300 - 450	12	2	0
Stage 36 (3)	Feb-22	7	188 - 484	5	2	0
Stage 36 (4)	Apr-22	5	313 - 410	5	0	0
Stage 36 (NC)	Dec-21	1	20,000	1	0	0
Stage 37 (1)	July-22	18	303-450	8	10	0
<b>Total</b>		<b>1,251</b>	<b>150 – 20,000</b>	<b>1,221*</b>	<b>30</b>	<b>1,131</b>
<b>Change since 30 September 2022</b>		<b>0</b>		<b>0</b>	<b>0</b>	<b>+1</b>

\* includes five sales subject to advertising and acceptance

The Project currently has 90 lots under contract; 14 unconditional, 71 conditional and five pending advertising and acceptance.

Sales for FYE 2023 to date are shown in Table 2.

**Table 2: Summary of Net Sales for FYE 2023 against Budget – Catalina Estate**

	Jul	Aug	Sep	Oct	YTD	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 2023
<b>Budget</b>	14	15	15	15	<b>59</b>	15	15	15	15	15	15	15	13	<b>177</b>
<b>Actual</b>	7	2	9	0	<b>18</b>									
<b>Variance</b>	-7	-13	-6	-15	<b>-41</b>									

FYE 2023 net sales are currently tracking well-below budgeted conversion rates. Consecutive interest rate increases, increasing building construction costs and extended construction periods are impacting on the net rate of sales.

17 sales contracts have cancelled to date in FYE 2023, reducing the number of net sales over this period by the same number. Cancellations have been due to purchasers being declined finance approval, having been assessed by lenders as being unable to meet increasing building and borrowing costs. While the recent cancellations represent an escalation in the cancellation rate experienced by the Project over the past two years, Satterley advise that contract cancellations are currently being experienced broadly across the land sales market and that Catalina is faring better than most estates in its conversion of conditional sales to settlements. The conversion rate is expected to return to normal rates as the project transitions to selling titled stock or with shorter duration between sale and title completion.

### Settlements

Settlements for FYE 2023 to 31 October 2022 are shown in Table 3.

**Table 3: Summary of Settlements for FYE 2023 against Budget – Catalina Estate**

	Jul	Aug	Sep	Oct	YTD	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FYE 2023
<b>Budget</b>	2	5	3	27	<b>37</b>	23	10	7	7	19	26	22	21	<b>172</b>
<b>Actual</b>	10	6	2	1	<b>19</b>									
<b>Variance</b>	+8	+1	+1	-26	<b>-18</b>									

Settlements are currently behind budget, however a large proportion of contracted stock in Stages 18C and 36 is anticipated to settle over the next three months after titles for these stages issued on 28 October and 2 November 2022 respectively.

Satterley propose to reduce the budgeted number of sales and settlements for FYE 2023 as a recommended outcome of its mid-year review of the Project Budget, which is the subject of Item 7.4 of this agenda.

### Available Stock

Six sales achieved in October 2022 were offset by six cancelled contracts, meaning stock levels remained static at 30 available lots, as set out in Table 4.

**Table 4: Summary of Available Stock – Catalina Estate**

Stage	Precinct	Stock	Change since 30/09/2022	Title Status	Anticipated Title Date
Stage 18C	Central	1	0	Titled	N/A
Stage 27A	Beach	1	0	Titled	N/A
Stage 29	Beach	11	-2	Untitled	March 2023
Stage 30	Beach	1	+1	Titled	N/A
Stage 36	Green	6	+2	Untitled	November 2022
Stage 37	Green	10	-1	Untitled	May 2023
<b>Total</b>		<b>30</b>	<b>0</b>		

### Northern Corridor Estates Analysis

Tables 5 and 6 provide a comparison summary of sales, available stock and lot pricing between Catalina and other developments in the north-west corridor.

**Table 5: Summary of Sales in Northern Corridor (October 2021 to September 2022)**

ESTATE	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June	July	August	Sep	12 Month Total Sales
Alkimos Beach (Alkimos)	15	14	7	2	7	11	6	2	8	-4	7	0	75
Alkimos Vista (Alkimos)	8	16	10	3	12	20	2	-2	12	5	1	3	90
Allara (Eglinton)	4	11	5	2	5	13	13	6	7	-2	9	3	76
Amberton (Eglinton)	20	13	13	4	10	5	17	9	14	23	16	20	164
<b>Catalina (Clarkson Mindarie)</b>	<b>10</b>	<b>23</b>	<b>12</b>	<b>10</b>	<b>10</b>	<b>17</b>	<b>16</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>2</b>	<b>9</b>	<b>123</b>
Eden Beach (Jindalee)	17	21	27	10	11	8	7	17	1	5	-3	-1	120
Elevale	7	10	3	3	8	5	1	9	6	2	4	4	62
Jindowie Estate	13	14	1	1	11	20	-3	5	28	15	1	0	106
Shorehaven (Alkimos)	4	9	3	4	2	7	10	12	3	4	9	2	69
Trinity (Alkimos)	24	11	13	2	5	10	10	11	8	8	8	5	115
<b>TOTAL</b>	<b>122</b>	<b>142</b>	<b>94</b>	<b>41</b>	<b>81</b>	<b>116</b>	<b>79</b>	<b>70</b>	<b>93</b>	<b>63</b>	<b>54</b>	<b>45</b>	<b>1000</b>
<b>CATALINA SHARE (%)</b>	<b>8.2 %</b>	<b>16.2 %</b>	<b>12.8 %</b>	<b>24.4 %</b>	<b>12.3 %</b>	<b>14.7 %</b>	<b>20.3 %</b>	<b>1.4 %</b>	<b>6.5 %</b>	<b>11.1 %</b>	<b>3.7 %</b>	<b>20.0 %</b>	<b>12.3 %</b>
<b>Catalina Market Share July 2021 – June 2022</b>													<b>11.3%</b>

Note: Satterley advises that competitor sales results are indicative only, based on information obtained in the marketplace and supplied by other developers on a voluntary basis.

**Table 6: Summary of Price of Available Lots in Northern Corridor Estates**

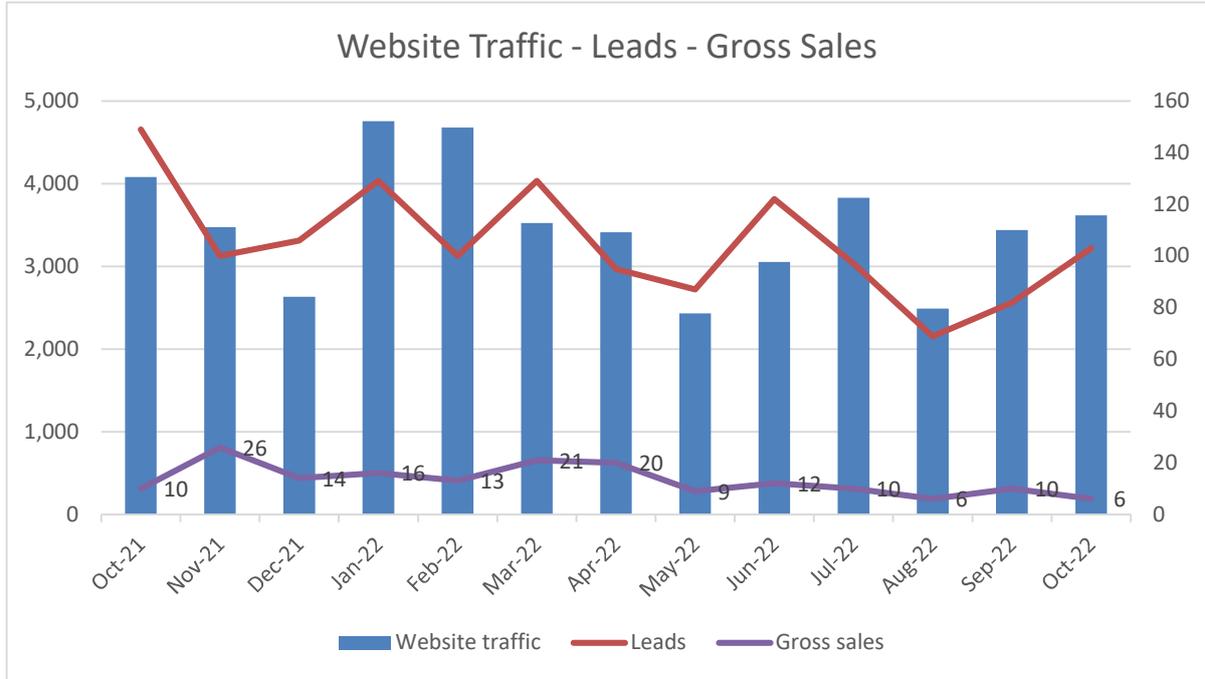
Estate	225sqm Price (\$)	300sqm Price (\$)	375sqm Price (\$)	450sqm Price (\$)	500sqm + Price (\$)	Total Dwellings	Stock	Last Report
Allara	n/a	n/a	200,000-205,000	235,000	220,000-265,000	3,405	18	18
Alkimos Beach	n/a	n/a	265,000-275,000	295,000	312,000-330,000	2,413	24	11
Amberton	n/a	n/a	272,000-425,000	289,000-449,000	335,000-365,000	2,500	37	31
Burns Beach	n/a	n/a	n/a	n/a	n/a	1,580	18	17
Catalina Central	n/a	n/a	n/a	240,000 (413m2)	n/a	2,480	1	1
Catalina Beach	n/a	370,000 (315m2)	400,000-415,000	475,000-510,000	n/a		13	14
Catalina Green	n/a	240,000	277,000-282,000	315,500	n/a		16	15
Eden Beach	n/a	245,000-248,000	315,000	378,000-427,000	412,000	1,100	29	15
Myella	n/a	n/a	n/a	n/a	n/a	197	18	13
Shorehaven	175,000-225,000	n/a	n/a	308,000	n/a	2,800	43	20
Trinity	n/a	222,000	263,000	238,000-292,000	286,000	2,500	26	13
<b>Total</b>							<b>243</b>	<b>194</b>

Catalina's stock was unchanged between reporting periods, while competitors' stock increased by 49 lots (29.9% increase).

**Marketing**

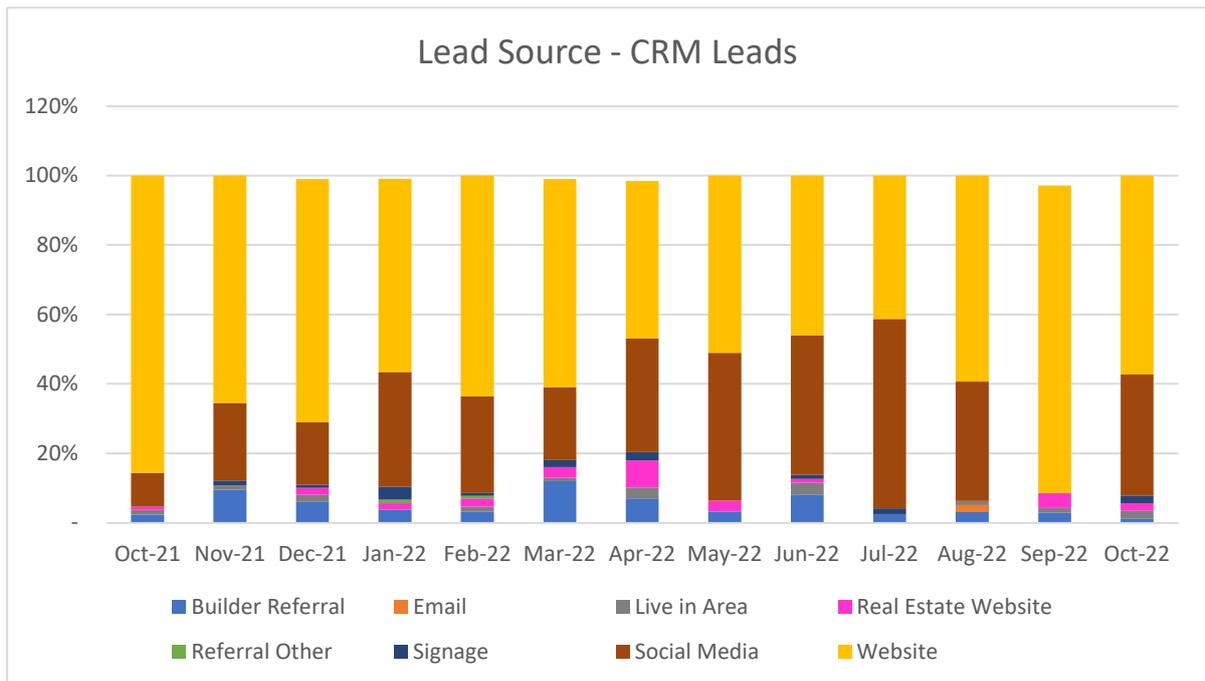
Catalina’s website traffic and leads remained steady in October, however both website traffic and leads are lower year-on-year.

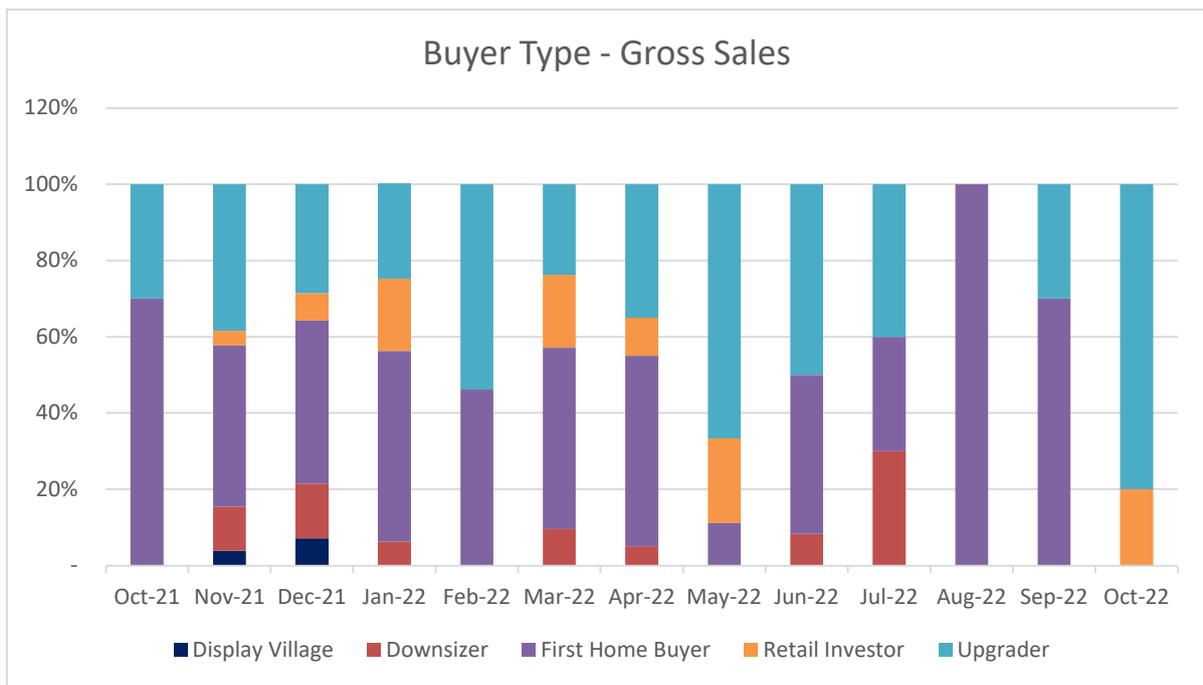
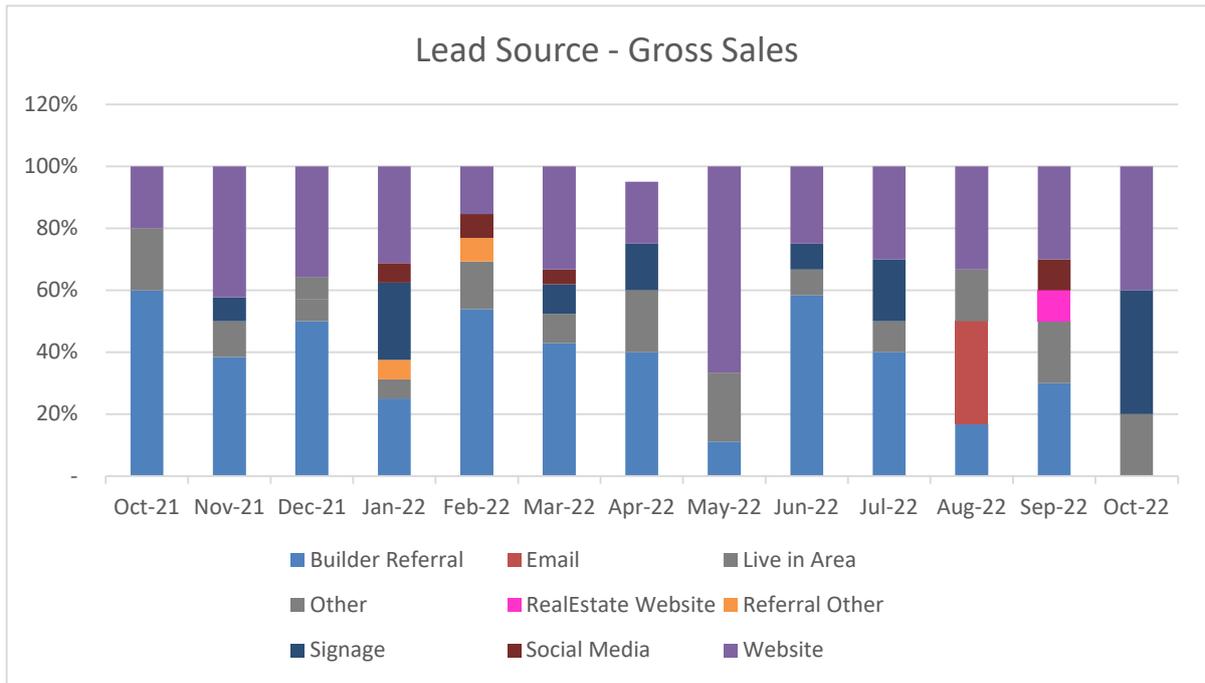
Market interest in coastal estates continues to be strong, however reduced market sentiment is resulting in customer enquiries taking longer to convert to sales.



Throughout the recent quarter, there has been a reduction in leads and sales via builder referral, with increased activity from signage and those living in the local area.

First home buyers and upgraders continue to drive the majority of gross sales.





CATALINA	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22
Display Village	-	4%	7%	-	-	-	-	-	-	-	-	-	-
Downsizer	-	12%	14%	6%	-	10%	5%	-	8%	30%	-	-	-
First Home Buyer	70%	42%	43%	50%	46%	48%	50%	11%	42%	30%	100%	70%	17%
Retail Investor	-	4%	7%	19%	-	19%	10%	22%	-	-	-	-	17%
Upgrader	30%	38%	29%	25%	54%	24%	35%	67%	50%	40%	-	30%	67%

Satterley CRM Data 01/10/21 – 31/10/22

Signage updates and the installation of new signage advertising the Sales Office and upcoming Display Village were completed during October 2022.

Signage planning is underway for new signage in Catalina Green, including an Information Bay. A Development Application is currently with City of Wanneroo for approval.

Due to the number of cancellations and sales decline over recent months, the Satterley marketing team are currently reviewing the marketing strategy and expenditure, including exploring additional marketing activity and media opportunities to leverage estate assets.



## 7.4 PROJECT BUDGET FYE 2023 – MID-YEAR REVIEW

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**Responsible Officer:** Chief Executive Officer

**Attachments:**

1. Satterley Property Group correspondence (dated 10 November 2022) Catalina Mid-Year Project Budget FYE 2023 Review.
2. Mid-Year Project Budget FYE 2023 Review Pack.

**Voting Requirements:** Simple Majority

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### RECOMMENDATION

**That the Council RECEIVES the Mid-Year Project Budget FYE 2023 Review, submitted by the Satterley Property Group (November 2022), and that it be used as the basis for financial planning, including for the Mid-Year TPRC Budget FYE 2023 Review.**

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### PURPOSE

To consider a report on the FYE 2023 Mid-Year Budget Review prepared by the Satterley Property Group (Satterley).

### POLICY REFERENCE

N/A

### LOCAL GOVERNMENT ACT/REGULATION

N/A

### PREVIOUS MINUTES

Council Meeting – 16 June 2022 (Item 8.1 - Project Budget FYE 2023)

### FINANCIAL/BUDGET IMPLICATIONS

Mid-Year Review of approved Project Budget FYE 2023 (November 2021).

### RISK MANAGEMENT IMPLICATIONS

<b>Risk Ref: 7 &amp; 8</b>	<b>Risk Rating:</b>
TPRC Operations – Internal Controls and Financial Management of the TPRC	Low
<b>Action:</b>	
Annual Mid-Year Budget Reviews independently prepared and approved by the Council.	

The mid-year review of the Project Budget will assist to ensure an appropriate financial control and management environment.

## BACKGROUND

At its meeting of 16 June 2022, the Council approved the:

1. Project Budget FYE 2023 submitted by the Satterley, as the basis of financial planning for the TPRC Budget FYE 2023; and
2. Project Forecast (June 2022) submitted by Satterley, for the purposes of longer-term project and financial planning.

## COMMENT

The FYE 2023 Budget was prepared and adopted at a time when the property market was buoyant, interest rates were at record lows and sales activity was strong. As is shown in the table below, the Budget was aggressive/ambitious in both Revenue and Expenditure with significant growth being projected in each of these areas for the July 2022 – June 2023 period when compared to the actual result for FYE 2022.

	FYE 2022 Actual	FYE 2023 Adopted Budget	\$ Variance
Revenue	\$28.6M	\$54.4	+\$25.8M
Expenditure	(\$14.7M)	(\$55.2M)	+\$40.7M
<b>Nett</b>	<b>\$13.9M</b>	<b>(\$0.8M)</b>	<b>(\$14.7M)</b>

The market has changed significantly since the TPRC Budget was adopted in June with higher interest rates, higher build costs, lack of material and labour availability and lower buyer sentiment negatively impacting on sales rates and a construction time frames.

In conjunction with TPRC staff, Satterley has undertaken a Mid-Year Review of the approved Project Budget FYE 2023, which is set out in its correspondence dated 10 November 2022 and contained in Appendix 7.4.

The Mid-Year Project Budget FYE 2023 Review provides an updated forecast of both the annual Project Budget and longer-term Project Forecast in relation to the main budget assumptions such as income, sales rates and development costs and escalation. The Review considers current property market conditions, the latest sales/settlement information, approvals status, construction program and expenditure estimates.

The review proposes to modify the budget to a level that is considered to be ambitious (given current market conditions) yet achievable. While the Budget review recommends dropping both revenue and expenditure targets for the financial year significantly, it should be noted that the projected budget activity is projected to be far greater than in FY22 (see table below) and provides a \$5M better nett result in the FY than initially projected.

	FYE 2022 Actual	FYE 2023 Adopted Budget	FYE 2023 Budget Review	\$ Variance (Adopted Budget to Mid-Yr Review)
Revenue	\$28.6M	\$54.4M	\$36.7M	-\$17.7M
Expenditure	(\$14.7M)	(\$55.2M)	(\$32.5M)	-\$22.7M
<b>Nett</b>	<b>\$13.9M</b>	<b>(\$0.8M)</b>	<b>\$4.2M</b>	<b>+\$5.0M</b>

The FYE 2023 Mid-Year Budget Review addresses the following:

- Market Commentary;
- Budget Comparisons and Amended Operations for FYE 2023;
- Review of Forecasts for FYE 2024;
- Key Risks for achieving FYE 2023 Budget;
- Cash Requirement, Capital Return and Profit Distribution Capacity; and
- Review of Long-Term Forecast for remainder of Project.

#### Market Commentary

Key Market Observations made by Satterley includes:

- Interest rate increases have reduced borrowing capacity by over \$100K
- Investors have increased as a percentage of sales.
- Labor and materials remain an issue
- State Government Projects are competing for materials with the development sector.

More detail is included in the Satterley Mid-Year Review Memo in Attachment 7.4.

#### Budget Comparisons and Amended Operations for FYE 2023

The review forecasts the following key variations in FYE 2023:

- Titles forecast at 167 lots, a reduction of 75 lots due to construction delays;
- Net lot sales forecast at 79 lots, a reduction of 98 lots due to a substantial slow-down in sales and a number of sales contracts being cancelled;
- Settlements forecast at 110 lots, a reduction of 62 lots, reflecting amended anticipated titles timeframes for Stages 29 and 37 occurring later in FYE 2023 due to construction delays;
- Net Lot Income forecast at \$36.72M, a reduction of (\$17.64M) due to the reduction in settlements;
- Infrastructure, landscaping and lot production costs forecast at \$32.45M, a reduction of \$22.73M, due to extended construction timeframes and deferral of the first tranche payment for the WAPC land acquisition (cost \$5.1M).

The review forecasts a minimum cash balance for the Project of \$35.21M in FYE 2023, with the distribution to member local governments remaining unchanged at \$20.0M. The cashflow of distributions is proposed to be changed from \$10M in December 2022 and \$10M June 2023 to \$10M in December and \$10M in April 2023.

#### Review of Project Budget FYE 2024

The following table shows the variance between the revised forecast Project Budget FYE 2024 (December 2022) and the approved forecast Project Budget FYE 2024 (June 2022) for Income, Development Costs, Cashflow and Distributions.

	<b>Mid-Year Review Forecast Project Budget FYE 2024 (December 2022)</b>	<b>Approved Forecast Project Budget FYE 2024 (June 2022)</b>	<b>Variance</b>
Gross Income	\$38,885,713	\$61,056,697	(\$22,170,984)
Development Costs	\$30,654,134	\$31,487,706	\$833,572
Distributions	\$20,000,000	\$20,000,000	\$0
Cashflow	\$8,231,579	\$29,568,991	(\$21,337,412)

The major variances are as follows:

- Forecast settlements of 136, a reduction of 73 due to impact of reduced sales in FYE 2023, reducing Gross Income by \$22.17M;
- Deferral of the WAPC land acquisition, now not anticipated to occur until at least FYE 2025, due to delay of WAPC actioning this matter;
- Lot production and landscaping costs that reflect amended timing of construction and increased rates.

These estimates should only be considered as a general guide for the Forecast FYE 2024. The Project Budget for FYE 2024 will be proposed in light of economic conditions and the residential land market in June 2023, as part of the annual budget cycle.

Key Risks for Achieving FYE 2023 Budget

Satterley has identified the following items as key risks to achieving the Project Budget FYE 2023 outcomes:

- Market conditions: The Budget review assumes that the current subdued market conditions remain for the remainder of FYE 2023;
- Material and Labour: The budget assumes that current material and labour shortages do not further deteriorate during the periods;
- Interest rate increases: Continued interest rate increases will lead to higher than expected cancellation rates;
- Settlement of Special Sites: Lot 341 and the Catalina Commercial Centre site are both in Due Diligence phases. The budget assumes that both of these properties will settle prior to June 2023.

The risks identified would be considered typical for a project such as Catalina, which is heavily influenced by market conditions. These risks will continue to be managed by project supervision and management, monthly financial review and reporting, application of construction triggers and monitoring market and economic conditions. The specific project risks are actively being managed to minimise potential exposure to the TPRC and to achieve budget predictions.

Long-Term Project Forecast

Satterley has updated the long-term Project Forecast for financial planning purposes and information.

The following table shows the variance between the updated Project Forecast (December 2022) and approved Project Forecast (June 2022)

<b>CATALINA   Summary</b>			
<b>CATEGORY</b>	<b>CURRENT DEC-22</b>	<b>APPROVED JUN-22</b>	<b>VARIANCE</b>
Total Lots	2,472	2,469	3
Residential Area	830,388m <sup>2</sup>	829,806m <sup>2</sup>	583m <sup>2</sup>
Special Sites Area	72,588m <sup>2</sup>	72,306m <sup>2</sup>	282m <sup>2</sup>
<b>GROSS INCOME</b>			
Income - Lots	729,732,343	721,929,222	7,803,121
Income - Special Sites	27,578,061	27,744,277	(166,216)
Income - Other	287,545	286,887	658
Direct Selling Expenses	80,132,182	79,820,919	(311,263)
<b>GROSS INCOME</b>	<b>677,465,767</b>	<b>670,139,467</b>	<b>7,326,300</b>
<b>DEVELOPMENT COSTS</b>			
Land	12,265,200	10,206,000	(2,059,200)
Consultants	10,075,776	9,825,522	(250,254)
Infrastructure	16,144,568	16,404,514	259,946
Special Sites/Other Development	4,703,970	4,650,887	(53,083)
Lot Production	260,894,299	260,119,985	(774,314)
Landscape	63,916,539	63,428,320	(488,219)
Marketing	11,079,677	10,873,214	(206,463)
Community Development	2,534,860	2,481,378	(53,482)
Administration	25,104,045	24,054,884	(1,049,161)
Finance/Bonds	-	-	-
Contingency	13,078,447	13,323,492	245,045
<b>DEVELOPMENT COSTS</b>	<b>419,797,380</b>	<b>415,368,196</b>	<b>(4,429,184)</b>
<b>CASHFLOW</b>	<b>257,668,387</b>	<b>254,771,271</b>	<b>2,897,116</b>
Capital IRR	10.4%	10.4%	0.0%
Project IRR	16.2%	16.2%	(0.1%)
Profit on Cost	61.4%	61.3%	0.0%
Profit /Lot	104,235	103,188	1,047

Major variations between the forecasts include:

- Gross Income of \$677,465,767, an increase of \$7,326,300;
- Development Costs of \$419,797,380, an increase of (\$4,429,184);
- Cashflow of \$257,668,387, an increase of \$2,897,116; and
- Project Duration increase of 11 months (final settlement amended to May 2034).

The updated Project Forecast is based on the income and cost escalation rates detailed in the following table:

<b>CATALINA   Escalation Rates</b>							
<b>INCOME</b>							
From	Jan-11	Oct-21	Jul-22	Jul-23	Jul-24	Jul-25	
To	Sep-21	Jun-22	Jun-23	Jun-24	Jun-25	End	
Current	0.0%	0.0%	5.0%	5.0%	3.5%	3.0%	
Previous	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
<b>COST</b>							
From	Jan-11	Oct-21	Jul-22	Jul-23	Jul-24	Jul-25	
To	Sep-21	Jun-22	Jun-23	Jun-24	Jun-25	End	
Current	0.0%	0.0%	8.0%	5.0%	2.0%	2.0%	
Previous	0.0%	7.0%	2.0%	2.0%	2.0%	2.0%	

Income escalation rates have been revised to 5% for FYE 2023 and FYE 2024 and 3.5% for FYE 2025 before returning to the prior long-term rate of 3% in FYE 2026.

Higher construction and material costs faced by the industry are reflected in an 8% cost escalation rate in FYE 2023 and a 5% increase in FYE 2024 (both up from 2%). Cost escalation is anticipated for FYE 2025 and beyond is retained at 2%.

The updated Project Forecast is based on the lot prices remaining as per previously proposed with the exception of a 5% increase in Catalina Beach, which is reflective of current market conditions.

**Sales Rates**

Sales rates have been dropped for FYE 2023 and FYE 2024 to reflect current market conditions. For FYE 2023, the Budget has been framed on Net Sales of 8/month for the November to June period. Budget sensitivity analysis is provided on sales rates of 6/month and 10/month. The slower sales rates extend the life of project by nearly one year to FYE 2034, noting that this prediction is very susceptible to change depending on market conditions.

<b>CATALINA   Sales Rates</b>			
<b>FINANCIAL YEAR</b>	<b>CURRENT DEC-22</b>	<b>APPROVED JUN-22</b>	<b>VARIANCE</b>
PTD FY21	1,061	1,061	-
FY22	139	162	(23)
FY23	79	177	(98)
FY24	149	159	(10)
FY25	144	136	8
FY26	136	114	22
FY27	112	100	12
FY28	101	104	(3)
FY29	106	102	4
FY30	99	102	(3)
FY31	105	98	7
FY32	96	102	(6)
FY33	104	52	52
FY34	41	-	41
<b>Total</b>	<b>2,472</b>	<b>2,469</b>	<b>3</b>
Final Sale	Nov-33	Dec-32	+11 Mths
Final Settlement	May-34	Jun-33	+11 Mths

In the face of industry challenges and to ensure a consistent supply of stock, staging has been amended with the assumption that the Project will continue to trade through all Catalina Beach stock before returning to Catalina Central, at which point in time Central and Green stock will be sold concurrently to round out the Project. The sales breakdown by precinct is shown below:

Distributions to the member Councils are forecast in the following table and maintain a \$15M minimum cash reserve. No change to the previous forecast is proposed.

<b>CATALINA   Distributions</b>				
<b>FINANCIAL YEAR</b>	<b>CURRENT DEC-22</b>	<b>APPROVED JUN-22</b>	<b>VARIANCE</b>	<b>CUMULATIVE VARIANCE</b>
PTD FY21	73,700,000	73,700,000	-	-
FY22	10,000,000	10,000,000	-	-
FY23	20,000,000	20,000,000	-	-
FY24	20,000,000	20,000,000	-	-
FY25	17,000,000	17,000,000	-	-
FY26	12,000,000	12,000,000	-	-
FY27	10,000,000	10,000,000	-	-
FY28	10,000,000	10,000,000	-	-
FY29	10,000,000	10,000,000	-	-
FY30	10,000,000	10,000,000	-	-
FY31	10,000,000	8,000,000	2,000,000	2,000,000
FY32	7,000,000	8,000,000	(1,000,000)	1,000,000
FY33	9,000,000	33,000,000	(24,000,000)	(23,000,000)
FY34	26,000,000	-	26,000,000	3,000,000
FY35	-	13,071,271	(13,071,271)	(10,071,271)
FY36	12,968,387	-	12,968,387	2,897,116
FY37	-	-	-	2,897,116
<b>Total</b>	<b>257,668,387</b>	<b>254,771,271</b>	<b>2,897,116</b>	<b>2,897,116</b>

## CONCLUSION

The Mid-Year Project Budget FYE 2023 Review is based on current property market conditions and the latest sales/settlement information, construction program and expenditure estimates.

It indicates significant revision to assumptions and predictions in the approved Project Budget FYE 2023, particularly accounting for a slow-down in lot sales and capacity constraints in delivering the originally anticipated extent of lot production and landscape construction works.

The assumptions in the Mid-Year Project Budget FYE 2023 Review are considered to represent the current expectations for the property market outlook and revisions to the titles, sales and settlements targets and forecast expenditure are considered appropriate. It indicates that the TPRC can meet all cashflow obligations without the need for any call upon member local government funds to meet any operating or capital expenditure and is considered to provide an appropriate basis for financial planning for the TPRC Mid-Year Budget FYE 2023.

The Mid-Year Project Budget FYE 2023 Review includes an updated Project Forecast to provide a general guide to the long term cashflow direction. The latest iteration follows a period during which there has been considerable revision of key Project assumptions in a time when the market and construction environment has been dynamic.

The key objective of the Economic pillar of the Strategic Community Plan (2020), adopted by the Council at its February 2020 meeting, is to maximise returns for member Councils while delivering environmental, social and economic objectives.

Despite the inherent uncertainties associated with forecasting over the lengthy timeframe of the Project's lifecycle, it is considered that the updated Project Forecast (December 2023) is a reasonable basis for Project and financial planning and that the forecasted Project profit and distributions can be relied upon by the member local governments.

## 7.5 PROPOSED ACQUISITION OF WAPC LAND

**Responsible Officer:** Chief Executive Officer

**Attachments:** Nil

**Voting Requirements:** Simple Majority

### RECOMMENDATION

**That the Council:**

1. **NOTE the delays in the TPRC’s proposed acquisition of 10.2209 ha of land (Part Lot 711) from the State Government in Catalina Green.**
2. **NOT actively pursue the acquisition of Part Lot 711 from the State Government in the short/medium term.**
3. **REQUEST that alternative staging plans for Catalina Green be presented to the TPRC Council whereby Part Lot 711 is potentially developed as the final component of Catalina Green.**

### PURPOSE

To update the TPRC on the proposed acquisition of 10.2209 ha of land in the North/North East corner of the Catalina Estate from the State Government in accordance with the Negotiated Planning Solution (NPS) that was agreed between the parties in 2004.

### LEGISLATION REFERENCE

- WAPC Metropolitan Region Scheme
- State Planning Policy 2.8 – Bushland Policy for the Perth Metropolitan Region.
- S45(2) of *Land Administration Act (1997)* - Requirement to put proposed excision of Land before both Houses of Parliament for consideration/approval

### RISK MANAGEMENT IMPLICATIONS

<b>Risk Ref: 1</b>	<b>Risk Rating:</b>
Strategic Common Vision – Lack of an agreed/common vision across all seven members.	Moderate
<b>Action:</b>	
Data and options provided to TPRC to enable decision to be made that is consistent with TPRC SCP and Member Councils’ desires.	

### FINANCIAL AND RESOURCE IMPLICATIONS

The TPRC has funds allocated for the proposed acquisition of land from the State Government.

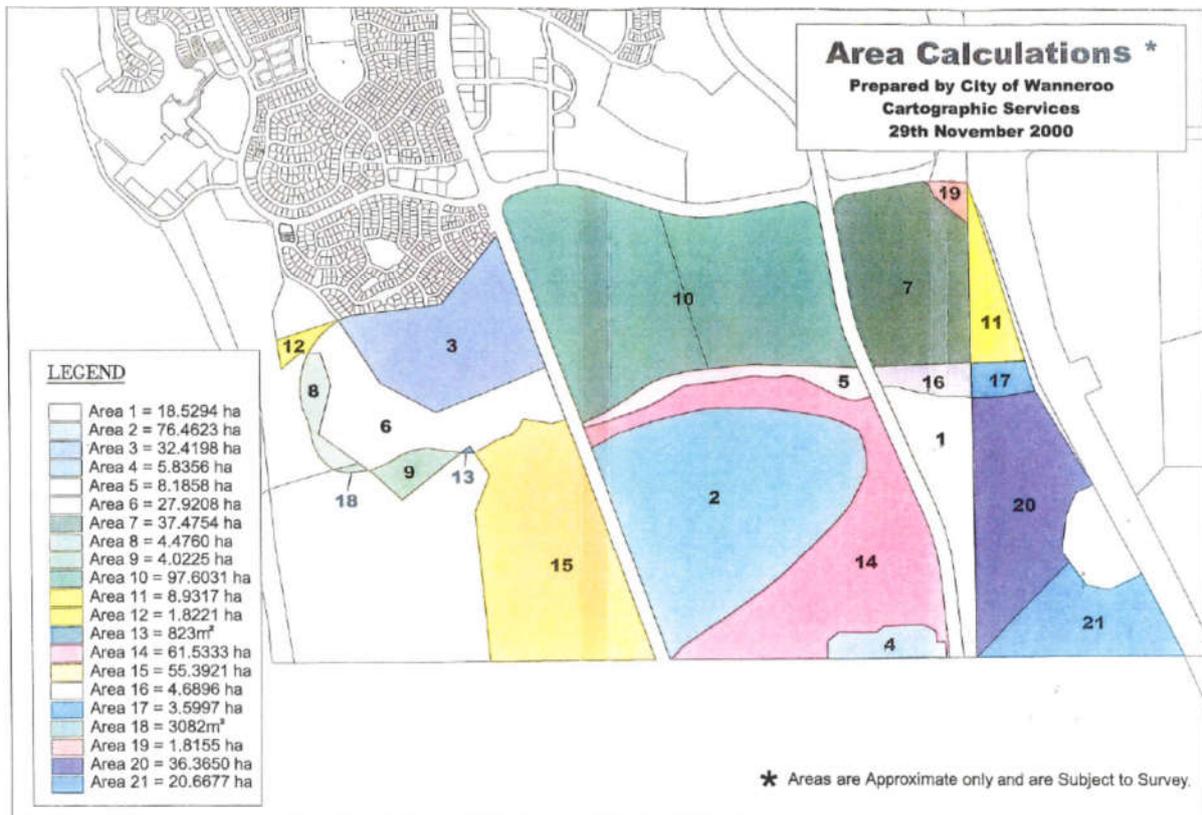
Development costs and income have been assumed in the long term financial plan for the Catalina Project.

**BACKGROUND**

In 2000 the State Government adopted the *Bush Forever Policy*. This policy enshrined the retention and protection of significant areas of the State for conservation purposes and promoted the conservation of ecological systems and biodiversity.

A component of the Bush Forever Policy was a recognition that Negotiated Planning Solutions (NPS) would be required to allow appropriate development of urban and industrial land/s that were zoned in the local town planning scheme, whilst seeking the retention of a benchmark target of 30% of the land for Bushland purposes in specified ‘bush forever’ areas.

In 2004 the State Government entered into a NPS with the seven landowners who subsequently became the TPRC. A component of the NPS was that the State would ‘use its best endeavours to facilitate the acquisition of areas 11 and 19’ by the TPRC in exchange for areas being ceded to State. Areas 11 and 19 are in the north/north-east corner of what is now known as Catalina Green (see 29/11/2020 reference map below)



The area listed as ‘19’ was subsequently acquired by the TPRC and is now owned freehold by the TPRC, but the area listed as ‘11’ above (now officially known as Part of Lot 711) remains in State ownership.

The State’s challenge with selling Part of Lot 711 to the TPRC is that the area is currently part of the Neerabup National Park. The *Land Administration Act (1997)* classifies Neerabup National Park as an A Class Reserve. Section 45(2)(b) of the LAA requires that, where greater than 1ha is to be excised from an A Class reserve, a Reserve Bill needs to progress through both Houses of Parliament in order for the excision of the reserve to occur.

**DETAILS / DISCUSSION**

While the State has agreed to facilitate the sale of the subject land to the TPRC, this transaction has not been finalised. This matter has been periodically raised by the TPRC with the State Government but, in fairness to the State Government, has not previously been a very high TPRC priority as the land has not been urgently required to facilitate the timely and orderly development of the Catalina Estate.

As the aerial photograph below illustrates, this matter is becoming more strategically important to the TPRC as the Catalina Green Estate development is approaching Lot 711 (shown in Red) with Stages 36 and 37 near completion and planning for subsequent stages to the east and south of the current development front being well advanced.



It should be noted that while the Part of Lot 711 that is proposed to be acquired by the TPRC is 10.22 ha in size, 3.8 ha is required to be retained for Open Space leaving a developable area of approximately 6.4 ha. Approximately 120 -140 dwellings could/would be created in this area (depending on density of development, infrastructure requirements, POS requirements, etc.)

While there has been intermittent correspondence on this matter since 2004, the TPRC’s efforts to acquire the land have progressively increased over the past seven years as the development of Lot 711 has become more imminent. The table below briefly outlines a chronology of discussions/correspondence on this matter over that period.

Date	Action
09/02/2015	Meeting between TPRC and WAPC re the matter.
17/02/2015	Letter from CEO of TPRC to Secretary of WAPC (Terry Hillyard) seeking progression of acquisition of Areas 11 and 19 (as per NPS 2004).
03/06/2015	Letter from Chair of TPRC to Chair of WAPC (Eric Lumsden) seeking meeting to discuss/expedite the process. Meeting was held on 22/06/2015.

28/01/2016	<p>Letter from WAPC Chair (Eric Lumsden) to TPRC advising:</p> <ul style="list-style-type: none"> <li>• DPAW has completed process to excise A Class Reserve;</li> <li>• Approval from Conservation Commission has been obtained;</li> <li>• Minister for Environment approval has been obtained;</li> <li>• Matter is with Dept of Lands to prepare Bill for Parliamentary approval;</li> <li>• Priority of matter had been raised with Dept of Planning Chief Property Officer and DG Dept of Lands in Dec 2015;</li> <li>• Discussions occurring between Lands or DPAW on who prepares the Bill. Once this is determined Dept of Planning were to advise TPRC.</li> </ul>
15/02/2016	<p>TPRC letter to DPAW seeking confirmation (amongst other things) that Dept of Lands will be preparing Bill for parliament.</p>
26/02/2016	<p>DPAW Director General (Jim Sharp) writes to TPRC confirming that approvals have been gained by Dec 2015 including from:</p> <ul style="list-style-type: none"> <li>• City of Wanneroo</li> <li>• Main Roads</li> <li>• Dept of Mines and Petroleum</li> <li>• Conservation Commission</li> <li>• Minister for Environment</li> <li>• Noted that S45(3) of LAA requires an act of Parliament to facilitate excision. Advised that DPAW will support DOL in drafting of required bill.</li> </ul>
25/05/2016	<p>Letter from DG DOL (Colin Slattery) advising that, while all approvals had been obtained, Reserve Bills are not typically progressed individually but as a collective. Also noted that Government's legislative program for term of Government was set/full and unlikely that further legislation could be added (i.e. no action till after March 2017 Election).</p>
27/03/2017	<p>TPRC Chair writes to new Minister for Lands (Saffioti) seeking meeting on this matter.</p>
19/09/2017	<p>Letter of response from Min Saffioti to March letter. Letter indicates that:</p> <ul style="list-style-type: none"> <li>• Reserve Bill is required;</li> <li>• DPLH consulting with DBCA and Parliamentary Counsel office re resource requirements, processes and priorities to progress Reserve Bill;</li> <li>• Change of use from National Park to developable land likely to trigger Future Act provisions of Native Title Act;</li> <li>• SW Native Title Settlement is (was) being negotiated. Initiating separate Future Act process was not considered appropriate at that time;</li> <li>• DPLH to arrange meeting with TPRC to discuss process/timeframes.</li> </ul>
19/04/2018	<p>Letter from Minister for Lands (Min Saffioti) to Member for Balcatta in response to his letter advocating on behalf of TPRC. Letter advises that:</p> <ul style="list-style-type: none"> <li>• Excision will be done via an Omnibus Bill;</li> <li>• Exact list of amendments to be included in Omnibus Bill were being determined.</li> </ul>
12/02/2020	<p>Letter from Minister for Lands (Min Wyatt) to Member for Balcatta in response to his letter (dated 20/12/2019) advocating on behalf of TPRC. Letter advises that:</p> <ul style="list-style-type: none"> <li>• Progress has been made including approvals and production of plans;</li> </ul>

	<ul style="list-style-type: none"> <li>• Cabinet Submission expected shortly which will seek support to draft and introduce a suitable Reserve Bill into Parliament (inc. Neerabup excision);</li> <li>• DPLH to work with DBCA to expedite the matter, noting that drafting priorities are assigned by cabinet on the advice of the Legislation Standing Committee of Cabinet.</li> </ul>
Throughout H1 2022	Former CEO of TPRC, Jon Morellini, held discussions with DPLH Officer on this matter. Advised that the matter is 'ready to go' but needs to be prioritised to get on the legislative agenda.
05/10/2022	CEO emails Assistant Director General, DPLH seeking advice on the most expedient method to progress this matter.
12/10/2022	Advice from Assistant Director General, DPLH to TPRC CEO that: <ul style="list-style-type: none"> <li>• Government needs to prioritise the draft of a Reserve Bill which, with the currently legislative agenda, is problematic;</li> <li>• DPLH has done the 'leg work' to prepare for drafting priority but availability of parliamentary drafters and legislative space remain a challenge.</li> </ul>
12/10/2022	TPRC CEO requests a meeting with Minister for Land, Min Carey, to discuss this matter.
09/11/2022	TPRC Chair and CEO meet with Minister to discuss the matter. Key feedback from the Minister was: <ul style="list-style-type: none"> <li>• The State's legislative agenda is full of proposed Bills that are a very high priority for the Labor State Government;</li> <li>• While the Minister acknowledged the commitment to sell the land to TPRC, introducing the Reserve Bill is not a high priority for government and is unlikely to be progressed in the short/medium term.</li> </ul>

The TPRC needs to consider how and if it wishes to pursue this matter. When considering this issue, the following factors should be contemplated:

1. **TPRC Strategy:** The TPRC's Strategic Community Plan (SCP) lists five objectives. These can be summarised as:
  - a) Providing diverse housing options;
  - b) High quality environmental management and innovation in sustainability;
  - c) Developing a connected, inclusive, safe and healthy community;
  - d) Maximising financial returns to members;
  - e) Strong leadership, good governance and responsible decision making.

It is considered that these objectives can be achieved irrespective of whether Part Lot 711 is acquired or not.

2. **Need/Strategic Importance of the Land:** Current staging plans for the development of the Catalina Green Estate has the TPRC starting development on areas within Lot 711 in approximately two years (i.e. late 2024). While developing the land as proposed is considered orderly and sequential development of the site, if required, staging plans could be modified relatively easily to accommodate development of other areas of Catalina and a quality, connected development could still occur.

3. **Cost/Profit:** While a detailed financial analysis or business case for the development of Part Lot 711 has not been completed, the following high-level summary outlines the potential financial returns.

<b>Expenditure</b>	<b>\$</b>
Land Acquisition (10 ha @ average of \$1M/ha) *	10,000,000
Lot Development Costs (130 lots @ \$100K/ lot) **	13,000,000
<b>Total Expenditure</b>	<b>23,000,000</b>
<b>Income</b>	
Nett Sales Income (130 lots x \$200K/lot)	26,000,000
<b>Total Income</b>	<b>26,000,000</b>
<b>Nett Profit</b>	<b>3,000,000</b>

\* Estimated current market value is \$1.2M/ha. Discount applied as portion of site is unable to be developed.

\*\* Current estimated per lot production in Catalina Green is \$96K/lot

4. **Reputational Risk:** Actively pursuing the acquisition of the land at a time when the State Government has indicated that it is not a priority may negatively impact on the TPRC's reputation with the State Government (and subsequently the Member Councils' reputations).

Given the above, three alternative options on how the TPRC Council may wish to pursue this matter are listed below:

**Option 1: Advocate**

Vigorously advocate/lobby for the introduction of a Reserve Bill or Omnibus Bill through State Parliament to facilitate the acquisition of Part Lot 711.

**Option 2: Defer**

Defer actively seeking the acquisition of Part Lot 711 in the short/medium term and modify Catalina Green staging plans with a focus on development of areas outside of that land envelope.

**Option 3: Terminate Proposal/s to Acquire Land**

Cease all activity relating to the acquisition of Part Lot 711 on the basis that:

- The TPRC's Objectives can be achieved irrespective of whether the land is acquired/developed or not;
- The likely financial returns are marginal; and/or
- There is no clear pathway/timeline for acquisition and/or development of the site.

Based on the information currently available, the approach listed in Option 2 above is recommended by TPRC administration.

## **CONCLUSION**

While it has been a relatively peripheral issue for the TPRC, the potential acquisition of Lot 711 from the State Government is increasingly becoming a key strategic issue for the TPRC. While all parties have agreed to the proposed acquisition and significant pre-work has been completed, a Reserve Bill needs to pass through both houses of State Parliament in order to facilitate this transaction. Feedback from the Minister for Land is that this is unlikely to occur in the short/medium term. The TPRC Council needs to consider if/how it wishes to pursue this matter.

8. ELECTED MEMBERS MOTIONS OF WHICH NOTICE HAS BEEN GIVEN
9. QUESTIONS BY ELECTED MEMBERS OF WHICH DUE NOTICE HAS BEEN GIVEN
10. URGENT BUSINESS APPROVED BY THE CHAIR
11. GENERAL BUSINESS
12. DECISION TO MOVE TO CONFIDENTIAL SESSION

**That the Management Committee:**

Move into Closed Session and exclude members of the press and public from the meeting of the Closed Session and access to the correspondence and reports relating to the items considered during the course of the Closed Session be withheld. This action is taken in accordance with Section 5.23 of the *Local Government Act 1995*.

**12.1 TPRC LANDHOLDING AND OWNERSHIP UPDATE**

- (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and*
- (e) *(ii) a matter that if disclosed, would reveal information that has a commercial value to a person.*

**12.2 MINDARIE REGIONAL COUNCIL GROUNDWATER MONITORING UPDATE**

- (d) *legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting*

**13. FORMAL CLOSURE OF MEETING**

# APPENDICES

# Appendix 7.1

**LANDSCAPING WORKS STATUS – as at 31 October 2022**

<b>Landscape Works</b>	<b>FYE 2023 Budget</b>	<b>Detailed Design</b>	<b>City of Wanneroo Approval</b>	<b>Construction Commencement</b>	<b>Anticipated Completion</b>	<b>Comments</b>
Foreshore Access Road and Carpark	\$528,802	Complete	Issued	Commenced	Complete	<ul style="list-style-type: none"> <li>• Second stage of revegetation has been completed.</li> </ul>
Portofino Promenade Extension	\$1,090,493	Complete	Issued	August 2022	December 2022	<ul style="list-style-type: none"> <li>• Mature transplants and walls installed.</li> <li>• Reticulation main line completed.</li> <li>• Paving in progress.</li> </ul>
Catalina Beach Park- Phase 2	\$702,722	Complete	Issued	November 2022	March 2023	<ul style="list-style-type: none"> <li>• Earthworks completed as part of Stage 29 civil works.</li> <li>• Landscaping works awarded to LD Total – commencing late November 2022.</li> </ul>
Foreshore Park	\$4,689,465	Complete	To be Obtained	March 2023	April 2023	<ul style="list-style-type: none"> <li>• Landscaping design finalised – submission to City of Wanneroo is pending resolution of urban water management plan requirements. Meeting with City scheduled for 2/11/22.</li> </ul>
Connolly Drive/Aviator Boulevard Roundabout and Entry Statement	\$1,303,148	Complete	Issued	Commenced	December 2022	<ul style="list-style-type: none"> <li>• Landscaping works have resumed in October 2022 after being delayed due to reticulation water pressure issues associated with Drimmie Park bore. Bore and iron filter servicing has resolved pressure issues.</li> <li>• Entry Statement walls complete.</li> <li>• Paths and tree planting in progress.</li> </ul>
Aviator Boulevard Greenlink	\$2,049,665	Complete	Issued	Commenced	September 2022	<ul style="list-style-type: none"> <li>• Landscaping completed.</li> </ul>
Catalina Green Phase 1 Park, Streetscapes and Entry Statements	\$4,008,351	Complete	Pending	January 2023	May 2023	<ul style="list-style-type: none"> <li>• Designs lodged with the City of Wanneroo.</li> </ul>



Halloween at Catalina estate took place from 4pm - 7pm on Sunday 30 October 2022.

Catalina residents were invited to Trick or Treat through the estate, then join their neighbours for a community sausage sizzle, kids' activities and games at Drimmie Park. Each home received an event flyer with the reverse side designed to be placed on the letterbox or front door to signify that trick or treaters were welcome.

The objective of the event was to encourage socialisation and celebrate Halloween by way of a neighbourhood connection activity.

#### Event summary:

- Zero safety incidents
- Over 100 residents attended (against a KPI of 40 residents as per agreed contract deliverables)
- Quinns Men's Shed ran the community sausage sizzle, which was particularly popular
- Strong eDM engagement:
  - Invite eDM: 1,176 opens (36.82% open rate)
  - Real Estate Industry average open rate is 21.04%
  - 102 event responses for event on Residents Facebook page
- The event was designed to be easy to organise and run so that it could be resident-led. Several residents in the community were identified and approached, however their initial interest declined and they did not want to become involved.
- The Catalina Residents Facebook page admin asked for interested residents to come forward however despite there being a lot of interest in attending the event, no one volunteered to assist beforehand or on the day.



# Appendix 7.2

2 November 2022

Mr Chris Adams  
Chief Executive Officer  
Tamala Park Regional Council  
PO Box 655  
INNALOO WA 6918

Dear Chris

### **Catalina Financial Report for September 2022**

Please find attached the Catalina Financial Report for September 2022. This report has been prepared on a cash basis and compares actual income and expenditure to the September 2022 approved budget for the period 1 September 2022 to 30 September 2022.

YTD settlement revenue for FY2023 was \$6.75m which is \$2.88m favorable to the approved 'June 2022' budget due to 8 more settlements.

Year to date Sales for FYE2023 was \$4.93m and \$10.11m unfavourable to budget due to 29 less residential sales than budget.

Overall year to date expenditure for FYE2023 is \$7.02m below budget per the approved 'June 2022' budget, with \$5.85m spent against a budget of \$12.87m. The main areas of variances are summarised below:

- Lot Production (excl. Bonds) is \$4.65m under budget, noting the following variances:
  - Stages 32-35 Earthworks \$10k under budget due to timing of invoice payments;
  - Stages 36-37 Earthworks \$211k under budget due to savings;
  - Stage 18C \$931k under budget due to delayed works and extended contract duration;
  - Stage 27B \$58k under budget due to savings;
  - Stage 29 \$881k under budget due to delayed works and extended contract duration;
  - Stage 30 \$83k over budget due to delayed works budgeted for FY22;
  - Stage 31 \$22k under budget due to minor variances from delays of civil design;
  - Stage 36 \$2.04m under budget due to delayed works and extended contract duration;
  - Stage 37 \$517k under budget due to delayed commencement of works;
  - Stage 38 \$68k under budget due to minor variances from delays of civil design;
- Landscaping is \$2.71m under budget, noting the following variances:
  - Preliminary landscaping consultancy \$280k under budget due to delayed designs and construction;
  - Environmental landscaping \$34k under budget due to minor timing variances;
  - Central Connolly Drive \$649k under budget due to works delayed until bore matter is resolved;
  - Central Green Link \$419k under budget due to works being delayed - extended civil works program requiring completion;
  - Beach Display Village Verge \$7k over budget - timing variance;

- Beach Portofino Verge South \$516k under budget – delayed works due to overstretched contractors’ capacity causing delays on site;
- Beach Park 2 \$231k under budget due to delays in civil works program in stage 29;
- Beach foreshore POS area 1 \$458k under budget due to works being delayed until UWMP matters with CoW is resolved;
- Beach foreshore access Area 1 \$89k over budget due to timing of works;
- Beach Mallaca Way Medians \$22k under budget due to timing of works;
- Beach Bore & pump \$34k under budget due to timing of works;
- Green Neerabup Road Phase 1 \$97k under budget due to works being delayed - extended civil works program requiring completion;
- Green Connolly Drive Phase 1 \$152k over budget due to timing of works ahead of budget;
- Green POS 1 \$206k under budget due to works being delayed - extended civil works program requiring completion;
- Green POS 2 \$15k over budget due to timing of works;
- Beach Mews Rd \$26k under budget due to timing of works;
- Infrastructure Spend is \$373k under budget, noting the following variances:
  - Foreshore Access Road \$10k under budget due to final contract below budget;
  - Portofino Extension \$133k under budget due to final contract below budget;
  - Longreach Prom Extension \$207k under budget due to overstretched contractors’ capacity causing delays on site;
  - Rubbish Removal \$23k under budget due to unrequired works;
- Clearance bonds are \$1.95m unfavourable to budget – timing.
- Indirect Consultants are \$69k under budget - timing.
- Special site – Stage 17B GHS are \$33k under budget due to timing of works.
- P&L expenditure is \$1.13m under budget, noting the following variances:
  - Sales & Marketing is \$45k under budget due to timing of spend;
  - Community and Development \$56k under budget due timing of spend;
  - Maintenance \$127k under budget due to timing of spend;
  - Audit & Tax \$19k under budget due to timing of spend;
  - Legal Fees \$13k under budget – no spend required at present;
  - Contingency \$619k under budget – not required
  - Rates & taxes \$228k under budget – savings may be required during the years;
  - Security \$9k under budget – no spend required at present;
  - \$14k over budget - combined minor variances for other Overheads.

Please refer to the attached Cashflow Analysis for a more detailed analysis of actual to budget variances. Should you have any queries on this report, please do not hesitate to contact me.

Yours faithfully



**Ross Carmichael**  
General Manager Finance

Catalina Actual vs Budget Analysis

Tamala Park Cashflow FY2023		MONTH - September 2022		
Job Description	Account Description	MTH ACT Sep 2022	MTH BUD Sep 2022	Variance
<b>REVENUE</b>				
Settlements	Settlement revenue	615,000	1,158,857	(543,857)
Margin GST	Margin GST	(5,873)	(13,808)	7,935
Direct Selling Costs		(27,717)	(52,810)	25,093
Interest Income		0	0	0
Rebate Allowance		(33,885)	(231,152)	197,266
		<b>547,525</b>	<b>861,088</b>	<b>(313,563)</b>
<b>LOT PRODUCTION</b>				
Earthworks Stages 32-35	Direct Consultants	0	3,400	3,400
<b>Total Earthworks Stage 32-35</b>		<b>0</b>	<b>3,400</b>	<b>3,400</b>
Earthworks Stages 36-37	Siteworks / Earthworks	0	0	0
<b>Total Earthworks Stage 36-37</b>		<b>0</b>	<b>0</b>	<b>0</b>
Stage 18C	Siteworks / Earthworks	174,668	421,215	246,547
	Authorities Fees	179,912	0	(179,912)
	Direct Consultants	4,173	10,881	6,708
<b>Total Stage 18C</b>		<b>358,754</b>	<b>432,096</b>	<b>73,343</b>
Stage 27B	Siteworks / Earthworks	0	0	0
	Authorities Fees	0	0	0
Stage 27B	Direct Consultants	500	0	(500)
<b>Total Stage 27B</b>		<b>500</b>	<b>0</b>	<b>(500)</b>
Stage 29	Siteworks / Earthworks	288,561	441,792	153,230
	Direct Consultants	18,245	13,320	(4,925)
<b>Total Stage 29</b>		<b>306,806</b>	<b>455,111</b>	<b>148,305</b>
Stage 30	Siteworks / Earthworks	48,925	0	(48,925)
	Direct Consultants	5,126	0	(5,126)
<b>Total Stage 30</b>		<b>54,051</b>	<b>0</b>	<b>(54,051)</b>
<b>Total Stage 31</b>	Direct Consultants	<b>60,227</b>	<b>36,555</b>	<b>(23,672)</b>
Stage 36	Siteworks / Earthworks	546,800	839,070	292,270
	Authorities Fees	1,320	0	(1,320)
Stage 36	Direct Consultants	13,353	16,078	2,725
<b>Total Stage 36</b>		<b>561,473</b>	<b>855,148</b>	<b>293,675</b>
Stage 37	Siteworks / Earthworks	0	490,167	490,167
	Authorities Fees	533	0	(533)
	Direct Consultants	25,641	26,659	1,018
<b>Total Stage 37</b>		<b>26,174</b>	<b>516,826</b>	<b>490,652</b>
<b>Total Stage 38</b>	Direct Consultants	<b>0</b>	<b>23,427</b>	<b>23,427</b>
Various Stages	Clearance Bonds	976,781	665,012	(311,769)
<b>TOTAL LOT PRODUCTION</b>		<b>2,344,766</b>	<b>2,987,576</b>	<b>642,810</b>
<b>LANDSCAPING</b>				

YEAR TO DATE - September 2022		
YTD ACT Sep 2022	YTD BUD Sep 2022	Variance
6,755,000	3,871,571	2,883,429
(64,838)	(45,853)	(18,985)
(302,399)	(176,413)	(125,986)
658	0	658
(84,098)	(374,421)	290,323
<b>6,304,323</b>	<b>3,274,884</b>	<b>3,029,439</b>
0	10,134	10,134
0	10,134	10,134
0	210,958	210,958
0	210,958	210,958
353,545	1,255,296	901,751
225,587	237,082	11,495
14,806	32,427	17,621
<b>593,938</b>	<b>1,524,805</b>	<b>930,867</b>
12,000	0	(12,000)
0	71,264	71,264
1,250	0	(1,250)
<b>13,250</b>	<b>71,264</b>	<b>58,014</b>
456,842	1,325,375	868,532
27,491	39,695	12,205
<b>484,333</b>	<b>1,365,070</b>	<b>880,737</b>
63,107	0	(63,107)
20,297	0	(20,297)
<b>83,404</b>	<b>0</b>	<b>(83,404)</b>
87,121	108,940	21,819
<b>87,121</b>	<b>108,940</b>	<b>21,819</b>
850,056	2,500,575	1,650,520
351,039	725,966	374,927
34,703	47,916	13,213
<b>1,235,798</b>	<b>3,274,457</b>	<b>2,038,660</b>
0	490,167	490,167
533	0	(533)
52,503	79,450	26,947
<b>53,036</b>	<b>569,617</b>	<b>516,581</b>
2,020	69,817	67,797
<b>2,020</b>	<b>69,817</b>	<b>67,797</b>
<b>1,826,111</b>	<b>(123,255)</b>	<b>(1,949,366)</b>
<b>4,379,010</b>	<b>7,081,807</b>	<b>2,702,797</b>

Bud Comparison: Jun 22 Approved	
Comments regarding variance	
18 settlements YTD ex GST Margin scheme. GST Margin as detailed in Burgess Rawson valuations Includes Commission and Management Fees Penalty interest income on settlements Construction Recycling, Fencing, Landscape, Shared Bore, Solar, and Display Builder Rebates	
minor variance - invoice timing from consultant	
budget saving - lower final contract value	
YTD under budget due to delayed works and extended contract duration. Delayed works to catch-up over coming months	
budget savings - lower final contract value	
YTD under budget due to delayed works and extended contract duration. Delayed works to catch-up over coming months	
Unfavourable timing variance due to delayed works budgeted in FY22.	
YTD minor variance - delayed commencement of civil design	
YTD under budget due to delayed works and extended contract duration. Delayed works to catch-up over coming months	
YTD under budget due to delayed works. Delayed works to catch-up over coming months	
YTD minor variance - delayed commencement of civil design	
Within budget	

**Catalina Actual vs Budget Analysis**

Tamala Park Cashflow FY2023		MONTH - September 2022			YEAR TO DATE - September 2022			Bud Comparison: Jun 22 Approved
Job Description	Account Description	MTH ACT Sep 2022	MTH BUD Sep 2022	Variance	YTD ACT Sep 2022	YTD BUD Sep 2022	Variance	Comments regarding variance
Preliminary Landscaping Consultancy	Landscape Consulting	18,782	185,709	166,928	70,572	350,585	280,013	under budget - delayed designs and construction
Environmental Landscaping	Landscape Construction	23,727	43,615	19,888	95,731	129,979	34,248	under budget - minor timing variance in works
Central Connolly Drive	Landscape Construction	0	217,900	217,900	0	649,381	649,381	Works delayed until bore matters resolved
Central Green Link	Landscape Construction	0	258,045	258,045	350,418	769,020	418,601	Works delayed as result of extended civil works program requiring completion
Beach Display Village Verge	Landscape Construction	0	(0)	(0)	7,200	(0)	(7,200)	minor timing variance
Beach Portofino Verge - South	Landscape Construction	10,012	182,257	172,246	26,867	543,159	516,292	Delays on site with contractor capacity (materials and labour)
Beach Park 2	Landscape Construction	0	77,552	77,552	0	231,118	231,118	Under budget due to delays in civil works program in stage 29
Beach Foreshore POS Area 1	Landscape Construction	44,800	502,551	457,751	44,800	502,551	457,751	Works delayed as project team resolves UWMP matters with CoW
Beach Foreshore Access Area 1	Landscape Construction	24,747	37,095	12,349	199,289	110,551	(88,738)	minor timing variance
Beach Mallaca Way Medians	Landscape Construction	0	7,549	7,549	0	22,497	22,497	minor timing variance
Beach Bore, Pump & Filtration Unit	Landscape Construction	0	34,004	34,004	0	34,004	34,004	minor timing variance
Green Neerabup Road Phase 1	Landscape Construction	0	97,389	97,389	0	97,389	97,389	Works delayed due to extended civil works program requiring completion
Green Connolly Drive Phase 1	Landscape Construction	211,346	184,670	(26,677)	336,347	184,670	(151,677)	Works spend ahead of budget. Costs are still within full budget.
Green POS 1 Phase 1	Landscape Construction	0	205,848	205,848	0	205,848	205,848	Works delayed due to extended civil works program requiring completion
Green POS 1 Phase 2	Landscape Construction	0	0	0	15,446	0	(15,446)	minor timing variance
Beach Mews Rd	Landscape Construction	0	8,619	8,619	0	25,686	25,686	minor timing variance
<b>TOTAL LANDSCAPING</b>		<b>333,413</b>	<b>2,042,803</b>	<b>1,709,390</b>	<b>1,146,670</b>	<b>3,856,437</b>	<b>2,709,768</b>	Within budget
<b>INDIRECT CONSULTANTS</b>								
Planning - indirect	Planning	7,500	23,463	15,963	20,246	69,924	49,678	Within total FY23 Infrastructure budget
	Architect	1,415	794	(621)	3,965	2,366	(1,599)	
	Environmental	3,171	3,400	230	10,506	10,134	(372)	
	Geotechnical	0	661	661	0	1,969	1,969	
	Title - Survey & Legal fees	4,040	2,975	(1,065)	5,041	8,867	3,826	
	Engineering fees	7,170	5,951	(1,219)	7,563	17,734	10,172	
	Miscellaneous Consultants	0	850	850	1,616	2,533	917	
	Planning - fire & safety	0	213	213	2,500	633	(1,867)	
	Planning - Hydrology	375	2,465	2,090	735	7,345	6,610	
	Planning - Sustainability	3,500	1,181	(2,319)	3,500	3,520	20	
	Acoustic & Noise Consult	0	85	85	0	252	252	
<b>TOTAL INDIRECT CONSULTANTS</b>		<b>27,171</b>	<b>42,038</b>	<b>14,867</b>	<b>55,672</b>	<b>125,279</b>	<b>69,607</b>	Within budget

**Catalina Actual vs Budget Analysis**

Tamala Park Cashflow FY2023		MONTH - September 2022		
Job Description	Account Description	MTH ACT Sep 2022	MTH BUD Sep 2022	Variance
<b>INFRASTRUCTURE</b>				
Foreshore Access Road		0	0	0
Portofino Extension		0	0	0
Portofino Extension		0	0	0
Longreach Prom Extension		0	193,417	193,417
Longreach Prom Extension		0	0	0
Rubbish removal - General Allowance		0	7,633	7,633
<b>INFRASTRUCTURE</b>		<b>0</b>	<b>201,051</b>	<b>201,051</b>
<b>INFRASTRUCTURE REFUNDS</b>				
<b>TOTAL INFRASTRUCTURE</b>		<b>0</b>	<b>201,051</b>	<b>201,051</b>
<b>SPECIAL SITES &amp; FIXED ASSETS</b>				
Stage 17B GHS - Lot 341		0	33,494	33,494
<b>TOTAL SPECIAL SITES &amp; FIXED ASSETS</b>		<b>0</b>	<b>33,494</b>	<b>33,494</b>
<b>TOTAL CONSTRUCTION</b>		<b>2,705,350</b>	<b>5,306,962</b>	<b>2,601,612</b>
<b>LAND</b>				
		0	0	0
<b>PROFIT &amp; LOSS EXPENDITURE</b>				
<b>Sales &amp; Marketing</b>				
	Brand Development	3,500	4,167	667
	Sales Office & Builder Rel.	0	11,667	11,667
	Brochures	0	3,500	3,500
	Advertising	6,558	10,667	4,108
	Signage	0	10,833	10,833
	Website	0	1,667	1,667
	Promotions	0	833	833
	Public Relations	0	1,667	1,667
<b>Total Sales and Marketing</b>		<b>10,058</b>	<b>45,000</b>	<b>34,942</b>
<b>Total Community Development</b>	<b>Comm Dev - Resident Dev</b>	<b>1,649</b>	<b>22,125</b>	<b>20,476</b>

YEAR TO DATE - September 2022		
YTD ACT Sep 2022	YTD BUD Sep 2022	Variance
0	9,921	9,921
0	110,840	110,840
0	22,294	22,294
500	193,417	192,917
0	14,353	14,353
0	22,748	22,748
500	373,574	373,074
500	373,574	373,074
0	33,494	33,494
0	33,494	33,494
5,581,852	11,470,591	5,888,739
0	0	0
3,500	12,500	9,000
346	35,000	34,655
4,800	10,500	5,700
35,022	32,000	(3,022)
39,951	32,500	(7,451)
6,869	5,000	(1,869)
0	2,500	2,500
0	5,000	5,000
90,487	135,000	44,513
10,184	66,375	56,191

Bud Comparison: Jun 22 Approved	
Comments regarding variance	
	budget savings - lower final contract value
	budget savings - lower final contract value
	budget savings - lower final contract value
	under budget as result of contractor capacity and delayed works
	under budget as result of contractor capacity and delayed works
	savings as works not required
	Within budget
	Within budget
	YTD under budget due to delayed works. Delayed works to catch-up over coming months
	Within budget
	Within budget
	Within budget
	Within budget

**Catalina Actual vs Budget Analysis**

Tamala Park Cashflow FY2023		MONTH - September 2022			YEAR TO DATE - September 2022			Bud Comparison: Jun 22 Approved
Job Description	Account Description	MTH ACT Sep 2022	MTH BUD Sep 2022	Variance	YTD ACT Sep 2022	YTD BUD Sep 2022	Variance	Comments regarding variance
Adminstration	Audit and Tax	420	20,403	19,983	1,078	20,403	19,325	Timing variance
	Cleaning	840	1,020	180	2,730	3,040	310	
	Computer Costs	0	510	510	0	1,520	1,520	
	Couriers	0	306	306	0	912	912	
	Electricity & Gas	0	1,020	1,020	1,417	3,040	1,623	
	Insurance	0	510	510	0	1,520	1,520	
	Legal fees	0	4,251	4,251	0	12,667	12,667	Remaining budget may be utilised during the year as required
	Licenses & Fees	1,370	510	(860)	2,271	1,520	(751)	
	Postage, Print & Stationery	0	510	510	0	1,520	1,520	
	Rent - Sales Office & Cprk	0	0	0	0	0	0	
	Sundry Office Expenses	0	1,530	1,530	0	4,560	4,560	under budget as result of works not required
	Telephone	0	0	0	0	0	0	
	Training	0	2,125	2,125	0	6,334	6,334	under budget as result of works not required
	Travel & Accommodation	0	0	0	0	0	0	
	Valuations	1,350	3,400	2,050	5,050	10,134	5,084	Timing variance. Remaining budget may be utilised during the year.
	Rates & Taxes	6,137	250,647	244,509	23,030	250,647	227,617	Remaining budget may be utilised during the year as required
	Maintenance	40,425	86,099	45,675	129,805	256,591	126,786	Remaining budget may be utilised during the year as required
Maint- Carpark Makegood	0	0	0	0	0	0		
Security	0	3,060	3,060	0	9,121	9,121	under budget as works not required to date	
<b>Total Administration</b>		<b>50,543</b>	<b>375,902</b>	<b>325,360</b>	<b>165,381</b>	<b>583,529</b>	<b>418,148</b>	Within budget
Finance	Bank Charges - Comm Bills	0	0	0	0	0	0	
Finance	Contingency	0	254,249	254,249	0	618,938	618,938	under budget as contingency not required to thus far.
	Contingency Offset Transfer	0	0	0	0	0	0	
<b>Total Finance</b>		<b>0</b>	<b>254,249</b>	<b>254,249</b>	<b>0</b>	<b>618,938</b>	<b>618,938</b>	
<b>Total P&amp;L Expenditure</b>		<b>62,250</b>	<b>697,276</b>	<b>635,026</b>	<b>266,052</b>	<b>1,403,842</b>	<b>1,137,790</b>	
<b>Grand Expense Total</b>		<b>2,767,599</b>	<b>6,004,238</b>	<b>3,236,639</b>	<b>5,847,904</b>	<b>12,874,433</b>	<b>7,026,529</b>	Within budget

(2,220,074)    
 (5,143,150)    
 2,923,076    
 456,419    
(9,599,549)    
 10,055,968

**Contingency Summary**

YTD Budget	618,938
Contingency Transferred (Actual & Budget)	0
Contingency not yet used	<u>618,938</u>

List of Contingency items transferred year to date

<u>Period</u>	<u>Job Description</u>	<u>Amount</u>
		<u>0</u>

**Budget Transfers**

List of Budget items transferred year to date

<u>Period</u>	<u>Job Description</u>	<u>Amount</u>
		<u>0</u>

Note: Actual Contingency spend in prior years is reported against the job that the spend relates to.

**1.0 Management Accounts**

**1.1 KEY STATISTICS**

<b>1.1.1 RESIDENTIAL LOTS &amp; DISTRIBUTIONS</b>								
	<u>Lots Produced (titles)</u>		<u>Sales</u>		<u>Settlements</u>		<u>Distributions</u>	
	<u>Actual</u>	<u>Budget</u> (Jun-22)	<u>Actual</u>	<u>Budget</u> (Jun-22)	<u>Actual</u>	<u>Budget</u> (Jun-22)	<u>Actual</u>	<u>Budget</u> (Jun-22)
Prior Years	1,138	1,138	1,200	1,223	1,112	1,104	97,000,000	97,000,000
Jul-2022	-	-	7	14	10	2	-	-
Aug-2022	-	-	2	15	6	5	-	-
Sep-2022	-	85	6	15	2	3	-	-
Sep Qtr	-	85	15	44	18	10	-	-
Oct-2022	-	-	-	15	-	27	-	-
Nov-2022	-	-	-	15	-	23	-	-
Dec-2022	-	-	-	15	-	10	-	10,000,000
Dec Qtr	-	-	-	45	-	60	-	10,000,000
Jan-2023	-	48	-	15	-	7	-	-
Feb-2023	-	43	-	15	-	7	-	-
Mar-2023	-	-	-	15	-	19	-	-
Mar Qtr	-	91	-	45	-	33	-	-
Apr-2023	-	-	-	15	-	26	-	-
May-2023	-	-	-	15	-	22	-	-
Jun-2023	-	66	-	13	-	21	-	10,000,000
Jun Qtr	-	66	-	43	-	69	-	10,000,000
<b>PTD</b>	<b>1,138</b>	<b>1,223</b>	<b>1,215</b>	<b>1,267</b>	<b>1,130</b>	<b>1,114</b>	<b>97,000,000</b>	<b>97,000,000</b>
Full 2022/23 Year	-	242	15	177	18	172	-	20,000,000
2023/24	-	128	-	159	-	209	-	20,000,000
2024/25	-	191	-	136	-	149	-	17,000,000

- There was 6 sales and 2 settlements for September.

**1.2 Sales & Settlements**

	<u>MTH Act</u>	<u>MTH Bgt</u> (Jun-22)	<u>YTD Act</u>	<u>YTD Bgt</u> (Jun-22)	<u>PTD Act</u>	<u>PTD Bgt</u> (Jun-22)
<b>Residential</b>						
- Sales #	6	15	15	44	1,215	1,267
- Sales \$	1,737,000	5,336,670	4,933,500	15,048,344	334,738,000	351,780,750
- Sales \$/lot	289,500	355,778	328,900	342,008	275,505	277,649
- Settlements #	2	3	18	10	1,130	1,114
- Settlements \$	615,000	1,158,857	6,755,000	3,871,571	312,109,500	305,905,071
- Settlements \$/lot	307,500	386,286	375,278	387,157	276,203	274,601
<b>Special Sites</b>						
- Sales #	-	-	1	-	5	4
- Sales \$	-	-	7,150,000	-	10,922,000	3,772,000
- Sales \$/lot	-	-	7,150,000	-	2,184,400	943,000
- Settlements #	-	-	-	-	4	4
- Settlements \$	-	-	-	-	3,772,000	3,772,000
- Settlements \$/lot	-	-	-	-	943,000	943,000
<b>Lots Under Contract</b>						
- Unsettled sales #	85			1	Titled	
- Unsettled sales \$	22,628,500			84	1,141 incl. Spec sites	
- Unsettled sales \$/lot	266,218					

**1.3 Cashflow - MTD Actuals to budget**

	<u>MTD Act</u>	<u>MTD Bgt</u> <i>(Jun-22)</i>	<u>Variance</u>
<b><u>Income</u></b>			
Settlement Revenue	615,000	1,158,857	(543,857)
Margin GST	(5,873)	(13,808)	7,935
Direct selling costs	(27,717)	(52,810)	25,093
Interest Income	-	-	-
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(33,885)	(231,152)	197,266
	<u>547,525</u>	<u>861,088</u>	<u>(313,563)</u>
<b><u>Development costs</u></b>			
WAPC Land Acq.	-	-	-
Lot production	1,367,985	2,010,795	642,810
Clearance Bonds	976,781	976,781	-
Landscaping	333,413	2,042,803	1,709,390
Consultants	27,171	42,038	14,867
Infrastructure	-	201,051	201,051
Special Sites	-	33,494	33,494
	<u>2,705,350</u>	<u>5,306,962</u>	<u>2,601,612</u>
<b><u>Overheads</u></b>			
Sales & marketing	10,058	45,000	34,942
Community Develop.	1,649	22,125	20,476
Administration	50,543	375,902	325,360
Finance/Contingency	-	254,249	254,249
	<u>62,250</u>	<u>697,276</u>	<u>635,026</u>
<b>Net Cashflow</b>	<b><u>(2,220,074)</u></b>	<b><u>(5,143,150)</u></b>	<b><u>2,923,076</u></b>

**1.4 Cashflow - YTD Actuals to budget**

	<u>YTD Act</u>	<u>YTD Bgt</u> <i>(Jun-22)</i>	<u>Variance</u>
<b><u>Income</u></b>			
Settlement Revenue	6,755,000	3,871,571	2,883,429
Margin GST	(64,838)	(45,853)	(18,985)
Direct selling costs	(302,399)	(176,413)	(125,986)
Interest Income	658	-	658
Forfeited Deposits	-	-	-
Other Income	-	-	-
Rebate Allowance	(84,098)	(374,421)	290,323
	<u>6,304,323</u>	<u>3,274,884</u>	<u>3,029,439</u>
<b><u>Development costs</u></b>			
WAPC Land Acq.	-	-	-
Lot production	2,552,899	7,205,062	4,652,163
Clearance Bonds	1,826,111	(123,255)	(1,949,366)
Landscaping	1,146,670	3,856,437	2,709,768
Consultants	55,672	125,279	69,607
Infrastructure	500	373,574	373,074
Special Sites	-	33,494	33,494
	<u>5,581,852</u>	<u>11,470,592</u>	<u>5,888,740</u>
<b><u>Overheads</u></b>			
Sales & marketing	90,487	135,000	44,513
Community Develop.	10,184	66,375	56,191
Administration	165,381	583,529	418,148
Finance/Contingency	-	618,938	618,938
	<u>266,052</u>	<u>1,403,842</u>	<u>1,137,790</u>
<b>Net Cashflow</b>	<b><u>456,419</u></b>	<b><u>(9,599,550)</u></b>	<b><u>10,055,969</u></b>

**1.5 Bonds**

	<u>Last Year</u>	<u>Last Month</u>	<u>This Month</u>
City of Wanneroo	823,255	1,672,585	2,649,366
	<u>823,255</u>	<u>1,672,585</u>	<u>2,649,366</u>

Bonds relate to stages 16A, 25, 27A, 27B, 30, 36, Aviator Ext St 25 & Connolly Drive early clearances.

**2.0 PROFIT & LOSS**

	<u>MTH Act</u>	<u>MTH Bgt</u>	<u>Var</u>	<u>YTD Act</u>	<u>YTD Bgt</u>	<u>Var</u>	<u>PTD Act</u>	<u>PTD Bgt</u>
		(Jun-22)			(Jun-22)			(Jun-22)
- Revenue \$ (Stlmnts)	615,000	1,158,857	(543,857)	6,755,000	3,871,571	2,883,429	312,109,500	305,905,071
- Revenue \$/lot	307,500	386,286		375,278	387,157		276,203	274,601
- Selling & GST \$	56,590	107,612	51,022	574,237	358,402	(215,835)	27,217,128	27,327,331
- Selling & GST \$/lot	28,295	35,871		31,902	35,840		24,086	24,531
- Cost of sales \$	188,216	363,470	175,254	1,797,501	1,192,913	(604,588)	108,442,927	108,025,593
- Cost of sales \$/lot	94,108	121,157		99,861	119,291		95,967	96,971
- Gross profit \$	<u>370,194</u>	<u>687,775</u>	<u>(317,582)</u>	<u>4,383,262</u>	<u>2,320,256</u>	<u>2,063,006</u>	<u>176,449,445</u>	<u>170,552,147</u>
- Gross profit \$/lot	185,097	229,258		243,515	232,026		156,150	153,099
- Gross profit Mgn %	60.19%	59.35%		64.89%	59.93%		56.53%	55.75%
- Special Sites \$	-	-	-	-	-	-	2,091,959	2,091,959
- Other income \$	-	-	-	658	-	658	287,545	286,887
- Sales & Marketing \$	13,177	117,449	104,271	99,151	352,346	253,195	2,775,770	3,252,891
- Administration \$	56,862	145,473	88,611	183,051	393,674	210,623	6,122,339	6,457,639
- Finance/Other \$	3,192	-	(3,192)	9,724	-	(9,724)	201,373	226,883
- Contingency \$	-	254,249	254,249	-	618,938	618,938	4,091	1,097,638
- Net profit \$	<b>296,963</b>	<b>170,605</b>	<b>126,358</b>	<b>4,091,995</b>	<b>955,299</b>	<b>3,136,696</b>	<b>169,725,376</b>	<b>161,895,943</b>
- Net profit \$/lot	148,481	56,868		227,333	95,530		150,199	145,328

- Year to date Gross profit is \$2.06m favourable on 8 more settlements, lot mix, favourable selling costs and cost of sales per lot.
- Year to date Overheads are \$1.07m below budget due to:
  - Marketing \$253k favourable - savings;
  - Admin \$211k favourable - timing (mainly Rates);
  - Unused Contingency \$619k.

YEAR TO DATE VERSUS FULL YEAR BUDGET

	<u>YTD Act</u>	<u>Full Year Bgt</u>	<u>Var</u>
- Revenue \$ (Stlmnts)	6,755,000	51,204,186	(44,449,186)
- Revenue \$/lot	375,278	297,699	
- Selling & GST \$	574,237	5,571,530	4,997,293
- Selling & GST \$/lot	31,902	32,393	
- Cost of sales \$	1,797,501	24,799,182	23,001,681
- Cost of sales \$/lot	99,861	144,181	
- Gross profit \$	<u>4,383,262</u>	<u>20,833,474</u>	<u>(16,450,212)</u>
- Gross profit \$/lot	243,515	121,125	
- Gross profit Mgn %	64.89%	40.69%	
- Special Sites \$	-	5,302,659	(5,302,659)
- Other income \$	658	-	658
- Sales & Marketing \$	99,151	1,409,382	1,310,231
- Administration \$	183,051	1,551,711	1,368,660
- Finance \$	9,724	-	(9,724)
- Contingency \$	-	2,426,238	2,426,238
- Net profit \$	<b>4,091,995</b>	<b>20,748,802</b>	<b>(16,656,808)</b>
- Net profit \$/lot	227,333	120,633	

**2.1 GROSS PROFIT ANALYSIS**

**Actual**

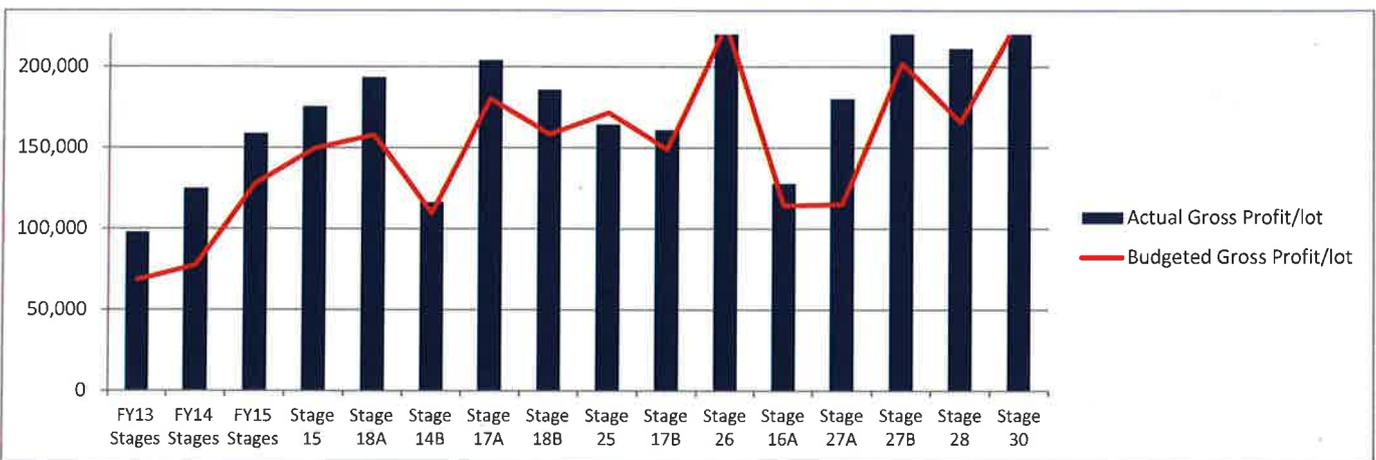
Stages	Title Issue Date	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)		Actual Gross Profit	Actual Gross Profit/lot	Actual Gross Margin %
				Direct Costs/lot	Direct Costs/lot			
Incentives Writeback				-5,276,851		5,276,851		
FY13 Stages	2012 / 2013	51,375,500	220,496	28,570,159	122,619	22,805,341	97,877	44.39%
FY14 Stages	2013 / 2014	50,325,000	243,116	24,477,309	118,248	25,847,691	124,868	51.36%
FY15 Stages	2014 / 2015	77,688,000	275,489	32,963,408	116,892	44,724,592	158,598	57.57%
Stage 15	15-Dec-15	15,444,000	280,800	5,791,567	105,301	9,652,433	175,499	62.50%
Stage 18A	27-May-16	8,626,000	297,448	3,015,429	103,980	5,610,571	193,468	65.04%
Stage 14B	28-Oct-16	2,444,000	244,400	1,281,011	128,101	1,162,989	116,299	47.59%
Stage 17A	20-Feb-17	7,774,000	310,960	2,674,295	106,972	5,099,705	203,988	65.60%
Stage 18B	13-Jun-17	8,792,000	283,613	3,035,185	97,909	5,756,815	185,704	65.48%
Stage 25	8-Aug-17	20,323,000	350,397	10,802,146	186,244	9,520,854	164,153	46.85%
Stage 17B	22-May-18	9,827,500	272,986	4,037,425	112,151	5,790,075	160,835	58.92%
Stage 26	26-Sep-19	14,125,500	371,724	5,669,441	149,196	8,456,059	222,528	59.86%
Stage 16A	25-Jan-21	4,514,000	265,529	2,344,352	137,903	2,169,648	127,626	48.06%
Stage 27A	24-Feb-21	5,946,000	312,947	2,524,375	132,862	3,421,625	180,086	57.54%
Stage 27B	20-Apr-22	9,355,000	406,739	3,973,852	172,776	5,381,148	233,963	57.52%
Stage 28	1-Sep-21	12,770,000	375,588	5,591,783	164,464	7,178,217	211,124	56.21%
Stage 30	25-May-22	12,780,000	387,273	4,185,171	126,823	8,594,829	260,449	67.25%
		<u>312,109,500</u>		<u>135,660,055</u>		<u>176,449,445</u>		

- Values for actuals are based on 'settled lots only' for the relevant stages.

**Budget**

Stages	Budget Version	Revenue	Revenue/lot	Direct Selling & COGS (incl. GST)		Budgeted Gross Profit	Budgeted Gross Profit/lot	Budgeted Gross Margin %
				Direct Costs/lot	Direct Costs/lot			
FY13 Stages	May-12	51,358,953	217,623	35,200,675	149,155	16,158,278	68,467	31.46%
FY 14 Stages	Jun-13	46,931,935	226,724	30,917,421	149,360	16,014,514	77,365	34.12%
FY 15 Stages	Aug-14	76,167,089	273,000	40,469,170	145,051	35,697,919	127,950	46.87%
Stage 15	Aug-15	15,433,000	280,600	7,203,599	130,975	8,229,401	149,625	53.32%
Stage 18A	Jun-16	8,626,000	297,448	4,048,854	139,616	4,577,146	157,833	53.06%
Stage 14B	Jun-16	2,448,087	244,809	1,352,232	135,223	1,095,855	109,585	44.76%
Stage 17A	Jun-16	9,427,756	304,121	3,845,430	124,046	5,582,326	180,075	59.21%
Stage 18B	Jun-16	8,584,690	276,925	3,677,414	118,626	4,907,276	158,299	57.16%
Stage 25	Aug-17	19,696,448	345,552	9,915,141	173,950	9,781,307	171,602	49.66%
Stage 17B	Dec-17	10,496,494	291,569	5,131,807	142,550	5,364,687	149,019	51.11%
Stage 26	Jun-19	14,347,000	377,553	5,766,060	151,738	8,580,940	225,814	59.81%
Stage 16A	Dec-20	4,498,002	264,588	2,555,841	150,344	1,942,161	114,245	43.18%
Stage 27A	Dec-20	6,251,840	312,592	3,951,378	197,569	2,300,462	115,023	36.80%
Stage 27B	Feb-22	9,345,000	406,304	4,698,534	204,284	4,646,466	202,020	49.72%
Stage 28	Jul-21	12,669,500	372,632	7,027,024	206,677	5,642,476	165,955	44.54%
Stage 30	Dec-21	13,520,000	386,286	5,434,179	155,262	8,085,821	231,023	59.81%
		<u>309,801,794</u>		<u>171,194,760</u>		<u>138,607,034</u>		

- Values for budget are based on 'total lots' for the relevant stages.



Catalina

**Finished Lots & Cost of Lots Sold calculations to 30 Sep 2022**

Title date:	Completed	Completed	7-Nov-12	7-Nov-12	28-Oct-16	20-Feb-17	13-Jun-17	8-Aug-17	8-Aug-17	8-Aug-17	22-May-18	26-Sep-19	25-Jan-21	24-Feb-21	20-Apr-22	1-Sep-21	25-May-22	TOTAL	
	Spec Sites	Resid Stages	Stage 2	Central Crill Sales Office	Stage 14B	Stage 17A	Stage 18B	Stage 25	Stage 25 Sales Office	Stage 25 GHS Lot 2170	Stage 17B	Stage 26	Stage 16A	Stage 27A	Stage 27B	Stage 28	Stage 30		
<b>Direct costs</b>																			
Civil Construction			3,312,998	89,540	633,835	795,104	794,550	4,918,686	83,280	253,163	968,747	1,231,133	932,193	707,398	901,496	2,223,532	792,261		
Siteworks			2,790,163		565,550	732,033	662,381	4,380,662	75,529	245,432	925,137	1,147,746	926,600	652,600	838,353	2,165,633	706,851		
URD Power			402,401		58,285	38,071	101,169	448,388	7,731		7,610	43,149	2,403	27,152	40,143	57,899	60,410		
Third Pipe			159,885																
General					10,000		31,000				36,000		3,790	20,000	23,000		25,000		
MATV			50,069					58,000						18,965					
Sewer headwks			209,432	5,660	51,015	116,369	136,672	261,837	4,514	4,514	174,117	183,682	101,201	113,955	138,339	196,552	213,570		
Local authority fees			161,433	4,363	1,911	6,839	10,835	35,653	615	615	12,684	12,947	28,623	17,424	6,930	14,962	9,466		
Local authority scheme costs			100,077	2,705	27,000	67,500	83,700	156,800	-	-	97,200	13,620	-	-	8,954	-	14,405		
Survey & legal fees			37,093	1,003	13,139	25,550	29,762	54,801	945	945	35,586	33,820	16,150	21,000	25,428	31,487	39,574		
Engineering fees			205,607	5,557	18,200	85,250	97,962	159,500	2,750	12,341	100,839	104,500	77,057	58,349	88,238	116,545	98,586		
Sales Office Build Cost				330,780															
Finished Goods Adjustments	31,206	1,282,787	1,044,810	28,236	11,250	25,549	39,478	220,060						82,824	14,482	16,348	32,920		
Earthworks Allocation	420,826	43,233,645	2,981,830	411,370	733,850	1,071,063	1,114,003	5,367,017	92,084	271,578	1,389,173	1,662,526	1,155,224	932,598	1,185,733	2,615,988	1,167,862		
	260,179	11,806,198	447,375	12,091	50,570	123,078	152,616	1,077,304	18,574	66,681	166,059	672,342	112,605	303,183	542,975	642,426	-		
<b>Indirect Costs</b>																			
Land																			
Infrastructure	84,898	6,012,456	265,106	7,165	70,224	235,295	282,496	620,746	7,879	31,674	351,671	521,532	176,806	245,746	511,942	381,466	731,652		
Landscape	118,628	6,518,643	333,226	9,006	154,123	495,646	594,017	1,308,860	16,613	66,785	871,324	1,270,179	409,039	568,530	975,581	725,814	1,394,271		
<b>TOTAL COST</b>	<b>884,530</b>	<b>69,570,942</b>	<b>4,027,536</b>	<b>439,633</b>	<b>1,008,767</b>	<b>1,925,082</b>	<b>2,143,132</b>	<b>8,373,927</b>	<b>135,150</b>	<b>436,718</b>	<b>2,778,227</b>	<b>4,126,579</b>	<b>1,853,674</b>	<b>2,050,057</b>	<b>3,216,231</b>	<b>4,365,704</b>	<b>3,293,785</b>		
Lots	3	769	37	1	10	25	31	58	1	1	36	38	17	20	23	34	35		
<b>COST PER LOT</b>	<b>294,843</b>	<b>90,469</b>	<b>108,852</b>	<b>439,633</b>	<b>100,877</b>	<b>77,003</b>	<b>69,133</b>	<b>144,378</b>	<b>135,150</b>	<b>436,718</b>	<b>77,173</b>	<b>108,594</b>	<b>109,040</b>	<b>102,503</b>	<b>139,836</b>	<b>128,403</b>	<b>94,108</b>		
Lots settled	3	769	37	1	10	25	31	58	-	-	36	38	17	19	23	34	33		1,134
<b>COST OF LOTS SETTLED</b>	<b>884,530</b>	<b>69,570,942</b>	<b>4,027,536</b>	<b>439,633</b>	<b>1,008,767</b>	<b>1,925,082</b>	<b>2,143,132</b>	<b>8,373,927</b>	<b>-</b>	<b>-</b>	<b>2,778,227</b>	<b>4,126,579</b>	<b>1,853,674</b>	<b>1,947,555</b>	<b>3,216,231</b>	<b>4,365,704</b>	<b>3,105,569</b>		<b>109,767,087</b>
Stage Area (m2)	10,900	261,394	6,849	320	2,926	10,128	11,236	11,236	255	1,795	13,154	15,904	6,632	6,615	9,933	13,721	13,416		
Cost per m2	81	266	588	1,374	345	190	191	745	530	243	211	259	280	310	324	318	246		
Avg lot size	3,633	340	185	320	293	405	362	194	255	1,795	365	419	390	331	432	404	383		
<b>Other cash expenditure</b>																			
Direct Selling & Proj Mgt Costs																			27,573,007
Marketing costs																			2,775,770
Administration																			6,122,339
Finance																			201,373
Contingency																			4,091
<b>TOTAL COSTS</b>																			<b>146,443,667</b>

PERIODIC ANALYSIS	Month	YTD	PTD	PY Jun-22
Lots settled	2	18	1,134	1,116
Cost of lots settled	188,216	1,797,501	109,767,089	107,969,589
Direct selling costs	58,590	574,237	27,573,007	26,998,770
Marketing costs	13,177	99,151	2,775,770	2,676,619
Administration	56,862	183,051	6,122,339	5,030,756
Finance	3,192	9,724	201,373	198,181
Contingency	-	-	4,091	-4,091
<b>TOTAL COSTS</b>	<b>318,037</b>	<b>2,663,664</b>	<b>146,443,669</b>	<b>143,778,005</b>

Catalina COGS Calc

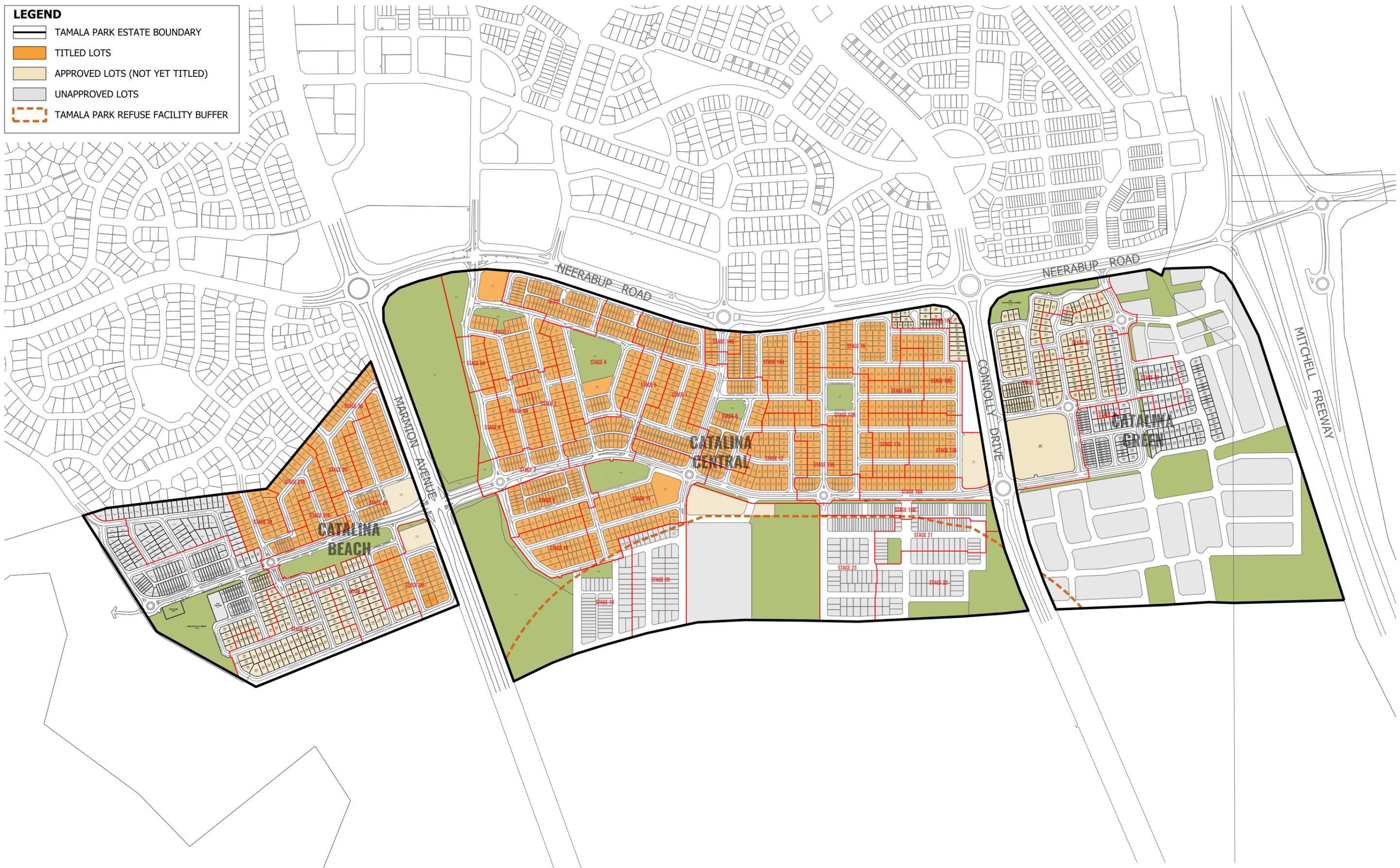
30-Sep-22

Job	Titled Date	Direct Cost	Indirect Cost	COGS Total	Lot #	Titled	Untitled	COGS/Lot	Settled Lots	PTD COGS	Per Accounts	Variance	Finished Goods	FG/Lot
140-01-001	17-Oct-2012	4,004,839	637,443	4,642,282	35	35	-	132,637	35	4,642,282	4,642,282	-	-	-
140-01-002	7-Nov-2012	3,429,204	598,332	4,027,537	37	37	-	108,852	37	4,027,537	4,027,537	-	-	-
140-01-003	14-Jan-2013	3,002,658	554,241	3,556,899	43	43	-	82,719	43	3,556,899	3,556,899	-	-	-
140-01-004	20-Mar-2013	3,371,482	800,585	4,172,067	47	47	-	88,767	47	4,172,067	4,172,067	-	-	-
140-01-005	20-May-2013	4,894,899	968,068	5,862,967	63	63	-	93,063	63	5,862,967	5,862,967	-	-	-
140-01-06A	18-Jan-2013	483,435	179,725	663,160	8	8	-	82,895	8	663,160	663,160	-	-	-
140-01-06B	19-Jan-2015	1,100,352	510,130	1,610,482	24	24	-	67,103	24	1,610,482	1,610,482	-	-	-
140-01-06C	3-Apr-2014	671,286	211,296	882,581	10	10	-	88,258	10	882,581	882,581	-	-	-
140-01-007	31-Oct-2013	4,146,749	938,488	5,085,238	63	63	-	80,718	63	5,085,238	5,085,238	-	-	-
140-01-008	16-Jan-2014	4,389,068	881,805	5,270,874	53	53	-	99,450	53	5,270,874	5,270,874	-	-	-
140-01-009	8-May-2014	4,640,905	814,395	5,455,300	51	51	-	106,967	51	5,455,300	5,455,300	-	-	-
140-01-010	8-May-2014	2,460,031	595,126	3,055,157	30	30	-	101,839	30	3,055,157	3,055,157	-	-	-
140-01-011	1-Oct-2014	4,797,823	1,320,873	6,118,696	64	64	-	95,605	64	6,118,696	6,118,696	-	-	-
140-01-012	3-Dec-2014	3,225,081	1,064,585	4,289,666	49	49	-	87,544	49	4,289,666	4,289,666	-	-	-
140-01-13A	30-Mar-2015	2,965,498	717,571	3,683,069	37	37	-	99,542	37	3,683,069	3,683,069	-	-	-
140-01-13B	11-May-2015	2,739,324	986,155	3,725,479	45	45	-	82,788	45	3,725,479	3,725,479	-	-	-
140-01-014	4-Jun-2015	3,619,629	1,347,229	4,966,858	63	63	-	78,839	63	4,966,858	4,966,858	-	-	-
140-01-015	15-Dec-2015	3,073,171	1,243,145	4,316,316	55	55	-	78,478	55	4,316,316	4,316,316	-	-	-
140-01-18A	27-May-2016	1,453,614	760,239	2,213,853	29	29	-	76,340	29	2,213,853	2,213,853	-	-	-
140-01-14B	28-Oct-2016	784,420	224,347	1,008,767	10	10	-	100,877	10	1,008,767	1,008,767	-	-	-
140-01-017	2-Feb-2017	1,194,140	730,941	1,925,081	25	25	-	77,003	25	1,925,081	1,925,081	-	-	-
140-01-18B	13-Jun-2017	1,266,620	876,513	2,143,133	31	31	-	69,133	31	2,143,133	2,143,133	-	-	-
140-02-025	8-Aug-2017	6,444,321	1,929,606	8,373,927	58	58	-	144,378	58	8,373,927	8,373,927	-	-	-
140-01-17B	22-May-2018	1,555,232	1,222,995	2,778,227	36	36	-	77,173	36	2,778,227	2,778,227	-	-	-
140-02-026	26-Sep-2019	2,334,871	1,791,711	4,126,582	38	38	-	108,594	38	4,126,582	4,126,582	-	-	-
140-01-16A	25-Jan-2021	1,267,829	585,845	1,853,674	17	17	-	109,040	17	1,853,674	1,853,674	-	-	-
140-02-27A	24-Feb-2021	1,235,782	814,276	2,050,058	20	20	-	102,503	19	1,947,555	1,947,555	-	102,503	102,503
140-02-27B	20-Apr-2022	1,728,708	1,487,523	3,216,231	23	23	-	139,836	23	3,216,231	3,216,231	-	-	-
140-02-028	1-Sep-2021	3,258,423	1,107,280	4,365,703	34	34	-	128,403	34	4,365,703	4,365,703	-	-	-
140-02-030	25-May-2022	1,757,215	2,125,923	3,293,786	35	35	-	94,108	33	3,105,569	2,917,353	188,216	188,216	94,108
140-70-001	7-Nov-2012	423,461	16,171	439,633	1	1	-	439,633	1	439,633	439,633	-	-	-
140-70-004	12-Dec-2013	20,322	41,798	62,119	1	1	-	62,119	1	62,119	62,119	-	-	-
140-70-005	8-Aug-2017	110,657	24,492	135,149	1	1	-	135,149	-	-	-	-	135,149	135,149
140-70-007	17-Oct-2012	222,150	87,611	309,761	1	1	-	309,761	1	309,761	309,761	-	-	-
140-70-008	1-Oct-2014	438,532	74,117	512,649	1	1	-	512,649	1	512,649	512,649	-	-	-
140-70-028	8-Aug-2017	338,259	98,459	436,718	1	1	-	436,718	-	-	-	-	436,718	436,718
<b>82,849,989</b>		<b>28,369,039</b>	<b>110,629,676</b>	<b>1,139</b>	<b>1,139</b>	<b>-</b>		<b>1,134</b>	<b>109,767,089</b>	<b>109,578,873</b>	<b>188,216</b>	<b>188,216</b>	<b>862,587</b>	

# Appendix 7.3

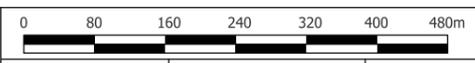
**LEGEND**

-  TAMALA PARK ESTATE BOUNDARY
-  TITLED LOTS
-  APPROVED LOTS (NOT YET TITLED)
-  UNAPPROVED LOTS
-  TAMALA PARK REFUSE FACILITY BUFFER



**ESTATE LAYOUT & STAGING PLAN**  
Catalina Estate, TAMALA PARK

Aerial supplied by:  
Aerial Date Stamp:  
Survey supplied by: MNG  
Plan Number: NPS1059 - 023  
Revision Number:  
Drawn By: JP  
Client: Tamala Park Regional Council



Scale: 1:8000 @A3 Date Issued: 05.07.2022 ©Niche Planning Studio

DISCLAIMER:  
Town Planning compliance is subject to approval from the Tamala Park Regional Council and a suitable town planner will need to be appointed.  
All Dimensions, Areas and Calculations are subject to Detailed Survey and Design before Town Planning Permit application.  
This Form is illustrative only and subject to Architectural Design and approval from an RATA qualified architect. This plan has been prepared for illustrative purposes only and should not be used as a means to judge any properties value or yield potential.

# Appendix 7.4

10 November 2022

Mr. Chris Adams  
Chief Executive Officer  
Tamala Park Regional Council  
Unit 2, 369 Scarborough Beach Road  
INNALOO WA 6019

Dear Chris,

## **Catalina FY23 Mid-Year Budget Review**

Please find attached the FY23 Mid-Year Catalina Budget Review and updated Project Forecast. The review is discussed under the following headings:

1. Market Observations
2. Budget Comparisons
3. Operations for Financial Year Ending 2023 (FY23)
4. Review of FY23
5. Key Risks for Achieving FY24 Budget
6. Review of Financial Year Ending 2024 (FY24)
7. Project Forecast
8. Scenario Analysis
9. Cash Requirement, Capital Return and Profit Distribution Capacity

### **1. Market Observations**

- › At 30 September there were 1,463 lots for sale in the Perth Greater Metro area
- › Reserve Bank interest rate rises have effectively reduced prospective buyers borrowing capacity by over \$100,000
- › Interest rate rises have been a big contributor to an increase in cancellations
- › Some builders have announced that they will now take a 6-12 month price hold
- › Share of investors as a percentage of sales has increased in the past 6-12 months
- › Supply chain issues continue with the greatest delay currently being limestone blocks. If blocks are ordered today, there is a 7-month lag until delivery
- › There have been issues with contractors and supply of ground crews resulting in a thinner spread of labour across multiple estates
- › The government METRONET projects continue to deplete stock of supplies and labour
- › Western Power delays for transformers

## 2. Budget Comparisons

Budget review and analysis in this document for all financial years compares to the FY22 Approved Budget and Project Forecast.

## 3. Operations for Financial Year Ending 2023 (FY23)

The key operations for the 2023 financial year as forecast in this review are as follows:

1. Distributions remain unchanged at \$20m, with a \$14.4m increase in the closing cash balance to \$41.3m in June 2023.
2. Forecast sales of 79 lots (a decrease of 98 lots from the approved budget).
3. Forecast settlements of 110 lots (a reduction of 62 lots from the approved budget).
4. Forecast gross income of \$36.7m.
5. 167 titles are forecast including 28 lots in stage 18C achieved in Oct-22, 48 lots in stage 36 in Nov-22, 43 lots in stage 29 and 48 lots in stage 37 forecast in Apr-23.
6. \$6.5m settlement of the Catalina Green commercial site forecast in Jan-23.
7. Total earthworks and civil construction costs for the year of \$17.8m.
8. Total infrastructure costs of \$2.0m.
9. Total landscaping of \$7.8m budgeted includes works across all precincts.

## 4. Review of FY23

This review forecasts a net cashflow before distributions of \$4.3m for the year to 30 June 2023, which is \$5.1m higher than the approved budget. The main areas of variance are summarised below:

- › Annual sales are (98) lower at 79 lots for FY23 with consecutive interest rate rises affecting loan capacity and lowering consumer confidence.
- › Following the reduction to sales and a deferral of stage timings impacting titles, the FY23 settlement forecast has been revised down to 110 lots from 172 previously. The 91 titles across stages 29 and 37 forecast in Apr-22 contribute to 23 FY23 settlements and account for \$9.1m of the total \$32.1m in lot income this financial year.
- › Direct selling expenses are \$1.3m lower driven by the reduction in settlement revenue.
- › The WAPC land acquisition has been deferred to December 2024, now forecast as one payment of \$12.3m.
- › FY23 infrastructure costs are \$1.1m lower than the approved budget due to the Catalina Green pump station being deferred to FY24/25. The \$2.0m of infrastructure now forecast includes the following key items:
  - \$0.2m in final claims for the Connolly Drive Aviator Boulevard Intersection
  - \$1.2m for the Long Beach Extension
  - \$0.4m for the Connolly Drive Scheme Underpass.

- › Overall earthworks and lot production costs are \$9.3m lower with an overall deferral of the construction programme. Key movements include:
  - (\$0.6m) in earthworks costs for stages 36-37 carried over from FY22
  - \$2.1m in stages 33-35 earthworks in Catalina Beach and \$1.3m in stages 39-40 earthworks for Catalina Green deferred to FY24
  - (\$2.2m) in civil works carried forward from FY22 across stages 27B, 29, 30 and 36
  - \$8.7m in deferred civil works across stages 31-32 and 37-40.

This mid-year review also recognises \$0.6m in realised savings for completed stages 27B and 28 previously forecast in FY22.

- › Following the deferrals in civil stages, \$7.5m in landscape works have also been deferred to FY24. Overall, \$7.8m of landscape works is now forecast, including the following key items:
  - \$1.1m of Connolly Drive works and \$0.8m of Green Link works in Catalina Central
  - In Catalina Beach, \$0.9m for the Portofino verge (Promenade Extension), \$0.5m for the Beach Park 2, \$0.7m in initial works for the Foreshore POS and \$0.3m in works to complete the Foreshore Access Area
  - In Catalina Green \$0.8m of works for Neerabup Road and Connolly Drive, \$0.9m for the first Green POS and \$0.4m for initial streetscape works
  - \$0.7m in landscape consultancy.
- › The marketing budget for FY23 is unchanged at \$0.5m and community development has been revised lower to \$150,000.
- › Movements in bonds are (\$2.5m) higher due to the changes in timings of lot production and deferred bond returns, and (\$0.8m) in higher bond amounts for stage 36 civils and stage 36 POS.

## 5. Key Risks for Achieving FY23 Budget

The following are key risks to achieving the outcomes in this review:

- › Achieving title dates and therefore settlement revenues is based on the following key assumptions:
  - General market conditions remain as expected for the forecast level of sales demand
  - Approvals are achieved within statutory timeframes or better
  - Construction contracts are awarded on engineering design prior to City of Wanneroo Approval to allow pre-ordering of material when and if required
  - Pre-award budgets are provided to the civil contractor to commence pre-work plans (traffic, safety etc) prior to the stage being awarded
  - Whilst extended construction programs have been allowed for, when compared to “normal” market conditions, no allowance has been made for extended construction periods caused by further unforeseen material, labour or approval delays

- Assumptions have been made to allow a cross-over of earthworks and civil works programs
- No allowance has been made for rock or hard digging within the program
- › Following consecutive interest rate rises, higher than expected cancellation rates due to lower borrowing capacity. This is especially relevant for stages 29 and 37 whose title dates are close to the financial year end, with any cancelled lots unlikely to re-sell and settle by June 2023.
- › Settlement of the Catalina Green Commercial site occurs as contracted - \$6.5m in Jan-23.

## 6. Review of Financial Year Ending 2024 (FY24)

This review forecasts cashflow before distributions of \$8.2m for the year to 30 June 2024, which is (\$21.3m) lower than the approved budget and Project Forecast. The high-level areas of variance are summarised below:

- › Gross income has decreased by (\$22.2m) driven by lower settlement revenue flowing from a reduction to the sales rate.
- › Overall development costs are \$0.8m lower in FY2024 than previously forecast, key items include:
  - \$5.1m WAPC land acquisition payment deferred – now one payment of \$12.3m in December 2024
  - \$1.7m reduction to lot production costs from the deferred civil program as it responds to lower sales rates
  - (\$8.1m) increase in landscape works for costs deferred from FY23
  - \$1.8m improvement in bonds due to the timing of bond returns deferred from FY23
- › Forecast distributions for FY2024 remain as previously forecast at \$20m, with the anticipated cash balance (\$7m) lower at \$29.6m.

## 7. Project Forecast

The summary outcome of the updated overall project forecast is as follows:

## CATALINA | Summary

CATEGORY	CURRENT DEC-22	APPROVED JUN-22	VARIANCE
Total Lots	2,472	2,469	3
Residential Area	830,388m <sup>2</sup>	829,806m <sup>2</sup>	583m <sup>2</sup>
Special Sites Area	72,588m <sup>2</sup>	72,306m <sup>2</sup>	282m <sup>2</sup>
<b>GROSS INCOME</b>			
Income - Lots	729,732,343	721,929,222	7,803,121
Income - Special Sites	27,578,061	27,744,277	(166,216)
Income - Other	287,545	286,887	658
Direct Selling Expenses	80,132,182	79,820,919	(311,263)
<b>GROSS INCOME</b>	<b>677,465,767</b>	<b>670,139,467</b>	<b>7,326,300</b>
<b>DEVELOPMENT COSTS</b>			
Land	12,265,200	10,206,000	(2,059,200)
Consultants	10,075,776	9,825,522	(250,254)
Infrastructure	16,144,568	16,404,514	259,946
Special Sites/Other Development	4,703,970	4,650,887	(53,083)
Lot Production	260,894,299	260,119,985	(774,314)
Landscape	63,916,539	63,428,320	(488,219)
Marketing	11,079,677	10,873,214	(206,463)
Community Development	2,534,860	2,481,378	(53,482)
Administration	25,104,045	24,054,884	(1,049,161)
Finance/Bonds	-	-	-
Contingency	13,078,447	13,323,492	245,045
<b>DEVELOPMENT COSTS</b>	<b>419,797,380</b>	<b>415,368,196</b>	<b>(4,429,184)</b>
<b>CASHFLOW</b>	<b>257,668,387</b>	<b>254,771,271</b>	<b>2,897,116</b>
Capital IRR	10.4%	10.4%	0.0%
Project IRR	16.2%	16.2%	(0.1%)
Profit on Cost	61.4%	61.3%	0.0%
Profit /Lot	104,235	103,188	1,047

## CATALINA | NPV Analysis

DISCOUNT RATE	6%	8%	10%
Current NPV of cashflows Apr-22 onwards	\$88.5m	\$79.8m	\$72.5m
Previous NPV of cashflows Apr-22 onwards	\$88.5m	\$80.3m	\$73.3m
Variance	\$0.0m	(\$0.5m)	(\$0.8m)

Overall, the project profit position has improved by \$2.9m since the Project Forecast approved in June 2022, with increases in Catalina Beach pricing (circa 5%) offsetting the impacts of a higher WAPC

land acquisition price anticipated and (\$1.0m) increase in administration costs for an extended project duration following lower FY23 sales.

Overall, the net present value (NPV) has moderated slightly at the higher discount rates due to the extended project duration.

## 8. Scenario Analysis

The table below shows the impact to FY23 and FY24 cashflows based on a change to forecast sales rates for the balance of FY23.

<b>CATALINA   Scenario Analysis</b>			
	<b>THIS REVIEW</b>	<b>HIGH</b>	<b>LOW</b>
FY23 balance sales rate	8/mth	10/mth	6/mth
<b>FY23 CASHFLOW</b>			
Gross Income	36,721,641	39,413,676	33,782,364
Development Costs	32,454,964	36,550,104	32,451,765
<b>NET CASHFLOW</b>	<b>4,266,676</b>	<b>2,863,572</b>	<b>1,330,599</b>
<b>FY24 CASHFLOW</b>			
Gross Income	38,885,713	49,584,199	41,547,083
Development Costs	30,654,134	30,636,041	26,856,730
<b>NET CASHFLOW</b>	<b>8,231,579</b>	<b>18,948,158</b>	<b>14,690,353</b>

At a higher FY23 sales rate, higher FY23 settlements are offset by brought forward construction costs in FY23 resulting in a reduction to net cashflow to \$2.9m. The increased sales however improve the FY24 position with higher settlement volumes for minimal movement in development costs.

At a lower FY23 sales rate, lower FY23 settlements reduce gross income with development costs largely unchanged with the construction program largely fixed for the balance of this financial year. Development costs reduce in FY24 as subsequent stages and landscaping are deferred.

## 9. Cash Requirement, Capital Return and Profit Distribution Capacity

This review forecasts a minimum cash balance for the project of \$35.2m in FY23, with \$10m forecast to be distributed in Dec-23 and \$10m in Apr-22.



Should you have any queries on this report, please do not hesitate to contact me.  
Yours sincerely

A handwritten signature in black ink, appearing to read 'Ross Carmichael'.

**Ross Carmichael**  
General Manager Finance

# CATALINA | FY23 Cashflow (December 2022)

CATEGORY	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	FY23 TOTAL	APPROVED JUN-22	VARIANCE
Sales - Stage 18C	3	(2)	1	(1)	1	1	1	-	-	-	-	-	4	-	4
Sales - Stage 29	-	-	2	2	1	3	1	3	3	3	3	3	24	28	(4)
Sales - Stage 30	2	1	-	(1)	1	-	-	-	-	-	-	-	3	-	3
Sales - Stage 31	-	-	-	-	-	-	-	-	-	-	-	-	-	66	(66)
Sales - Stage 36	2	-	-	(1)	3	2	1	1	-	-	-	-	8	10	(2)
Sales - Stage 37	-	3	4	1	1	2	5	4	5	5	5	5	40	48	(8)
Sales - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	25	(25)
<b>Total Sales</b>	<b>7</b>	<b>2</b>	<b>6</b>	<b>-</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>79</b>	<b>177</b>	<b>(98)</b>
Titles	-	-	-	28	48	-	-	-	-	91	-	-	167	242	(75)
Settlements	10	6	2	1	12	17	12	12	6	3	15	14	110	172	(62)
Contracts on hand	85	81	85	84	80	71	67	63	65	70	63	57	57	124	(67)
Average Settlement Price	346,000	446,667	307,500	400,000	212,320	229,902	232,673	237,276	253,975	253,975	332,778	264,365	274,810	248,457	26,353
<b>GROSS INCOME</b>															
Income - Stage 18C	-	-	-	-	2,011,200	1,805,700	798,883	793,773	-	-	-	-	5,409,557	5,563,000	(153,443)
Income - Stage 27A	-	-	-	-	-	-	395,000	-	-	-	-	-	395,000	395,000	-
Income - Stage 27B	825,000	-	-	-	-	-	-	-	-	-	-	-	825,000	-	825,000
Income - Stage 29	-	-	-	-	-	-	-	-	-	-	4,483,712	2,685,214	7,168,926	13,260,631	(6,091,705)
Income - Stage 30	2,635,000	2,680,000	615,000	400,000	-	-	45,000	-	-	-	-	-	6,375,000	10,816,000	(4,441,000)
Income - Stage 36	-	-	-	-	536,634	2,102,633	1,553,194	2,053,537	1,523,852	761,926	507,951	1,015,901	10,055,628	12,699,976	(2,644,348)
Income - Stage 37	-	-	-	-	-	-	-	-	-	-	821,520	1,094,429	1,915,949	8,469,577	(6,553,629)
Income - Stage 38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income - Lots Total	3,460,000	2,680,000	615,000	400,000	2,547,834	3,908,333	2,792,077	2,847,311	1,523,852	761,926	5,813,183	4,795,544	32,145,059	51,204,185	(19,059,125)
Income - Special Sites	-	-	-	-	-	-	6,500,000	-	-	-	-	2,601,682	9,101,682	8,952,354	149,327
Income - Other	-	658	-	-	-	-	-	-	-	-	-	-	658	-	658
Direct Selling Expenses	217,322	168,538	73,205	197,672	280,702	351,511	1,150,943	246,411	188,291	130,081	570,805	950,277	4,525,759	5,792,184	1,266,426
<b>GROSS INCOME</b>	<b>3,242,678</b>	<b>2,512,120</b>	<b>541,795</b>	<b>202,328</b>	<b>2,267,132</b>	<b>3,556,822</b>	<b>8,141,135</b>	<b>2,600,900</b>	<b>1,335,560</b>	<b>631,844</b>	<b>5,242,378</b>	<b>6,446,948</b>	<b>36,721,641</b>	<b>54,364,354</b>	<b>(17,642,714)</b>
<b>DEVELOPMENT COSTS</b>															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	5,103,000	5,103,000
Consultants	24,569	4,141	23,837	46,198	46,198	46,198	46,506	46,817	47,129	47,443	47,759	48,077	474,874	516,456	41,582
Infrastructure	500	-	-	82,482	82,482	292,852	219,304	177,342	178,524	179,714	180,912	598,388	1,992,501	3,075,722	1,083,221
Special Sites/Other Development	-	-	-	-	-	32,833	33,052	33,273	33,494	33,718	33,942	-	200,313	204,346	4,033
Catalina Beach Bulk Earthworks Stgs 33-35	-	-	-	-	-	-	-	-	-	-	-	-	-	2,113,289	2,113,289
Catalina Green Cell Bulk Earthworks Stgs 36-37	-	-	-	209,561	209,561	209,561	210,958	-	-	-	-	-	839,642	210,958	(628,684)
Catalina Green Cell Bulk Earthworks Stgs 39-40	-	-	-	-	-	-	-	-	-	-	-	-	-	1,262,242	1,262,242
Catalina Green Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	-	-	-	-	-	-	-	7,196	7,196
Scheme costs - Stages 1-18	-	-	-	-	-	-	-	-	-	-	-	333,215	333,215	344,445	11,230
Lot Production - Stage 18C	184,605	50,579	358,754	332,080	332,080	332,080	334,294	7,601	7,651	7,702	7,754	17,892	1,973,073	1,999,490	26,416
Lot Production - Stage 25	-	-	-	-	-	-	-	-	-	-	-	20,894	20,894	21,598	704
Lot Production - Stage 26	-	-	-	-	-	-	-	-	-	-	-	13,689	13,689	14,150	461
Lot Production - Stage 27A	-	-	-	-	-	-	-	-	-	-	-	7,205	7,205	7,447	243
Lot Production - Stage 27B	750	12,500	-	18,567	18,567	84,611	85,175	-	-	-	-	-	220,171	71,264	(148,907)
Lot Production - Stage 28	-	-	-	-	-	-	-	-	-	-	-	12,248	12,248	12,661	413
Lot Production - Stage 29	171,744	10,058	302,531	363,276	363,276	363,276	363,323	363,370	790,996	363,466	363,515	379,053	4,197,884	4,054,182	(143,702)
Lot Production - Stage 30	11,794	19,308	52,301	173,755	173,755	190,069	-	-	-	-	-	12,608	633,592	13,033	(620,559)
Lot Production - Stage 31	17,114	9,780	60,227	22,041	22,041	22,041	22,188	22,336	22,484	22,634	22,785	22,937	288,607	6,216,960	5,928,353
Lot Production - Stage 32	-	-	-	-	-	-	27,840	28,026	28,212	28,400	28,590	28,780	169,848	220,991	51,142
Lot Production - Stage 33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot Production - Stage 36	317,981	363,394	554,423	1,311,540	980,035	980,035	986,569	-	-	-	-	28,098	5,522,075	4,197,047	(1,325,027)
Lot Production - Stage 37	4,884	21,978	26,174	18,129	18,129	466,258	466,379	466,500	875,459	466,746	466,870	36,158	3,333,664	3,551,010	217,346
Lot Production - Stage 38	-	2,020	-	21,942	21,942	21,942	22,089	22,236	22,384	22,533	22,683	22,835	202,606	2,576,700	2,374,094
Lot Production - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	146,777	146,777
Lot Production - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	24,871	24,871
Landscape	798,748	14,508	568,704	39,275	720,739	731,739	736,617	1,021,638	876,686	465,618	605,551	1,253,454	7,833,277	15,297,204	7,463,926
Marketing	24,006	32,483	10,104	52,601	52,601	52,601	52,601	52,601	52,601	52,601	52,601	52,601	540,000	540,000	-
Community Development	8,325	-	3,119	15,395	15,395	15,395	15,395	15,395	15,395	15,395	15,395	15,395	150,000	265,500	115,500
Administration	56,705	69,483	56,862	102,783	102,783	102,783	103,469	104,158	104,853	105,552	106,255	106,964	1,122,651	1,559,225	436,574
Finance/Bonds	-	849,330	976,781	1,022,533	-	-	-	(1,860,744)	-	-	-	350,000	1,337,899	(1,123,255)	(2,461,155)
Debtor/Creditor Movement	(186,152)	(16,720)	(53,744)	-	-	-	-	-	-	-	-	-	(256,615)	-	256,615
Contingency	-	-	-	140,481	157,979	197,214	186,288	118,065	152,793	90,576	97,731	150,525	1,291,652	2,681,388	1,389,737
<b>DEVELOPMENT COSTS</b>	<b>1,435,574</b>	<b>1,442,843</b>	<b>2,940,073</b>	<b>3,972,642</b>	<b>3,317,565</b>	<b>4,141,489</b>	<b>3,912,047</b>	<b>618,611</b>	<b>3,208,662</b>	<b>1,902,099</b>	<b>2,052,344</b>	<b>3,511,015</b>	<b>32,454,964</b>	<b>55,185,897</b>	<b>22,730,932</b>
<b>CASHFLOW</b>	<b>1,807,103</b>	<b>1,069,278</b>	<b>(2,398,278)</b>	<b>(3,770,313)</b>	<b>(1,050,433)</b>	<b>(584,667)</b>	<b>4,229,088</b>	<b>1,982,289</b>	<b>(1,873,101)</b>	<b>(1,270,255)</b>	<b>3,190,034</b>	<b>2,935,933</b>	<b>4,266,676</b>	<b>(821,543)</b>	<b>5,088,219</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	10,000,000	-	-	-	10,000,000	-	-	20,000,000	20,000,000	-
<b>Cumulative Cash Balance</b>	<b>58,878,119</b>	<b>59,947,396</b>	<b>57,549,118</b>	<b>53,778,805</b>	<b>52,728,371</b>	<b>42,143,704</b>	<b>46,372,792</b>	<b>48,355,081</b>	<b>46,481,980</b>	<b>35,211,725</b>	<b>38,401,758</b>	<b>41,337,692</b>	<b>41,337,692</b>	<b>26,973,628</b>	<b>14,364,064</b>

# CATALINA | FY24 Cashflow (December 2022)

CATEGORY	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY24 TOTAL	APPROVED JUN-22	VARIANCE
Sales - Stage 29	4	4	4	1	-	-	-	-	-	-	-	-	13	-	13
Sales - Stage 31	-	-	-	5	6	6	6	6	6	6	6	6	53	-	53
Sales - Stage 32	-	-	-	-	-	-	-	-	-	-	-	-	-	44	(44)
Sales - Stage 33	-	-	-	-	-	-	-	-	-	-	-	-	-	12	(12)
Sales - Stage 38	-	5	7	7	7	7	3	-	-	-	-	-	36	17	19
Sales - Stage 39	-	-	-	-	-	-	4	7	7	7	7	7	39	42	(3)
Sales - Stage 40	-	-	-	-	-	-	-	-	-	-	-	-	-	42	(42)
Sales - Stage 41	-	-	-	-	-	-	-	-	-	-	-	-	-	2	(2)
<b>Total Sales</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>149</b>	<b>159</b>	<b>(10)</b>
Titles	-	-	-	36	-	66	-	-	-	-	-	42	144	128	16
Settlements	2	3	3	5	9	14	19	21	22	18	11	9	136	209	(73)
Contracts on hand	65	73	81	89	93	92	86	78	69	64	66	70	70	74	(4)
Average Settlement Price	126,988	169,317	148,529	-	-	36,282	135,965	161,337	185,457	212,560	347,826	425,121	170,921	218,296	(47,376)
<b>GROSS INCOME</b>															
Income - Stage 18C	-	-	-	-	-	-	-	198,443	-	-	-	-	198,443	-	198,443
Income - Stage 29	-	-	445,586	-	-	-	-	445,211	1,335,633	1,335,633	1,335,633	1,335,633	6,233,330	5,133,147	1,100,183
Income - Stage 31	-	-	-	-	-	-	2,075,379	2,490,455	2,490,455	2,490,455	2,490,455	2,490,455	14,527,652	27,275,403	(12,747,751)
Income - Stage 32	-	-	-	-	-	-	-	-	-	-	-	-	-	12,256,894	(12,256,894)
Income - Stage 36	253,975	507,951	-	-	-	507,951	507,951	253,975	253,975	-	-	-	2,285,777	958,489	1,327,289
Income - Stage 37	273,417	273,248	546,404	1,366,011	1,092,809	1,366,011	1,366,011	1,366,011	1,366,011	1,639,213	546,404	-	11,201,551	4,647,445	6,554,106
Income - Stage 38	-	-	-	-	1,354,861	1,896,806	1,896,806	1,896,806	1,896,806	812,917	-	-	9,755,000	10,159,859	(404,859)
Income - Stage 39	-	-	-	-	-	-	-	-	-	-	-	-	-	8,157,617	(8,157,617)
Income - Lots Total	527,392	781,199	991,990	1,366,011	2,447,670	3,770,767	5,846,146	6,650,901	7,342,880	6,278,218	4,372,492	3,826,088	44,201,753	68,588,855	(24,387,102)
Income - Special Sites	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income - Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	344,474	221,997	187,719	194,973	393,904	540,082	599,470	649,228	621,985	521,593	542,413	498,203	5,316,040	7,532,158	2,216,117
<b>GROSS INCOME</b>	<b>182,918</b>	<b>559,201</b>	<b>804,272</b>	<b>1,171,039</b>	<b>2,053,766</b>	<b>3,230,685</b>	<b>5,246,676</b>	<b>6,001,672</b>	<b>6,720,894</b>	<b>5,756,625</b>	<b>3,830,079</b>	<b>3,327,885</b>	<b>38,885,713</b>	<b>61,056,697</b>	<b>(22,170,984)</b>
<b>DEVELOPMENT COSTS</b>															
Land	-	-	-	-	-	-	-	-	-	-	-	-	-	5,103,000	5,103,000
Consultants	42,382	42,664	42,949	43,235	43,523	43,813	43,996	44,179	44,363	44,548	44,734	44,920	525,306	579,520	54,214
Infrastructure	7,839	7,891	7,944	7,997	8,050	8,104	8,137	320,184	321,518	314,618	315,929	317,245	1,645,454	960,556	(684,898)
Special Sites/Other Development	-	-	-	-	-	-	-	-	-	-	-	-	-	984,266	984,266
Catalina Beach Bulk Earthworks Stgs 33-35	-	3,515	3,539	3,562	3,586	3,610	3,625	-	-	318,258	319,584	320,916	980,195	-	(980,195)
Catalina Green Cell Bulk Earthworks Stgs 39-40	-	-	141,752	142,697	143,649	144,606	145,209	145,814	-	-	-	-	863,727	-	(863,727)
Catalina Green Bulk Earthworks Stgs 41-44	-	-	-	-	-	-	3,625	3,640	3,655	3,671	3,686	3,701	21,978	1,800,442	1,778,464
Lot Production - Stage 31	-	964,463	964,463	964,463	1,582,407	964,463	964,463	-	-	-	-	-	6,404,724	663,898	(5,740,825)
Lot Production - Stage 32	19,544	19,674	19,805	-	-	-	-	-	-	-	-	-	59,023	4,265,763	4,206,740
Lot Production - Stage 33	-	-	-	-	-	-	-	-	-	-	-	-	-	2,228,437	2,228,437
Lot Production - Stage 34	-	-	-	-	-	-	-	-	-	-	-	-	-	26,502	26,502
Lot Production - Stage 36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot Production - Stage 37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot Production - Stage 38	663,448	663,448	978,008	663,448	663,448	-	-	-	-	-	-	-	3,631,800	1,159,798	(2,472,002)
Lot Production - Stage 39	36,094	36,335	36,577	36,821	37,066	37,313	-	637,328	639,983	642,650	683,064	648,016	3,471,248	3,991,435	520,188
Lot Production - Stage 40	-	-	-	-	24,711	24,876	24,979	25,083	25,188	25,293	25,398	25,504	201,031	2,872,618	2,671,587
Lot Production - Stage 41	-	-	-	-	-	-	-	-	-	-	-	25,504	25,504	231,423	205,919
Lot Production - Stage 42	-	-	-	-	-	-	-	-	-	-	-	-	-	78,105	78,105
Lot Production - Stage 43	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lot Production - Stage 44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Landscape	1,280,248	1,373,149	963,502	969,925	976,391	884,349	274,443	813,024	816,412	819,814	823,229	264,208	10,258,693	2,153,553	(8,105,139)
Marketing	84,369	84,369	84,369	84,369	84,369	84,369	84,369	84,369	84,369	84,369	84,369	84,369	1,012,422	1,020,552	8,130
Community Development	18,625	18,625	18,625	18,625	18,625	18,625	18,625	18,625	18,625	18,625	18,625	18,625	223,500	238,500	15,000
Administration	107,677	108,395	369,216	109,845	110,577	111,314	111,778	112,244	112,712	113,181	113,653	114,126	1,594,717	1,629,922	35,204
Finance/Bonds	(761,155)	(700,000)	-	-	-	-	350,000	(350,000)	-	(350,000)	-	-	(1,811,155)	0	1,811,155
Debtor/Creditor Movement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency	113,011	166,126	181,537	152,249	184,820	116,272	84,162	110,224	103,341	119,251	121,614	93,357	1,545,966	1,499,415	(46,552)
<b>DEVELOPMENT COSTS</b>	<b>1,612,081</b>	<b>2,788,654</b>	<b>3,812,284</b>	<b>3,197,236</b>	<b>3,881,222</b>	<b>2,441,714</b>	<b>2,117,411</b>	<b>1,964,714</b>	<b>2,170,166</b>	<b>2,154,277</b>	<b>2,553,884</b>	<b>1,960,491</b>	<b>30,654,134</b>	<b>31,487,706</b>	<b>833,572</b>
<b>CASHFLOW</b>	<b>(1,429,163)</b>	<b>(2,229,453)</b>	<b>(3,008,012)</b>	<b>(2,026,197)</b>	<b>(1,827,456)</b>	<b>788,971</b>	<b>3,129,265</b>	<b>4,036,959</b>	<b>4,550,729</b>	<b>3,602,348</b>	<b>1,276,195</b>	<b>1,367,394</b>	<b>8,231,579</b>	<b>29,568,991</b>	<b>(21,337,412)</b>
Capital Calls	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit Distributions	-	-	-	-	-	10,000,000	-	-	-	-	-	10,000,000	20,000,000	20,000,000	-
Cumulative Cash Balance	39,908,529	37,679,076	34,671,064	32,644,867	30,817,410	21,606,381	24,735,646	28,772,605	33,323,334	36,925,682	38,201,877	29,569,271	29,569,271	36,542,619	(6,973,348)

## CATALINA | Summary

CATEGORY	CURRENT DEC-22	APPROVED JUN-22	VARIANCE
Total Lots	2,472	2,469	3
Residential Area	830,388m <sup>2</sup>	829,806m <sup>2</sup>	583m <sup>2</sup>
Special Sites Area	72,588m <sup>2</sup>	72,306m <sup>2</sup>	282m <sup>2</sup>
<b>GROSS INCOME</b>			
Income - Lots	729,732,343	721,929,222	7,803,121
Income - Special Sites	27,578,061	27,744,277	(166,216)
Income - Other	287,545	286,887	658
Direct Selling Expenses	80,132,182	79,820,919	(311,263)
<b>GROSS INCOME</b>	<b>677,465,767</b>	<b>670,139,467</b>	<b>7,326,300</b>
<b>DEVELOPMENT COSTS</b>			
Land	12,265,200	10,206,000	(2,059,200)
Consultants	10,075,776	9,825,522	(250,254)
Infrastructure	16,144,568	16,404,514	259,946
Special Sites/Other Development	4,703,970	4,650,887	(53,083)
Lot Production	260,894,299	260,119,985	(774,314)
Landscape	63,916,539	63,428,320	(488,219)
Marketing	11,079,677	10,873,214	(206,463)
Community Development	2,534,860	2,481,378	(53,482)
Administration	25,104,045	24,054,884	(1,049,161)
Finance/Bonds	-	-	-
Contingency	13,078,447	13,323,492	245,045
<b>DEVELOPMENT COSTS</b>	<b>419,797,380</b>	<b>415,368,196</b>	<b>(4,429,184)</b>
<b>CASHFLOW</b>	<b>257,668,387</b>	<b>254,771,271</b>	<b>2,897,116</b>
Capital IRR	10.4%	10.4%	0.0%
Project IRR	16.2%	16.2%	(0.1%)
Profit on Cost	61.4%	61.3%	0.0%
Profit /Lot	104,235	103,188	1,047

## CATALINA | NPV Analysis

DISCOUNT RATE	6%	8%	10%
Current NPV of cashflows Apr-22 onwards	\$88.5m	\$79.8m	\$72.5m
Previous NPV of cashflows Apr-22 onwards	\$88.5m	\$80.3m	\$73.3m
Variance	\$0.0m	(\$0.5m)	(\$0.8m)

Given the current interest rate environment, higher discount or hurdle rates are more appropriate for NPV analysis.

## CATALINA | Distributions

FINANCIAL YEAR	CURRENT DEC-22	APPROVED JUN-22	VARIANCE	CUMULATIVE VARIANCE
PTD FY21	73,700,000	73,700,000	-	-
FY22	10,000,000	10,000,000	-	-
FY23	20,000,000	20,000,000	-	-
FY24	20,000,000	20,000,000	-	-
FY25	17,000,000	17,000,000	-	-
FY26	12,000,000	12,000,000	-	-
FY27	10,000,000	10,000,000	-	-
FY28	10,000,000	10,000,000	-	-
FY29	10,000,000	10,000,000	-	-
FY30	10,000,000	10,000,000	-	-
FY31	10,000,000	8,000,000	2,000,000	2,000,000
FY32	7,000,000	8,000,000	(1,000,000)	1,000,000
FY33	9,000,000	33,000,000	(24,000,000)	(23,000,000)
FY34	26,000,000	-	26,000,000	3,000,000
FY35	-	13,071,271	(13,071,271)	(10,071,271)
FY36	12,968,387	-	12,968,387	2,897,116
FY37	-	-	-	2,897,116
<b>Total</b>	<b>257,668,387</b>	<b>254,771,271</b>	<b>2,897,116</b>	<b>2,897,116</b>

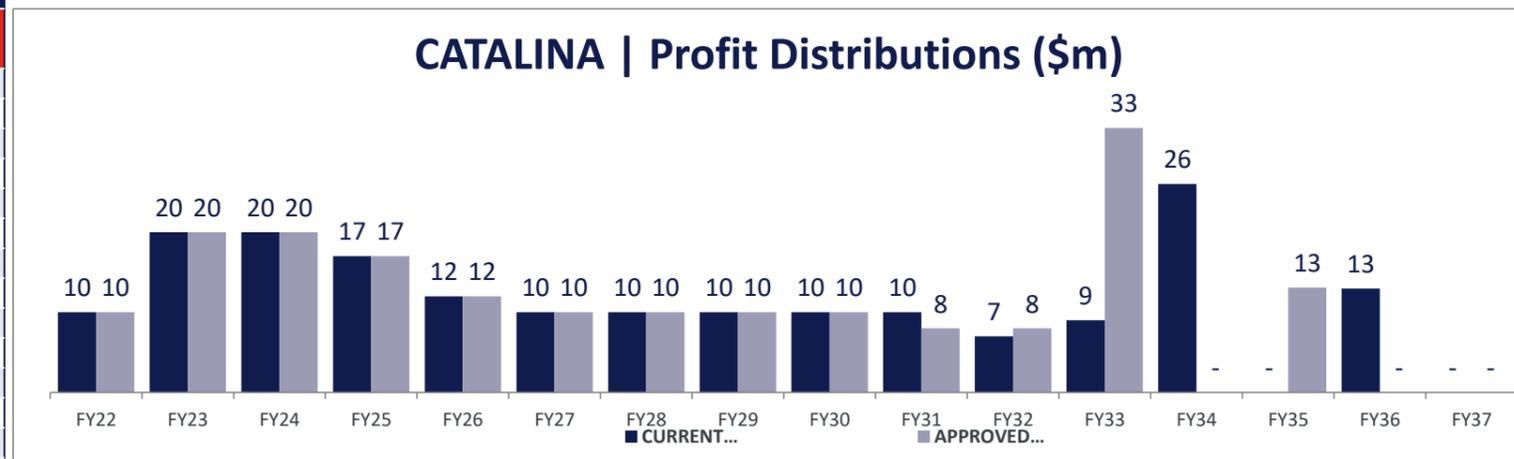
CURRENT DEC-22 PER LOT	APPROVED JUN-22 PER LOT	PER LOT VARIANCE
2,472	2,469	3
336m <sup>2</sup>	336m <sup>2</sup>	(m <sup>2</sup> )
4,033m <sup>2</sup>	4,017m <sup>2</sup>	16m <sup>2</sup>
295,199	292,397	2,802
11,156	11,237	(81)
116	116	0
32,416	32,329	(87)
<b>274,056</b>	<b>271,421</b>	<b>2,634</b>
4,962	4,134	(828)
4,076	3,980	(96)
6,531	6,644	113
1,903	1,884	(19)
105,540	105,354	(185)
25,856	25,690	(166)
4,482	4,404	(78)
1,025	1,005	(20)
10,155	9,743	(413)
-	-	-
5,291	5,396	106
<b>169,821</b>	<b>168,233</b>	<b>(1,588)</b>
<b>104,235</b>	<b>103,063</b>	<b>1,172</b>

Note: All IRR calculations assume a notional land payment of \$77.4m at commencement of the project.

Note: All IRR calculations assume a notional land payment of \$77.4m at commencement of the project.

FEASIBILITY	VARIANCE
2,310	162
828,075m <sup>2</sup>	2,313m <sup>2</sup>
7,826m <sup>2</sup>	64,762m <sup>2</sup>
797,371,531	(67,639,188)
2,997,655	24,580,406
-	287,545
130,908,852	50,776,670
<b>669,460,334</b>	<b>8,005,433</b>
-	(12,265,200)
5,672,600	(4,403,176)
26,107,961	9,963,393
935,121	(3,768,849)
245,536,927	(15,357,372)
36,363,281	(27,553,257)
11,234,127	154,450
2,904,656	369,795
11,881,589	(13,222,456)
-	-
17,031,813	3,953,366
<b>357,668,075</b>	<b>(62,129,306)</b>
<b>311,792,259</b>	<b>(54,123,872)</b>
17.4%	(6.9%)
18.2%	(2.1%)
87.2%	(25.8%)
134,975	(30,740)

## CATALINA | Profit Distributions (\$m)



## CATALINA | Escalation Rates

INCOME						
From	Jan-11	Jul-22	Jan-23	Jan-24	Jan-25	Jan-26
To	Jun-22	Dec-22	Dec-23	Dec-24	Dec-25	End
Current	0.0%	0.0%	5.0%	5.0%	3.5%	3.0%
Previous	0.0%	5.0%	5.0%	5% / 3.5%	3.5% / 3.0%	3.0%
COST						
From	Jan-11	Jul-22	Jan-23	Jan-24	Jan-25	Jan-26
To	Jun-22	Dec-22	Dec-23	Dec-24	Dec-25	End
Current	0.0%	0.0%	8.0%	5.0%	2.0%	2.0%
Previous	0.0%	8.0%	8.0% / 5.0%	5.0% / 2.0%	2.0%	2.0%

## CATALINA | Sales Rates

FINANCIAL YEAR	CURRENT DEC-22	APPROVED JUN-22	VARIANCE
PTD FY21	1,061	1,061	-
FY22	139	162	(23)
FY23	79	177	(98)
FY24	149	159	(10)
FY25	144	136	8
FY26	136	114	22
FY27	112	100	12
FY28	101	104	(3)
FY29	106	102	4
FY30	99	102	(3)
FY31	105	98	7
FY32	96	102	(6)
FY33	104	52	52
FY34	41	-	41
<b>Total</b>	<b>2,472</b>	<b>2,469</b>	<b>3</b>
Final Sale	Nov-33	Dec-32	+11 Mths
Final Settlement	May-34	Jun-33	+11 Mths

FEASIBILITY	VARIANCE
1,692	(631)
180	(41)
180	(101)
180	(31)
78	66
-	136
-	112
-	101
-	106
-	99
-	105
-	96
-	104
-	41
<b>2,310</b>	<b>162</b>
Dec-24	+107 Mths
Mar-25	+110 Mths

# CATALINA | Annual Cashflow (December 2022)

CATEGORY	PROJECT TOTAL	PTD FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
<b>STOCK</b>											
Sales Release	2,472	1,074	148	108	186	131	88	131	97	90	134
Sales	2,472	1,061	139	79	149	144	136	112	101	106	99
Titles	2,472	1,041	92	167	144	85	206	89	97	132	92
Settlements	2,472	1,032	80	110	136	148	144	107	119	97	105
Closing Stock	-	13	22	51	88	75	27	46	42	26	61
Contracts on Hand	-	29	88	57	70	66	58	63	45	54	48
<b>AVERAGE SETTLEMENT PRICE</b>	<b>295,199</b>	<b>266,146</b>	<b>383,644</b>	<b>292,228</b>	<b>325,013</b>	<b>316,306</b>	<b>316,858</b>	<b>319,204</b>	<b>295,967</b>	<b>239,879</b>	<b>303,248</b>
<b>GROSS INCOME</b>											
Income - Lots	729,732,343	274,663,000	30,691,500	32,145,059	44,201,753	46,813,262	45,627,575	34,154,879	35,220,046	23,268,306	31,840,999
Income - Special Sites	27,578,061	4,479,500	-	9,101,682	-	1,341,518	1,006,077	1,598,692	7,591,338	-	1,034,856
Income - Other	287,545	265,756	21,131	658	-	-	-	-	-	-	-
Direct Selling Expenses	80,132,182	23,665,849	2,085,535	4,525,759	5,316,040	5,789,641	5,531,182	4,445,107	5,308,434	3,350,386	3,653,047
<b>GROSS INCOME</b>	<b>677,465,767</b>	<b>255,742,406</b>	<b>28,627,096</b>	<b>36,721,641</b>	<b>38,885,713</b>	<b>42,365,139</b>	<b>41,102,469</b>	<b>31,308,464</b>	<b>37,502,950</b>	<b>19,917,920</b>	<b>29,222,807</b>
<b>DEVELOPMENT COSTS</b>											
Land	12,265,200	-	-	-	-	12,265,200	-	-	-	-	-
Consultants	10,075,776	3,782,058	388,019	474,874	525,306	486,966	505,304	496,567	512,033	512,186	526,302
Infrastructure	16,144,568	11,899,475	4,673,308	1,992,501	1,645,454	638,461	(2,369,632)	-	(2,335,000)	-	-
Special Sites/Other Development	4,703,970	1,798,873	-	200,313	-	-	324,764	1,403,092	976,929	-	-
Lot Production	260,894,299	81,256,591	7,444,988	17,768,413	15,659,230	17,824,309	13,023,426	15,047,060	22,980,967	12,594,315	12,958,297
Landscape	63,916,539	18,092,060	2,610,478	7,833,277	10,258,693	2,042,815	1,964,668	2,036,790	4,382,280	2,601,318	2,392,709
Marketing	11,079,677	2,628,268	201,924	540,000	1,012,422	909,615	865,871	748,904	564,287	581,272	658,565
Community Development	2,534,860	517,884	77,476	150,000	223,500	216,000	204,000	168,000	151,500	159,000	148,500
Administration	25,104,045	4,734,787	794,814	1,122,651	1,594,717	1,648,906	1,657,718	1,660,620	1,670,974	1,678,419	1,690,441
Finance/Bonds	-	4,187,469	(1,489,985)	1,081,284	(1,811,155)	633,505	(350,000)	350,000	(350,000)	350,000	(350,000)
Contingency	13,078,447	-	-	1,291,652	1,545,966	1,801,614	808,806	1,078,052	1,445,198	906,326	918,741
<b>DEVELOPMENT COSTS</b>	<b>419,797,380</b>	<b>128,897,465</b>	<b>14,701,022</b>	<b>32,454,964</b>	<b>30,654,134</b>	<b>38,467,392</b>	<b>16,634,925</b>	<b>22,989,084</b>	<b>29,999,168</b>	<b>19,382,836</b>	<b>18,943,555</b>
<b>CASHFLOW</b>	<b>257,668,387</b>	<b>126,844,941</b>	<b>13,926,074</b>	<b>4,266,676</b>	<b>8,231,579</b>	<b>3,897,748</b>	<b>24,467,545</b>	<b>8,319,380</b>	<b>7,503,782</b>	<b>535,083</b>	<b>10,279,252</b>
Capital Calls	(13,300,000)	(13,300,000)	-	-	-	-	-	-	-	-	-
Capital Returns	13,300,000	13,300,000	-	-	-	-	-	-	-	-	-
<b>PROFIT DISTRIBUTIONS</b>	<b>257,668,387</b>	<b>73,700,000</b>	<b>10,000,000</b>	<b>20,000,000</b>	<b>20,000,000</b>	<b>17,000,000</b>	<b>12,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>
Cash Balance at Year End	-	53,144,941	57,071,016	41,337,692	29,569,271	16,467,019	28,934,563	27,253,943	24,757,725	15,292,809	15,572,061

# CATALINA | Annual

CATEGORY	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40	FY41
<b>STOCK</b>											
Sales Release	130	102	53	-	-	-	-	-	-	-	-
Sales	105	96	104	41	-	-	-	-	-	-	-
Titles	83	89	102	53	-	-	-	-	-	-	-
Settlements	99	102	96	97	-	-	-	-	-	-	-
Closing Stock	86	92	41	-	-	-	-	-	-	-	-
Contracts on Hand	54	48	56	-	-	-	-	-	-	-	-
<b>AVERAGE SETTLEMENT PRICE</b>	<b>329,067</b>	<b>320,932</b>	<b>343,560</b>	<b>338,263</b>	-	-	-	-	-	-	-
<b>GROSS INCOME</b>											
Income - Lots	32,577,644	32,735,037	32,981,777	32,811,505	-	-	-	-	-	-	-
Income - Special Sites	924,399	-	-	500,000	-	-	-	-	-	-	-
Income - Other	-	-	-	-	-	-	-	-	-	-	-
Direct Selling Expenses	3,792,775	3,658,539	3,719,103	3,760,980	1,529,803	-	-	-	-	-	-
<b>GROSS INCOME</b>	<b>29,709,268</b>	<b>29,076,498</b>	<b>29,262,674</b>	<b>29,550,524</b>	<b>(1,529,803)</b>	-	-	-	-	-	-
<b>DEVELOPMENT COSTS</b>											
Land	-	-	-	-	-	-	-	-	-	-	-
Consultants	534,035	546,288	388,866	396,971	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-
Special Sites/Other Development	-	-	-	-	-	-	-	-	-	-	-
Lot Production	13,373,391	12,602,969	14,713,209	3,647,134	-	-	-	-	-	-	-
Landscape	2,490,815	4,733,023	1,993,169	484,445	-	-	-	-	-	-	-
Marketing	670,714	688,186	724,336	285,313	-	-	-	-	-	-	-
Community Development	157,500	144,000	156,000	61,500	-	-	-	-	-	-	-
Administration	1,700,426	1,711,532	1,721,676	1,024,821	516,926	174,617	-	-	-	-	-
Finance/Bonds	-	350,000	(350,000)	(2,251,120)	-	-	-	-	-	-	-
Contingency	946,344	1,021,300	984,863	295,009	25,846	8,731	-	-	-	-	-
<b>DEVELOPMENT COSTS</b>	<b>19,873,224</b>	<b>21,797,298</b>	<b>20,332,120</b>	<b>3,944,073</b>	<b>542,772</b>	<b>183,348</b>	-	-	-	-	-
<b>CASHFLOW</b>	<b>9,836,044</b>	<b>7,279,200</b>	<b>8,930,554</b>	<b>25,606,451</b>	<b>(2,072,575)</b>	<b>(183,348)</b>	-	-	-	-	-
Capital Calls	-	-	-	-	-	-	-	-	-	-	-
Capital Returns	-	-	-	-	-	-	-	-	-	-	-
<b>PROFIT DISTRIBUTIONS</b>	<b>10,000,000</b>	<b>7,000,000</b>	<b>9,000,000</b>	<b>26,000,000</b>	-	<b>12,968,387</b>	-	-	-	-	-
Cash Balance at Year End	15,408,105	15,687,305	15,617,859	15,224,310	13,151,734	-	-	-	-	-	-